

CONSTELLATION SCHOOLS:  
ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO

*SINGLE AUDIT*

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023



Rea & associates

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



OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Education  
Constellation Schools: Elyria Community  
5730 Broadview Rd  
Parma, OH 44134

We have reviewed the *Independent Auditor's Report* of the Constellation Schools: Elyria Community, Lorain County, prepared by Rea & Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. 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 Constellation Schools: Elyria Community 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

January 11, 2024

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**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Constellation Schools: Elyria Community  
Lorain County, Ohio  
300 N Abbe Rd,  
Elyria, OH 44035

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

#### ***Opinion***

We have audited the financial statements of Constellation Schools: Elyria Community, Lorain County, Ohio, (the “School”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School'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 Constellation Schools: Elyria Community, Lorain County, Ohio, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with 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 (*Government Auditing Standards*). 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 School 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.

#### ***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 School'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 School'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 School'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 pension and other post-employment benefit schedules, as listed in the table of contents, 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 GAAS, 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 School'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 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards 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 November 20, 2023 on our consideration of the School's internal control over financial reporting and on 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 School'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 School's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Independence, Ohio  
November 20, 2023

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## **CONSTELLATION SCHOOLS: ELYRIA COMMUNITY**

Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

The discussion and analysis of Constellation Schools: Elyria Community (EC) financial performance provides an overall review of financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the financial performance of EC as a whole. Readers should also review the Notes to the Financial Statements and the Financial Statements to enhance their understanding of the financial performance of EC.

### **Financial Highlights**

Key financial highlights for 2023 include the following:

- Net position increased \$1,137,473 from 2022.
- Total assets and deferred outflow of resources totaled \$7,488,740.
- Liabilities and deferred inflow of resources totaled \$5,810,666.
- Operating revenues totaled \$3,378,898.
- Expenses totaled \$4,599,887.
- Non-operating revenues totaled \$2,358,462.

### **Using this Financial Report**

This report consists of three parts: the Financial Statements, Notes to the Financial Statements and Required Supplementary Information. The Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

### **Statement of Net Position**

The Statement of Net Position looks at how well EC has performed financially through June 30, 2023. This statement includes all of the assets, deferred outflow of resources, liabilities deferred inflow of resources and net position using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY**

Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

The following schedule provides a summary Statement of Net Position for fiscal years ended June 30, 2023 and 2022 for EC.

	<u>2023</u>	<u>2022</u>
<b>Assets and Deferred Outflow of Resources</b>		
Cash	\$ 3,109,286	\$ 2,228,124
Other Current Assets	640,354	534,933
Net OPEB Assets	325,528	284,595
Capital Assets, Net	2,575,266	2,573,358
Deferred Outflow of Resources	<u>838,306</u>	<u>881,189</u>
Total Assets and Deferred Outflow of Resources	<u>7,488,740</u>	<u>6,502,199</u>
<b>Liabilities and Deferred Inflow of Resources</b>		
Current Liabilities	373,870	192,527
Long-Term Liabilities	4,274,812	3,196,707
Deferred Inflow of Resources	<u>1,161,984</u>	<u>2,572,364</u>
Total Liabilities and Deferred Inflow of Resources	<u>5,810,666</u>	<u>5,961,598</u>
<b>Net Position</b>		
Net Investment in Capital Assets	1,657,993	1,607,253
Unrestricted	<u>20,081</u>	<u>(1,066,652)</u>
Total Net Position	<u>\$ 1,678,074</u>	<u>\$ 540,601</u>

Cash increased during the year from operations. Other current assets increased during the year due to an increase in intergovernmental receivables. Current liabilities increased during the year due to the increase in accounts payable, accrued expenses, and accrued wages and benefits, coupled with EC reporting unearned revenue for the current fiscal year related to the School Safety Grant. In addition, long term liabilities, deferred outflows/inflows of resources fluctuated due to changes fluctuations of accruals related to GASB 68/75.

## CONSTELLATION SCHOOLS: ELYRIA COMMUNITY

### Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

#### Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reports operating and non-operating activities for the fiscal year ended June 30, 2023.

The following schedule provides a summary of the Statement of Revenues, Expenses and Changes in Net Position for EC for fiscal years ended June 30, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
State Aid	\$ 3,366,846	\$ 3,096,979
Other Operating Revenues	<u>12,052</u>	<u>13,198</u>
Total Operating Revenues	<u>3,378,898</u>	<u>3,110,177</u>
Other Grants	4,300	1,800
Federal and State Grants	<u>2,354,162</u>	<u>1,637,993</u>
Total Non-Operating Revenues	<u>2,358,462</u>	<u>1,639,793</u>
Total Revenues	<u>5,737,360</u>	<u>4,749,970</u>
<b>Expenses</b>		
Salaries	2,218,830	1,923,558
Fringe Benefits	326,258	(30,109)
Purchased Services	1,517,527	1,091,830
Materials and Supplies	279,629	170,728
Interest Expense	49,557	52,049
Depreciation	156,738	126,319
Other Expenses	<u>51,348</u>	<u>38,284</u>
Total Expenses	<u>4,599,887</u>	<u>3,372,659</u>
Changes in Net Position	<u>1,137,473</u>	<u>1,377,311</u>
Net Position: Beginning of the Year	<u>540,601</u>	<u>(836,710)</u>
Net Position: End of Year	<u>\$ 1,678,074</u>	<u>\$ 540,601</u>

The most significant change in revenues include increases in state aid due to an increase in enrollment. Increases in federal and state grants was due to additional allocations of federal funding from CARES Act resources.

Noted expense changes are increases in purchased services and material and supplies related to increased CARES Act funding for cleaning supplies at the school and additional staffing services, an increase of fringe benefits due to the changes in accruals related to GASB 68/75, in addition salaries increased due to annual across the board increases accompanied by retention bonuses related to the CARES Act and increased enrollment.

## CONSTELLATION SCHOOLS: ELYRIA COMMUNITY

### Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

#### Capital Assets

As of June 30, 2023, EC had \$2,575,266 invested in land, building, building improvements, technology and software, and furniture and equipment, net of depreciation. This is a \$1,908 increase from June 30, 2022. For more information on capital assets see Note 5 to the Financial Statements.

#### Debt Service

On December 30, 2020 the School refinanced its mortgage with CF Bank through IFF. The refinanced mortgage carries a face value of \$1,055,109, interest at approximately 5.25% annually and for a term of five years amortized over fifteen years with a balloon payment due in April 2026. As of June 30, 2023 the balance on the mortgage was \$917,273. For more information on debt service see Note 6 to the Financial Statements.

#### Net Pension and Other Post-Employment Benefits (OPEB) Liabilities/Asset

The net pension and OPEB liability is the largest single liability reported by EC at June 30, 2023 and is reported pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27* and GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly revises accounting for costs and liabilities related to pension and other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of EC's actual financial condition by adding deferred inflow related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflow related to pension and OPEB and net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability/asset*. 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 EC'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.

## CONSTELLATION SCHOOLS: ELYRIA COMMUNITY

Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

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, EC 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, EC's statements 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 inflow/outflow.

There was a significant change in net pension / OPEB liability / asset for EC. The fluctuations are due to changes in the actuarial liabilities / assets and related accruals that are passed through to EC's financial statement. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows / inflows and net pension/OPEB liabilities/asset and are described in more detail in their respective notes.

## **CONSTELLATION SCHOOLS: ELYRIA COMMUNITY**

Management's Discussion and Analysis

For the Year Ended June 30, 2023

(Unaudited)

### **Current Financial Issues**

The Board of Directors, school management and school staff continue to work diligently to ensure that EC maintains the highest level of educational services and financial integrity that we have always provided. Our goal continues to be providing a strong educational product for our students and families and to maintain the reputation we have developed during our previous years.

The School is a community School and is funded through the State of Ohio Foundation Program. The School relies on this, as well as, State and Federal funds as its primary source of revenue. In 2022, the State replaced the existing funding formula with a new formula that was implemented in January 2022 as a result of changes in Ohio law under the passage of HB110. Under the new formula, community schools are funded directly with no deductions or transfers from the student's district of residence. The funding calculation for community schools uses several concepts and formulas, some of which also apply to traditional school districts. These primarily include Base Cost, Special Education, Disadvantaged Pupil Impact Aid, English Learners and Career Technical Education. Combined, these elements make up the Core Foundation Funding and the change in calculated amounts compared to the funding received in Fiscal Year 2020 are being phased-in at 16.67% in Fiscal Year 2022. The phase-in amount will increase to 33.33% in Fiscal Year 2023. Another key provision of HB 110 provided a guarantee that no school would receive less per pupil in Fiscal Year 2022 than it did in Fiscal Year 2021 as a result of implementing this formula change. Additionally, facility related funding was increased from \$250 per pupil to \$500 per pupil in Fiscal Year 2022 and is expected to remain at this level in Fiscal Year 2023.

In June 2023, the State Legislature passed the 24-25 biennial budget which included significant increases to community school funding, as well as, continuing the graduated phase-in approach initiated in last budget cycle. The phase-in percentage for 2024 and 2025 will be 50% and 66.67% respectively. In addition, schools will see an additional \$500 per student in facility funding, a \$650 per student equity grant for both 2024 and 2025, and a 12.1% increase in the per student Base Cost, increasing from \$7,352 to \$8,241.

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

This financial report is designed to provide our constituents with a general overview of the finances for EC and to show accountability for the monies it receives. If you have any questions about this report or need additional information please contact the School's Fiscal Officer, C. David Massa, CPA at 5730 Broadview Road, Parma, Ohio 44134.



**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY - LORAIN COUNTY, OHIO**  
**Statement of Net Position**  
**June 30, 2023**

**Assets:**

**Current Assets:**

Cash and Cash Equivalents	\$ 3,109,286
Accounts Receivable	85,068
Prepaid Expenses	39,631
Due from Other Governments	515,655
<b>Total Current Assets</b>	<u>3,749,640</u>

**Noncurrent Assets:**

Net OPEB Asset	325,528
Non-Depreciable Capital Assets	422,900
Capital Assets, net of Accumulated Depreciation	2,152,366
<b>Total Non-Current Assets</b>	<u>2,900,794</u>

**Total Assets** 6,650,434

**Deferred Outflows of Resources:**

Pension (STRS & SERS) Outflows	790,306
OPEB (STRS & SERS) Outflows	48,000
<b>Total Deferred Outflows of Resources</b>	<u>838,306</u>

**Liabilities:**

**Current Liabilities:**

Accounts Payable, Trade	36,732
Accrued Wages and Benefits	246,018
Accrued Expenses	5,802
Unearned Revenue	33,860
Current Portion, Long Term Debt	51,458
<b>Total Current Liabilities</b>	<u>373,870</u>

**Noncurrent Liabilities:**

Non-Current Portion, Long Term Debt	865,815
Net Pension Liability	3,279,702
Net OPEB Liability	129,295
<b>Total Noncurrent Liabilities</b>	<u>4,274,812</u>

**Total Liabilities** 4,648,682

**Deferred Inflows of Resources:**

Pension (STRS & SERS)	673,418
OPEB (STRS & SERS)	488,566
<b>Total Deferred Inflows of Resources</b>	<u>1,161,984</u>

**Net Position:**

Net Investment in Capital Assets	1,657,993
Unrestricted Net Position	20,081
<b>Total Net Position</b>	<u>\$ 1,678,074</u>

See Accompanying Notes to the Basic Financial Statements

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY - LORAIN COUNTY, OHIO**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2023**

<b>Operating Revenues:</b>	
State Aid	\$ 3,366,846
Miscellaneous	<u>12,052</u>
<b>Total Operating Revenues</b>	<u>3,378,898</u>
<b>Operating Expenses:</b>	
Salaries	2,218,830
Fringe Benefits	326,258
Purchased Services	1,517,527
Depreciation	156,738
Supplies	279,629
Other Operating Expenses	<u>51,348</u>
<b>Total Operating Expenses</b>	<u>4,550,330</u>
<b>Operating Income (Loss)</b>	(1,171,432)
<b>Non-Operating Revenues and (Expenses):</b>	
Federal and State Restricted Grants	2,354,162
Interest Expense	(49,557)
Other Grants	<u>4,300</u>
<b>Net Non-operating Revenues and (Expenses)</b>	<u>2,308,905</u>
<b>Change in Net Position</b>	1,137,473
<b>Net Position - Beginning of Year</b>	<u>540,601</u>
<b>Net Position - End of Year</b>	<u>\$ 1,678,074</u>

See Accompanying Notes to the Basic Financial Statements

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY - LORAIN COUNTY, OHIO**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
State Aid Receipts	\$ 3,366,846
Miscellaneous	12,052
Cash Payments to Employees for Services	(2,104,872)
Cash Payments for Employee Benefits	(605,338)
Cash Payments to Suppliers for Goods and Services	(1,872,152)
Net Cash Provided By (Used For) Operating Activities	<u>(1,203,464)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal and State Grant Receipts	2,337,361
Other Grants	4,300
Net Cash Provided By Noncapital Financing Activities	<u>2,341,661</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Purchase of Capital Assets	(158,646)
Interest Payments	(49,557)
Principal Payments	(48,832)
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(257,035)</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>881,162</b>
<b>Cash and Cash Equivalents - Beginning of the Year</b>	<u>2,228,124</u>
<b>Cash and Cash Equivalents - Ending of the Year</b>	<u><u>\$ 3,109,286</u></u>

See Accompanying Notes to the Basic Financial Statements

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY - LORAIN COUNTY, OHIO**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023**  
(Continued)

<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</b>	
Operating Income (Loss)	\$ (1,171,432)
 <b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</b>	
Depreciation	156,738
 Changes in Assets, Liabilities, and Deferred Inflows and Outflows:	
(Increase)/ Decrease in Net OPEB Asset	(40,933)
(Increase)/ Decrease in Accounts Receivable	(70,292)
(Increase)/ Decrease in Other Assets	15,532
(Increase)/ Decrease in Deferred Outflows Pension	25,295
(Increase)/ Decrease in Deferred Outflows OPEB	17,588
Increase/(Decrease) in Accounts Payable, Trade	32,089
Increase/ (Decrease) in Net Pension Liability	1,185,401
Increase/ (Decrease) in Net OPEB Liability	(56,051)
Increase/ (Decrease) in Deferred Inflows Pension	(1,386,320)
Increase/ (Decrease) in Deferred Inflows OPEB	(24,060)
Increase/(Decrease) in Accrued Wages and Benefits	113,958
Increase/(Decrease) in Accrued Expenses	(977)
<b>Net Cash Provided By (Used For) Operating Activities</b>	<b><u>\$ (1,203,464)</u></b>

See Accompanying Notes to the Basic Financial Statements

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 1 - Description of the School and Reporting Entity**

Constellation Schools: Elyria Community (EC) is a nonprofit corporation established on August 25, 2000 pursuant to Ohio Revised Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific and related teaching service that qualifies as an exempt organization under §501(c)(3) of the Internal Revenue Code. On November 7, 2001, EC received a determination letter confirming tax-exempt status with the Internal Revenue Service 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 which may adversely affect the tax-exempt status of EC. EC, which is part of Ohio's education program, is independent of any school district. EC may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of EC.

EC was approved for operation under a contract between the Governing Authority of EC and the Ohio Department of Education (the Sponsor) for a period of five years commencing July 1, 2001 and terminating on June 30, 2006. On October 16, 2003 EC entered into a contract with Lucas County Educational Service Center (LCESC) to have LCESC replace the Ohio Department of Education as their sponsor. The contract with LCESC, now known as ESC of Lake Erie West (ESCLEW) has been renewed with a current expiration date of June 30, 2024. Under the terms of the contract ESCLEW will provide sponsorship services for a fee.

EC entered into an agreement with Constellation Schools (CS) to provide legal, financial, business and educational management services for the fiscal year. The agreement is renewable annually.

EC operates under a five-member Board of Directors. The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualification of teachers. During 2023, the board members for EC also serve as the board for Constellation Schools: Old Brooklyn Community Elementary, Constellation Schools: Parma Community and Constellation Schools: Lorain Community Elementary.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of EC have been prepared in conformity with generally accepted accounting principles (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 EC's accounting policies are described below.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Basis of Presentation**

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

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources and all liabilities and deferred inflow of resources are included on the Statement of Net Position. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. EC prepares financial statements using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which EC receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when the use is first permitted; matching requirements, in which EC must provide local resources to be used for a specified purpose; and expenditure requirements, in which resources are provided to EC on a reimbursement basis. Expenses are recognized at the time they are incurred.

**Implementation of New Accounting Principles**

For the fiscal year ended June 30, 2023, the School has implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements and certain provisions of GASB Statement No. 99, Omnibus2022. The implementation of GASB Statements Nos. 94, 96, and 99 did not have an effect on the financial statements of the School.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Cash and Cash Equivalents**

All monies received by EC are deposited in demand deposit accounts.

**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 EC and its Sponsor. The contract between EC and its Sponsor does not require EC to follow the provisions Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

**Due From Other Governments**

Monies due to EC for the year ended June 30, 2023 are recorded as Due From Other Governments. A current asset for the receivable amount is recorded at the time of the event causing the monies to be due.

**Capital Assets, Mortgage Fees and Depreciation**

Capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the dates received. All items with a useful life of one year or greater and a value of \$5,000 or more are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated except for land. Depreciation of buildings, building improvements, technology and software, and furniture and equipment is computed using the straight-line method over their estimated useful lives. Improvements to capital assets are depreciated over the remaining useful lives of the related capital assets or less. Estimated useful lives are as follows:

<u>Capital Asset Classification</u>	<u>Years</u>
Building	40
Building Improvements	10 to 40
Technology and Software	3 to 5
Furniture and Equipment	10

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Intergovernmental Revenues**

EC currently participates in the State Foundation Program, the State Poverty Based Assistance Program, Community Schools Facilities Allocation and Casino Tax Distribution. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. EC also participates in Federal Entitlement Programs, the Federal Lunch Reimbursement Program and various State Grant Programs. State and Federal Grants and Entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Amounts awarded under the above-named programs for the 2023 school year totaled \$5,721,008.

**Private Grants and Contributions**

EC received grants and contributions from private sources to support the school's programs. Private grants and contributions are recognized as non-operating revenues in the accounting period in which they are received. EC did not receive any private grants or contributions for the 2023 fiscal year.

**Compensated Absences**

Vacation is taken in a manner which corresponds with the school calendar; therefore, EC does not accrue vacation time as a liability.

Sick leave benefits are earned at the rate of one and one-quarter day per month and can be accrued up to a maximum of one hundred twenty days. EC will accept the transfer of sick days from another school district up to the maximum accrual amount. No financial accrual for sick time is made since unused sick time is not paid to employees upon employment termination.

**Use of Estimates**

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



**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability/asset, deferred outflow of resources and deferred inflow of resources related to pension/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.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the financial statements. In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations. However, claims and judgments, compensated absences that will be paid from available funds are reported as a liability in the financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**Deferred Inflow of Resources and Deferred Outflow of Resources**

A deferred outflow of resources is a consumption of assets by EC that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflow of resources related to pension and OPEB is described in Note 8 and Note 9.

A deferred inflow of resources is an acquisition of assets by EC that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow of resources related to pension and OPEB is described in Note 8 and Note 9.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Net Position**

Net position represents the difference between assets and deferred outflow of resources and liabilities and deferred inflow of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflow of resources and deferred inflow of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by EC or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

EC applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the School. For the School, these revenues are primarily the State Foundation program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the School. All revenues and expenses not meeting this definition are reported as non-operating.

**Note 3 - Deposits**

At fiscal year end June 30, 2023, the carrying amount of EC’s deposits totaled \$3,109,286 and its bank balance was \$3,110,137. Based on the criteria described in GASB Statement No. 40, “Deposit and Investment Risk Disclosure,” as of June 30, 2023, \$2,855,082 of the bank balance was exposed to custodial risk as discussed below, while \$255,055 was covered by the Federal Depository Insurance Corporation.

EC has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secured. Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions can elect to participate in the OPCS and will collateralize at one hundred and two percent or a rate set by the Treasurer of State. Financial institutions opting not to participate in OPCS will collateralize utilizing the specific pledge method at one hundred and five percent.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Note 4 - Purchased Services**

Purchased Services include the following:

Professional and Technical Services	\$ 1,006,985
Property Services	207,751
Travel & Meetings	5,761
Communications	56,857
Utilities	63,067
Contracted Services	163,438
Pupil Transportation	1,059
Other	12,609
Total Purchased Services	<u>\$ 1,517,527</u>

**Note 5 - Capital Assets**

A summary of capital assets at June 30, 2023 follows:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital Assets Not Being Depreciated:				
Land	\$ 422,900	\$ -	\$ -	\$ 422,900
Total Capital Assets Not Being Depreciated:	<u>422,900</u>	<u>-</u>	<u>-</u>	<u>422,900</u>
Capital Assets Being Depreciated:				
Buildings	2,002,207	-	-	2,002,207
Building Improvements	1,166,896	51,556	-	1,218,452
Technology and Software	194,638	95,682	-	290,320
Furniture and Equipment	127,239	11,408	-	138,647
Total Capital Assets Being Depreciated	<u>3,490,980</u>	<u>158,646</u>	<u>-</u>	<u>3,649,626</u>
Less Accumulated Depreciation:				
Buildings	(673,952)	(49,905)	-	(723,857)
Building Improvements	(388,383)	(59,190)	-	(447,573)
Technology and Software	(168,868)	(44,212)	-	(213,080)
Furniture and Equipment	(109,319)	(3,431)	-	(112,750)
Total Accumulated Depreciation	<u>(1,340,522)</u>	<u>(156,738)</u>	<u>-</u>	<u>(1,497,260)</u>
Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>2,150,458</u>	<u>1,908</u>	<u>-</u>	<u>2,152,366</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 2,573,358</u>	<u>\$ 1,908</u>	<u>\$ -</u>	<u>\$ 2,575,266</u>

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 6 - Mortgage Notes Payable/Direct Borrowing**

On August 23, 2004, EC entered into two mortgage agreements relating to the purchase of the property at 300 North Abbe Road. A first mortgage note in the amount of \$918,000 was held by PNC Bank, National Association (formerly National City Bank). A second mortgage note, which matured during fiscal year 2012, in the amount of \$255,000 was held by Horizon Activities Center and was subordinate to the first mortgage.

The PNC Bank note was refinanced in November 2013 with CF Bank. A first position mortgage note is held by CF Bank in the amount of \$535,000 for a five-year term at 4.75% interest. The note amortizes based on a fifteen-year schedule with a balloon payment due at the end of the fifth year.

On November 21, 2013 EC entered into two mortgage agreements relating to the purchase of the Eastgate School property for \$1,100,000. A first position mortgage note is held by CF Bank in the amount of \$1,020,000 with a six-year term at 4.75% interest. The first year of the note included \$850,000 for acquisition and \$170,000 for construction with principal payments deferred until the second year. The \$170,000 construction portion, held in escrow by CF Bank, was drawn during July, 2015. The note begins to amortize in the second year based on a fifteen-year schedule with a balloon payment due at the end of the sixth year. A second position mortgage note of \$250,000 was obtained from Eastgate Company LLC (the seller) for a period of five years at 4% interest as part of the building purchase.

In December 2020, EC refinanced its previous mortgage loan agreement with IFF for a term of 5 years with payments based on a fifteen year amortization schedule with a final balloon payment due in April 2026. During fiscal year 2023 principal was reduced by \$48,832 and interest payments totaled \$49,557. As of June 30, 2023 the outstanding principal balance is \$917,273.

The Building acts as collateral on the mortgage. In event of default the mortgage becomes due and payable and the bank has the option to foreclose on the property. Defaults are defined as untimely payment, failure to maintain the property, not timely disclosing to the bank any event which may adversely affect EC's ability to pay on the obligations. EC is required to furnish to the Bank audited annual financial statements within 180 days after the end of EC's fiscal year. In the event EC fails to provide the Bank with the foregoing audited financial statements within such period, then, in addition to all other rights and remedies, Bank shall have the right (but not obligation) to cause such audited financial statements to be prepared at an accountant or firm at Bank's sole discretion, and EC shall pay the actual cost incurred by Bank in connections therewith. EC is in compliance with the timely filing required.

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**NOTES TO THE FINANCIAL STATEMENTS  
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Principal and interest due on the outstanding mortgage notes as of June 30, 2023 are as follows:

Year	IFF		Total
	Principal	Interest	
2024	\$ 51,458	\$ 42,917	\$ 94,375
2025	54,225	44,163	98,388
2026	811,590	37,924	849,514
Total	<u>\$ 917,273</u>	<u>\$ 125,004</u>	<u>\$ 1,042,277</u>

**Note 7 - Risk Management**

**Property and Liability Insurance**

EC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2023, EC contracted with Traveler’s Property Casualty Company of America for property insurance, The Hanover Insurance Company for liability insurance and errors and omissions insurance and Allamerica Financial Benefit Insurance Company for Automobile insurance.

General property and liability is covered at \$10,000,000 single occurrence limit and \$11,000,000 aggregated. Hired and Non-Owned Vehicles are covered at \$1,000,000 combined single limit of liability. Other coverage includes Employee Crime, School Leaders Errors & Omissions, Sexual Abuse and Misconduct, Electronic Data Processing, Cyber Liability and Business Interruption. Settled claims have not exceeded this coverage in any of the past three years, nor has there been any significant reduction in insurance coverage from the prior year.

**Workers’ Compensation**

EC makes premium payments to the Ohio Workers’ Compensation System for employee injury coverage.

**Employee Medical, Dental, Vision and Life Benefits**

EC provides medical, dental, vision and life insurance benefits to all full-time employees. Employees participate in premium payments through pretax payroll deductions.

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LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 8 - Defined Benefit Pension Plan**

**Net Pension Liability**

The net pension liability reported on the Statement of Net Position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued wages and benefits* on the accrual basis of accounting.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Plan Description - School Employees Retirement System (SERS)**

**Plan Description** –School 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.

Age and service requirements for retirement are as follows:

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

\* Members with 25 years of service credit as of August 1, 2017, 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 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. 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. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%.

A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2023.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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FOR THE YEAR ENDED JUNE 30, 2023**

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**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The School's contractually required contribution to SERS was \$48,368 for fiscal year 2023.

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

**Plan Description** –School licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](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 Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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, 2023 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 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit 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.



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The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes 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 services. 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 or later.

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 in the GASB 68 schedules of employer allocation and pension amounts by employer.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, 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. 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. For the fiscal year ended June 30, 2023, plan members were required to contribute 14 percent of their annual covered salary. The School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The School's contractually required contributions to STRS was \$250,035 for fiscal year 2023.

**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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all participating entities.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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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	0.0099860%	0.01349806%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.0089661%</u>	<u>0.01257189%</u>	
Change in Proportionate Share	<u>-0.0010199%</u>	<u>-0.00092617%</u>	
Proportionate Share of the Net Pension			
Liability	\$ 484,956	\$ 2,794,746	\$ 3,279,702
Pension Expense	\$ (26,203)	\$ 148,982	\$ 122,779

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the School's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight-line method over a five-year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight-line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

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**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

At June 30, 2023, the School 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	\$ 19,641	\$ 35,778	\$ 55,419
Changes of assumptions	4,785	334,448	339,233
Net difference between projected and actual earnings on pension plan investments	-	97,251	97,251
EC contributions subsequent to the measurement date	<u>48,368</u>	<u>250,035</u>	<u>298,403</u>
Total Deferred Outflows of Resources	<u>\$ 72,794</u>	<u>\$ 717,512</u>	<u>\$ 790,306</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 3,184	\$ 10,692	\$ 13,876
Changes of assumptions	-	251,743	251,743
Net difference between projected and actual earnings on pension plan investments	16,922	-	16,922
Changes in proportion and differences between contributions and proportionate share of contributions	<u>43,194</u>	<u>347,683</u>	<u>390,877</u>
Total Deferred Inflows of Resources	<u>\$ 63,300</u>	<u>\$ 610,118</u>	<u>\$ 673,418</u>

\$298,403 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (23,415)	\$ (140,053)	\$ (163,468)
2025	(19,405)	(136,407)	(155,812)
2026	(24,176)	(149,615)	(173,791)
2027	28,122	283,434	311,556
Total	\$ (38,874)	\$ (142,641)	\$ (181,515)

**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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal

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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.

The most recent experience study was completed 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 averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategies	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.00 percent. 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 earning were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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***Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, 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 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
EC's proportionate share of the net pension liability	\$ 713,833	\$ 484,956	\$ 292,131

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2022, actuarial valuation.

Inflation	2.50 percent
Projected salary increases	Varies by service from 2.5% to 8.5%
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments	0.0 percent

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\* 10-Year annualized 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 Ohio’s investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
EC's proportionate share of the net pension liability	\$ 4,221,845	\$ 2,794,746	\$ 1,587,864

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**Assumption and Benefit Changes Since the Prior Measurement Date** - Demographic assumptions were changed based on the actuarial experience study for the July 1, 2015, through June 30, 2021. STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023.

**Note 9 – Defined Benefit OPEB Plans**

***Net OPEB Liability/Asset***

The net OPEB liability and net OPEB asset reported on the statement of net position represents a liability or asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability and net OPEB asset represent the School’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability and net OPEB asset calculations are dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability and net OPEB asset. Resulting adjustments to the net OPEB liability and net OPEB asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.



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The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *accrued wages and benefits* on the accrual basis of accounting.

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, there was no contribution made to health care. A 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 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

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The surcharge, is the total amount assigned to the Health Care Fund. The School’s contractually required contribution to SERS was \$700 for fiscal year 2023.

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

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B 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 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability and net OPEB asset were measured as of June 30, 2022, and the total OPEB liability and asset used to calculate the net OPEB liability and net OPEB asset were determined by an actuarial valuation as of that date. The School's proportion of the net OPEB liability and net OPEB asset were based on the School's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/asset Prior Measurement Date	0.0097932%	0.01349806%	
Proportion of the Net OPEB Liability/asset Current Measurement Date	<u>0.0092090%</u>	<u>0.01257189%</u>	
Change in Proportionate Share	<u>-0.0005842%</u>	<u>-0.00092617%</u>	
Proportionate Share of the Net OPEB Liability	\$ 129,295	\$ -	\$ 129,295
Proportionate Share of the Net OPEB Asset	\$ -	\$ (325,528)	\$ (325,528)
OPEB Expense	\$ (33,445)	\$ (69,311)	\$ (102,756)

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At June 30, 2023, the School 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	\$ 1,086	\$ 4,720	\$ 5,806
Changes of assumptions	20,564	13,867	34,431
Net difference between projected and actual earnings on OPEB plan investments	669	5,667	6,336
Changes in proportion and differences between contributions and proportionate share of contributions	-	727	727
EC contributions subsequent to the measurement date	<u>700</u>	<u>-</u>	<u>700</u>
Total Deferred Outflows of Resources	<u>\$ 23,019</u>	<u>\$ 24,981</u>	<u>\$ 48,000</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 82,707	\$ 48,888	\$ 131,595
Changes of assumptions	53,079	230,830	283,909
Changes in proportion and differences between contributions and proportionate share of contributions	<u>58,207</u>	<u>14,855</u>	<u>73,062</u>
Total Deferred Inflows of Resources	<u>\$ 193,993</u>	<u>\$ 294,573</u>	<u>\$ 488,566</u>

\$700 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	\$ (43,887)	\$ (85,306)	\$ (129,193)
2025	(47,765)	(76,543)	(124,308)
2026	(27,753)	(35,663)	(63,416)
2027	(19,764)	(14,782)	(34,546)
2028	(13,417)	(18,975)	(32,392)
Thereafter	<u>(19,088)</u>	<u>(38,323)</u>	<u>(57,411)</u>
Total	<u>\$ (171,674)</u>	<u>\$ (269,592)</u>	<u>\$ (441,266)</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.

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Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Medical Trend Assumption	7.00 to 4.40 percent
Prior Measurement Date	

Base Mortality: Healthy Retirees - PUB-2010 General Employee Amount Weighted 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. Disabled Retirees - 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. Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer 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.

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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 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022 was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination for the SEIR for both the June 30, 2022 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

**Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

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	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
EC's proportionate share of the net OPEB liability	\$ 160,587	\$ 129,295	\$ 104,035

  

	1% Decrease (6.00 % decreasing to 3.40%)	Current Trend Rate (7.00 % decreasing to 4.40%)	1% Increase (8.00 % decreasing to 5.40%)
EC's proportionate share of the net OPEB liability	\$ 99,710	\$ 129,295	\$ 167,939

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022, actuarial valuation is presented below:

Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Cost-of-Living Adjustments	0 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	7.50 percent	3.94 percent
Medicare	-68.78 percent	3.94 percent
Prescription Drug		
Pre-Medicare	9.00 percent	3.94 percent
Medicare	5.47 percent	3.94 percent

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

For healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2022 valuation is based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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:

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	<u>1.00</u>	1.00
Total	<u>100.00 %</u>	

\* Target allocation percentage is effective July 1, 2022. Target weights were phased in over a 3-month period concluding October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes 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. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2022.

**Sensitivity of the School'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, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as 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.



**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
EC's proportionate share of the net OPEB asset	\$ 300,942	\$ 325,528	\$ 346,588

  

	1% Decrease	Current Trend Rate	1% Increase
EC's proportionate share of the net OPEB asset	\$ 337,652	\$ 325,528	\$ 310,225

***Benefit Term Changes Since the Prior Measurement Date***

Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

**Note 10 - Contingencies**

**Grants**

EC received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs 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 EC. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of EC at June 30, 2023.

**Note 11 - Sponsorship and Management Agreements**

EC entered into an agreement with the ECS of Lake Erie West, (ESCLEW) formerly Lucas County Educational Service Center, to provide sponsorship and oversight services as required by law. The agreement was renewed at the end of the fiscal year and continues until June 30, 2024. Sponsorship fees were calculated as 2.75% of the Fiscal Year 2023 Foundation payments received by EC, from the State of Ohio. The total amount due from EC for fiscal year 2023 was \$94,861, all of which was paid prior to June 30, 2023.

EC had an agreement with Accel Schools to provide legal, financial, and business management services for fiscal year 2023. The agreement was for a period of three years, effective August 19, 2021. Management fees are calculated as 6.25% of the Fiscal Year 2023 Foundation payments received by EC from the State of Ohio plus a fixed fee of \$272,500. The total fee cannot exceed twice the fixed fee. The total amount due from EC for the fiscal year ending June 30, 2023 was \$516,505 all of which was paid prior to June 30, 2023.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Note 12 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2023, the School received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidation Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

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**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of the EC's Proportionate Share of the Net Pension Liability  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EC's Proportion of the Net Pension Liability	0.0089661%	0.0099860%	0.0104893%	0.0117863%	0.0123618%	0.0130372%	0.0121874%	0.0115320%	0.010326%	0.010326%
EC's Proportionate Share of the Net Pension Liability	\$ 484,956	\$ 368,453	\$ 693,785	\$ 705,196	\$ 707,987	\$ 778,942	\$ 892,004	\$ 658,210	\$ 522,587	\$ 614,048
EC's Covered Payroll	\$ 334,936	\$ 344,786	\$ 357,271	\$ 335,704	\$ 402,504	\$ 421,207	\$ 363,943	\$ 238,657	\$ 229,062	\$ 149,964
EC's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.86%	194.19%	210.07%	175.90%	184.93%	245.09%	275.80%	228.14%	409.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Amounts presented as of the EC's measurement date which is the prior fiscal period end.

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of the EC's Proportionate Share of the Net Pension Liability  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EC's Proportion of the Net Pension Liability	0.01257189%	0.01349806%	0.01411439%	0.01541799%	0.01928450%	0.01628987%	0.01728717%	0.01530740%	0.01427336%	0.01427336%
EC's Proportionate Share of the Net Pension Liability	\$ 2,794,746	\$ 1,725,848	\$ 3,415,180	\$ 3,409,595	\$ 3,502,308	\$ 3,869,694	\$ 5,786,537	\$ 4,230,518	\$ 3,471,775	\$ 4,135,556
EC's Covered Payroll	\$ 1,634,407	\$ 1,665,636	\$ 1,703,443	\$ 1,800,221	\$ 1,810,536	\$ 1,790,821	\$ 1,768,914	\$ 1,452,214	\$ 1,354,538	\$ 1,348,462
EC's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.99%	103.61%	200.49%	189.40%	193.44%	216.08%	327.12%	291.31%	256.31%	306.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%	77.31%	75.29%	66.80%	72.10%	74.70%	69.30%

Amounts presented as of the EC's measurement date  
which is the prior fiscal period end.

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of EC Contributions - Pension  
School Employees Retirement System of Ohio  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 48,368	\$ 46,891	\$ 48,270	\$ 50,018	\$ 45,320	\$ 54,338	\$ 58,969	\$ 50,952	\$ 31,455	\$ 31,748
Contributions in Relation to the Contractually Required Contribution	(48,368)	(46,891)	(48,270)	(50,018)	(45,320)	(54,338)	(58,969)	(50,952)	(31,455)	(31,748)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EC Covered Payroll	\$ 345,486	\$ 334,936	\$ 344,786	\$ 357,271	\$ 335,704	\$ 402,504	\$ 421,207	\$ 363,943	\$ 238,657	\$ 229,062
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of EC Contributions - Pension  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 250,035	\$ 228,817	\$ 233,189	\$ 238,482	\$ 252,031	\$ 253,475	\$ 250,715	\$ 247,648	\$ 203,310	\$ 176,090
Contributions in Relation to the Contractually Required Contribution	<u>(250,035)</u>	<u>(228,817)</u>	<u>(233,189)</u>	<u>(238,482)</u>	<u>(252,031)</u>	<u>(253,475)</u>	<u>(250,715)</u>	<u>(247,648)</u>	<u>(203,310)</u>	<u>(176,090)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EC Covered Payroll	\$ 1,785,964	\$ 1,634,407	\$ 1,665,636	\$ 1,703,443	\$ 1,800,221	\$ 1,810,536	\$ 1,790,821	\$ 1,768,914	\$ 1,452,214	\$ 1,354,538
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of the EC's Proportionate Share of the Net OPEB Liability  
School Employees Retirement System of Ohio  
Last Seven Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017
EC's Proportion of the Net OPEB Liability	0.0092090%	0.0097932%	0.0104932%	0.0118534%	0.0122804%	0.0129137%	0.0120373%
EC's Proportionate Share of the Net OPEB Liability	\$ 129,295	\$ 185,346	\$ 228,052	\$ 298,088	\$ 340,692	\$ 346,571	\$ 343,108
EC's Covered Payroll	\$ 334,936	\$ 344,786	\$ 357,271	\$ 335,704	\$ 402,504	\$ 421,207	\$ 363,943
EC's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.60%	53.76%	63.83%	88.79%	84.64%	82.28%	94.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the EC's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of the EC's Proportionate Share of the Net OPEB Liability/(Asset)  
State Teachers Retirement System of Ohio  
Last Seven Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017
EC's Proportion of the Net OPEB Liability/Asset	0.01257189%	0.01349806%	0.01411439%	0.01541800%	0.01592800%	0.01629000%	0.01728700%
EC's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (325,528)	\$ (284,595)	\$ (248,060)	\$ (255,259)	\$ (255,954)	\$ 635,571	\$ 924,522
EC's Covered Payroll	\$ 1,634,407	\$ 1,665,636	\$ 1,703,443	\$ 1,800,221	\$ 1,810,536	\$ 1,790,821	\$ 1,768,914
EC's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-19.92%	-17.09%	-14.56%	-14.18%	-14.14%	35.49%	52.26%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	174.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.30%

(1) Information prior to 2017 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the EC's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information



**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of EC Contributions - OPEB  
EC Employees Retirement System of Ohio  
Last Ten Fiscal Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution (1)	\$ 700	\$ 6,224	\$ 3,860	\$ 4,959	\$ 6,584	\$ 7,348	\$ 5,413	\$ 4,373	\$ 5,770	\$ 4,114
Contributions in Relation to the Contractually Required Contribution	<u>(700)</u>	<u>(6,224)</u>	<u>(3,860)</u>	<u>(4,959)</u>	<u>(6,584)</u>	<u>(7,348)</u>	<u>(5,413)</u>	<u>(4,373)</u>	<u>(5,770)</u>	<u>(4,114)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EC Covered Payroll	\$ 345,486	\$ 334,936	\$ 344,786	\$ 357,271	\$ 335,704	\$ 402,504	\$ 421,207	\$ 363,943	\$ 238,657	\$ 229,062
OPEB Contributions as a Percentage of Covered Payroll (1)	0.20%	1.86%	1.12%	1.39%	1.96%	1.83%	1.29%	1.20%	2.42%	1.80%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

Required Supplementary Information  
Schedule of EC Contributions - OPEB  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,885
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	-	-	(3,885)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EC Covered Payroll	\$ 1,785,964	\$ 1,634,407	\$ 1,665,636	\$ 1,703,443	\$ 1,800,221	\$ 1,810,536	\$ 1,790,821	\$ 1,768,914	\$ 1,452,214	\$ 1,354,538
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

See accompanying notes to the required supplementary information

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - NET PENSION LIABILITY**

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

**Changes in Assumptions - SERS**

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

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

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

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

**Changes in Benefit Terms - SERS**

For fiscal year 2022, cost-of-living adjustments were increased from 2.00 percent to 2.50 percent.

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

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

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Changes in Assumptions – STRS**

For fiscal year 2022, the Retirement Board approved several changes to the actuarial assumptions. The salary increases were changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent. The healthy and disabled mortality assumptions were updated to the Pub-2010 mortality tables with generational improvement scale MP-2020.

For fiscal year 2021, the long term expected rate of return was reduced from 7.45 percent to 7.00 percent.

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

**Changes in Benefit Terms - STRS**

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

**NOTE 2 - NET OPEB LIABILITY (ASSET)**

**Changes in Assumptions – SERS**

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

**Municipal Bond Index Rate:**

Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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

Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare Trend Assumption

Fiscal year 2023	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2022	6.75 percent initially, decreasing to 4.40 percent
Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare Trend Assumption

Fiscal year 2023	7.00 percent initially, decreasing to 4.40 percent
Fiscal year 2022	5.125 percent initially, decreasing to 4.40 percent
Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

**Changes in Benefit Terms - SERS**

There have been no changes to the benefit provisions.

**Changes in Assumptions – STRS**

For fiscal year 2022, the healthy and disabled mortality assumptions were updated to the RPub-2010 mortality tables with generational improvement scale MP-2020. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For fiscal year 2022, the following changes were made to the actuarial assumptions:

- Projected salary increases from 3.25 to 10.75 percent, including wage inflation to varying by service from 2.50 to 8.50 percent
- Medicare medical health care cost trends from -16.18 percent initial to -68.78 percent initial and 4.00 percent ultimate to 3.94 percent ultimate
- Medicare prescription drug health care cost trends from 29.98 percent initial to -5.47 percent initial and 4.00 percent ultimate to 3.94 percent ultimate

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

**Changes in Benefit Terms – STRS**

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

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

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

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

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

To the Board of Directors  
Constellation Schools: Elyria Community  
Lorain County, Ohio  
300 N Abbe Rd,  
Elyria, OH 44035

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 Constellation Schools: Elyria Community, Lorain County, Ohio (the “School”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated November 20, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School'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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School'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 entity' 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 School'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 school'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 school's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Independence, Ohio  
November 20, 2023



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Constellation Schools: Elyria Community  
Lorain County, Ohio  
300 N Abbe Rd,  
Elyria, OH 44035

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

***Opinion on Each Major Federal Program***

We have audited the Constellation Schools: Elyria Community, Lorain County, Ohio (the “School”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the School’s major federal programs for the year ended June 30, 2023. The School’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each 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 School 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 each major federal program. Our audit does not provide a legal determination of the School’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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 School’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 School'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 School's compliance with the requirements of each 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 School'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 School'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 School'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.

Constellation Schools: Elyria Community  
Independent Auditor's Report on Compliance for Each Major Federal Program and  
Report on Internal Control over Required by the Uniform Guidance  
Page 3 of 3

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Independence, Ohio  
November 20, 2023

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

Federal Grantor/ Pass Through Grantor/ Program Title	ALN Number	Grant Year	Disbursements	Total Provided to Subrecipients
<b>U. S. Department of Education</b>				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010A	2023	\$ 326,605	\$ -
Total Title I			<u>326,605</u>	<u>-</u>
<i>Special Education Cluster:</i>				
Special Education - Grants to States	84.027A	2023	89,402	-
American Rescue Plan - IDEA Part B: COVID-19	84.027X	2023	19,901	-
Total Special Education Cluster			<u>109,303</u>	<u>-</u>
American Rescue Plan Education Stabilization Fund - ESSER - COVID-19	84.425U	2023	1,146,580	-
Title II-A Improving Teacher Quality	84.367A	2023	35,786	-
Title IV-A Student Support and Academic Enrichment	84.424A	2023	31,512	-
<i>Total U.S. Department of Education</i>			<u>1,649,786</u>	<u>-</u>
<b>U. S. Department of Agriculture</b>				
<i>Passed Through the Ohio Department of Education:</i>				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	10.553	2023	39,886	-
National School Lunch Program	10.555	2023	97,144	-
National School Lunch Program (COVID-19)	10.555	2023	14,302	-
Total Child Nutrition Cluster			<u>151,332</u>	<u>-</u>
<i>Total U.S. Department of Agriculture</i>			<u>151,332</u>	<u>-</u>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<u>\$ 1,801,118</u>	<u>\$ -</u>

See the Notes to the Schedule of Expenditures of Federal Awards.

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Constellation Schools: Elyria Community (the “School”) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented 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 School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

**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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note C – Transfers**

The School generally must spend Federal assistance within 15 months of receipt. However, with Ohio Department of Education (ODE) approval, a School can transfer (carryover) unspent Federal assistance to the succeeding year, thus allowing the School a total of 27 months to spend the assistance. During fiscal year 2023, the ODE authorized the following transfers:

<u>ALN Number / Grant Title</u>	<u>Grant Year</u>	<u>Transfer Out</u>	<u>Transfer In</u>
84.010A Title I Grants to Local Educational Agencies	2022	\$ 131,404	
84.010A Title I Grants to Local Educational Agencies	2023		\$ 131,404
84.010A Expanding Opportunities for Each Child Non-Competitive Grant	2022	11,812	
84.010A Expanding Opportunities for Each Child Non-Competitive Grant	2023		11,812
84.367A Title II-A Improving Teacher Quality	2022	21,020	
84.367A Title II-A Improving Teacher Quality	2023		21,020
84.424A Title IV-A Student Support and Academic Enrichment	2022	21,442	
84.424A Title IV-A Student Support and Academic Enrichment	2023		21,442
84.173A IDEA Early Childhood Special Education	2022	1,700	
84.173A IDEA Early Childhood Special Education	2023		1,700
		<u>\$ 187,378</u>	<u>\$ 187,378</u>

**Note D – Child Nutrition Cluster**

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

**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY  
LORAIN COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR §200.515  
JUNE 30, 2023**

**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 control 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)?	None Reported
(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 reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None Reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d) (1) (vii)	Major Programs (list):  American Rescue Plan Education Stabilization Fund Programs – COVID-19	ALN # 84.425U
(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

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

None were noted.

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

None were noted.

# OHIO AUDITOR OF STATE KEITH FABER



**CONSTELLATION SCHOOLS: ELYRIA COMMUNITY**

**LORAIN 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 1/23/2024**

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)