ACHIEVE CAREER PREPARATORY ACADEMY
LUCAS COUNTY

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OHIO AUDITOR OF STATE
KEITH FABER

ACHIEVE CAREER PREPARATORY ACADEMY
LUCAS COUNTY
JUNE 30, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Achieve Career Preparatory Academy
Lucas County
3891 Martha Avenue
Toledo, Ohio 43612

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Achieve Career Preparatory Academy, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Achieve Career Preparatory Academy, Lucas County, Ohio as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Academy, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 3 to the financial statements, during 2022, the Academy adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 17 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Academy. Our opinion is not modified with respect to this matter.

Substantial Doubt About the Academy's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Academy will continue as a going concern. As discussed in Note 16 to the financial statements, the Academy has suffered recurring losses from operations, has a net deficit of $1,935,724 and has stated that substantial doubt exists about its ability to continue as a going concern. Note 16 describes the Board's decision to close the Academy as of June 30, 2023. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2023, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

May 23, 2023

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The management's discussion and analysis of Achieve Career Preparatory Academy of Toledo's (the Academy) financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

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

Financial Highlights

In 2022,

Total net position was ($1,935,724).
Total assets were $718,302.
Deferred outflows of resources were $311,425.
Total liabilities were $1,723,102.
Deferred inflows of resources were $1,242,349.

Using this Annual Report

This report includes the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a statement of net position, a statement of revenues, expenses, and change in net position, and a statement of cash flows.

The Statement of Net Position and Statement of Revenues, Expenses, and Change in Net Position reflect how the Academy did financially during fiscal year 2022. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's net position and change in net position. This change in net position is important because it tells the reader whether the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

This report also includes required supplementary information concerning the Academy's net other post-employment benefits (OPEB) asset, net pension liability and net OPEB liability, and notes to the required supplementary information.

The Academy uses enterprise presentation for all of its activities.

Statement of Net Position

Table I provides a summary of the Academy's net position for fiscal years 2022 and 2021:

TABLE 1	**Governmental Activities** June 30 2022	2021 (restated)
Assets		
Current assets	$ 187,363	$ 284,334
Noncurrent assets	10,000	10,000
Capital and lease assets - net	444,270	572,503
Net OPEB asset	76,669	68,748
Total assets	718,302	935,585
Deferred Outflows of Resources		
Pension	257,251	285,516
OPEB	54,174	83,708
Total deferred outflows of resources	311,425	369,224
Liabilities		
Current liabilities	804,637	863,931
Noncurrent liabilities		
Due in more than one year		
Notes payable	-	109,580
Leases payable	277,333	414,396
Net pension liability	580,003	1,384,410
Net OPEB liability	61,129	149,308
Total noncurrent liabilities	918,465	2,057,694
Total liabilities	1,723,102	2,921,625
Deferred Inflows of Resources		
Pension	757,482	193,286
OPEB	484,867	210,925
Total deferred inflows of resources	1,242,349	404,211
Net Position		
Invested in capital assets (net of related debt)	29,874	21,884
Unrestricted (deficit)	(1,965,598)	(2,042,911)
Total net (deficit)	$(1,935,724)	$(2,021,027)

Statement of Net Position (continued)

GASB Statements No. 68 and 75

The net pension liability (NPL) is the largest single liability reported by the Academy at June 30, 2022 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." In a prior period, the Academy also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Academy's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the Academy's proportionate share of each plan's collective:

a) present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
b) minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Academy is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2022 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

Statement of Net Position (continued)

GASB Statements No. 68 and 75 (continued)

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Academy's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

GASB Statement No. 87

During fiscal year 2022, the Academy implemented GASB Statement No. 87, *"Leases"*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain leased (right-to-use) assets and liabilities for leases that were previously classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB 87 state that the Academy is not required to estimate what the right-to-use asset would have been if it initially had been recognized and amortized in prior periods as a lease, and the lease liability should be measured using the remaining lease term and discount rate as of the beginning of the earliest period restated. Under this guidance the Academy has restated lease assets and lease liabilities at July 1, 2021; however, the effect on the net position of the Academy at July 1, 2021 is $0. The restatement of net position consists of the following:

Restatement of Net Position

Net Position (deficit) June 30, 2021	($2,021,027)
Lease Assets	550,619
Lease Liability	(550,619)
Restated Net Position (deficit) July 1, 2021	($2,021,027)

Statement of Net Position (continued)

Total net position for the Academy increased $85,303. Cash was $2,853. Total receivables increased by $69,557 primarily due to an increase in the year-end accrual of ESSER and Title I funding. Lease assets (net of amortization) decreased by $143,550 due to the implementation of GASB 87. Contracts payable decreased $92,504 due to the collection of prior year management fees. Notes Payable decreased $213,500 due to the forgiveness of a loan obtained through the U.S. Small Business Administration's Paycheck Protection Program (see Note 13).

Due to cash flow issues affecting the Academy's ability to pay, rent from July 2020 forward is still outstanding. Outstanding rent payable to Beverly Victory Avenue Property Holdings, LLC (affiliated with The Leona Group, LLC) prior to the implementation of GASB 87 is recorded in contracts payable. Unpaid rent for the month of July 2021 and beyond is presented in the financial statements as a portion of the current lease payable and accrued interest payable.

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Change in Net Position

Table 2 shows the change in net position for fiscal years 2022 and 2021, as well as a listing of revenues and expenses.

TABLE 2	Governmental Activities June 30 2022	2021 (restated)
Operating Revenues		
Foundation payments	$ 604,810	$ 764,223
Other revenues	47,987	51,230
Nonoperating Revenues		
Federal grants	952,079	390,067
State grants	374,424	250,532
Other non-operating revenue	-	1,830
Total revenue	1,979,300	1,457,882
Operating Expenses		
Purchased services	1,544,294	1,467,992
Materials and supplies	116,811	83,534
Depreciation/amortization (unallocated)	164,580	22,185
Other expenses	49,051	42,234
Nonoperating Expenses		
Interest and fiscal charges	19,261	2,047
Total expenses	1,893,997	1,617,992
Increase (decrease) in net position	$ 85,303	$ (160,110)
Net position (deficit) beginning of year	(2,021,027)	(1,860,917)
Net position (deficit) end of year	$(1,935,724)	$(2,021,027)

Change in Net Position (continued)

Net position increased by $85,303. Foundation payments decreased $159,413 due to decreased student count. State grants increased $123,892, primarily due to the effect of the Ohio Amended Substitute House Bill 110, which made significant changes to the calculation and payment of state funding. Federal grants increased $562,012 primarily due to net increases in Elementary and Secondary School Emergency Relief (ESSER) funding and the forgiveness of a loan obtained through the U.S. Small Business Administration's Paycheck Protection Program. Several significant factors resulted in a net increase to purchased services of $76,302, including an increase in teacher salaries due to ESSER stipends and a net decrease in pension and OPEB expense. In addition, purchased services was impacted by a $144,000 decrease in facility rental expense that was mostly offset by a $143,550 increase in amortization, both due to the implementation of GASB 87.

Capital and Lease (Right-To-Use) Assets

As stated earlier, in fiscal year 2022 the Academy implemented GASB Statement No. 87, *"Leases"*. This resulted in the restatement of beginning lease (right-to-use) assets at July 1, 2021, as indicated in the table below.

At the end of fiscal year 2022, the Academy had $444,270 invested in capital assets and lease assets (net of depreciation/amortization).

Table 3 shows capital assets and lease assets (net of depreciation/amortization) for fiscal years 2022 and 2021.

TABLE 3	**Net Capital and Lease Assets** June 30 2022	2021 (restated)
Buildings – lease	$ 401,377	$ 535,170
Equipment - lease	5,692	15,449
Furniture and fixtures	37,201	21,884
Total capital and lease assets	$ 444,270	$ 572,503

For more information on capital assets and lease assets, see Note 6 to the basic financial statements.

Current Financial Issues

Achieve Career Preparatory Academy was formed in 2009. During the 2021-2022 school year there were 73 students enrolled in the Academy. This was significantly short of the Academy's initial forecast and can be attributed to the continuing impact of the COVID-19 pandemic. Net loss, net of pension- and OPEB-related adjustments and the forgiveness of the Paycheck Protection Program loan, was $(136,604), a decrease of $80,858 from the prior fiscal year. This was due to several factors, including a reduction in Foundation payments from the Ohio Department of Education, and increased spending on non-pension/OPEB-related purchased services. The Academy receives its finances mostly from state aid; however, due to the unprecedented amount of federal funding as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020), the proportion of state aid to total revenue is significantly reduced in fiscal year 2022. Foundation payments for fiscal year 2022 amounted to $604,810.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The state of emergency in the State of Ohio ended on June 18, 2021. On February 18, 2022, the state of emergency in the United States was extended beyond March 1, 2022, with no specified end date. The financial impact of COVID-19 and the ensuing emergency measures have impacted the current period and will continue to impact subsequent periods of the Academy.

Contacting the Academy's Financial Management

The financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the funds it receives. If you have questions about this report or need additional information, contact:

Melinda Benkovsky
Chief Financial Officer
The Leona Group, LLC
2125 University Park Drive, Okemos, MI 48864
melinda.benkovsky@leonagroupmw.com

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Statement of Net Position
June 30, 2022

Assets	
Current Assets	
Cash and cash equivalents	$ 2,853
Accounts receivable	97
Intergovernmental receivable	173,561
Prepaid items	10,852
Total current assets	187,363
Noncurrent Assets	
Security deposits	10,000
Depreciable capital assets, net	37,201
Right-to-use assets, net	407,069
Net OPEB asset	76,669
Total noncurrent assets	530,939
Total Assets	718,302
Deferred Outflows of Resources	
Pension	257,251
OPEB	54,174
Total Deferred Outflows of Resources	311,425

(continued)

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Statement of Net Position
June 30, 2022
(continued)

Liabilities	
Current Liabilities	
Accounts payable	$ 9,554
Contracts payable	435,912
Accrued wages payable	66,772
Intergovernmental payable	4,269
Deferred revenue	4,213
STRS-SERS payable	2,854
Leases payable - current portion	263,633
Interest payable	17,430
Total current liabilities	804,637
Noncurrent Liabilities	
Due in more than one year	
Leases payable	277,333
Net pension liability	580,003
Net OPEB liability	61,129
Total noncurrent liabilities	918,465
Total Liabilities	1,723,102
Deferred Inflows of Resources	
Pension	757,482
OPEB	484,867
Total Deferred Inflows of Resources	1,242,349
Net Position	
Investment in capital assets (net of related debt)	29,874
Unrestricted (deficit)	(1,965,598)
Total Net (Deficit)	$(1,935,724)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Statement of Revenues, Expenses, and Change in Net Position
For the Fiscal Year Ended June 30, 2022

Operating Revenues	
Foundation payments	$ 604,810
Other revenues	47,987
Total operating revenues	652,797
Operating Expenses	
Purchased services	1,544,294
Materials and supplies	116,811
Depreciation and amortization	164,580
Other	49,051
Total operating expenses	1,874,736
Operating Loss	(1,221,939)
Nonoperating Revenues and Expenses	
Federal grants	952,079
State grants	374,424
Interest and fiscal charges	(19,261)
Total nonoperating revenues and expenses	1,307,242
Change in Net Position	85,303
Net (Deficit) Beginning of Year (restated - see Note 3)	(2,021,027)
Net (Deficit) End of Year	$(1,935,724)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

Decrease in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash received from State of Ohio	$ 603,805
Cash received from other operating revenues	40,872
Cash payments to suppliers for goods and services	(1,791,651)
Net Cash Used for Operating Activities	(1,146,974)
Cash Flows from Noncapital Financing Activities	
Federal grants received	652,402
State grants received	363,142
Refund of prior year expense	1,830
Loan principal payments	(56,416)
Loan interest payments	(3,659)
Loan principal refunded	56,416
Loan interest refunded	3,659
Lease principal payments	(9,653)
Lease interest payments	(403)
Proceeds of short term loans	10,000
Repayment of short term loans	(10,000)
Net Cash Provided by Noncapital Financing Activities	1,007,318
Cash Flows from Capital and Related Financing Activities	
Payments for capital acquisitions	(35,136)
Net Cash Used for Capital and Related Financing Activities	(35,136)
Net Decrease in Cash and Cash Equivalents	(174,792)
Cash and Cash Equivalents at Beginning of Year	177,645
Cash and Cash Equivalents at End of Year	$ 2,853

(Continued)

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022
(continued)

Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating loss	$(1,221,939)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation and amortization	164,580
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Decrease in accounts receivable	51
Decrease in intergovernmental receivable	10,579
Increase in prepaid items	(8,264)
Increase in net OPEB asset	(7,921)
Decrease in deferred outflows-pension	28,265
Decrease in deferred outflows-OPEB	29,534
Decrease in accounts payable	(13,483)
Increase in contracts payable-LOEG	449
Decrease in contracts payable-TLG	(92,954)
Increase in accrued wages and benefits	19,583
Decrease in intergovernmental payable	(1,528)
Increase in STRS-SERS payable	522
Decrease in net pension liability	(804,407)
Decrease in net OPEB liability	(88,179)
Increase in deferred inflows-pension	564,196
Increase in deferred inflows-OPEB	273,942
Total Adjustments	(89,615)
Net Cash Used for Operating Activities	$(1,146,974)
Non-cash Financing Activities	
Forgiveness of PPP loan and interest	$ 217,337

At June 30, 2021, $60,268 of the intergovernmental receivable related to nonoperating activity.

At June 30, 2022, $140,132 of the intergovernmental receivable related to nonoperating activity.

At June 30, 2021, $858 of the intergovernmental payable related to nonoperating activity.

At June 30, 2022, $1,332 of the intergovernmental payable related to nonoperating activity.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

1. DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY

Achieve Career Preparatory Academy (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 102. The Academy's objective is to serve students who are not thriving in a traditional setting, desire meaningful learning experiences and wish to regain a level of control over their educational experience. As a family of learners, students and staff exhibit an in-depth understanding, acceptance of others, personal integrity and responsibility, and a willingness to exercise leadership in their educational and social interactions. Staff, students and their families are committed to facing the challenges of the new century, believing that there is no problem too complex nor goal too lofty that cannot be mastered. The Academy's programs are currently available to students in grades 9 – 12. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

The Academy was approved for operation under a contract with the Buckeye Community Hope Foundation (the Sponsor) for a period of one year commencing May 8, 2009, with a three-year renewal on July 1, 2010, a two-year renewal on July 1, 2013, and a five-year renewal on July 1, 2015. On May 22, 2020, the contract was renewed for a five-year period commencing July 1, 2020. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The Academy operates under the direction of a five-member board of directors. The board of directors is responsible for carrying out the provisions of the contract which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The board of directors controls the Academy's instructional/support facility staffed by two certificated personnel and seventeen non-certificated personnel who provide services to 73 students.

The Governing Board has entered into a management contract with The Leona Group, LLC (TLG), a for-profit limited liability corporation, for management services and operation of its Academy. TLG operates the Academy's instructional/support facility, is the employer of record for all personnel and supervises and implements the curriculum. In exchange for its services, TLG receives a capitation fee. (See Note 14).

The State of Ohio requires that the financial activities of all community schools are overseen by a licensed fiscal officer. The fiscal officer is retained by the board of directors and is not affiliated with TLG.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental nonprofit organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Descriptions of the more significant of the Academy's accounting policies follow.

A. Basis of Presentation

The Academy's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and change in net position, a statement of cash flows, and required supplementary information. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses, and change in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Revenues resulting from non-exchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

Expenses are recognized at the time they are incurred.

D. Budgetary Process

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast which is to be updated on an annual basis.

E. Cash and Cash Equivalents

All monies received by the Academy are maintained in a bank account in the Academy's name. Monies for the Academy are maintained in this account or temporarily used to purchase short-term investments.

F. Receivables

Accounts receivable and intergovernmental receivables at June 30, 2022 are considered collectible in full and will be received within one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets are depreciated. Depreciation is computed using the straight-line method. A summary of capital asset activity can be found in Note 6. Cost thresholds and useful lives are as follows:

Capitalization and Depreciation Policy

Category	Cost Threshold	Useful Life
Building Related:		
Leasehold improvements	Professional judgement not less than $25,000	Life of Lease
Furniture and Equipment:		
Furniture, fixtures, and equipment	Individual item - $5,000	7 years
EDP equipment and software	Sum of like items in a	3 years
Non-EDP equipment	single purchase - $12,500	6 years

H. Lease Assets (Right-Of-Use)

Lease assets are reported on the statement of net position and are initially measured as the sum of the initial measurement of the lease liability and any payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs that are ancillary charges necessary to place the lease asset into service. The lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization is reported as an outflow of resources and combined with depreciation expense related to other capital assets for financial reporting purposes. Lease asset data is presented together with capital asset data in Note 6.

I. Lease Liability

Lease liability is reported on the statement of net position and is initially measured at the present value of payments expected to be made during the lease term. Payments are discounted using an implicit interest rate, or if not readily determined by the lessee, the lessee's incremental borrowing rate, and amortized over the life of the lease. Leases not meeting the criteria of a long-term lease liability will be recognized as outflows of resources (expenses) based on the payment provisions of the lease contract. Lease liability is presented with other long-term debt in Note 13.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "investment in capital assets" consists of capital assets, net of accumulated depreciation and related debt. Portions of net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

K. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Academy. Revenues and expenses not meeting these definitions are reported as non-operating.

L. Intergovernmental Revenue

The Academy currently participates in the State Foundation Program. Revenue received from this program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met.

Grants and entitlements are recognized as nonoperating revenues in the accounting period in which eligibility requirements have been met.

M. Estimates

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that time. For the Academy, deferred outflows of resources are reported on the statement of net position for pension and other post-employment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 8 and 9, respectively.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Academy, deferred inflows of resources consist of pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 8 and 9, respectively.

O. Pensions/Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB asset, net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For the fiscal year ended June 30, 2022, the Academy implemented GASB Statement No. 87, *"Leases"*.

GASB Statement No. 87 improves accounting and financial reporting for leases by governments by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB Statement No. 87 resulted in the inclusion of lease assets and lease liability on the financial statements. See below for the effect on net position as previously reported.

Restatement of Net Position

Net Position June 30, 2021	($2,021,027)
Lease Assets	550,619
Lease Liability	(550,619)
Restated Net Position July 1, 2021	($2,021,027)

Although lease assets and lease liabilities will each be restated, there is no change in total net position.

4. DEPOSITS AND INVESTMENTS

The Academy has designated one bank for the deposit of its funds. The Academy's deposits consist solely of checking and/or savings accounts at a local bank; therefore, the Academy has not adopted a formal investment policy.

A. Cash on Hand

At June 30, 2022, the carrying amount of all Academy deposits was $2,853. At June 30, 2022, the Academy's bank balance of $9,305 was fully insured by the Federal Deposit Insurance Corporation.

B. Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of bank failure, the Academy will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Academy has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the Academy and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Academy to a successful claim by the FDIC.

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5. RECEIVABLES

Receivables at June 30, 2022 consisted of intergovernmental grants and vendor refunds. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of receivables follows:

Receivables

Source	June 30, 2022
Intergovernmental receivable:	
Title I	$ 18,578
Title I SIP	9,735
Title IIa	400
Title IVa	1,327
ESSER II	56,956
ESSER III	51,772
ARP Homeless	1,364
Medicaid	25,695
eRate	4,855
Casino Tax Revenue	2,153
SERS Refund	726
Total intergovernmental receivable	$ 173,561
Accounts receivable:	
Sponsor fee on foundation adjustment	$ 93
Vendor refund due	4
Total accounts receivable	$ 97

6. CAPITAL ASSETS AND LEASE ASSETS

As previously discussed in Note 3, lease assets were restated at July 1, 2021, due to the implementation of GASB87.

Capital asset and lease asset activity for the fiscal year ended June 30, 2022 is as follows:

Capital Asset and Lease Asset Activity

Category	Balance June 30, 2021*	Additions	Deletions	Balance June 30, 2022
Capital/lease assets being depreciated/amortized:				
Buildings - lease*	$ 535,170	$ -	$ -	$ 535,170
Equipment - lease*	15,449	-	-	15,449
Furniture and fixtures	293,699	36,347	598	329,448
Total depreciable capital/lease assets	844,318	36,347	598	880,067
Less accumulated depreciation/amortization:				
Buildings - lease*	-	(133,793)	-	(133,793)
Equipment - lease*	-	(9,757)	-	(9,757)
Furniture and fixtures	(271,815)	(21,030)	(598)	(292,247)
Total accumulated depreciation/amortization	(271,815)	(164,580)	(598)	(435,797)
Total depreciable capital/lease assets - net	$ 572,503	$(128,233)	$ 0	$ 444,270

*as restated

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7. RISK MANAGEMENT

A. Property and Liability

The Academy is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the Academy contracted with Philadelphia Indemnity Insurance Company for general liability, property insurance and educational errors and omissions insurance.

Coverage is as follows:

Insurance Coverages

Type	FY2022 Limits
Educational Errors and Omissions:	
D&O Liability and Employment Practices	$11,000,000
General Liability:	
General Aggregate	2,000,000
General Per Occurrence	1,000,000
Abuse/Molestation Aggregate	1,000,000
Abuse/Molestation Per Occurrence	1,000,000
Umbrella	10,000,000
Property:	
Building	9,677,138
Personal Property	300,000
Business Income	150,000
Auto Liability:	
Combined Single Limit	1,000,000
Miscellaneous:	
Student Sports Per Occurrence	50,000
Student Sports Aggregate	2,050,000
Fiduciary and Crime	500,000
Cyber Liability	1,000,000

Settled claims have not exceeded this coverage in any of the past three years. Any changes in coverage from the prior year not previously explained are due to periodic reviews of the needs of the Academy.

B. Workers' Compensation

The Academy pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

8. DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

A. Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the Academy's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Academy's obligation for this liability to annually required payments. The Academy cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Academy does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)*. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in STRS-SERS payable and/or accrued wages payable.

The remainder of this note includes the required pension disclosures. See Note 9 for the required OPEB disclosures.

8. DEFINED BENEFIT PENSION PLANS (continued)

B. Plan Description - School Employees Retirement System (SERS)

Plan Description – Academy non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Benefits	Eligible to Retire on or before August 1, 2017*	Eligible to Retire On or After August 1, 2017
Full	Age 65 with 5 years of service credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit, or Age 57 with 30 years of service credit
Actuarially Reduced	Age 60 with 5 years of service credit, or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit, or Age 60 with 25 years of service credit

*Members with 25 years of service credit as of August 1, 2017 will be included in this plan

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPIW, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. SERS approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2022.

The Academy's contractually required contribution to SERS was $21,555 for fiscal year 2022. The full amount was contributed for fiscal year 2022.

8. DEFINED BENEFIT PENSION PLANS (continued)

C. Plan Description - State Teachers Retirement System (STRS)

Plan Description – Academy licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

8. DEFINED BENEFIT PENSION PLANS (continued)

C. Plan Description - State Teachers Retirement System (STRS) (continued)

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The Academy was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2022 contribution rates were equal to the statutory maximum rates.

The Academy's contractually required contribution to STRS was $77,575 for fiscal year 2022. The full amount was contributed for fiscal year 2022.

D. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net liability:			
Current measurement date	0.00311850%	0.00363634%	
Prior measurement date	0.00662090%	0.00391169%	
Change in proportionate share	(0.00350240%)	(0.00027535%)	
Proportionate share of the net pension liability	$ 115,064	$ 464,939	$ 580,003
Pension expense	$ (71,776)	$ (41,040)	$ (112,816)

8. DEFINED BENEFIT PENSION PLANS (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period.

At June 30, 2022, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources - Pension			
Differences between expected and actual experience	$ 11	$ 14,364	$ 14,375
Changes of assumptions	2,423	128,982	131,405
Changes in proportion and differences between Academy contributions and proportionate share of contributions	12,341	-	12,341
Academy contributions subsequent to the measurement date	21,555	77,575	99,130
Total deferred outflows of resources	$ 36,330	$ 220,921	$ 257,251
Deferred Inflows of Resources - Pension			
Differences between expected and actual experience	$ 2,984	$ 2,915	$ 5,899
Net difference between projected and actual earnings on pension plan investments	59,258	400,689	459,947
Changes in proportion and differences between Academy contributions and proportionate share of contributions	132,841	158,795	291,636
Total deferred inflows of resources	$ 195,083	$ 562,399	$ 757,482

8. DEFINED BENEFIT PENSION PLANS (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

$99,130 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Amortization of Deferred Outflows and Deferred Inflows - Pension

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	$ (85,797)	$ (152,869)	$ (238,666)
2024	(62,234)	(87,838)	(150,072)
2025	(14,089)	(85,881)	(99,970)
2026	(18,188)	(92,465)	(110,653)
Total to be amortized	$ (180,308)	$ (419,053)	$ (599,361)

E. Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2132.

8. DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions – SERS (continued)

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Method	Assumption
Actuarial cost method	Entry Age Normal (Level Percent of Payroll, Closed)
Inflation	2.40 percent
Future salary increases, including inflation	3.25 percent to 13.58 percent
Investment rate of return	7.00 percent net of investment expense, including inflation
COLA or ad hoc COLA	2.00 percent, on and after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term return expectation for the investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

8. DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions – SERS (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Real Rates of Return on Pension Plan Investments - SERS

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategies	4.00	3.47
Private Debt/Private Credit	3.00	5.28
	100.00 %	

Discount Rate Total pension liability was calculated using the discount rate of 7.00 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments was 28.18 percent.

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the Academy's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Academy's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

Sensitivity to Changes in Discount Rate - SERS

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net pension liability	$ 191,438	$ 115,064	$ 50,654

8. DEFINED BENEFIT PENSION PLANS (continued)

F. Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, are presented below:

Calculating Total Pension Liability - STRS

Method	Assumption
Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-living adjustments (COLA)	0.00 percent

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2021 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Real Rates of Return on Pension Plan Investments - STRS

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	1.00	2.25
	100.00 %	

8. DEFINED BENEFIT PENSION PLANS (continued)

F. Actuarial Assumptions – STRS (continued)

* Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the Academy's proportionate share of the net pension liability measured as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the Academy's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption:

Sensitivity to Changes in Discount Rate - STRS

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net pension liability	$ 870,656	$ 464,939	$ 122,108

Assumption and Benefit Changes since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

9. DEFINED BENEFIT OPEB PLANS

See Note 8 for a description of the net OPEB liability (asset).

A. Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The Academy contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the Academy's surcharge obligation was $2,912, which is reported as a component of STRS-SERS payable.

9. DEFINED BENEFIT OPEB PLANS (continued)

B. Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B partial premium reimbursements will be continued indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

C. Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Academy's proportion of the net OPEB liability (asset) was based on the Academy's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/(asset):			
Current measurement date	0.00322990%	0.00363634%	
Prior measurement date	0.00687000%	0.00391169%	
Change in proportionate share	(0.00364010%)	(0.00027535%)	
Proportionate share of the net OPEB liability (asset)	$ 61,129	$ (76,669)	$ (15,540)
OPEB expense	$ (16,118)	$ 226,406	$ 210,288

9. DEFINED BENEFIT OPEB PLANS (continued)

C. Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

At June 30, 2022, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources - OPEB			
Differences between expected and actual experience	$ 653	$ 2,730	$ 3,383
Changes of assumptions	9,588	4,897	14,485
Changes in proportion and differences between Academy contributions and proportionate share of contributions	20,054	13,340	33,394
Academy contributions subsequent to the measurement date	2,912	-	2,912
Total deferred outflows of resources - OPEB	$ 33,207	$ 20,967	$ 54,174
Deferred Inflows of Resources - OPEB			
Differences between expected and actual experience	$ 30,447	$ 14,048	$ 44,495
Net difference between projected and actual earnings on OPEB plan investments	1,326	21,250	22,576
Changes of assumptions	8,370	45,740	54,110
Changes in proportion and differences between Academy contributions and proportionate share of contributions	99,734	263,952	363,686
Total deferred inflows of resources - OPEB	$ 139,877	$ 344,990	$ 484,867

$2,912 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization of Deferred Outflows and Deferred Inflows - OPEB

Fiscal Year Ending June 30:	SERS	STRS	Total
2023	$ (21,723)	$ (101,986)	$ (123,709)
2024	(21,732)	(101,454)	(123,186)
2025	(21,196)	(107,803)	(128,999)
2026	(18,542)	(9,709)	(28,251)
2027	(16,800)	(3,115)	(19,915)
Thereafter	(9,589)	44	(9,545)
Total to be amortized	$ (109,582)	$ (324,023)	$ (433,605)

9. DEFINED BENEFIT OPEB PLANS (continued)

D. Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, are presented below:

Method	Assumption
Inflation	2.40 percent
Salary increases, including inflation	3.25 percent to 13.58 percent
Investment rate of return	7.00 percent net of investment expense, including inflation
Municipal bond index rate	
Measurement date	1.92 percent
Prior measurement date	2.45 percent
Single equivalent interest rate	
Measurement date	2.27 percent, net of plan investment expense, including price inflation
Prior measurement date	2.63 percent, net of plan investment expense, including price inflation
Medical trend assumption	
Pre-Medicare	6.750 percent - 4.40 percent
Medicare	5.125 percent - 4.40 percent

9. DEFINED BENEFIT OPEB PLANS (continued)

D. Actuarial Assumptions – SERS (continued)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Real Rates of Return on OPEB Plan Investments - SERS

Asset Class	Target Allocation		Long Term Expected Real Rate of Return	
Cash	2.00	%	(0.33)	%
US Equity	24.75		5.72	
Non-US Equity Developed	13.50		6.55	
Non-US Equity Emerging	6.75		8.54	
Fixed Income/Global Bonds	19.00		1.14	
Private equity	11.00		10.03	
Real Estate/Real Assets	16.00		5.41	
Multi-Asset Strategies	4.00		3.47	
Private Debt/Private Credit	3.00		5.28	
	100.00	%		

9. DEFINED BENEFIT OPEB PLANS (continued)

D. Actuarial Assumptions – SERS (continued)

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021, was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.27 percent) and higher (3.27 percent) than the current discount rate (2.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

Sensitivity to Changes in Discount Rate - SERS

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net OPEB liability	$ 75,746	$ 61,129	$ 49,451

Sensitivity to Changes in Trend Rate - SERS

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB liability	$ 47,064	$ 61,129	$ 79,914

9. DEFINED BENEFIT OPEB PLANS (continued)

E. Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

Method	Assumption	
Inflation	2.50 percent	
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll increases	3.00 percent	
Investment rate of return	7.00 percent, net of investment expenses, including inflation	
Discount rate of return	7.00 percent	
Health care cost trends		
Medical	Initial	Ultimate
Pre-Medicare	5.00 percent	4.00 percent
Medicare	(16.18) percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2021 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

9. DEFINED BENEFIT OPEB PLANS (continued)

E. Actuarial Assumptions – STRS (continued)

Real Rates of Return on OPEB Plan Investments - STRS

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic equity	28.00 %	7.35 %
International equity	23.00	7.55
Alternatives	17.00	7.09
Fixed income	21.00	3.00
Real estate	10.00	6.00
Liquidity reserves	1.00	2.25
	100.00 %	

*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021.

Sensitivity of the Academy's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset measured as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2021, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

9. DEFINED BENEFIT OPEB PLANS (continued)

E. Actuarial Assumptions – STRS (continued)

Sensitivity to Changes in Discount Rate - STRS

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net OPEB asset	$ (64,697)	$ (76,669)	$ (86,670)

Sensitivity to Changes in Trend Rate - STRS

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB asset	$ (86,265)	$ (76,669)	$ (64,803)

Assumption Changes Since the Prior Measurement Date The discount rate was adjusted to 7.00 percent from 7.45 percent for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in current year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

10. CONTINGENCIES

A. Grants

The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2022.

B. Litigation

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

11. PURCHASED SERVICE EXPENSES

For the period ended June 30, 2022, purchased service expenses were payments for services rendered by various vendors and adjustments related to pension and OPEB, as follows:

Purchased Services

Category	FY2022
Salaries	$ 740,306
Fringe benefits	251,867
Other professional and technical services	72,994
The Leona Group, LLC	181,704
Legal services	2,830
Buckeye Community Hope Foundation	22,273
Cleaning services	53,936
Repairs and maintenance	41,578
Other rentals	296
Communication	58,012
Advertising	16,444
Utilities	67,078
Contracted food service	30,176
Pupil transportation	4,800
Total purchased services	$1,544,294

12. LEASES

A. Equipment Leases

During January 2019, the Academy entered into leases with Konica Minolta for two copiers for 48 months each at a total monthly rental fee of $838.

B. Facility Lease

On May 19, 2016, the Academy entered into a lease for the period July 1, 2016 through June 30, 2021 with Beverly Victory Avenue Property Holdings, LLC (BVAPH), a TLG-affiliated company. Annual rent for the first two years of the lease is $120,000, and $144,000 thereafter. On August 4, 2021, the lease was extended for an additional four-year term through June 30, 2025, with annual rent of $144,000.

12. LEASES (continued)

C. GASB Statement No. 87

In previous fiscal years, these leases were treated as operating leases. In accordance with GASB Statement No. 87, the Academy evaluated these leases and determined that they meet the criteria for recording them as lease liabilities. The Academy calculated the liabilities based on the present value of the future lease payments as of July 1, 2021, using the Academy's incremental borrowing rate of 3.65 percent, and amortized payments over the life of the lease.

Due to cash flow issues affecting the Academy's ability to pay, rent from July 2020 forward is still outstanding. Outstanding rent payable to Beverly Victory Avenue Property Holdings, LLC prior to the implementation of GASB 87 is recorded in contracts payable. Unpaid rent for the month of July 2021 and beyond is presented in the financial statements as a portion of the current lease payable and accrued interest payable. Beverly Victory Avenue Property Holdings, LLC has opted not to record additional interest or late charges on the unpaid balance.

During the fiscal year, the Academy made lease payments totaling $10,056, consisting of $9,653 in principal and $403 in interest.

The following is a schedule of the future minimum payments required under the leases as of June 30, 2022:

Future Minimum Lease Due

Fiscal Year Ending June 30,	Annual Total	Principal	Interest
2023	$ 293,866	$ 263,633	$ 30,233
2024	144,000	136,140	7,860
2025	144,000	141,193	2,807
Total minimum lease payments	$ 581,866	$ 540,966	$ 40,900

13. DEBT

On April 30, 2020, the Academy entered into a note payable with Citizens Bank N.A in the amount of $213,500 under the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the Small Business Administration (SBA) under the Payroll Protection Program (PPP). This note is considered a direct borrowing. Direct borrowings have terms negotiated between the Academy and the lender and are not offered for public sale. The note carries an interest rate of 1 percent and has a maturity date of March 14, 2023. Payments are initially deferred for six months from the date of disbursement, with interest accruing during the deferment period. On March 1, 2022, pursuant to Section 1106 of the CARES Act, the SBA issued a Notice of PPP Forgiveness Payment for the full principal plus $3,837 in paid and accrued interest.

The lease obligation is being recognized due to the implementation of GASB Statement No. 87 as previously described in Note 12. The lease obligation is being amortized over the remaining life of the leases and presented as a reduction of lease liability and interest expense in the accompanying financial statements.

13. DEBT (continued)

See Note 8 for detail on the Academy's net pension liability and Note 9 for detail on the Academy's net OPEB liability.

Debt activity during fiscal year 2022 is as follows:

Owed To	Balance at 6/30/2021 (as restated)	Additions	Reductions	Balance at 6/30/2022	Due in one year
Citizens Bank N.A.	$ 213,500	$ -	$ 213,500	$ -	$ -
Beverly Victory Avenue Property Holdings, LLC - facility lease	535,170	-	-	535,170	257,837
Konica Minolta - equipment leases	15,449	-	9,653	5,796	5,796
Net pension liability	1,384,410	-	804,407	580,003	-
Net OPEB liability	149,308	-	88,179	61,129	-
Total	$ 2,297,837	$ -	$ 1,115,739	$ 1,182,098	$ 263,633

14. RELATED PARTY TRANSACTIONS/MANAGEMENT AGREEMENT

On May 29, 2019, the Academy entered into a one-year contract through June 20, 2020 with The Leona Group, LLC, for educational management services for all of the management, operation, administration, and education at the Academy. On April 8, 2020, the agreement was amended to extend the contract through June 30, 2025. In exchange for its services, TLG receives a capitation fee of 12 percent of the gross revenue.

On August 4, 2021, due to the unprecedented amount of funding received from the Federal Government as a result of the Elementary and Secondary School Emergency Relief Fund (ESSER), the board of directors signed a resolution to accept TLG's offer to reduce capitation fees on ESSER II and ESSER III grant funds to 2 percent. The amount recorded for total capitation fees in fiscal year 2022 is $181,704.

Terms of the management contract require TLG to provide the following:

A. implementation and administration of the educational program;

B. management of all personnel functions, including professional development;

C. operation of the school building and the installation of technology integral to school design;

D. all aspects of the business administration of the Academy;

E. the provision of food service for the Academy; and

F. any other function necessary or expedient for the administration of the Academy.

14. RELATED PARTY TRANSACTIONS/MANAGEMENT AGREEMENT (continued)

Also, there are expenses that are billed to the Academy based on the actual costs incurred for the Academy by The Leona Group, LLC. These expenses include salaries of The Leona Group, LLC., employees working at the Academy, and other costs related to providing educational and administrative services. Indirect costs benefitting more than one Academy are charged to each Academy pro-rated based on how the related service is rendered or costs incurred (i.e. actual expenses incurred, student count, or staffing levels.)

For the year ended June 30, 2022, those expenses are shown in the following table:

Related Party Transactions

Function (code range)

	Regular Instruction (1100)	Special Instruction (1200)	Support Services (2000)	Non-Instructional (3000-7000)	Total
Direct expenses:					
Object (code range)					
Salaries and wages (100)	$ 192,370	$ 125,785	$ 403,617	$ 791	$ 722,563
Employees' benefits (200)	61,644	50,050	137,245	181	249,120
Professional/technical services (410)	-	-	14,764	-	14,764
Transportation (480)	-	-	1,950	-	1,950
Supplies (500)	3,549	24	6,200	-	9,773
Principal (lease liability) (810)	-	-	126,943	-	126,943
Interest (820)	-	-	17,057	-	17,057
Other direct costs (all other)	-	-	36,158	-	36,158
Total expenses	$ 257,563	$ 175,859	$ 743,934	$ 972	$ 1,178,328

At June 30, 2022, the Academy had payables to The Leona Group, LLC, and related parties, totaling $435,912. The following is a schedule of payables to The Leona Group, LLC and related parties:

Balance Due to The Leona Group, LLC, and Related Parties

Type	June 30, 2022
Management fees	$ 290,923
Rent	144,000
Miscellaneous	989
Total	$ 435,912

15. INTERGOVERNMENTAL PAYABLE

Intergovernmental payables at June 30, 2022, totaling $4,269, consisted of the following:

Intergovernmental Payables

Source	FY2022
SERS-STRS due to other academy	$ 993
Final foundation adjustment due to Ohio Department of Education	3,276
Total intergovernmental payable	$ 4,269

16. GOING CONCERN

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), which contemplates continuation of the Academy as a going concern.

The Academy had an operating loss of $1,221,939, an increase of net position of $85,303, and current liabilities exceeding current assets by $617,274 with a net deficit of $1,935,724 for the fiscal year ended June 30, 2022.

$4,570 in credits to pension- and OPEB-related expense accounts affecting operating loss were beyond the Academy's control, and the forgiveness of the Paycheck Protection Program loan in the amount of $217,337 contributed to the increase in net position. Net position net of those items decreased $136,604.

The Academy Board has moved to close the Academy at the end of fiscal year June 30, 2023.

17. COVID-19

The United States and the State of Ohio declared states of emergency in March 2020 due to the COVID-19 pandemic. The state of emergency in the State of Ohio ended on June 18, 2021. On February 18, 2022, the state of emergency in the United States was extended beyond March 1, 2022, with no specified end date. During fiscal year 2022, the Academy received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may affect subsequent periods of the Academy. The investments of the pension, OPEB, and other Academy employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Academy's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years [1]

	2022	2021	2020
School Employees Retirement System (SERS)			
Academy's proportion of the net pension liability	0.00311850%	0.00662090%	0.00567170%
Academy's proportionate share of the net pension liability	$ 115,064	$ 437,920	$ 339,348
Academy's covered payroll	$ 108,664	$ 219,036	$ 202,652
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	105.89%	199.93%	167.45%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%
State Teachers Retirement System (STRS)			
Academy's proportion of the net pension liability	0.00363634%	0.00391169%	0.00423218%
Academy's proportionate share of the net pension liability	$ 464,939	$ 946,490	$ 935,921
Academy's covered payroll	$ 416,364	$ 487,621	$ 515,500
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	111.67%	194.10%	181.56%
Plan fiduciary net position as a percentage of the total pension liability	87.80%	75.50%	77.40%

[1] Information prior to 2014 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years [1]
(continued)

	2019	2018	2017
School Employees Retirement System (SERS)			
Academy's proportion of the net pension liability	0.00628270%	0.00647790%	0.00720790%
Academy's proportionate share of the net pension liability	$ 359,822	$ 387,040	$ 527,552
Academy's covered payroll	$ 207,956	$ 217,186	$ 221,314
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	173.03%	178.21%	238.37%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%
State Teachers Retirement System (STRS)			
Academy's proportion of the net pension liability	0.00441951%	0.00588246%	0.00500933%
Academy's proportionate share of the net pension liability	$ 971,751	$ 1,397,391	$ 1,676,774
Academy's covered payroll	$ 500,129	$ 648,329	$ 531,707
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	194.30%	215.54%	315.36%
Plan fiduciary net position as a percentage of the total pension liability	77.31%	75.30%	66.80%

[1] Information prior to 2014 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net Pension Liability
Last Nine Fiscal Years (1)
(continued)

	2016	2015	2014
School Employees Retirement System (SERS)			
Academy's proportion of the net pension liability	0.00772960%	0.00841400%	0.00841400%
Academy's proportionate share of the net pension liability	$ 441,058	$ 425,828	$ 500,354
Academy's covered payroll	$ 232,693	$ 245,000	$ 220,549
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	189.54%	173.81%	226.87%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%
State Teachers Retirement System (STRS)			
Academy's proportion of the net pension liability	0.00414511%	0.00451202%	0.00451202%
Academy's proportionate share of the net pension liability	$ 1,145,587	$ 1,097,479	$ 1,307,310
Academy's covered payroll	$ 432,471	$ 431,508	$ 529,969
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	264.89%	254.34%	246.68%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

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ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Pension Contributions
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
School Employees Retirement System (SERS)					
Contractually required pension contribution	$ 21,555	$ 15,213	$ 30,665	$ 27,358	$ 28,074
Contributions in relation to the contractually required pension contribution	(21,555)	(15,213)	(30,665)	(27,358)	(28,074)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 153,964	$ 108,664	$ 219,036	$ 202,652	$ 207,956
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%	13.50%
State Teachers Retirement System (STRS)					
Contractually required pension contribution	$ 77,575	$ 58,291	$ 68,267	$ 72,170	$ 70,018
Contributions in relation to the contractually required pension contribution	(77,575)	(58,291)	(68,267)	(72,170)	(70,018)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 554,107	$ 416,364	$ 487,621	$ 515,500	$ 500,129
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

Note: See accompanying Notes to the Required Supplementary Information

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Pension Contributions
Last Ten Fiscal Years
(continued)

	2017	2016	2015	2014	2013
School Employees Retirement System (SERS)					
Contractually required pension contribution	$ 30,406	$ 30,984	$ 30,669	$ 33,957	$ 30,524
Contributions in relation to the contractually required pension contribution	(30,406)	(30,984)	(30,669)	(33,957)	(30,524)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 217,186	$ 221,314	$ 232,693	$ 245,000	$ 220,549
Contributions as a percentage of covered payroll	14.00%	14.00%	13.18%	13.86%	13.84%
State Teachers Retirement System (STRS)					
Contractually required pension contribution	$ 90,766	$ 74,439	$ 60,546	$ 56,096	$ 68,896
Contributions in relation to the contractually required pension contribution	(90,766)	(74,439)	(60,546)	(56,096)	(68,896)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 648,329	$ 531,707	$ 432,471	$ 431,508	$ 529,969
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%	13.00%

Note: See accompanying Notes to the Required Supplementary Information

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net OPEB Asset/Liability
Last Six Fiscal Years [1]

	2022	2021	2020
School Employees Retirement System (SERS)			
Academy's proportion of the net OPEB liability	0.00322990%	0.00687000%	0.00586080%
Academy's proportionate share of the net OPEB liability	$ 61,129	$ 149,308	$ 147,387
Academy's covered payroll	$ 108,664	$ 219,036	$ 202,652
Academy's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.25%	68.17%	72.73%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%
State Teachers Retirement System (STRS)			
Academy's proportion of the net OPEB liability/(asset)	0.00363634%	0.00391169%	0.00423218%
Academy's proportionate share of the net OPEB liability/(asset)	$ (76,669)	$ (68,748)	$ (70,095)
Academy's covered payroll	$ 416,364	$ 487,621	$ 515,500
Academy's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	(18.41)%	(14.10)%	(13.60)%
Plan fiduciary net position as a percentage of the total OPEB liability	174.73%	182.10%	174.70%

[1] Information prior to 2017 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's Proportionate Share of the Net OPEB Asset/Liability
Last Six Fiscal Years [(1)]
(continued)

	2019	2018	2017
School Employees Retirement System (SERS)			
Academy's proportion of the net OPEB liability	0.00639220%	0.00657730%	0.00729125%
Academy's proportionate share of the net OPEB liability	$ 177,337	$ 176,517	$ 207,828
Academy's covered payroll	$ 207,956	$ 217,186	$ 221,314
Academy's proportionate share of the net OPEB liability as a percentage of its covered payroll	85.28%	81.27%	93.91%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%
State Teachers Retirement System (STRS)			
Academy's proportion of the net OPEB liability/(asset)	0.00441951%	0.00588246%	0.00500933%
Academy's proportionate share of the net OPEB liability/(asset)	$ (71,017)	$ 229,512	$ 267,900
Academy's covered payroll	$ 500,129	$ 648,329	$ 531,707
Academy's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	(14.20)%	35.40%	50.38%
Plan fiduciary net position as a percentage of the total OPEB liability	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's OPEB Contributions
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
School Employees Retirement System (SERS)					
Contractually required OPEB contribution [(1)]	$ 2,912	$ 2,141	$ 4,411	$ 4,817	$ 4,575
Contributions in relation to the contractually required OPEB contribution	(2,912)	(2,141)	(4,411)	(4,817)	(4,575)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 153,964	$ 108,664	$ 219,036	$ 202,652	$ 207,956
Contributions as a percentage of covered payroll	1.89%	1.97%	2.01%	2.38%	2.20%
State Teachers Retirement System (STRS)					
Contractually required OPEB contribution	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions in relation to the contractually required OPEB contribution	0	0	0	0	0
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 554,107	$ 416,364	$ 487,621	$ 515,500	$ 500,129
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

[(1)] Includes surcharge

Note: See accompanying Notes to the Required Supplementary Information

ACHIEVE CAREER PREPARATORY ACADEMY
Lucas County, Ohio
Required Supplementary Information
Schedule of the Academy's OPEB Contributions
Last Ten Fiscal Years
(continued)

	2017	2016	2015	2014	2013
School Employees Retirement System (SERS)					
Contractually required OPEB contribution [(1)]	$ 3,602	$ 3,633	$ 4,333	$ 8,365	$ 6,465
Contributions in relation to the contractually required OPEB contribution	(3,602)	(3,633)	(4,333)	(8,365)	(6,465)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 217,186	$ 221,314	$ 232,693	$ 245,000	$ 220,549
Contributions as a percentage of covered payroll	1.66%	1.64%	1.86%	3.41%	2.93%
State Teachers Retirement System (STRS)					
Contractually required OPEB contribution	$ 0	$ 0	$ 0	$ 4,315	$ 5,300
Contributions in relation to the contractually required OPEB contribution	0	0	0	(4,315)	(5,300)
Contribution deficiency (excess)	$ 0	$ 0	$ 0	$ 0	$ 0
Academy's covered payroll	$ 648,329	$ 531,707	$ 432,471	$ 431,508	$ 529,969
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	1.00%	1.00%

[(1)] Includes surcharge

Note: See accompanying Notes to the Required Supplementary Information

1. NET PENSION LIABILITY

A. Changes in Assumptions - SERS

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

For fiscal year 2022, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.00 percent to 2.40 percent
- Payroll growth assumption was reduced from 3.50 percent to 1.75 percent
- Assumed real wage growth was reduced from 0.50 percent to 0.85 percent
- Discount rate was reduced from 7.50 percent to 7.00 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

B. Changes in Benefit Terms – SERS

For fiscal year 2021, cost-of-living adjustments was reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

1. NET PENSION LIABILITY (continued)

C. Changes in Assumptions – STRS

For fiscal year 2022, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent. For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

D. Changes in Benefit Terms - STRS

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.

2. NET OPEB LIABILITY (ASSET)

A. Changes in Assumptions - SERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

2. NET OPEB LIABILITY (ASSET) (continued)

A. Changes in Assumptions – SERS (continued)

Medicare Trend Assumption

Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

B. Changes in Benefit Terms – SERS

There have been no changes to the benefit provisions.

C. Changes in Assumptions – STRS

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

D. Changes in Benefit Terms - STRS

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2. NET OPEB LIABILITY (ASSET) (continued)

D. Changes in Benefit Terms – STRS (continued)

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

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OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

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

Achieve Career Preparatory Academy
Lucas County
3891 Martha Avenue
Toledo, Ohio 43612

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of Achieve Career Preparatory Academy, Lucas County, Ohio (the Academy) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated May 23, 2023, wherein we noted the Academy adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We also noted the financial impact of COVID-19 and the continuing emergency measures, which may impact subsequent periods of the Academy. In addition, we noted the Academy has suffered recurring net losses from operations, has disclosed that substantial doubt exists about its ability to continue as a going concern, and management plans to close the Academy effective June 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Academy's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

May 23, 2023

OHIO AUDITOR OF STATE
KEITH FABER

ACHIEVE CAREER PREPARATORY ACADEMY

LUCAS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 6/6/2023

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