COLUMBUS COLLEGIATE ACADEMY

FRANKLIN COUNTY, OHIO

Regular Audit

For the Year Ended June 30, 2022

Charles E. Harris & Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Columbus Collegiate Academy
1469 East Main Street
Columbus, Ohio 43205

We have reviewed the *Independent Auditor's Report* of the Columbus Collegiate Academy, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Columbus Collegiate Academy is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

February 16, 2023

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COLUMBUS COLLEGIATE ACADEMY
FRANKLIN COUNTY
REGULAR AUDIT
For the Year Ending June 30, 2022

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditors' Report	1-3
Management's Discussion and Analysis	5-8
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses and Changes in Net Position	10
Statement of Cash Flows	11-12
Notes to the Basic Financial Statements	13-38
Required Supplementary Information	
Schedule of School's Proportionate Share of the Net Pension Liability - SERS	40
Schedule of School's Proportionate Share of the Net Pension Liability - STRS	40
Schedule of School's Contributions - SERS	41
Schedule of School's Contributions - STRS	41
Schedule of School's Proportionate Share of the Net OPEB Liability/Asset - SERS	42
Schedule of School's Proportionate Share of the Net OPEB Liability/Asset - STRS	42
Schedule of School's OPEB Contributions - SERS	43
Schedule of School's OPEB Contributions - STRS	43
Notes to Schedules of Required Supplementary Information	44-47
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	48-49

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INDEPENDENT AUDITOR'S REPORT

Columbus Collegiate Academy
Franklin County
1469 East Main Street
Columbus, Ohio 43205

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Columbus Collegiate Academy, Franklin 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 the Columbus Collegiate Academy, Franklin County, Ohio, as of June 30, 2022, and the respective changes in financial position and cash flows thereof 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 17 to the financial statements, the financial impact of COVID-19 and ensuring emergency measures will impact subsequent periods of the Academy. As described in Note 16 to the financial statements, the Academy implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. We did not modify our opinion regarding these matters.

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 liabilities, other postemployment benefit liabilities/assets, and pension and other postemployment benefit contributions listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 December 22, 2022, 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.

Charles E. Harris & Associates, Inc.
December 22, 2022

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The discussion and analysis of Columbus Collegiate Academy's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

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

Financial Highlights

Key financial highlights for the Columbus Collegiate Academy during fiscal year 2022 are as follows:

- Total net position of the School was negative $403,331 at fiscal year-end, an increase of $551,324 in comparison with the prior fiscal year-end.
- Total assets increased $415,494 and total liabilities decreased $1.7 million from the prior year.
- The School's operating loss for fiscal year 2022 was approximately $967,622.

Using this Financial Report

This financial report contains the basic financial statements of the School, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

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

This statement reports the School's net position; however, in evaluating the overall position and financial viability of the School, non-financial information such as the condition of the School's property and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated.

Table 1 provides a summary of the School's net position for fiscal year 2022 compared to those reported for fiscal year 2021.

Table 1
Net Position

	2022	2021	Change
Assets:			
Current Assets	$ 2,198,142	$ 1,808,121	$ 390,021
Net OPEB Asset	260,643	205,961	54,682
Capital Assets, Net	717,723	746,932	(29,209)
Total Assets	3,176,508	2,761,014	415,494
Deferred Outflows of Resources	1,259,023	1,151,919	107,104
Liabilities			
Current Liabilities	198,211	201,127	(2,916)
Noncurrent Liabilities			
Other Noncurrent Liabilities	-	3,600	(3,600)
Net Pension Liability	2,142,135	3,821,956	(1,679,821)
Net OPEB Liability	269,941	304,598	(34,657)
Total Liabilities	2,610,287	4,331,281	(1,720,994)
Deferred Inflows of Resources	2,228,575	536,307	1,692,268
Net Position:			
Net Investment in Capital Assets	684,851	720,935	(36,084)
Restricted	292,826	187,958	104,868
Unrestricted	(1,381,008)	(1,863,548)	482,540
Total Net Position	$ (403,331)	$ (954,655)	$ 551,324

Current assets increased significantly in comparison with the prior fiscal year end. This increase is the result of an increase in cash held by the School related to an increase in foundation received and an increase in federal grant revenue received related to the ongoing COVID-19 pandemic during the fiscal year.

There was a significant change in net pension/OPEB liability (asset) for the School. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the School's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows, net OPEB asset and noncurrent liabilities are described in more detail in their respective notes.

Table 2 provides a summary of the School's change in net position for 2022 and 2021:

Table 2
Change in Net Position

	2022	2021	Change
Operating Revenues:			
Foundation Payments	$ 1,643,795	$ 1,580,753	$ 63,042
Other Unrestricted Grants-in-Aid	13,651	9,212	4,439
Non Operating Revenues:			
State and Federal Grants	1,476,433	1,029,474	446,959
Local Grants and Contributions	36,633	6,439	30,194
PPP Loan Forgiveness	-	482,026	(482,026)
Other	5,880	45,636	(39,756)
Total Revenues	3,176,392	3,153,540	22,852
Operating Expenses:			
Salaries & Wages	1,261,199	1,203,687	57,512
Fringe Benefits	95,568	695,955	(600,387)
Purchased Services	1,041,930	747,725	294,205
Materials and Supplies	130,495	107,966	22,529
Depreciation/Amortization	68,719	73,921	(5,202)
Other Expenses	27,157	39,097	(11,940)
Total Expenses	2,625,068	2,868,351	(243,283)
Change in Net Position	551,324	285,189	266,135
Net Position, Beginning of Year	(954,655)	(1,239,844)	
Net Position, End of Year	$ (403,331)	$ (954,655)	

Federal and state grant revenues increased significantly in the current fiscal year. This increases is primarily the result of revenues from the federal government related to the ongoing COVID-19 pandemic.

Fringe benefits decreased significantly in comparison with prior fiscal year. This decrease is primarily the result of decreases in pension and OPEB expenses.

Gain on forgiveness of debt decreased in comparison with the prior fiscal year. This decrease represents the Paycheck Protection Program loan balance forgiven during the previous fiscal year.

Capital Assets

At the end of fiscal year 2022, the School had a decrease in capital assets in comparison with the prior year. This decrease represents the amount by which current year depreciation/amortization exceeded current year acquisitions. See Note 5 of the basic financial statements for additional details.

Debt

At fiscal year-end, the School leases payable decrease in comparison with the prior fiscal year. This decrease is the result of principal payments made during the year.

Current Financial Issues

The future financial stability of the School is not without challenges. There will continue to be challenges outside of the School's control (i.e. – the economy, the state budget). Since the primary source of funding is the state foundation program, an economic slowdown in the state could result in budgetary cuts to education, which would have a negative impact on the School.

Contacting the School

This financial report is designed to provide a general overview of the finances of the Columbus Collegiate Academy and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of the Columbus Collegiate Academy, 1469 East Main Street, Columbus, Ohio 43205.

Columbus Collegiate Academy
Franklin County, Ohio
Statement of Net Position
As of June 30, 2022

Assets:	
Current Assets	
Cash and Cash Equivalents	$ 1,883,502
Intergovernmental Receivables	310,636
Accounts Receivable	357
Prepaid Assets	3,647
Total Current Assets	2,198,142
Noncurrent Assets	
Nondepreciable Capital Assets	29,272
Capital Assets, Net of Depreciation/Amortization	688,451
Net OPEB Asset	260,643
Total Noncurrent Assets	978,366
Total Assets	3,176,508
Deferred Outflows of Resources:	
Pension	1,074,823
OPEB	184,200
Total Deferred Outflows of Resources	1,259,023
Liabilities:	
Current Liabilities	
Accounts Payable	53,751
Accrued Wages and Benefits	108,589
Intergovernmental Payable	32,271
Lease Payable	3,600
Total Current Liabilities	198,211
Long-Trem Liabilities:	
Net Pension Liability	2,142,135
Net OPEB Liability	269,941
Total Noncurrent Liabilities	2,412,076
Total Liabilities	2,610,287
Deferred Inflows of Resources:	
Pension	1,743,177
OPEB	485,398
Total Deferred Inflows of Resources	2,228,575
Net Position:	
Net Investment in Capital Assets	684,851
Restricted	292,826
Unrestricted	(1,381,008)
Total Net Position	$ (403,331)

See accompanying notes to the basic financial statements.

Columbus Collegiate Academy
Franklin County, Ohio
Statement of Revenue, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

Operating Revenues:	
Foundation Payments	$ 1,643,795
Other Unrestricted Grants-in-Aid	13,651
Total Operating Revenues	1,657,446
Operating Expenses:	
Salaries and Wages	1,261,199
Fringe Benefits	95,568
Purchased Services	1,041,930
Materials and Supplies	130,495
Depreciation/Amortization	68,719
Other	27,157
Total Operating Expenses	2,625,068
Operating Loss	(967,622)
Non-Operating Revenues:	
Federal Grants	790,523
State Grants	685,910
Local Grants and Contributions	36,633
Other Revenue	5,880
Total Non-Operating Revenues	1,518,946
Change in Net Position	551,324
Net Position Beginning of Year	(954,655)
Net Position End of Year	$ (403,331)

See accompanying notes to the basic financial statements.

Columbus Collegiate Academy
Franklin County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

Cash Flows from Operating Activities:	
Cash Received from State of Ohio	$ 1,657,464
Cash Payments to Employees for Services and Benefits	(1,730,185)
Cash Payments to Suppliers for Goods and Services	(1,221,054)
Net Cash Used for Operating Activities	(1,293,775)
Cash Flows from Noncapital Financing Activities:	
Federal and State Grants	1,412,469
Local Grants and Contributions	43,072
Cash Received for Other Revenue	5,880
Net Cash Provided by Noncapital Financing Activities	1,461,421
Cash Flows from Capital and Related Financing Activities:	
Cash Payments for Capital Acquisitions	(10,238)
Cash Payment for Lease Principal	(21,600)
Net Cash Used for Capital and Related Financing Activities	(31,838)
Net Increase in Cash and Cash Equivalents	135,808
Cash and Cash Equivalents at Beginning of Year	1,747,694
Cash and Cash Equivalents at End of Year	$ 1,883,502

(Continued)

See accompanying notes to the basic financial statements.

Columbus Collegiate Academy
Franklin County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	$	(967,622)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation		68,719
Changes in Assets and Liabilities:		
Intergovernmental Receivable		(221,871)
Accounts Receivable		24,930
Prepaid Assets		253
Accounts Payable		(18,968)
Intergovernmental Payable		13,587
Accrued Wages and Benefits Payable		(8,807)
Net Pension Liability and Related Deferrals		(188,003)
Net OPEB Asset/Liability and Related Deferrals		4,007
Net Cash Used for Operating Activities	$	(1,293,775)

Schedule of Noncash Transactions:

Capital asset acquisitions totaling $29,272 are included in accounts payable at June 30, 2022.

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Columbus Collegiate Academy (the School), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in grades 6 through 8. The School, 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 School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School had one fiscal service provider during the fiscal year, Mangen & Associates, and the Thomas B. Fordham Foundation was the School's sponsor. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a seven-member Board of Trustees (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, statemandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The School has a service agreement with Mangen & Associates to provide certain financial and accounting services, including performing all duties required of the Treasurer of the School. See Note 12 for more information.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its 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 difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources is defined as net position. The Statement of Revenues, Expenses and Changes in Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Budgetary Process

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

Cash and Cash Equivalents

To improve cash management, cash received by the School is pooled. Money for all funds is maintained in this pool. Individual fund integrity is maintained through School records. Interest in the pool is presented on the financial statements as Cash and Cash Equivalents.

Investments of the cash management pool and investments with an original maturity date of three months or less at the time they are purchased by the School are presented on the financial statements as Cash and Cash Equivalents.

During the fiscal year, the School invested in STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 79, "Certain External Investment Pools and Pool Participants", the School measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis, which approximates fair value.

For the fiscal year 2022, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Prepaid Assets

Payments made to vendors for services that will benefit periods beyond fiscal year-end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense is reported in the year which services are consumed.

Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School maintains a capitalization threshold of $500. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimate Life
Building and Improvements	25 years
Leasehold Improvements	Remaining Term of Lease (NTE 5 years)
Furniture and Equipment	5 years
Technology Equipment	3 years
Vehicles	7 years

The School is reporting intangible right to use assets related to leased equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School, deferred outflows of resources are reported on the statement of net position for pensions and other postemployment benefits (OPEB). These deferred outflows of resources related to pensions and OPEB are explained in Note 8 and Note 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. This deferred inflow of resources related to pension and OPEB are explained in Note 8 and Note 9.

Estimates

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

Intergovernmental Revenues

The School is a participant in the State Foundation Program. In addition, the State distributes among all public schools, a percentage of proceeds received from the tax on gross casino revenue, to be used to support primary and secondary education. Foundation funding, other unrestricted grants in aid and charges for services are recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year received. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the School's primary mission. For the School, operating revenues include revenues paid through the State Foundation Program and Other Unrestricted Grants-in-Aid. Operating expenses are necessary costs incurred to support the School's primary mission, including salaries, benefits, purchased services, materials and supplies, depreciation and other.

Non-operating revenues and expenses are those that are not generated directly by the School's primary mission. Various Federal and State grants, interest earnings and expense, if any, and contributions comprise the non-operating revenues and expenses of the School.

Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Position relating to expenses, which are due but unpaid as of fiscal year-end, including:

Accrued Wages and Benefits payable – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2022 contract.

Accounts payable – payments due for services or goods that were rendered or received during fiscal year 2022.

Intergovernmental payable - payments made after year-end for the School's share of retirement contributions and Medicare.

Unearned Revenue

If the School receives restricted funds that were not spent by the end of the fiscal year, the amount received is classified as unearned revenue and is carried over to the next fiscal year and repaid if not spent.

Federal Tax Exemption Status

The School is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, net OPEB liability (asset), 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.

Net Position

Net position represents the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation/amortization. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that, in the event of bank failure, the School will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the bank balance of the School's deposits was $512,648. Of the School's bank balance, $500,000 was covered by the Federal Depository Insurance Corporation (FDIC) and the remaining balance was uninsured and uncollateralized.

Investments of the School as of June 30, 2022 were as follows:

			Investment Maturities	
Investments	Net Asset Value	Percentage of Total	1 to 3 Years	More Than 3 Years
STAR Ohio	$ 1,394,108	100%	$ 1,394,108	$ -

The School categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2022, the School does not have any fair value investments.

In accordance with GASB Statement No. 79, the School's investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2022, is 35 days and carries a rating of AAAm by S&P Global Ratings.

Interest Rate Risk: The School's investment policy follows State statute, which requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Academy, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk –The School's investment policy limits investments to those authorized by State statute.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLE

All intergovernmental receivables are considered collectible in full due to the stable condition of State programs. Intergovernmental receivables at year-end represent federal grants, overpayment to retirement system and insurance paid on behalf of other schools.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets, Not Being Depreciated/Amortized				
Construction in Progress	$ -	$ 29,272	$ -	$ 29,272
Total Capital Assets, Not Being Depreciated/Amortized	-	29,272	-	29,272
Capital Assets, Being Depreciated/Amortized				
Building and Improvements	869,743	-	-	869,743
Furniture & Equipment	330,729	10,238	-	340,967
Intangible Right to Use, Equipment	108,000	-	-	108,000
Total Capital Assets, Being Depreciated/Amortized	1,308,472	10,238	-	1,318,710
Less Accumulated Depreciation/Amortization				
Building and Improvements	(180,728)	(34,034)	-	(214,762)
Furniture & Equipment	(305,212)	(13,085)	-	(318,297)
Intangible Right to Use, Equipment	(75,600)	(21,600)	-	(97,200)
Total Accumulated Depreciation/Amortization	(561,540)	(68,719)	-	(630,259)
Total Capital Assets, Being Depreciated/Amortized, Net	746,932	(58,481)	-	688,451
Total Capital Assets, Net	$ 746,932	$ (29,209)	$ -	$ 717,723

NOTE 6 – LONG-TERM LIABILITIES

Changes in the School's long-term liabilities during the fiscal year were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Net Pension Liability	$ 3,821,956	$ -	$ (1,679,821)	$ 2,142,135	$ -
Net OPEB Liability	304,598	-	(34,657)	269,941	-
Leases	25,200	-	(21,600)	3,600	3,600
Total	$ 4,151,754	$ -	$ (1,736,078)	$ 2,415,676	$ 3,600

Leases Payable: The School has outstanding agreements to lease copiers.

A summary of principal amounts for the remaining lease is as follows:

Year Ended	Copiers
June 30, 2023	$ 3,600
Total	$ 3,600

NOTE 7 – RISK MANAGEMENT

Property and Liability Insurance

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. For the year ended June 30, 2022, the School contracted for its insurance coverage for commercial property – building and general liability.

The School also has non-profit directors and officer's liability insurance (D&O), employment practices liability (EP), and employee dishonesty bond.

Settlement amounts did not exceed coverage amounts in the three prior years. There also have been no significant reductions in coverage compared to prior year.

Workers' Compensation

The School 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 determined by the State.

NOTE 8 – DEFINED BENEFIT PENSION PLANS

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

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 School'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.

The Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School 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 *intergovernmental payable*.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description – School 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:

	Eligible to Retire before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	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 Benefits	Age 60 with 5 years of service credit 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, may 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 School 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 School's contractually required contribution to SERS was $83,334 for fiscal year 2022. Of this amount, $962 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School 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.

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 School 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 School's contractually required contribution to STRS was $215,714 for fiscal year 2022. Of this amount, $8,578 is reported as an intergovernmental payable.

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 School'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 Pension Liability:			
Current Measurement Date	0.01521860%	0.01236216%	
Prior Measurement Date	0.01491330%	0.01171891%	
Change in Proportionate Share	0.00030530%	0.00064325%	
Proportionate Share of the Net Pension Liability	$ 561,522	$ 1,580,613	$ 2,142,135
Pension Expense	$ (13,551)	$ 124,596	$ 111,045

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 School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 54	$ 48,833	$ 48,887
Changes of Assumptions	11,824	438,490	450,314
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	11,484	265,090	276,574
School Contributions Subsequent to the Measurement Date	83,334	215,714	299,048
Total Deferred Outflows of Resources	$ 106,696	$ 968,127	$ 1,074,823
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 14,562	$ 9,908	$ 24,470
Net Difference between Projected and Actual Earnings on Pension Plan Investments	289,204	1,362,186	1,651,390
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	6,885	60,432	67,317
Total Deferred Inflows of Resources	$ 310,651	$ 1,432,526	$ 1,743,177

$299,048 reported as deferred outflows of resources related to pension resulting from School 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (70,872)	$ (166,462)	$ (237,334)
2024	(58,887)	(131,196)	(190,083)
2025	(68,763)	(140,108)	(208,871)
2026	(88,767)	(242,347)	(331,114)
Total	$ (287,289)	$ (680,113)	$ (967,402)

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.

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:

Actuarial Cost Method	Entry Age Normal (Level Percentage 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, COLA's 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.

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

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
Total	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 School'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 School's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the School'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.

	1% Decrease	Current Discount Rate	1% Increase
School's Proportionate Share of the Net Pension Liability	$ 934,235	$ 561,522	$ 247,197

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:

Inflation	2.50 percent
Acturial 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	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:

Asset Class	Target Allocation	Long-Term Expected 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
Total	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 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 School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table represents the School'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 School'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:

	1% Decrease	Current Discount Rate	1% Increase
School's Proportionate Share of the Net Pension Liability	$ 2,959,897	$ 1,580,613	$ 415,121

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.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. The School's liability is 6.2 percent of wages paid.

NOTE 9 – DEFINED BENEFIT OPEB PLANS

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School 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 School's surcharge obligation was $6,924.

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.

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 School's proportion of the net OPEB liability (asset) was based on the School'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	0.01426300%	0.01236200%	
Prior Measurement Date	0.01401500%	0.01171900%	
Change in Proportionate Share	0.00024800%	0.00064300%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 269,941	$ (260,643)	
OPEB Expense	$ 3,426	$ 7,505	$ 10,931

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 2,877	$ 9,283	$ 12,160
Changes of Assumptions	42,346	16,649	58,995
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	38,870	67,251	106,121
School Contributions Subsequent to the Measurement Date	6,924	-	6,924
Total Deferred Outflows of Resources	$ 91,017	$ 93,183	$ 184,200
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 134,441	$ 47,755	$ 182,196
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	5,864	72,245	78,109
Changes of Assumptions	36,965	155,497	192,462
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	29,688	2,943	32,631
Total Deferred Inflows of Resources	$ 206,958	$ 278,440	$ 485,398

$6,924 reported as deferred outflows of resources related to OPEB resulting from School 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	$ (21,345)	$ (45,490)	$ (66,835)
2024	(21,388)	(43,679)	(65,067)
2025	(29,607)	(55,590)	(85,197)
2026	(31,111)	(30,782)	(61,893)
2027	(15,733)	(10,002)	(25,735)
Thereafter	(3,681)	286	(3,395)
Total	$ (122,865)	$ (185,257)	$ (308,122)

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:

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
Health Care Cost Trend Rate	
Pre-Medicare	6.750 percent - 4.40 percent
Medicare	5.125 percent - 4.40 percent

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:

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
Total	100.00 %	

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 School'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).

	1% Decrease	Current Discount Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability	$ 334,487	$ 269,941	$ 218,373

	1% Decrease	Current Trend Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability	$ 207,831	$ 269,941	$ 352,896

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:

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 Trend Rates		
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:

Asset Class	Target Allocation	Long-Term Expected 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
Total	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 School'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.

	1% Decrease	Current Discount Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability (Asset)	$ (219,942)	$ (260,643)	$ (294,642)

	1% Decrease	Current Trend Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability (Asset)	$ (293,264)	$ (260,643)	$ (220,303)

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.

NOTE 10 – RESTRICTED NET POSITION

At June 30, 2022, the School reported restricted net position as follows:

Food Service	$ 171,522
Student Wellness	74,640
Miscellaneous State Grants	2,500
ESSER	42,542
IDEA Part B	1,283
Miscellaneous Federal Grants	339
Total	$ 292,826

NOTE 11 - CONTINGENCIES

Grants

Amounts grantor agencies pay to the School are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

NOTE 12 – CONTRACTED FISCAL SERVICES

The School is a party to a fiscal services agreement with Mangen & Associates (M&A) School Resource Center, which is an education finance consulting company. The agreement may be terminated by either party, with or without cause, by giving the other party thirty days written notice to terminate. The agreement provides that M&A will perform the following services:

1. Financial Management Services
2. Treasurer Services
3. Payroll / Payables Services
4. CCIP Budget / Federal Programs Monitoring
5. EMIS / DASL / SOES Services

NOTE 13 – OTHER EMPLOYEE BENEFITS

Employee Medical and Dental Benefits - The School has purchased insurance from Anthem blue Cross Blue Shield to provide employee medical/surgical, dental, life, vision and short-term disability benefits. The School pays 80% of the employee premium

NOTE 14 – PURCHASED SERVICES

During the fiscal year, purchased service expenses for services rendered by various vendors were as follows:

Instructional Services	$	46,278
Health Services		54,861
Staff Services		1,167
Management Services		416,301
Data Processing Services		37,912
Professional and Technical Services		66,773
Property Services		156,805
Postage /Advertising		22,074
Utilities		56,469
Contracted Food Services		144,772
Other Services		38,518
Total	$	1,041,930

NOTE 15 – SPONSOR

The School has contracted with Thomas B. Fordham Foundation to provide sponsorship services. The School pays the Thomas B. Fordham Foundation 2 percent of monthly foundation payments. The sponsor provides oversight, monitoring, treasury and technical assistance for the School.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2022, the School has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates,* certain provisions of GASB Statement No. 97*, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32,* and certain provisions in GASB Statement No. 99, *Omnibus 2022.*

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were 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. These changes were incorporated in the School's financial statements; however, there was no effect on beginning net position.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraphs 11b, 13 and 14 of GASB Statement No. 93 did not have an effect on the financial statements of the School.

GASB Statement No. 97 requirements that are related to a) the accounting and financial reporting for Section 457 plans and b) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the School.

GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and will improve consistency of authoritative literature. The implementation of certain provisions of GASB Statement No. 99 did not have an effect on the financial statements of the School.

NOTE 17 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the School received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the School. The impact on the School’s future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

Columbus Collegiate Academy
Franklin County, Ohio

Schedule of School's Proportionate Share of the Net Pension Liability

Last Nine Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School Employees Retirement System (SERS)									
School's Proportion of the Net Pension Liability	0.0152186%	0.0149133%	0.0154242%	0.0149933%	0.0118085%	0.0075434%	0.0052388%	0.004211%	0.004211%
School's Proportionate Share of the Net Pension Liability	$ 561,522	$ 986,397	$ 922,857	$ 858,694	$ 705,532	$ 552,107	$ 298,931	$ 213,116	$ 250,415
School's Covered Payroll	$ 525,171	$ 523,693	$ 528,264	$ 483,592	$ 396,500	$ 234,795	$ 157,251	$ 122,370	$ 69,656
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.92%	188.35%	174.70%	177.57%	177.94%	235.14%	190.10%	174.16%	359.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
School Teachers Retirement System (STRS)									
School's Proportion of the Net Pension Liability	0.01236216%	0.01171891%	0.01083576%	0.01023502%	0.01104652%	0.01011702%	0.01045230%	0.01038094%	0.01038094%
School's Proportionate Share of the Net Pension Liability	$ 1,580,613	$ 2,835,559	$ 2,396,263	$ 2,250,451	$ 2,624,125	$ 3,386,472	$ 2,888,710	$ 2,525,004	$ 3,007,768
School's Covered Payroll	$ 1,525,043	$ 1,426,993	$ 1,282,399	$ 1,163,041	$ 1,225,669	$ 1,083,312	$ 1,095,792	$ 1,060,645	$ 771,570
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.64%	198.71%	186.86%	193.50%	214.10%	312.60%	263.62%	238.06%	389.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Amounts presented for each fiscal year were determined as of the School's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information

Columbus Collegiate Academy
Franklin County, Ohio

Schedule of School's Pension Contributions

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School Employees Retirement System (SERS)										
Contractually Required Contribution	$ 83,334	$ 73,524	$ 73,317	$ 71,316	$ 65,285	$ 55,510	$ 32,871	$ 20,726	$ 16,961	$ 9,640
Contributions in relation to the contractually required contribution	$ 83,334	$ 73,524	$ 73,317	$ 71,316	$ 65,285	$ 55,510	$ 32,871	$ 20,726	$ 16,961	$ 9,640
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 595,243	$ 525,171	$ 523,693	$ 528,264	$ 483,592	$ 396,500	$ 234,795	$ 157,251	$ 122,370	$ 69,656
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%
School Teachers Retirement System (STRS)										
Contractually Required Contribution	$ 215,714	$ 213,506	$ 199,779	$ 179,536	$ 162,826	$ 171,594	$ 151,664	$ 153,411	$ 137,884	$ 100,304
Contributions in relation to the contractually required contribution	$ 215,714	$ 213,506	$ 199,779	$ 179,536	$ 162,826	$ 171,594	$ 151,664	$ 153,411	$ 137,884	$ 100,304
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 1,540,814	$ 1,525,043	$ 1,426,993	$ 1,282,399	$ 1,163,041	$ 1,225,669	$ 1,083,312	$ 1,095,792	$ 1,060,645	$ 771,570
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

See accompanying notes to the required supplementary information

Columbus Collegiate Academy
Franklin County, Ohio

Schedule of School's Proportionate Share of the Net OPEB Liability (Asset)

Last Six Fiscal Years (1)

	2022	2021	2020	2019	2018	2017
School Employees Retirement System (SERS)						
School's Proportion of the Net OPEB Liability	0.0142630%	0.0140150%	0.0151450%	0.0148934%	0.0117363%	0.0085382%
School's Proportionate Share of the Net OPEB Liability	$ 269,941	$ 304,598	$ 380,875	$ 413,183	$ 314,971	$ 243,371
School's Covered Payroll	$ 525,171	$ 523,693	$ 528,264	$ 483,592	$ 396,500	$ 234,795
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	51.40%	58.16%	72.10%	85.44%	79.44%	103.65%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%
School Teachers Retirement System (STRS)						
School's Proportion of the Net OPEB Liability (Asset)	0.01236200%	0.01171900%	0.01083600%	0.01023502%	0.01104652%	0.01011702%
School's Proportionate Share of the Net OPEB Liability (Asset)	$ (260,643)	$ (205,961)	$ (179,470)	$ (164,466)	$ 430,994	$ 541,061
School's Covered Payroll	$ 1,525,043	$ 1,426,993	$ 1,282,399	$ 1,163,041	$ 1,225,669	$ 1,083,312
School's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-17.09%	-14.43%	-13.99%	-14.14%	35.16%	49.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

Amounts presented for each fiscal year were determined as of the School's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information

Columbus Collegiate Academy
Franklin County, Ohio

Schedule of School's OPEB Contributions

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School Employees Retirement System (SERS)										
Contractually Required Contribution (1)	$ 6,924	$ 2,563	$ 2,097	$ 8,786	$ 9,055	$ 5,256	$ 2,597	$ 2,167	$ 776	$ 187
Contributions in Relation to the Contractually Required Contribution	$ 6,924	$ 2,563	$ 2,097	$ 8,786	$ 9,055	$ 5,256	$ 2,597	$ 2,167	$ 776	$ 187
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 595,243	$ 525,171	$ 523,693	$ 528,264	$ 483,592	$ 396,500	$ 234,795	$ 157,251	$ 122,370	$ 69,656
OPEB Contributions as a Percentage of Covered Payroll (1)	1.16%	0.49%	0.40%	1.66%	1.87%	1.33%	1.11%	1.38%	0.63%	0.27%
School Teachers Retirement System (STRS)										
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,606	$ 7,716
Contributions in Relation to the Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,606	$ 7,716
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 1,540,814	$ 1,525,043	$ 1,426,993	$ 1,282,399	$ 1,163,041	$ 1,225,669	$ 1,083,312	$ 1,095,792	$ 1,060,645	$ 771,570
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

NOTE 1 - NET PENSION LIABILITY

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.

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.

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.

Changes in Benefit Terms - STRS

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

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

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

Changes in Benefit Terms – SERS

There have been no changes to the benefit provisions.

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.

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.

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

Columbus Collegiate Academy
Franklin County
1469 East Main Street
Columbus, Ohio 43205

To the Board of Trustees:

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, the financial statements of the Columbus Collegiate Academy, Franklin 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 December 22, 2022. We noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Academy. We also noted the Academy implemented Governmental Accounting Standards Board Statement No. 87, *Leases*.

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) to determine the 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.

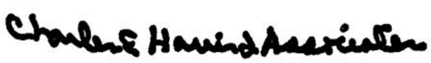
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

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 determination of financial statement amounts. 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.



Charles E. Harris & Associates, Inc.
December 22, 2022

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OHIO AUDITOR OF STATE
KEITH FABER

COLUMBUS COLLEGIATE ACADEMY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/28/2023

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