EVEREST HIGH SCHOOL
FRANKLIN COUNTY
REGULAR AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Directors
Everest High School
1555 Graham Road
Reynoldsburg, Ohio 43068

We have reviewed the *Independent Auditor's Report* of the Everest High School, Franklin County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2020 through June 30, 2021. 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 Everest High School is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 24, 2022

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Franklin County
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Independent Auditor's Report

Board of Directors
Everest High School
1555 Graham Rd
Reynoldsburg, Ohio 43068

Report on the Financial Statements

We have audited the accompanying financial statements of Everest High School, Franklin County, Ohio (the School), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everest High School, Franklin County, Ohio, as of June 30, 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matters

As discussed in Note 14 to the basic financial statements, for the fiscal year ended June 30, 2021, the School's Sponsor placed the School on probationary status due to academic performance and declining enrollment. Due to this status, the School is expected to close at the completion of school year 2022. Additionally, as discussed in Note 15 to the basic financial statements, for the fiscal year ended June 30, 2021, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School, assuming the School continues as a going concern. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the School's proportionate share of the net pension liability, the schedule of the School's proportionate share of the net OPEB liability (asset), and the schedule of School contributions on pages 3 through 8 and 38 through 45, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2022 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.

Millhuff-Stang CPA, Inc.

Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

January 21, 2022

The management's discussion and analysis of Everest High School's (the School) financial performance provides an overall view of the School's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the School's financial performance.

Key Financial Highlights of the School

Key 2021 financial highlights for the School are as follows:

- The School saw the net position decrease by $145,986 during fiscal year 2021. Almost of the decrease can be attributed to the cash activity for the School as expenses exceeded revenues by $146,030.

- The School is required to report a net pension liability and OPEB liability of $498,218 as these are components that significantly reduce the School's net position. By removing the items related to GASB 68 and GASB 75, the School would report a net position of $329,993. The net position decrease includes a pension and OPEB expense of $23,210.

- The total current assets of the School were $381,349 as of June 30, 2021 which is down 29 percent from the fiscal year 2020 amount as the cash balance decreased.

Using this Annual Financial Report and Overview of Financial Statements

This annual report consists of four components: the management discussion and analysis, the basic financial statements, notes to those statements and required supplementary information. The basic financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

The statement of net position presents information on all the School's assets, deferred outflows, liabilities and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the School's net position changed during the most recent fiscal year. The statement of cash flows presents the sources and uses of the School's cash and how it changed during the most recent fiscal year.

Financial Analysis

Table 1 provides a summary of the School's net position at fiscal year-end for fiscal years 2021 and 2020 (GAAP basis).

	2021	2020*
Assets:		
Current Assets	$ 381,349	$ 534,647
Noncurrent Assets	24,041	18,703
Total Assets	405,390	553,350
Deferred Outflows of Resources	170,371	151,719
Liabilities		
Current Liabilities	51,356	75,813
Long-term Liabilities		
Net Pension Liability	458,962	413,961
OPEB Liability	39,256	65,084
Total Liabilities	549,574	554,858
Deferred Inflows of Resources	155,710	133,748
Net Position:		
Restricted	61,000	25,000
Unrestricted (Deficit)	(190,523)	(8,537)
Total Net Position	$ (129,523)	$ 16,463

*Certain reclassifications were made for consistency of reporting between years.

The net pension liability (NPL) is the largest single liability reported by the School at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The School also reports a net OPEB liability/asset pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB asset/liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all governments 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 asset/liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

Including the pension/OPEB items, the School saw total assets decreased by $147,960 as the School saw the cash balance decrease with increased expenses. The School does report a net OPEB asset for one of the retirement systems mainly because of the change in assumptions on the discount rate used.

The current liabilities decreased by $24,457 as the School reported higher accounts payable in fiscal year 2020. The School saw the Net Pension Liability increase as the School's allocated share of the total liability increased overall between the two fiscal years. That also helps explain why the deferred outflow of resources increased since those changes are amortized over the remaining service life for each retirement system.

Financial Analysis

Table 2 shows the change in net position for the fiscal years ended June 30, 2021 and June 30, 2020.

Table 2
Changes in Net Position

	2021	2020
Operating Revenues:		
State Foundation	$ 305,343	$ 386,823
Other	2,528	2,035
Total Operating Revenues	307,871	388,858
Operating Expenses:		
Salaries	248,523	232,859
Fringe Benefits	78,062	111,296
Purchased Services	141,103	152,417
Materials and Supplies	19,601	22,166
Other	27,422	1,219
Total Operating Expenses	514,711	519,957
Operating Loss	(206,840)	(131,099)
Nonoperating Revenues		
Federal and State Grants	60,854	92,025
Interest Revenue	-	2,341
Total Nonoperating Revenues	60,854	94,366
Change in Net Position	(145,986)	(36,733)
Net Position, Beginning of Year	16,463	53,196
Net Position, End of the Year	$ (129,523)	$ 16,463

The School saw the student population decreased from 58 to 41 FTE resulting in the GAAP foundation revenue decreasing over $81,000 during fiscal year 2021. Another large decrease between the two years is related to Federal and State Grants part of which is related to reduction in FTE counts as well. The fiscal year 2021 fringe benefits were significantly lower as the net pension/OPEB expense was only $23,210 compared to $51,501 for fiscal year 2020.

Budget Highlights

Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in Ohio Rev. Code Chapter 5705, unless specifically provided by the School's contract with its Sponsor. The contract between the School and its Sponsor prescribes an annual budget requirement as part of preparing a five year forecast, which is updated on a bi-annual basis.

Capital Assets

At the end of 2021, the School had no reportable capital asset balance. See note 6 for more information on the School's capital assets.

Debt

At June 30, 2021, the School had no outstanding long term debt.

Current Financial Issues

The School saw the enrollment increase from fiscal year 2022 with the October 2021 FTE counts to 52 students from 41 at the end of fiscal year 2021. However, due to declines in enrollment in recent years due to various factors, the School fell below the required enrollment level of 50 students as of the beginning of school year 2021-2022. This violates the School's contract with the Sponsor. The School Board and management discussed options for addressing the School's probationary status but ultimately determined that there were no viable options. As a result, the Sponsor has expressed its intent to the School's Board and management to close the School at the end of school year 2021-2022. The School has been directed by the Sponsor to assist students not eligible for graduation with identifying options for transferring to other schools. Further, the School's Treasurer has been directed to complete future five-year forecasts as though the School will be closing at the end of school year 2021-2022.

Contacting the School

This financial report is designed to provide a general overview of the finances of the School and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of the School, 1555 Graham Road, Reynoldsburg, Ohio 43068.

EVEREST HIGH SCHOOL
FRANKLIN COUNTY, OHIO
STATEMENT OF NET POSITION

AS OF JUNE 30, 2021

Assets:	
Current assets:	
Cash and cash equivalents	$ 374,861
Intergovernmental receivable	4,238
Prepaids	2,250
Total current assets	381,349
Noncurrent assets:	
Net OPEB asset	24,041
Total Assets	405,390
Deferred Outflows of Resources:	
Pension	134,892
OPEB	35,479
Total Deferred Outflows of Resources	170,371
Liabilities:	
Current liabilities	
Accounts payable	1,021
Accrued wages and benefits payable	45,359
Intergovernmental payable	4,976
Total current liabilities	51,356
Long term liabilities	
Net Pension liability	458,962
OPEB liability	39,256
Total long term liabilities	498,218
Total Liabilities	549,574
Deferred Inflows of Resources:	
Pension	77,331
OPEB	78,379
Total Deferred Inflows of Resources	155,710
Net Position:	
Restricted for other purposes	61,000
Unrestricted (Deficit)	(190,523)
Total Net Position	$ (129,523)

See accompanying notes to the basic financial statements

EVEREST HIGH SCHOOL
FRANKLIN COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Operating revenues:		
Foundation payments	$	305,343
Other operating revenues		2,528
Total operating revenues		307,871
Operating expenses:		
Salaries		248,523
Fringe benefits		78,062
Purchased services		141,103
Materials and supplies		19,601
Other operating expenses		27,422
Total operating expenses		514,711
Operating Loss		(206,840)
Non-Operating revenues:		
Federal and State grants		60,854
Total non-operating revenues		60,854
Change in net position		(145,986)
Net position at beginning of year		16,463
Net position at end of year	$	(129,523)

See accompanying notes to the basic financial statements

EVEREST HIGH SCHOOL
FRANKLIN COUNTY, OHIO
STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Increase (decrease) in cash and cash equivalents

Cash flows from operating activities:	
Cash received from State of Ohio - Foundation	$ 285,611
Cash received from other operating revenues	2,528
Cash payments for personal services	(301,590)
Cash payments for contract services	(155,846)
Cash payments for supplies and materials	(19,598)
Cash payments for other expenses	(27,422)
Net cash used for operating activities	(216,317)
Cash flows from noncapital financing activities:	
Cash received from state and federal grants	70,287
Net change in cash and cash equivalents	(146,030)
Cash and Cash Equivalents at beginning of year	520,891
Cash and Cash Equivalents at end of year	374,861

Reconciliation of operating loss to net cash used for operating activities:

Operating Loss	(206,840)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Change in assets and liabilities:	
Increase in intergovernmental receivable	(2,165)
Increase in OPEB asset	(5,338)
Increase in deferred outflows	(18,652)
Decrease in accounts payable	(32,400)
Increase in accrued wages and benefits	7,535
Increase in intergovernmental payable	408
Increase in deferred inflows	21,962
Increase in net pension liability	45,001
Decrease in OPEB liability	(25,828)
Total Adjustments	(9,477)
Net cash used for operating activities	$ (216,317)

See accompanying notes to the basic financial statements

NOTE 1 – DESCRIPTION OF THE REPORTING ENTITY

Everest High School, Franklin County, Ohio (the "School") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702, to maintain and provide a high quality education to its students and contributes significantly to Ohio's effort to provide quality education opportunities for learners in the areas of academic development, civic leadership, and a lifetime of productive work. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax exempt status. The School is designed as high school dropout prevention/recovery program. The target student population consists of students who are 16-21 years of age, considered to be "at risk" for graduating from high school, and who, at the time of their enrollment, are at least one grade level behind their cohort age group and/or have experienced a crisis that significantly interferes with their academic progress to the extent they cannot continue in the traditional high school program. The School, which is part of the State's education program, is nonsectarian in its programs, admission policies, employment practice, and all other operations. The School may acquire facilities as needed and contract for any services necessary for the operation of the School.

The School is not considered a component unit for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus".

The School was approved for operation under a contract with the Reynoldsburg City School District on May 21, 2012 to begin operation on July 1, 2012 for a period of one academic year and was renewed for a period of five years on May 21, 2013. The School switched sponsors to St Aloysius Orphanage (the "Sponsor") for July 1, 2017 to June 30, 2020. The Sponsor renewed the contract for another three year period from July 1, 2020 to June 30, 2023. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School is designed to operate under the direction of a self-appointed six-member Board of Directors (the "Board"). 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 qualifications of teachers. The Board controls the School's one instructional/support facility staffed by 2 non-certified staff members and 3 certificated teaching personnel who provide services to 41 full time equivalent students.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The School's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The School uses enterprise accounting to track and report on its financial activities. Enterprise fund reporting focuses on the determination of the change in net position, net position and cash flows.

B. Measurement Focus and Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, all liabilities and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (e.g. revenues) and decreases (e.g. expenses) in net total position. The statement of cash flows reflects how the School finances and meets its cash flow needs.

C. Budgetary Process

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

D. Cash and Investments

All monies received by the School are accounted for by the School's treasurer. All cash received is maintained in accounts in the School's name. Monies for the School are maintained in bank accounts or temporarily used to purchase short-term investments.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

E. Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School maintains a capitalization threshold of $1,000. The School does not possess any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight line method over the following useful lives:

Description	Estimated Lives
Building	40
Building Improvements	20
Fixtures and Furniture	10
Vehicles	8
Equipment	5

F. Intergovernmental Revenues

The School currently participates in the State Foundation Program and State Special Education Program. Revenues from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements are met.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements are met.

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

Amounts awarded under the items above for the year ended June 30, 2021 totaled $366,197.

G. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisitions, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes represents amounts restricted for a state grant program. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the School, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 9 and 10.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position. (See Notes 9 and 10)

I. Pensions/Other Postemployment Benefits (OPEB)

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

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the certain reported amounts disclosure. Accordingly, actual results may differ from those estimates.

K. Operating Revenues and Expenses

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

L. Compensated Absences

The School reports a liability for estimated sick leave payout based on the Board policy of twenty-five percent up to fifty days. The amount is reported within the accrued wages and benefits payable for the fiscal year.

NOTE 3 – CASH AND CASH EQUIVALENTS

At fiscal year end June 30, 2021, the carrying amount of the School's deposits was $374,861, and the bank balance was $391,810. Of the bank balance, $141,810 was not exposed to custodial credit risk as discussed below, while $250,000 was covered by Federal Deposit Insurance.

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

Custodial credit risk is the risk that, in the event of bank failure, the School's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the School. The School has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

NOTE 4 – PURCHASED SERVICES

For the fiscal year ended June 30, 2021, purchased services expenses were are as follows:

Professional and Technical	$	95,817
Legal		3,104
Communications		603
Equipment Rental/Leasing		12,118
Property Services		29,291
Other		170
Total	$	141,103

NOTE 5 – RECEIVABLES

Receivables at June 30, 2021, primarily consist of intergovernmental receivables arising from grants, entitlement, SERS refund and shared revenues. All receivables are considers collectable in full. The largest amount is related to the federal grants.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021:

	Balance 6/30/20	Additions	Deductions	Balance 6/30/21
Capital Assets Being Depreciated				
Furniture and Equipment	$15,840	$0	$0	$15,840
Less Accumulated Depreciation				
Furniture and Equipment	(15,840)	0	0	(15,840)
Capital Assets, Net	$0	$0	$0	$0

NOTE 7 – SPONSORSHIP AGREEMENT

The School has entered into a sponsorship agreement with Saint Aloysius Orphanage (the Sponsor), whereby, the Sponsor shall receive compensation for services provided to the School. The Sponsor shall provide the School Treasurer with fiscal oversight and administrative support related to the following:

A. Support to ensure that the financial records of the School are maintained in the same manner as are financial records of School, pursuant to rules of the Auditor of State.

B. Compliance with the policies and procedures regarding internal financial control of the School.

C. Compliance with the requirements and procedures for financial audits by the Auditor of State.

During the fiscal year, the School paid the Sponsor $8,399 in sponsorship fees.

NOTE 8 – RISK MANAGEMENT

A. Insurance Coverage

The School is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. During the fiscal year ending June 30, 2021, the School contracted with Liberty Mutual for the following insurance coverage:

Coverage	Limits of Coverage
General liability:	
Each occurrence	$ 1,000,000
Aggregate	2,000,000
Umbrella liability:	
Each occurrence	5,000,000
Aggregate	5,000,000
Business auto:	
Each occurrence	1,000,000
Employee benefits liability:	
Each occurrence	1,000,000
Aggregate	3,000,000

There was no significant reduction in coverage from the prior year. Settlement amounts have not exceeded coverage amounts in each of the past three years.

B. Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly gross payroll by a factor that is calculated by the State.

NOTE 9 -- DEFINED BENEFIT PENSION PLANS

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.

The Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions 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 *intergovernmental payable* on the accrual basis of accounting.

Plan Description - School Employees Retirement System (SERS)

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

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or
		Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit	Age 62 with 10 years of service credit; or
	Age 55 with 25 years of service credit	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. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). If the funded ratio is less than 70%, the entire 14% employers' contribution shall be allocated to SERS' basic benefits. If the funded ratio is 70% but less than 80%, at least 13.50% of the employers' contribution shall be allocated to SERS' basic benefits, with the remainder (if any) allocated to the Health Care Fund. If the funded ratio is 80% but less than 90%, at least 13.25% of the employers' contribution shall be allocated to SERS' basic benefits, with the remainder (if any) allocated to the Health Care Fund. If the funded ratio is 90% or greater, the Health Care Fund may receive any portion of the employers' contribution that is not needed to fund SERS' basic benefits.

For the fiscal year ended June 30, 2021, the funding percentage was 68.55%; therefore, the allocation to pension, death benefits, and Medicare B was 14 percent. Nothing was allocated to the Health Care Fund for fiscal year 2021.

The School's contractually required contribution to SERS was $10,200 for fiscal year 2021. Of this amount $350 is reported as an intergovernmental payable.

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year 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 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.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of 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.

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio has therefore included all three plan options as one defined benefit plan for GASB 68 schedules of employer allocations 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, 2021, 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 2020 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was $29,772 for fiscal year 2021. Of this amount $4,142 is reported as an intergovernmental payable.

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, 2020, 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. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability - prior measurement date	0.0027449%	0.00112926%	
Proportion of the Net Pension Liability - current measurement date	0.0019348%	0.00136793%	
Change in proportionate share	-0.0008101%	0.00023867%	
Proportionate Share of the Net Pension Liability	$127,972	$330,990	$458,962
Pension Expense	$11,846	$45,336	$57,182

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$248	$743	$991
Net difference between projected and actual earnings on pension plan investments	8,123	16,096	24,219
Changes in proportion share	0	51,940	51,940
Changes in assumptions	0	17,770	17,770
School contributions subsequent to the measurement date	10,200	29,772	39,972
Total Deferred Outflows of Resources	$18,571	$116,321	$134,892
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$2,116	$2,116
Changes in proportion share	29,661	45,554	75,215
Total Deferred Inflows of Resources	$29,661	$47,670	$77,331

$39,972 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	($18,767)	$14,431	($4,336)
2023	(8,452)	(3,872)	(12,324)
2024	3,386	11,177	14,563
2025	2,543	17,143	19,686
Total	($21,290)	$38,879	$17,589

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

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, 2020, are presented below:

Wage Inflation		3 percent
Future Salary Increases, including inflation		3.5 percent to 18.2 percent
COLA or Ad Hoc COLA		2.5 percent
Investment Rate of Return		7.50 percent net of investments expense, including inflation
Actuarial Cost Method		Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the 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.

The most recent experience study was completed for the five year period ended June 30, 2015.

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

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 assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 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 (7.50 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.

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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School's proportionate share of the net pension liability	$175,306	$127,972	$88,258

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate	7.45 percent
Payroll increases	3.00 percent
Cost-of-Living Adjustments	0% effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2020, valuation are based on the results of an actuarial experience study for the period of July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	7.61 %

*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.

NOTE 9 -- DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School's proportionate share of the net pension liability	$471,273	$330,990	$212,113

NOTE 10 – DEFINED BENEFIT OPEB PLAN

Net OPEB Asset/Liability

The net OPEB asset/liability reported on the statement of net position represents a liability 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 asset/liability represents 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 asset/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 these estimates annually.

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

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

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 asset/liability. Resulting adjustments to the net OPEB asset/liability 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.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB asset/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 *intergovernmental payable* 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 Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

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 2021, The Board seeks to maintain a funded ratio of at least 90% for basic pension benefits. If the basic benefit funded ratio is less than 70%, the entire 14% of the employers' contributions will be allocated to basic pension benefits. If the funded ratio is at least 70% but less than 80%, the minimum portion of the employers' contribution allocated to basic pension benefits is 13.50% of payroll; the remaining 0.50% may be allocated to the Heath Care Fund at the Board's discretion. If the funded ratio is at least 80% but less than 90%, at least 13.25% of the employers' contribution will be allocated to basic pension benefits with the remaining 0.75% being allocated to the Health Care Fund at the Board's discretion. If the funded ratio is 90% or greater, the Health Care Fund may receive any portion of the employers' contribution that is not needed to fund basic pension benefits.

For fiscal year 2021, the contribution to health care was 0 percent. 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. For fiscal year 2021, the School paid $19 for the SERS surcharge.

The School's contractually required contribution to SERS was $19 for fiscal year 2021. Of this amount $19 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio 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 Ohio. 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, 2021, STRS Ohio did not allocate any employer contributions to post-employment health care.

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

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

The net OPEB asset/liability was measured as of June 30, 2020, and the total OPEB asset/liability used to calculate the net OPEB asset/liability was determined by an actuarial valuation as of that date. The School's proportion of the net OPEB asset/liability was based on the School's share of contributions to the OPEB plan 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 Pension Liability/Asset -			
prior measurement date	0.0025881%	0.00112926%	
Proportion of the Net OPEB Liability/Asset -			
current measurement date	0.0018063%	0.00136793%	
Change in proportionate share	-0.0007818%	0.00023867%	
Proportionate Share of the Net			
OPEB Liability/(Asset)	$39,256	($24,041)	$15,215
OPEB Expense (Income)	$6,487	($468)	$6,019

At June 30, 2021, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and			
actual experience	$516	$1,541	$2,057
Changes of assumptions	6,693	397	7,090
Net difference between projected and			
actual earnings on pension plan investments	443	843	1,286
Changes in proportion share	24,694	333	25,027
School contributions subsequent to the			
measurement date	19	0	19
Total Deferred Outflows of Resources	$32,365	$3,114	$35,479
Deferred Inflows of Resources			
Differences between expected and			
actual experience	$19,978	$4,789	$24,767
Changes in assumptions	989	22,836	23,825
Change in proportionate share	21,785	8,002	29,787
Total Deferred Inflows of Resources	$42,752	$35,627	$78,379

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

$19 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as an increase/reduction of the net OPEB asset/liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	$529	($8,100)	($7,571)
2023	561	(7,529)	(6,968)
2024	559	(7,329)	(6,770)
2025	(3,670)	(7,206)	(10,876)
2026	(5,880)	(1,243)	(7,123)
Thereafter	(2,505)	(1,106)	(3,611)
Total	($10,406)	($32,513)	($42,919)

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.

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. 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, 7.50 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.

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

The target allocation and best estimates of arithmetic real rates of return for each major assets class, as used in the June 30, 2015 five-year experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 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 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of 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 during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in 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 (1.63%) and higher (3.63%) than the current discount rate (2.63%). 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 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School's proportionate share of the net OPEB liability	$48,049	$39,256	$32,267

	1% Decrease (6.00% decreasing to 3.75%)	Current Trend Rate (7.00% decreasing to 4.75%)	1% Increase (8.00% decreasing to 5.75%)
School's proportionate share of the net OPEB liability	$30,912	$39,256	$50,416

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020 actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments	0.0 percent, effective July 1, 2017 (COLA)
Blended Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 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 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	7.61 %

*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.

NOTE 10 – DEFINED BENEFIT OPEB PLAN (continued)

Discount Rate The discount rate used to measure the total OPEB asset was 7.45 percent as of June 30, 2020. 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 not projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2020.

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, 2020, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 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.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School's proportionate share of the net OPEB asset	$20,918	$24,041	$26,692

	1% Decrease	Current Trent Rate	1% Increase
School's proportionate share of the net OPEB asset	$26,527	$24,041	$21,013

NOTE 11 – OTHER LONG-TERM OBLIGATIONS

Long-term obligations outstanding for the School as of June 30, 2021 was as follows:

Description	Balance 06/30/20	Additions	Deletions	Balance 06/30/21	Due Within One Year
Net Pension Liability					
SERS	$164,232	$0	$36,260	$127,972	0
STRS	249,729	81,261	0	330,990	0
Net OPEB Liability					
SERS	65,084	0	25,828	39,256	0
Total	$479,045	$81,261	$62,088	$498,218	$0

The School reports a portion of the unfunded net pension liability with the two retirement systems as described in Note 9.

NOTE 11 – OTHER LONG-TERM OBLIGATIONS (continued)

The School reports a portion of the unfunded net OPEB liability with the one retirement system as described in Note 10. The School reports a portion of the net OPEB asset for the another retirement system.

NOTE 12 – CONTINGENCIES

A. Grants

The School received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability.

B. School Funding

School foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The ODE is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE performed such a review on the School for fiscal year 2021.

Additional ODE adjustments for fiscal year 2021 have been finalized. The School has reported a receivable of $2,072 as a result of these adjustments.

C. Pending Litigation

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

NOTE 13 – LEASE AGREEMENT

On July 1, 2019, the School amended their agreement with Reynoldsburg City Schools for the lease of office space and classrooms including utilities. The monthly lease payments were $2,500. The lease amendment in July 1, 2020 for a monthly payment of $2,250. The School paid Reynoldsburg City Schools $27,000 for use of the space during fiscal year 2021. The School prepaid the July rent of $2,250 in June, which is reflected as a prepaid asset on the Statement of Net Position. For fiscal year 2022, the School continued their amendment agreement in fiscal year 2021 at $2,250 per month.

NOTE 14 – PROBATIONARY STATUS AND EXPECTED SCHOOL CLOSURE

The School was put on probationary status during the 2019-2020 school year by the Sponsor, St. Aloysius, due to the 2018-2019 report card grades. The School remained on probation during the 2020-2021 school year due to academic performance. The School has also been placed on the "At Risk of Closure List" by the Ohio Department of Education, which prompted the probationary status.

Additionally, due to declines in enrollment in recent years due to various factors, the School fell below the required enrollment level of 50 students as of the beginning of school year 2021-2022. This violates the School's contract with the Sponsor. The School Board and management discussed options for addressing the School's probationary status but ultimately determined that there were no viable options. As a result, the Sponsor has expressed its intent to the School's Board and management to close the School at the end of school year 2021-2022. The School has been directed by the Sponsor to assist students not eligible for graduation with identifying options for transferring to other schools. Further, the School's Treasurer has been directed to complete future five-year forecasts as though the School will be closing at the end of school year 2021-2022.

NOTE 15 – COVID-19

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

NOTE 16 – SUBSEQUENT EVENTS

for fiscal year 2022, community school foundation funding received from the state of Ohio will be funded using a direct funding model. For fiscal year 2021 and prior, the amounts related to students who were residents of a particular school district were funded to the school district who, in turn, made the payment to the respective community school. This new funding system calculates a unique base cost for each community school. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

Everest High School
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
The School's Proportion of the Net Pension Liability	0.0019348%	0.0027449%	0.0027708%	0.0011882%	0.0010801%
The School's Proportion Share of the Net Pension Liability	$ 127,972	$ 164,232	$ 158,689	$ 70,992	$ 79,053
The School's Covered Payroll	$ 75,000	$ 105,874	$ 99,719	$ 57,593	$ 36,293
The School's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.63%	155.12%	159.14%	123.27%	217.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%	69.50%	62.98%

(1) Information prior to 2016 is not available

Amount presented as of the School's measurement date, which is the prior fiscal year.

Everest High School
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
The School's Proportion of the Net Pension Liability	0.00136793%	0.00112926%	0.00133105%	0.00162533%	0.00141015%
The School's Proportion Share of the Net Pension Liability	$ 330,990	$ 249,729	$ 292,668	$ 386,101	$ 472,020
The School's Covered Payroll	$ 154,000	$ 120,386	$ 131,643	$ 170,650	$ 234,150
The School's Proportion Share of the Net Pension Liability as a Percentage of its Covered Payroll	214.93%	207.44%	222.32%	226.25%	201.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.50%	70.10%	77.30%	75.30%	66.80%

(1) Information prior to 2016 is not available

Amount presented as of the School's measurement date, which is the prior fiscal year.

Everest High School
Required Supplementary Information
Schedule of the School's Pension Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	$ 10,200	$ 10,125	$ 14,293	$ 13,462	$ 8,063	$ 5,081	$ 5,851	$ 5,845	$ 5,070	$ 5,070
Contributions in Relation to the Contractually Required Contribution	(10,200)	(10,125)	(14,293)	(13,462)	(8,063)	(5,081)	(5,851)	(5,845)	(5,070)	(5,070)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 72,857	$ 75,000	$ 105,874	$ 99,719	$ 57,593	$ 36,293	$ 44,393	$ 42,172	$ 36,633	$ 37,695
Contributions as a Percentage of Covered Payroll	14.00%	13.50%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%

Everest High School
Required Supplementary Information
Schedule of the School's Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	$ 29,772	$ 21,560	$ 16,854	$ 18,430	$ 23,891	$ 32,781	$ 21,146	$ 16,475	$ 14,506	$ 11,699
Contributions in Relation to the Contractually Required Contribution	(29,772)	(21,560)	(16,854)	(18,430)	(23,891)	(32,781)	(21,146)	(16,475)	(14,506)	(11,699)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 212,657	$ 154,000	$ 120,386	$ 131,643	$ 170,650	$ 234,150	$ 151,043	$ 126,731	$ 111,585	$ 89,992
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%

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

	2020	2019	2018	2017	2016
The School's Proportion of the Net OPEB Liability	0.0018063%	0.0025881%	0.0026880%	0.0011119%	0.0010209%
The School's Proportion Share of the Net OPEB Liability	$ 39,257	$ 65,084	$ 74,571	$ 29,840	$ 29,099
The School's Covered Payroll	$ 75,000	$ 105,874	$ 99,719	$ 57,593	$ 36,293
The School's Proportion Share of the Net OPEB Liability as a Percentage of its Covered Payroll	52.34%	61.47%	74.78%	51.81%	80.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2016 is not available

Amount presented as of the School's measurement date, which is the prior fiscal year.

Everest High School
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net OPEB Liability
State Teachers Retirement System of Ohio
Last Five Fiscal Years (1)

	2020	2019	2018	2017	2016
The School's Proportion of the Net OPEB Liability	0.00136793%	0.00112926%	0.00133105%	0.00162533%	0.00162533%
The School's Proportion Share of the Net OPEB Liability/(Asset)	$ (18,703)	$ (18,703)	$ (21,000)	$ 63,414	$ 86,923
The School's Covered Payroll	$ 154,000	$ 120,386	$ 131,643	$ 170,650	$ 234,150
The School's Proportion Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-12.14%	-15.54%	-15.95%	37.16%	37.12%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.10%	174.74%	176.00%	47.10%	37.30%

(1) Information prior to 2016 is not available

Amount presented as of the School's measurement date, which is the prior fiscal year.

Everest High School
Required Supplementary Information
Schedule of the School's OPEB Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	$ 19	$ 375	$ 1,055	$ 667	$ -	$ 676	$ 1,071	$ 339	$ 330	$ 229
Contributions in Relation to the Contractually Required Contribution	(19)	(375)	(1,055)	(667)	-	(676)	(1,071)	(339)	(330)	(229)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 72,857	$ 75,000	$ 105,874	$ 99,719	$ 57,593	$ 36,293	$ 44,393	$ 42,172	$ 36,633	$ 37,695
Contributions as a Percentage of Covered-Payroll	0.03%	0.50%	1.00%	0.67%	0.00%	1.86%	2.41%	0.80%	0.90%	0.61%

Everest High School
Required Supplementary Information
Schedule of the School's OPEB Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,267	$ 1,116	$ 900
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	(1,267)	(1,116)	(900)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 212,657	$ 154,000	$ 120,386	$ 131,643	$ 170,650	$ 234,150	$ 151,043	$ 126,731	$ 111,585	$ 89,992
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

Note 1 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2020-2021: There were no changes to the benefit terms.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:
2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
(2) Payroll growth assumption was reduced from 4.00% to 3.50%,
(3) Assumed real wage growth was reduced from 0.75% to 0.50%,
(4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
(5) 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,
(6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
(7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
(8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2019-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:
2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) The long term expected rate of return was reduced from 7.75% to 7.45%,
(2) The inflation assumption was lowered from 2.75% to 2.50%,
(3) The payroll growth assumption was lowered to 3.00%,
(4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
(5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
(6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 2 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:
2017-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:
2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 3.22%
  Measurement Date 2.63%
(2) Municipal Bond Index Rate:
  Prior Measurement Date 3.13%
  Measurement Date 2.45%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 3.22%
  Measurement Date 2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:
  Prior Measurement Date 3.70%
  Measurement Date 3.22%
(2) Municipal Bond Index Rate:
  Prior Measurement Date 3.62%
  Measurement Date 3.13%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  Prior Measurement Date 3.70%
  Measurement Date 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

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

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.95%

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

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

(1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
(2) Payroll growth assumption was reduced from 4.00% to 3.50%,
(3) Assumed real wage growth was reduced from 0.75% to 0.50%,
(4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
(5) 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,
(6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
(7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:
2021: 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 2.1% for the Medicare plan. The Medicare Plan B monthly reimbursement elimination date was postponed to January 1, 2021.

2020: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.944 percent to 1.984 percent per year of service effective January 1, 2020. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% 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. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive $29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to $0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

For fiscal year 2021, health care cost trend rates changed from 4.93 percent to 9.62 percent initially and a 4.00 percent ultimate rate to -6.69 percent to 11.87 percent initial, 4 percent ultimate.

For fiscal year 2020, health care cost trend rates changed from -5.23 percent to 8 percent initial, 4 percent ultimate to 4.93 percent to 9.62 percent initially and a 4.00 percent ultimate rate.

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 changed from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate to a range of -5.23 percent to 8 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. The long-term rate of return was reduced to 7.45 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.

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Millhuff-Stang
CERTIFIED PUBLIC ACCOUNTANT

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*

Independent Auditor's Report

Board of Directors
Everest High School
1555 Graham Rd
Reynoldsburg, Ohio 43068

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Everest High School, Franklin County, Ohio (the School) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated January 21, 2022, wherein we noted that the School was placed on probationary status and is expected to close at the completion of school year 2022. We also noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School, assuming the School continues as a going concern.

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 School'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 may exist that have not been identified.

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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.

Millhuff-Stang CPA, Inc.

Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

January 21, 2022

OHIO AUDITOR OF STATE
KEITH FABER

EVEREST HIGH SCHOOL

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 4/5/2022

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