



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

---

HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2022

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One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 430-0590 • FAX (614) 448-4519  
PO Box 875 • 129 Pinckney Street • Circleville, OH 43113 • (740) 474-5210 • FAX (740) 474-7319  
PO Box 687 • 528 S. West Street • Piketon, OH 45661 • (740) 289-4131 • FAX (740) 289-3639

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



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Horizon Science Academy of Columbus  
1070 Morse Road  
Columbus, Ohio 43229

We have reviewed the *Independent Auditor's Report* of the Horizon Science Academy of Columbus, Franklin County, prepared by BHM CPA Group, 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 Horizon Science Academy of Columbus is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

**April 12, 2023**

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HORIZON SCIENCE ACADEMY OF COLUMBUS  
YEAR ENDED JUNE 30, 2022

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YEAR ENDED JUNE 30, 2022

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**INDEPENDENT AUDITOR'S REPORT**

Horizon Science Academy of Columbus  
Franklin County  
1070 Morse Road  
Columbus, Ohio 43229

To the Board of Directors:

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

***Opinion***

We have audited the financial statements of the Horizon Science Academy of Columbus, 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 Horizon Science Academy of Columbus, Franklin County, Ohio as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

***Emphasis of Matter***

As discussed in Note 15 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Academy. We did not modify our opinion regarding this matter.

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

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Academy's ability to continue as a going concern for a reasonable period of time.

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



**Required Supplementary Information**

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

**Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Piketon, Ohio  
January 31, 2023

The discussion and analysis of Horizon Science Academy of Columbus's (the Academy) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2022. Readers should also review the financial statements and notes to enhance their understanding of the Academy's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2022 are as follows:

- Total assets were \$7,591,105.
- Total liabilities were \$5,552,089.
- Total net position increased by \$1,101,858.

### **Using this Financial Report**

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

### **Reporting the Academy as a Whole**

One of the most important questions asked about the Academy is, "As a whole, what is the Academy's financial condition as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position, which appear first in the Academy's financial statements, report information on the Academy as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and deferred outflows of resources, and liabilities and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Academy's net position – the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, as reported in the Statement of Net Position – as one way to measure the Academy's financial health or financial position. Over time, increases or decreases in the Academy's net position – as reported in the Statement of Revenues, Expenses and Change in Net Position – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Academy's operating results. However, the Academy's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the Academy, to assess the overall health of the Academy.

The Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position report the activities of the Academy, which encompass all the Academy's services, including instruction and supporting services. Unrestricted state aid and state and federal grants finance most of these activities.

Table 1 provides a comparison of net position as of June 30, 2022 with net position as of June 30, 2021.

**Table 1**  
**Net Position**

	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>		
Current Assets	\$ 2,881,504	\$ 2,095,328
OPEB Asset	465,182	351,079
Capital Assets, Net	4,244,419	4,198,387
<b>Total Assets</b>	<b>7,591,105</b>	<b>6,644,794</b>
<b><u>Deferred Outflows of Resources</u></b>	<b>2,205,507</b>	<b>1,626,241</b>
<b><u>Liabilities</u></b>		
Current Liabilities	710,086	571,167
Noncurrent Liabilities	4,842,003	7,123,740
<b>Total Liabilities</b>	<b>5,552,089</b>	<b>7,694,907</b>
<b><u>Deferred Inflows of Resources</u></b>	<b>3,277,148</b>	<b>710,611</b>
<b><u>Net Position</u></b>		
Net Investment in Capital Assets	2,351,307	2,119,138
Unrestricted	(1,383,932)	(2,253,621)
<b>Total Net Position</b>	<b>\$ 967,375</b>	<b>\$ (134,483)</b>

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Academy’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees’ past service.
2. Minus plan assets available to pay these benefits.

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

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

Current assets increased primarily in the area of cash and cash equivalents as the Academy received additional federal grant funding in fiscal year 2022.

Long-term liabilities decreased primarily due to a decrease in the Academy's net pension liability. The net pension liability decreased approximately \$2.1 million and deferred inflows of resources increased approximately \$2.5 million. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which cause a large increase in fiduciary net position. The net pension liability is outside of the control of the Academy. The Academy contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions to Academy employees, not the Academy. See Note 6 for more detail.

Table 2 shows the changes in net position for the fiscal years 2022 and 2021.

**Table 2**  
**Revenues, Expenses and Changes in Net Position**

	<u>2022</u>	<u>2021</u>
<b><u>Operating Revenues</u></b>		
Foundation payments	\$ 4,582,193	\$ 4,013,108
Other revenue	163,235	117,836
<b>Total operating revenues</b>	<b>4,745,428</b>	<b>4,130,944</b>
<b><u>Operating Expenses</u></b>		
Salaries	3,334,708	3,010,046
Fringe benefits	644,779	1,131,636
Purchased services	1,899,248	1,480,369
Materials and supplies	407,998	238,124
Depreciation	422,734	345,787
Miscellaneous	166,547	178,173
<b>Total operating expenses</b>	<b>6,876,014</b>	<b>6,384,135</b>
<b>Operating loss</b>	<b>(2,130,586)</b>	<b>(2,253,191)</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Restricted grants in aid - federal	2,143,561	1,110,812
State and other grants	1,165,368	1,655,763
Interest revenue	57	153
Interest expense	(80,802)	(98,640)
Forgiveness of debt	-	583,100
Contributions and donations	4,260	5,628
<b>Total nonoperating revenues</b>	<b>3,232,444</b>	<b>3,256,816</b>
Change in net position	1,101,858	1,003,625
Net position, beginning of year	(134,483)	(1,138,108)
<b>Net position, end of year</b>	<b>\$ 967,375</b>	<b>\$ (134,483)</b>

Overall, operating expenses increased \$491,879 or 7.70%.

The Academy experienced an increase in salary expense due to increased student enrollment and staff.

Fringe benefits expense decreased. On an accrual basis, the Academy reported \$265,880 and \$879,631 in pension expense for fiscal year 2022 and 2021, respectively. The decrease in pension expense from fiscal year 2021 to fiscal year 2022 was \$613,751. This decrease is primarily the result of increased investment income at the retirement system level which affects the Academy's pension expense. Pension expense is component of the Academy's fringe benefits expense and accounts for the decrease in that area.

Purchased services expense increased primarily in the areas of contracted professional services and contracted food services.

Foundation support increased \$569,085. Foundation support is the primary support of the Academy, comprising 96.56% of operating revenue and 56.86% of total revenues. The Academy also received a significant portion of state and federal grants, which represent 41.06% of total revenue. Federal grant revenue increased primarily due to Elementary and Secondary School Emergency Relief (ESSER) funding. Net position increased \$1,101,858.

### Capital Assets

At the end of fiscal year 2022, the Academy had \$5,554,198 invested in land, buildings, improvements, equipment, and vehicles, (\$4,244,419 net of accumulated depreciation). Table 3 shows the balances at June 30, 2022 and June 30, 2021.

**Table 3**  
**Capital Assets**

	<b>Balance</b> <b>June 30, 2022</b>	<b>Balance</b> <b>June 30, 2021</b>
<b>Capital Assets, Not Being Depreciated:</b>		
Land	\$ 447,700	\$ 447,700
<b>Capital Assets, Being Depreciated:</b>		
Building	3,185,856	3,185,856
Improvements	287,683	235,898
Equipment Instructional	1,506,915	1,249,910
Equipment Office	38,232	59,599
School Vehicle	87,812	58,487
<b>Total Capital Assets, Being Depreciated</b>	<b>5,106,498</b>	<b>4,789,750</b>
<b>Total Capital Assets</b>	<b>5,554,198</b>	<b>5,237,450</b>
Less: Accumulated Depreciation	(1,309,779)	(1,039,063)
<b>Net Capital Assets</b>	<b>\$ 4,244,419</b>	<b>\$ 4,198,387</b>

For more information on capital assets see Note 5 to the basic financial statements.

### Debt

Table 4 shows the Academy's long-term loan and mortgage obligations at June 30, 2022 and 2021.

**Table 4**  
**Long-Term Obligations**

<b>Name</b>	<b>Balance</b> <b>June 30, 2022</b>	<b>Balance</b> <b>June 30, 2021</b>
Premier Bank Mortgage	\$ 1,892,524	\$ 2,075,361
Leases Payable	588	3,888
<b>Total</b>	<b>\$ 1,893,112</b>	<b>\$ 2,079,249</b>

For more information on outstanding debt see Note 8 to the basic financial statements.

### **Contacting the Academy's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Academy's finances. Questions concerning any of the information in this report or requests for additional information should be directed to Ahmet Erdal, Treasurer, Horizon Science Academy of Columbus, 1070 Morse Rd. Columbus, OH 43229.

**Horizon Science Academy of Columbus**

Statement of Net Position

June 30, 2022

**ASSETS:**

***Current Assets:***

Cash and cash equivalents	\$ 2,624,795
Accounts receivable	58,322
Intergovernmental receivable	198,387
Total current assets	<u>2,881,504</u>

***Noncurrent Assets:***

Net OPEB asset	465,182
Nondepreciable capital assets	447,700
Depreciable capital assets, net	3,796,719
Total noncurrent assets	<u>4,709,601</u>

**Total Assets** 7,591,105

**DEFERRED OUTFLOWS OF RESOURCES:**

Pension	2,056,938
OPEB	148,569

**Total Deferred Outflows of Resources** 2,205,507

**LIABILITIES:**

***Current Liabilities:***

Accounts payable	168,106
Accrued wages and benefits payable	328,145
Intergovernmental payable	22,856
Lease payable	588
Mortgage payable	190,391
Total current liabilities	<u>710,086</u>

***Noncurrent Liabilities:***

Net pension liability	3,037,633
Net OPEB liability	102,237
Mortgage payable	1,702,133
Total noncurrent liabilities	<u>4,842,003</u>

**Total Liabilities** 5,552,089

**DEFERRED INFLOWS OF RESOURCES:**

Pension	2,701,451
OPEB	575,697

**Total Deferred Inflows of Resources** 3,277,148

**NET POSITION:**

Net investment in capital assets	2,351,307
Unrestricted	(1,383,932)

**Total Net Position** \$ 967,375

See accompanying notes to the basic financial statements.



**Horizon Science Academy of Columbus**  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended June 30, 2022

<b><u>OPERATING REVENUES:</u></b>	
Foundation payments	\$ 4,582,193
Other revenue	163,235
	<b>4,745,428</b>
<b><u>OPERATING EXPENSES:</u></b>	
Salaries	3,334,708
Fringe benefits	644,779
Purchased services	1,899,248
Materials and supplies	407,998
Depreciation	422,734
Miscellaneous	166,547
	<b>6,876,014</b>
<b>Operating loss</b>	<b>(2,130,586)</b>
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>	
Restricted grants in aid - federal	2,143,561
State and other grants	1,165,368
Interest revenue	57
Interest expense	(80,802)
Contributions and donations	4,260
	<b>3,232,444</b>
Change in net position	1,101,858
Net position, beginning of year	(134,483)
<b>Net position, end of year</b>	<b>\$ 967,375</b>

See accompanying notes to the basic financial statements.

**Horizon Science Academy of Columbus**  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2022

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Cash received from State of Ohio	\$ 4,582,193
Other cash receipts	163,235
Cash payments to employees for services and benefits	(4,137,680)
Cash payments to suppliers for goods and services	(2,280,888)
Other cash payment	(166,547)
	<hr/>
<b>Net cash (used in) operating activities</b>	<b>(1,839,687)</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>	
Federal grants received	2,070,099
State and other grants received	1,165,368
Contributions and donations received	4,260
	<hr/>
<b>Net cash provided by noncapital financing activities</b>	<b>3,239,727</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Principal paid on mortgage loan	(182,837)
Interest paid on mortgage loan	(80,802)
Principal paid on lease	(3,300)
Payments for capital acquisitions	(468,766)
	<hr/>
<b>Net cash (used in) capital and related financing activities</b>	<b>(735,705)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
Interest received	57
	<hr/>
Net increase in cash and cash equivalents	664,392
Cash and cash equivalents at beginning of year	1,960,403
	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,624,795</b>
	<hr/> <hr/>
<b><u>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) OPERATING ACTIVITIES</u></b>	
Operating loss	\$ (2,130,586)
<b><u>ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH (USED IN) OPERATING ACTIVITIES</u></b>	
Depreciation	422,734
<b><u>Changes in assets, liabilities, deferred outflows of resources, and deferred inflows of resources:</u></b>	
Decrease in prepaid assets	3,559
(Increase) in accounts receivable	(51,881)
Increase in accounts payable	78,239
Increase in accrued wages and benefits payable	34,882
Increase in intergovernmental payable	20,956
(Increase) in net OPEB asset	(114,103)
(Increase) in deferred outflows of resources	(579,266)
Increase in deferred inflows of resources	2,566,537
(Decrease) in net pension liability	(2,098,573)
Increase in net OPEB liability	7,815
	<hr/>
<b>Total adjustments</b>	<b>290,899</b>
	<hr/>
<b>Net cash (used in) operating activities</b>	<b>\$ (1,839,687)</b>
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See accompanying notes to the basic financial statements.

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## **1. DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY**

Horizon Science Academy of Columbus, (the Academy), is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades K through eight in Dayton. The Academy, which is part of the State's education program, is independent of any school and is nonsectarian in its programs, admission policies, employment practices, and all other operations.

The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. The Academy qualifies as an exempt organization under Section 501(c) (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax-exempt status.

The Academy was approved for operation under contract with the Educational Service Center (ESC) of Lake Erie West (the Sponsor) commencing in 2005. The Academy's current contract for sponsorship with the ESC of Lake Erie West expires June 30, 2023.

The Academy operates under the direction of a self-appointed five-member Board of Trustees. The Board is responsible for carrying out the provisions of the contract, which includes, but are not limited to, state mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. During fiscal year 2022, the Academy employed 60 personnel and had 496 students.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. Basis of Presentation**

The Academy's basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses and Change in Net Position; and a Statement of Cash Flows.

The Academy uses enterprise accounting to report its financial activities. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

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

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the Academy are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Change in Net Positions present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The Statement of Cash Flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

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

### **B. Measurement Focus and Basis of Accounting (Continued)**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The full accrual basis of accounting is used for reporting purposes. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenues resulting from non-exchange transactions, in which the Academy receives value without directly giving equal value in return, such as grants, entitlements and donations are recognized in the period in which all eligibility requirements have been satisfied. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. Expenses are recognized at the time they are incurred.

### **C. Budgetary Process**

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

The contract between the Academy and its Sponsor prescribes an annual budget requirement in addition to preparing a 5-year forecast, which is to be updated on an annual basis. Chapter 5705.391(A) of the Ohio Revised Code also requires the Academy to prepare a 5-year forecast, update it annually, and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

### **D. Cash**

To improve cash management, all cash received by the Academy is pooled in a central bank account. Total cash amount at the end of the fiscal year is presented as “Cash and cash equivalents” in the Statement of Net Position. For the purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, any investment with an original maturity date less than 90 days is considered a cash equivalent and any investment with a maturity date greater than 90 days is considered an investment. The Academy did not have any investments during fiscal year 2022.

### **E. Capital Assets and Depreciation**

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The Academy maintains a capitalization threshold of one thousand dollars. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. The Academy does not capitalize interest.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Capital Assets and Depreciation/Amortization**

Capital assets, except land, are depreciated using the straight-line method over the following estimated useful lives. Improvements to capital assets are depreciated over the remaining useful lives of the related capital assets. Leasehold improvements are depreciated using the straight-line method over the life of the lease.

	<u>Useful Life</u>
Buildings	40 years
Improvements	5 to 10 years
Equipment Instructional	3 to 5 years
Equipment Office	5 to 10 years
School Vehicle	3 to 5 years

**F. Intergovernmental Revenues**

The Academy currently participates in the State Foundation Program, Special Education Program, and Federal CCIP Program. Revenues received from the State Foundation Program are recognized as operating revenues whereas revenues from the Federal CCIP Program, Special Education Program and other State Grants are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

**G. Operating Revenues and Expenses**

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

**H. Compensated Absences**

The Academy's policy indicates that all full-time employees are entitled to eight days of sick/personal leave in a school year. Also, Full time employees who have worked for the Academy for a total of 200 or more days during the contract year will be allowed nine days of paid sick or personal leave. Full-time employees who have worked for the Academy 210 or more days during the contract year will be allowed ten days of paid sick or personal leave. All leave earned by employees must be used within the current school year and cannot be transferred to the next school year, and therefore, are not recorded as a liability. The Academy compensates its employees \$150 per day for each unused sick/personal day at the end of the year.

**I. Prepayments**

Certain payments to vendors reflected the costs applicable to future accounting periods and were recorded as prepaid items in the financial statements. These items were reported as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts was recorded at the time of the purchase and the expense is reported in the year in which services are consumed. The Academy had no prepayments at June 30, 2022.

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

### J. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors, or contracts. The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. At the end of the fiscal ended June 30, 2022, the Academy did not have any restricted net position.

### K. Estimates

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

### L. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Academy, see Notes 6 and 7 for deferred outflows of resources related to the Academy's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Academy, see Notes 6 and 7 for deferred inflows of resources related to the Academy's net pension liability and net OPEB liability/asset, respectively.

### M. Pensions/Other Postemployment Benefits (OPEB)

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

## 3. ACCOUNTABILITY AND COMPLIANCE

### Change in Accounting Principles

For fiscal year 2022, the Academy has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", 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 paragraphs of GASB Statement No. 99, "Omnibus 2022".

### 3. ACCOUNTABILITY AND COMPLIANCE (Continued)

#### Change in Accounting Principles (Continued)

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Academy has one lease for the right-to-use copier equipment that expires in August 2022. This amount is not significant to reclassify in the Academy's capital asset schedule (see Note 5); however, the remaining liability will be reported as a lease liability (see Note 10). The implementation of GASB Statement No. 87 had no other effect on the financial statements of the Academy.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the Academy.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the Academy.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the Academy.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the Academy.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Academy.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Academy.



**4. DEPOSITS**

At June 30, 2022, the carrying amount of the Academy deposits was \$2,624,795. Of the Academy's bank balance, \$356,409 was covered by the Federal Deposit Insurance Corporation (FDIC) with the remainder being insured and uncollateralized. There are no significant statutory restrictions regarding the deposit and investment of funds by the nonprofit corporation.

**5. CAPITAL ASSETS**

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

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
<b>Capital Assets, Not Being Depreciated:</b>				
Land	\$ 447,700	\$ -	\$ -	\$ 447,700
<b>Capital Assets, Being Depreciated:</b>				
Building	3,185,856	-	-	3,185,856
Improvements	235,898	51,785	-	287,683
Equipment Instructional	1,249,910	363,058	(106,053)	1,506,915
Equipment Office	59,599	8,638	(30,005)	38,232
School Vehicle	58,487	45,285	(15,960)	87,812
<b>Total Capital Assets, Being Depreciated</b>	<b>4,789,750</b>	<b>468,766</b>	<b>(152,018)</b>	<b>5,106,498</b>
<b>Total Capital Assets</b>	<b>5,237,450</b>	<b>468,766</b>	<b>(152,018)</b>	<b>5,554,198</b>
<b>Less: Accumulated Depreciation:</b>				
Building	(451,329)	(79,646)	-	(530,975)
Improvements	(89,475)	(24,901)	-	(114,376)
Equipment Instructional	(426,335)	(303,901)	106,053	(624,183)
Equipment Office	(53,331)	(8,726)	30,005	(32,052)
School Vehicle	(18,593)	(5,560)	15,960	(8,193)
<b>Total Accumulated Depreciation</b>	<b>(1,039,063)</b>	<b>(422,734)</b>	<b>152,018</b>	<b>(1,309,779)</b>
<b>Net Capital Assets</b>	<b>\$ 4,198,387</b>	<b>\$ 46,032</b>	<b>\$ -</b>	<b>\$ 4,244,419</b>

**6. DEFINED BENEFIT PENSION PLANS*****Plan Description - School Employees Retirement System (SERS)***

Plan Description - The Academy's non-teaching employees participate in SERS, a 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](http://www.ohsers.org) under Employers/Audit Resources.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% 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. Beginning April 1, 2018, 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. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the Academy is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Academy's contractually required contribution to SERS was \$38,863 for fiscal year 2022. Of this amount, \$2,609 is reported as *accrued wages and benefits payable*.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - Licensed teachers participate in STRS, 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 website at [www.strsoh.org](http://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 (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

## 6. DEFINED BENEFIT PENSION PLANS (Continued)

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 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Eligibility changes will 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 DB Plan members who retire with 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 of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a 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% of the 14% member rate goes to the DC Plan and the remaining 2% 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 after termination of employment 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 that 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 fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The Academy's contractually required contribution to STRS was \$424,723 for fiscal year 2022. Of this amount, \$36,110 is reported as *accrued wages and benefits payable*.

**6. DEFINED BENEFIT PENSION PLANS (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred 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 actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the Academy's share of contributions to the pension plan relative to the projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.004576700%	0.019976050%	
Proportion of the net pension liability current measurement date	<u>0.005872200%</u>	<u>0.022063103%</u>	
Change in proportionate share	<u>0.001295500%</u>	<u>0.002087053%</u>	
Proportionate share of the net pension liability	\$ 216,667	\$ 2,820,966	\$ 3,037,633
Pension expense	\$ 53,943	\$ 211,937	\$ 265,880

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 22	\$ 87,156	\$ 87,178
Changes of assumptions	4,563	782,586	787,149
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	64,444	654,581	719,025
Contributions subsequent to the measurement date	<u>38,863</u>	<u>424,723</u>	<u>463,586</u>
Total deferred outflows of resources	<u>\$ 107,892</u>	<u>\$ 1,949,046</u>	<u>\$ 2,056,938</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 5,619	\$ 17,683	\$ 23,302
Net difference between projected and actual earnings on pension plan investments	111,591	2,431,134	2,542,725
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>-</u>	<u>135,424</u>	<u>135,424</u>
Total deferred inflows of resources	<u>\$ 117,210</u>	<u>\$ 2,584,241</u>	<u>\$ 2,701,451</u>

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

\$463,586 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	\$ 18,606	\$ (266,414)	\$ (247,808)
2024	(6,003)	(219,698)	(225,701)
2025	(26,532)	(180,903)	(207,435)
2026	<u>(34,252)</u>	<u>(392,903)</u>	<u>(427,155)</u>
Total	<u>\$ (48,181)</u>	<u>\$ (1,059,918)</u>	<u>\$ (1,108,099)</u>

***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 termination). 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.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

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:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, 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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the 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 were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

The long-term return expectation for the Pension Plan Investments has been determined 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 a 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.

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

The target 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 Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). 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 pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net pension liability	\$ 360,481	\$ 216,667	\$ 95,383

**6. DEFINED BENEFIT PENSION PLANS (Continued)**

*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:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Tables with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% 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 Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS Ohio's 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 Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% 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.



**6. DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. 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 Ohio’s 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 pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

**Sensitivity of the Academy’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

- The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net pension liability	\$ 5,282,614	\$ 2,820,966	\$ 740,879

**Changes Between Measurement Date and Reporting Date** - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

**7. DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability/Asset**

See Note 6 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

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

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

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% 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 post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the Academy's surcharge obligation was \$5,079.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Academy's contractually required contribution to SERS was \$5,079 for fiscal year 2022.

***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. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://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% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

***OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

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

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.004344600%	0.019976050%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.005402000%</u>	<u>0.022063103%</u>	
Change in proportionate share	<u>0.001057400%</u>	<u>0.002087053%</u>	
Proportionate share of the net OPEB liability	\$ 102,237	\$ -	\$ 102,237
Proportionate share of the net OPEB asset	\$ -	\$ 465,182	\$ 465,182
OPEB expense	\$ 3,439	\$ (18,244)	\$ (14,805)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 1,091	\$ 16,564	\$ 17,655
Changes of assumptions	16,037	29,714	45,751
Difference between employer contributions and proportionate share of contributions/change in proportionate share	42,709	37,375	80,084
Contributions subsequent to the measurement date	<u>5,079</u>	<u>-</u>	<u>5,079</u>
Total deferred outflows of resources	<u>\$ 64,916</u>	<u>\$ 83,653</u>	<u>\$ 148,569</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 50,919	\$ 85,228	\$ 136,147
Net difference between projected and actual earnings on OPEB plan investments	2,225	128,942	131,167
Changes of assumptions	14,002	277,516	291,518
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>10,260</u>	<u>6,605</u>	<u>16,865</u>
Total deferred inflows of resources	<u>\$ 77,406</u>	<u>\$ 498,291</u>	<u>\$ 575,697</u>

\$5,079 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

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	\$ (7,304)	\$ (112,815)	\$ (120,119)
2024	(7,320)	(109,590)	(116,910)
2025	(4,682)	(120,159)	(124,841)
2026	(1,435)	(55,047)	(56,482)
2027	1,018	(17,619)	(16,601)
Thereafter	2,154	592	2,746
Total	<u>\$ (17,569)</u>	<u>\$ (414,638)</u>	<u>\$ (432,207)</u>

***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.

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, 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% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, the mortality rates were based on the 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 were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

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 2015 through 2020 and was adopted by the Board in 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 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%, 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 timeframe. 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 Strategy	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%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% 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% at June 30, 2021 and 2.45% at June 30, 2020.

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

**Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net OPEB liability	\$ 126,684	\$ 102,237	\$ 82,707

  

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB liability	\$ 78,714	\$ 102,237	\$ 133,657

**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, compared with June 30, 2020, are presented below:

	June 30, 2021		June 30, 2020	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

**7. DEFINED BENEFIT OPEB PLANS (Continued)**

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**Assumption Changes Since the Prior Measurement Date** - The discount rate was adjusted to 7.00% from 7.45% 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% to 2.100%. 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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 Real Rate of Return *
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% 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 asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's 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 health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2021.



**7. DEFINED BENEFIT OPEB PLANS (Continued)**

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

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net OPEB asset	\$ 39,254	\$ 465,182	\$ 525,863

  

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB asset	\$ 523,404	\$ 465,182	\$ 393,186

**8. RISK MANAGEMENT**

**A. Property and Liability**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the Academy contracted with The Hanover Insurance Company for property and general liability insurance with a \$1,000,000 single occurrence limit and \$3,000,000 annual aggregate and no deductible. There has been no reduction in coverage from the prior year. There have been no settlements exceeding coverage in any of the last three fiscal years and there has been no significant reduction in coverage from the prior year.

**B. Workers Compensation**

The Academy pays the State Workers Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State. 100% of this premium was paid for fiscal year 2022.

**9. EMPLOYEE MEDICAL AND DENTAL BENEFITS**

The Academy has contracted with a private carrier to provide employee medical/surgical benefits. The Academy pays 60% of the monthly premium and the employee is responsible for the remaining 40%. The Academy has also contracted with private carriers to provide dental coverage. The Academy pays 60% of the monthly premium and the employee is responsible for the remaining 40%.

**10. LONG-TERM OBLIGATIONS**

The Academy's long-term obligations during the year consist of the following:

	<b>Balance</b>			<b>Balance</b>	<b>Amounts</b>
	<b>June 30, 2021</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2022</b>	<b>Due in</b>
					<b>One Year</b>
Premier Bank Mortgage	\$ 2,075,361	\$ -	\$ (182,837)	\$ 1,892,524	\$ 190,391
Lease payable	3,888		(3,300)	588	588
Net pension liability	5,136,206		(2,098,573)	3,037,633	-
Net OPEB liability	94,422	7,815	-	102,237	-
<b>Total</b>	<b>\$ 7,309,877</b>	<b>\$ 7,815</b>	<b>\$ (2,284,710)</b>	<b>\$ 5,032,982</b>	<b>\$ 190,979</b>

**Premier Bank Mortgage**

On December 22, 2015, the Academy entered into a 5-year mortgage payable with Premier Bank, Inc. for \$2,880,000. On December 21, 2020, this mortgage was extended for an additional 5 years at an interest rate of 4% and a new maturity date of December 21, 2025. The mortgage is a direct borrowing in which the terms are negotiated directly between the Academy and the lender. The property acquired by the mortgage serves as collateral for the debt. A summary of the Academy's future Premier Bank mortgage requirements, including principal and interest payments as of June 30, 2021, follows:

<b>Fiscal Year</b>	<b>Mortgage Loan</b>			
	<b>Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 190,391	\$ 73,248	\$ 263,639	
2024	198,080	65,559	263,639	
2025	206,441	57,198	263,639	
2026	1,297,612	25,487	1,323,099	
	<b>\$ 1,892,524</b>	<b>\$ 221,492</b>	<b>\$ 2,114,016</b>	

**Lease Payable**

The Academy has reported a lease liability for a the right-to-use copier equipment. The liability for the lease arrangement was \$588 at June 30, 2022. The lease will be retired in fiscal year 2023.

**Net Pension / Net OPEB Liability**

See Note 6 and Note 7 for information on the Academy's net pension and OPEB liabilities.

**11. PURCHASED SERVICES**

Purchased service expenses during fiscal year 2022 were as follows:

<b>Type</b>	<b>Amount</b>
Professional Services	\$ 1,308,487
Rent and Property Services	249,155
Travel Mileage/Meeting Expense	7,145
Advertising and Communications	19,610
Utility Services	51,763
Contracted Food Service	187,774
Other Purchased Services	75,314
<b>Total</b>	<b>\$ 1,899,248</b>

## **12. SPONSORSHIP AGREEMENT**

The Academy is under contract for sponsorship services with the ESC of Lake Erie West through June 30, 2023. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. According to the contract, the Academy pays 3.0% of its foundation and certain other state revenues to the Sponsor. In fiscal year 2022, the Academy's compensation to the Sponsor was \$139,210.

## **13. MANAGEMENT COMPANY AGREEMENT**

The Academy has contracted with Concepts Schools, Inc. to serve as the Academy's management company. The contract is renewed automatically every year in one-year terms unless the Academy or the management company decides otherwise. Under the terms of the current contract, the Academy shall automatically transfer ten percent (10%) of the funds received from the State when such funds are immediately available in the Academy's accounts as payment for management services. During fiscal year 2022, the Academy paid \$805,867 to Concept Schools for management services.

## **14. CONTINGENCIES**

### **Grants**

The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the Academy. In fiscal year 2022, the Academy recognized grants from State and Federal agencies of \$3,308,929.

## **15. 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 Academy received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Academy. The impact on the Academy future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

## **16. RELATED PARTIES**

The Board members for the Academy are also Board members for other Horizon Science Academy Schools that are managed by the same management company, Concept Schools, Inc.

REQUIRED SUPPLEMENTARY INFORMATION

**Horizon Science Academy of Columbus**  
Schedule of the Academy's Proportionate Share of the Net Pension Liability  
School Employees Retirement System (SERS) of Ohio

Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Academy's proportion of the net pension liability	0.005872200%	0.004576700%	0.003468600%	0.003212900%
Academy's proportionate share of the net pension liability	\$ 216,667	\$ 302,713	\$ 207,532	\$ 184,009
Academy's covered payroll	\$ 206,757	\$ 161,979	\$ 119,948	\$ 101,785
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	104.79%	186.88%	173.02%	180.78%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

\* The amounts present each fiscal year were determined as of 6/30 of the previous fiscal year.

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

See accompanying notes to the required supplementary information.

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.004060000%	0.006510500%	0.005449200%	0.006703000%	0.006703000%
\$ 242,576	\$ 476,509	\$ 310,937	\$ 339,235	\$ 398,606
\$ 135,429	\$ 201,107	\$ 164,052	\$ 194,776	\$ 155,527
179.12%	236.94%	189.54%	174.17%	256.29%
69.50%	62.98%	69.16%	71.70%	65.52%

**Horizon Science Academy of Columbus**  
Schedule of the Academy's Proportionate Share of the Net Pension Liability  
State Teachers Retirement System (STRS) of Ohio

Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Academy's proportion of the net pension liability	0.022063103%	0.019976050%	0.017744950%	0.019464820%
Academy's proportionate share of the net pension liability	\$ 2,820,966	\$ 4,833,493	\$ 3,924,189	\$ 4,279,877
Academy's covered payroll	\$ 2,767,700	\$ 2,583,421	\$ 2,080,721	\$ 2,209,621
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	101.92%	187.10%	188.60%	193.69%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

\* The amounts present each fiscal year were determined as of 6/30 of the previous fiscal year.

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

See accompanying notes to the required supplementary information.

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.018982390%	0.017337520%	0.015506900%	0.014379310%	0.014379310%
\$ 4,509,307	\$ 5,803,391	\$ 4,285,654	\$ 3,497,546	\$ 4,166,254
\$ 2,116,557	\$ 1,831,757	\$ 1,617,886	\$ 1,469,169	\$ 1,532,646
213.05%	316.82%	264.89%	238.06%	271.83%
75.30%	66.80%	72.10%	74.70%	69.30%



**Horizon Science Academy of Columbus**  
Schedule of Academy's Pension Contributions  
School Employees Retirement System (SERS) of Ohio

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 38,863	\$ 28,946	\$ 22,677	\$ 16,193
Contributions in relation to the contractually required contribution	<u>(38,863)</u>	<u>(28,946)</u>	<u>(22,677)</u>	<u>(16,193)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 277,593	\$ 206,757	\$ 161,979	\$ 119,948
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 13,741	\$ 18,960	\$ 28,155	\$ 21,622	\$ 26,996	\$ 21,525
<u>(13,741)</u>	<u>(18,960)</u>	<u>(28,155)</u>	<u>(21,622)</u>	<u>(26,996)</u>	<u>(21,525)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 101,785	\$ 135,429	\$ 201,107	\$ 164,052	\$ 194,776	\$ 155,527
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

**Horizon Science Academy of Columbus**  
Schedule of Academy's Pension Contributions  
State Teachers Retirement System (STRS) of Ohio

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 424,723	\$ 387,478	\$ 361,679	\$ 291,301
Contributions in relation to the contractually required contribution	<u>(424,723)</u>	<u>(387,478)</u>	<u>(361,679)</u>	<u>(291,301)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 3,033,736	\$ 2,767,700	\$ 2,583,421	\$ 2,080,721
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 309,347	\$ 296,318	\$ 256,446	\$ 226,504	\$ 190,992	\$ 199,244
<u>(309,347)</u>	<u>(296,318)</u>	<u>(256,446)</u>	<u>(226,504)</u>	<u>(190,992)</u>	<u>(199,244)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,209,621	\$ 2,116,557	\$ 1,831,757	\$ 1,617,886	\$ 1,469,169	\$ 1,532,646
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

**Horizon Science Academy of Columbus**  
Schedule of the Academy's Proportionate Share of the Net OPEB Liability  
School Employees Retirement System (SERS) of Ohio

Last Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Academy's proportion of the net OPEB liability	0.005402000%	0.004344600%	0.003402400%	0.003250300%
Academy's proportionate share of the net OPEB liability	\$ 102,237	\$ 94,422	\$ 85,563	\$ 90,172
Academy's covered payroll	\$ 206,757	\$ 161,979	\$ 119,948	\$ 101,785
Academy's proportionate share of the net OPEB liability as a percentage of its covered payroll	49.45%	58.29%	71.33%	88.59%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.004141900%	0.006600110%
\$ 111,158	\$ 188,128
\$ 135,429	\$ 201,107
82.08%	93.55%
12.46%	11.49%

**Horizon Science Academy of Columbus**  
Schedule of the Academy's Proportionate Share of the Net OPEB Liability (Asset)  
State Teachers Retirement System (STRS) of Ohio

Last Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Academy's proportion of the net OPEB liability/asset	0.022063103%	0.019976050%	0.017744950%	0.019464820%
Academy's proportionate share of the net OPEB liability/(asset)	\$ (465,182)	\$ (351,079)	\$ (293,899)	\$ (312,780)
Academy's covered payroll	\$ 2,767,700	\$ 2,583,421	\$ 2,080,721	\$ 2,209,621
Academy's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	16.81%	13.59%	14.12%	14.16%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.10%	174.70%	176.00%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>
0.018982390%	0.017337520%
\$ 740,623	\$ 927,215
\$ 2,116,557	\$ 1,831,757
34.99%	50.62%
47.10%	37.33%



**Horizon Science Academy of Columbus**  
Schedule of Academy's OPEB Contributions  
School Employees Retirement System (SERS) of Ohio

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 5,079	\$ 455	\$ 877	\$ 1,963
Contributions in relation to the contractually required contribution	<u>(5,079)</u>	<u>(455)</u>	<u>(877)</u>	<u>(1,963)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 277,593	\$ 206,757	\$ 161,979	\$ 119,948
Contributions as a percentage of covered payroll	1.83%	0.22%	0.54%	1.64%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,224	\$ 2,359	\$ 3,350	\$ 2,433	\$ 1,413	\$ 707
<u>(2,224)</u>	<u>(2,359)</u>	<u>(3,350)</u>	<u>(2,433)</u>	<u>(1,413)</u>	<u>(707)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 101,785	\$ 135,429	\$ 201,107	\$ 164,052	\$ 194,776	\$ 155,527
2.18%	1.74%	1.67%	1.48%	0.73%	0.45%

**Horizon Science Academy of Columbus**  
Schedule of Academy's OPEB Contributions  
State Teachers Retirement System (STRS) of Ohio

Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 3,033,736	\$ 2,767,700	\$ 2,583,421	\$ 2,080,721
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ 14,692	\$ 15,326
-	-	-	-	(14,692)	(15,326)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,209,621	\$ 2,116,557	\$ 1,831,757	\$ 1,617,886	\$ 1,469,169	\$ 1,532,646
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

**Horizon Science Academy of Columbus**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) 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, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

**Horizon Science Academy of Columbus**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PENSION (CONTINUED)

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*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- 
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- 
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- 
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2022.

*Changes in assumptions :*

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- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

**Horizon Science Academy of Columbus**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% 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.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

**Horizon Science Academy Columbus**  
Franklin County  
Schedule of Federal Awards Receipts and Expenditures  
For the Fiscal Year Ended June 30, 2022

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity	Federal AL Number	Expenditures
<b>United States Department of Agriculture</b>			
<i>Passed Through Ohio Department of Education</i>			
<i>Child Nutrition Cluster:</i>			
National School Lunch Program	3L60	10.555	\$205,919
COVID-19 National School Lunch Program	3L60	10.555	\$42,704
School Breakfast Program	3L70	10.553	61,010
Total Child Nutrition Cluster			<u>309,633</u>
<b>Total United States Department of Agriculture</b>			<b>309,633</b>
<b>United States Department of Education</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	3M00	84.010	363,869
<i>Special Education Cluster (IDEA):</i>			
Special Education - Grants to States	3M20	84.027	114,533
Total Special Education Cluster (IDEA)			<u>114,533</u>
English Language Acquisition State Grants	3Y70	84.365	11,555
Improving Teacher Quality State Grants	3Y60	84.367	27,933
Student Support and Academic Enrichment	3HI0	84.424	35,049
ESSER	N/A	84.425D	<u>1,280,989</u>
<b>Total United States Department of Education</b>			<b><u>1,833,928</u></b>
<b>Total Federal Financial Assistance</b>			<b><u>\$ 2,143,561</u></b>



**HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Horizon Science Academy of Columbus (the Academy) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The Academy has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E - TRANSFERS**

The following amounts were transferred to the Schoolwide Building Program Fund based on ODE administrative action and transferability guidelines during fiscal year 2022:

<b>SCHOOLWIDE POOL</b>			
<b>Fund</b>	<b>ALN</b>	<b>Transfer In</b>	<b>Transfer Out</b>
Schoolwide Building Program Fund	N/A	\$552,939	
Title-I Non-competitive, Supplemental SI	N/A		0
Title I Grants to Local Education Agencies	84.010		363,869
Special Education - Grants to States	84.027		114,533
Special Education - Preschool Grants	84.173		0
Student Support and Academic Enrichment	84.424		35,049
English Language Acquisition State Grants	84.365		11,555
Improving Teacher Quality State Grants	84.367		27,933
<b>Total Schoolwide Pool</b>		<b>552,939</b>	<b>552,939</b>



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

Horizon Science Academy of Columbus  
Franklin County  
1070 Morse Road  
Columbus, Ohio 43229

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Horizon Science Academy of Columbus, Franklin County, (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 January 31, 2023, wherein we noted the financial impact of adopting new accounting guidance in GASB Statement No. 87. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the School.

***Report on Internal Control Over Financial Reporting***

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

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

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.  
Piketon, Ohio  
January 31, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Horizon Science Academy of Columbus  
Franklin County  
1070 Morse Road  
Columbus, Ohio 43229

To the Board of Directors:

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

***Opinion on the Major Federal Program***

We have audited Horizon Science Academy of Columbus', Franklin County, (the Academy) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Horizon Science Academy of Columbus' major federal program for the year ended June 30, 2022. Horizon Science Academy of Columbus' major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Horizon Science Academy of Columbus complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Academy and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The Academy's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Academy's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group, Inc.  
Piketon, Ohio  
January 31, 2023

**HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

Schedule of Findings  
2 CFR § 200.515  
June 30, 2022

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

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal controls reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR §200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Education Stabilization Fund ALN 84.425
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

**HORIZON SCIENCE ACADEMY OF COLUMBUS  
FRANKLIN COUNTY**

Schedule of Findings  
*2 CFR § 200.515*  
June 30, 2022

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

**None**

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

**None**



# OHIO AUDITOR OF STATE KEITH FABER



**HORIZON SCIENCE ACADEMY OF COLUMBUS  
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 5/4/2023**

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

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