

**YOUTHBUILD COLUMBUS
COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

SINGLE AUDIT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
YouthBuild Columbus Community School
40 Hill Road South
Pickerington, OH 43147

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2023

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**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

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Independent Auditor's Report

YouthBuild Columbus Community School
Franklin County
1183 Essex Avenue
Columbus, Ohio 43201

To the Members of the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the YouthBuild Columbus Community School, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the YouthBuild Columbus Community School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the YouthBuild Columbus Community School, as of June 30, 2022, and the changes in financial position, and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the YouthBuild Columbus Community School. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the YouthBuild Columbus Community School's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2023 on our consideration of the YouthBuild Columbus Community 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 YouthBuild Columbus Community 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 YouthBuild Columbus Community School's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 26, 2023

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**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

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

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- Total net position increased \$1,097,287 from fiscal year 2021.
- Total liabilities decreased \$1,476,132, or 47%, and total assets increased \$373,370, or 19% from fiscal year 2021.
- Total operating revenue increased from \$3,201,650 in fiscal year 2021 to \$3,632,865 in fiscal year 2022, a 13% increase.
- Total operating expenses increased from \$3,334,397 in fiscal year 2021 to \$4,399,037 in fiscal year 2022, an increase in amount of \$1,064,640.
- The School has \$1,531,317 in long term liabilities as of June 30, 2022.

Using this Financial Report

This report consists of the management's discussion and analysis (MD&A), the basic financial statements, notes to those statements, and the 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 and Statement of Revenues, Expenses and Changes in Net Position reflect how the School did financially during fiscal year 2022. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid.

These statements report the School's net position and changes in net position. This change in Net Position is important because it tells the reader whether the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School's student enrollment, per-pupil funding as determined by the State of Ohio, change in technology, cash flow, required educational programs and other factors.

The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its operations.

The School uses enterprise presentation for all of its activities.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

Statement of Net Position

The Statement of Net Position answers the question of how the School did financially during 2022.

This statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the School's Net Position as of June 30, 2022 compared to the prior year.

Table 1 - Net Position

	2022	2021 *
ASSETS		
Current Assets	\$ 1,328,773	\$ 935,191
Net OPEB Asset	114,611	107,169
Capital Assets, Net	848,106	875,760
Total Assets	2,291,490	1,918,120
DEFERRED OUTFLOWS OF RESOURCES		
Pension	884,828	902,444
OPEB	173,636	158,317
Total Deferred Outflows of Resources	1,058,464	1,060,761
LIABILITIES		
Current Liabilities	100,963	187,433
Long-term liabilities:		
Other Long-term liabilities	213,463	597,460
Net Pension Liability	1,114,072	2,125,799
Net OPEB Liability	203,782	197,720
Total Liabilities	1,632,280	3,108,412
DEFERRED INFLOWS OF RESOURCES		
Pension	976,995	214,786
OPEB	344,289	356,580
Total Deferred Outflows of Resources	1,321,284	571,366
NET POSITION		
Net Investment in Capital Assets	584,523	836,168
Unrestricted (Deficit)	(188,133)	(1,537,065)
Total Net Position (Deficit)	\$ 396,390	\$ (700,897)

* Restated for GASB 87

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

The net pension liability (NPL), net OPEB liability (NOL), and Net OPEB asset and are reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27” and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to 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 liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability 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.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

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 liability/asset, respectively, not accounted for as deferred inflows/outflows.

Capital assets decreased by \$27,654 due to additions that were offset by current year depreciation/amortization. Also, current assets increased \$393,582 from fiscal year 2021. This was mainly due to an increase in cash and cash equivalents. Current liabilities decreased by \$86,470 from fiscal year 2021 and other long-term liabilities decreased by \$383,997 from fiscal year 2021. The changes in other long-term liability are due to the School paying off the note to Oakmont in fiscal year 2022. See Note 12 for further information. Net position increased by \$1,097,287 in 2022. The changes in Net OPEB asset, deferred inflows of resources, Net Pension Liability, Net OPEB Liability and deferred outflows of resources are due to the reporting of GASB Statements No. 68 and 75 as previously discussed. The restatement of prior year balance was to record the initial lease asset and liability in the amount of \$39,952 per the implementation of GASB Statement No. 87.

Statement of Revenues, Expenses, and Changes in Net Position

Table 2 shows the changes in net position for fiscal year 2022, as well as a listing of revenues and expenses. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

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**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

Table 2 - Change in Net Position

	2022	2021
OPERATING REVENUES		
State Foundation	\$ 3,531,168	\$ 3,096,297
Other State Aid	84,620	59,713
Other Operating Revenues	17,077	45,640
Total Operating Revenues	3,632,865	3,201,650
OPERATING EXPENSES		
Program Expenses:		
Pension/OPEB Expense	(260,892)	62,586
Purchased Services: Salaries and Benefits	2,118,305	1,389,907
Purchased Services: Management Fees	639,010	535,513
Sponsorship Fees	100,528	83,689
Auditing and Accounting	11,728	7,914
Professional Services	1,263,002	472,066
Other Purchased Services	182,051	179,578
Materials and Supplies	258,639	480,040
Depreciation/Amortization	84,058	78,851
Other	2,608	44,253
Total Operating Expenses	4,399,037	3,334,397
Operating (Loss)	(766,172)	(132,747)
NON-OPERATING REVENUES (EXPENSES)		
Grants	1,452,086	1,003,585
Contributions and Donations	63,415	-
Interest on Notes Payable	(28,054)	(36,664)
Private Contributions	376,012	-
Total Non-operating Revenues (Expenses)	1,863,459	966,921
Change in Net Position	1,097,287	834,174
Net Position (Deficit) - Beginning of Year, Restated	(700,897)	(1,535,071)
Net Position (Deficit) - End of Year	\$ 396,390	\$ (700,897)

The revenue generated by a community school is almost entirely dependent on per-pupil allotment given by the state foundation and federal entitlement program receipts. Foundation and federal entitlement revenues made up 92% of all revenues for the School in fiscal year 2022. Operating revenues and expenses increased from fiscal year 2021 due to increases in enrollment (204 students in fiscal year 2021 vs. 233 students in fiscal year 2022). Non-operating grant revenue increased by \$448,501 from fiscal year 2021 due to additional grant funding.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)**

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School has \$848,106 in total net capital assets. The largest capital asset is the school building. See Note 4 to the basic financial statements.

Debt

At June 30, 2022, the School had \$212,078 in an outstanding loan due to Heartland Bank, \$21,035 in financed purchase payable due to the purchase of a van, and \$30,470 in leases payable. See Note 12 in the notes to the basic financial statements.

Current Financial Related Activities

The School's financial outlook over the next several years shows continued growth as enrollment is projected to increase. Enrollment for the School is at 233 students as of June 2022, an increase of 29 from June 2021. But future revenue increases are cautious due to the susceptibility of changes in Ohio's funding model.

Contacting the School's Financial Management

This financial report is designed to provide all citizens, taxpayers, and creditors with a general overview of the School's finances. Questions concerning any of the information in this report or requests for additional information should be directed to Dan Lamb, Treasurer of YouthBuild Columbus Community School, Charter School Specialists, 40 Hill Road South, Pickerington, OH 43147 or by phone at 614-837-8945.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
STATEMENT OF NET POSITION
JUNE 30, 2022**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,101,863
Receivables:	
Intergovernmental	145,083
Assets Held for Resale	81,827
Total Current Assets	<u>1,328,773</u>

Noncurrent Assets:

Net OPEB Asset	114,611
Capital Assets:	
Land	97,889
Capital Assets, Net of Depreciation/Amortization	750,217
Total Noncurrent Assets	<u>962,717</u>
Total Assets	<u>2,291,490</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	884,828
OPEB	173,636
Total Deferred Outflows of Resources	<u>1,058,464</u>

LIABILITIES

Current Liabilities:

Accounts Payable	27,652
Intergovernmental Payable	23,026
Accrued Interest Payable	165
Leases Payable	9,506
Loan Payable	19,579
Financed Purchase Payable	21,035
Total Current Liabilities	<u>100,963</u>

Noncurrent Liabilities:

Leases Payable	20,964
Loan Payable	192,499
Net Pension Liability	1,114,072
Net OPEB Liability	203,782
Total Noncurrent Liabilities	<u>1,531,317</u>
Total Liabilities	<u>1,632,280</u>

DEFERRED INFLOWS OF RESOURCES

Pension	976,995
OPEB	344,289
Total Deferred Inflows of Resources	<u>1,321,284</u>

NET POSITION

Net Investment in Capital Assets	584,523
Unrestricted (Deficit)	(188,133)
Total Net Position	<u>\$ 396,390</u>

See accompanying notes to the basic financial statements

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

OPERATING REVENUES

School Foundation	\$ 3,531,168
Other State Aid	84,620
Miscellaneous Operating Revenue	17,077
Total Operating Revenues	<u>3,632,865</u>

OPERATING EXPENSES

Pension and OPEB Expense	(260,892)
Purchased Services: Salaries and Benefits	2,118,305
Purchased Services: Management Fees	639,010
Sponsorship Fees	100,528
Auditing and Accounting	11,728
Professional Services	1,263,002
Other Purchased Services	182,051
Materials and Supplies	258,639
Depreciation/Amortization	84,058
Other	2,608
Total Operating Expenses	<u>4,399,037</u>
Operating Loss	<u>(766,172)</u>

NON-OPERATING REVENUES (EXPENSES)

Interest and Fiscal Charges	(28,054)
Grants	1,452,086
Contributions and Donations	63,415
Private Contributions	376,012
Total Nonoperating Revenues (Expenses)	<u>1,863,459</u>
Change in Net Position	1,097,287

Net Position (Deficit) - Beginning of Year	<u>(700,897)</u>
Net Position - End of Year	<u>\$ 396,390</u>

See accompanying notes to the basic financial statements

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from State of Ohio	\$ 3,613,515
Cash Received from Other Operations	12,699
Cash Payments for Purchased Services	(3,934,017)
Cash Payments for Materials and Supplies	(270,821)
Cash Payments for Other Expenses	(73,691)
Net Cash Used in Operating Activities	<u>(652,315)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Principal Payments on Note Payable	(449,792)
Interest and Fiscal Charges Paid - Note Payable	(12,066)
Grants received	1,547,777
Contributions and Donations	63,415
Net Cash Provided by Noncapital Financing Activities	<u>1,149,334</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments - Leases and financed purchases	(25,265)
Principal Payments - Loan Payable	(18,488)
Interest Paid - Leases and financed purchases	(3,047)
Interest Paid - Loan Payable	(12,776)
Cash payments for Capital Assets	(19,226)
Net Cash Used in Capital and Related Financing Activities	<u>(78,802)</u>
 Net Increase in Cash and Cash Equivalents	 418,217
 Cash and Cash Equivalents - Beginning of Year	 <u>683,646</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,101,863</u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating Loss	\$ (766,172)
Adjustments:	
Depreciation/Amortization	84,058
Private Contributions	376,012
(Increase) Decrease in Assets and Deferred Outflows:	
Intergovernmental Receivable	(4,378)
Assets held for resale	(70,500)
Prepaid Items	3,822
Net OPEB Asset	(7,442)
Deferred Outflow of Resources - Pension	17,616
Deferred Outflow of Resources - OPEB	(15,319)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(28,775)
Intergovernmental Payable	14,510
Net Pension Liability	(1,011,727)
Net OPEB Liability	6,062
Deferred Inflow of Resources - Pension	762,209
Deferred Inflow of Resources - OPEB	(12,291)
Net Cash Used in Operating Activities	<u>\$ (652,315)</u>
 <u>Schedule of Noncash Non-Capital and Capital Financing Activities</u>	
Financed Purchased asset and liability	37,178

See accompanying notes to the basic financial statements

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1: DESCRIPTION OF THE ENTITY

YouthBuild Columbus Community School (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School's objectives are to carry out the academic training component of the YouthBuild Columbus program, to advance underserved youth through education, job training, personal development, leadership development, and community service. The YouthBuild Columbus program helps dropouts from traditional high schools in a year-round program that enables students to gain employable skills by building and rehabilitating houses in Columbus' Empowerment Zone that are sold to low-income families. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations.

The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School. The School was approved for operation on June 14, 2001, under a contract by and between the Ohio Department of Education (ODE), as Sponsor, and the Governing Authority of YouthBuild Columbus Community School. The School commenced official operation on July 1, 2001. The School signed an agreement with St. Aloysius as the new sponsor commencing July 1, 2020 for a period of five years.

The five-member 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 principal, full time non-certified staff, and certified full-time teaching personnel who provide services to approximately 233 students during the school year.

The School contracts with Oakmont Education, LLC, for most of its functions. Oakmont is the entity with which the School's board interacts regarding day-to-day operations (see Note 15 for details).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School have been prepared in conformity with generally accepted accounting principles 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. The more significant of the School's accounting policies are described below.

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 maintain its financial records during the fiscal year. Enterprise accounting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods or services.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus/Basis of Accounting

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, liabilities, and deferred inflows of resources associated with the operation of the School are included on the Statement of Net Position.

The Statement of Revenues, Expenses and Changes in Net Position present increases (e.g., revenues) and decreases (e.g., expenses) in total Net Position. The Statement of Cash Flows reflects how the School finances and meets its cash flow needs. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is used for reporting purposes. Revenue resulting from exchange transactions, in which each party gives and receives equal value, is recorded on the accrual basis when the exchange takes place. Revenue resulting from non-exchange transactions, in which the School receives value without directly giving equal value in return, such as grants, entitlements and donations, are recognized in the period in which all eligibility requirements have been satisfied. Expenses are recognized at the time they are incurred.

C. Budgetary Process

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

D. Cash and Cash Equivalents

All cash received by the School is deposited in demand accounts in the School's name. The School did not have any investments during fiscal year 2022.

E. Capital Assets and Depreciation/Amortization

Capital assets and improvements are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School maintains a capitalization threshold of seven hundred fifty dollars for computers and one thousand dollars for all other assets. The School does not possess any infrastructure.

The School does not capitalize interest. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, improvements, however, are capitalized. Building, vehicles, furniture and equipment are depreciated using the straight-line method over the assets' estimated useful lives. Improvements to Capital assets are depreciated over the remaining useful lives of the related capital assets.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets and Depreciation/Amortization (continued)

The following is the estimated useful lives for building, vehicles, furniture and equipment:

<u>Asset</u>	<u>Useful Life</u>
Building	45 years
Vehicles	6-10 years
Furniture and Equipment	1-10 years

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

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

G. Net Position

Net position represents the difference between (all assets plus deferred outflows of resources) less (all liabilities, plus deferred inflows of resources). Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, or contracts. The School applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Net invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

H. Intergovernmental Revenues

The School currently participates in the state foundation and state disadvantaged pupil impact aid programs. Revenues received from these programs are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Intergovernmental Revenues (continued)

The School participates in the Comprehensive Continuous Improvement Planning Program through the Ohio Department of Education. Revenue received from this program is recognized as non-operating revenues. Amounts awarded under the above programs for the 2022 school year totaled \$5,067,874.

I. Operating Revenues and Expenses

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase by the School and an expense is recorded when used.

K. Assets Held for Resale

Assets held for resale represents houses purchased by the School that is a part of the affordable housing program offered by the School.

L. Pensions and Other Postemployment Benefits (OPEB)

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period 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/OPEB. The deferred outflows of resources related to pension/OPEB are explained in Notes 8 and 9.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the statement of net position (See Notes 8 and 9).

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the Statement of Net Position. The School has recognized certain expenses due, but unpaid as of June 30, 2022. These expenses are reported as accrued liabilities in the accompanying financial statements.

NOTE 3: CASH AND CASH EQUIVALENTS

The following information classifies deposits by category of risk as defined in GASB Statement No.3 “Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,” as amended by GASB Statement No.40, “Deposit and Investment Risk Disclosures”.

The School maintains its cash balances at financial institutions located in Ohio. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, per qualifying account. At June 30, 2022, the book amount of the School’s deposits was \$1,101,863 and the bank balance was \$1,200,500. \$327,615 of the Schools bank balance was insured by the FDIC at June 30, 2022 and \$872,885 was uninsured and collateralized by securities held by the financial institution in the name of the School. There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

The School had no investments at June 30, 2022 or during the fiscal year.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 4: CAPITAL ASSETS

A summary of the School’s capital assets at June 30, 2022, follows:

	Restated Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Capital Assets Not Being Depreciated:				
Land	\$ 97,889	-	\$ -	\$ 97,889
Capital Assets Being Depreciated/Amortized:				
Building and Improvements	1,660,007	-	-	1,660,007
Vehicles	50,519	49,838	-	100,357
Furniture and Equipment	624,777	6,566	-	631,343
Intangible right-to-use lease - Equipment	39,592	-	-	39,592
Total Capital Assets Being Depreciated/Amortized	<u>2,374,895</u>	<u>56,404</u>	<u>-</u>	<u>2,431,299</u>
Less Accumulated Depreciation/Amortization:				
Building and Improvements	(933,046)	(58,568)	-	(991,614)
Vehicles	(50,519)	(12,420)	-	(62,939)
Furniture and Equipment	(613,459)	(3,172)	-	(616,631)
Intangible right-to-use lease - Equipment	-	(9,898)	-	(9,898)
Total Accumulated Depreciation/Amortization	<u>(1,597,024)</u>	<u>(84,058)</u>	<u>-</u>	<u>(1,681,082)</u>
Net Total Capital Assets	<u>\$ 875,760</u>	<u>(27,654)</u>	<u>\$ -</u>	<u>\$ 848,106</u>

NOTE 5: INTERGOVERNMENTAL RECEIVABLE/PAYABLE

At June 30, 2022, the School had intergovernmental receivables in the amount of \$10,918 to account for CCIP grant undrawn funds, \$129,787 to account for U.S. Department of Labor grants received directly from the federal government, and \$4,378 in a refund from BWC. The School had intergovernmental payables in the amount of \$23,026 which consisted of \$4,201 for the SERS surcharge expense, \$8,329 for true-up of SERS pension expenses, \$9,102 for true-up of STRS pension expenses and \$1,394 related to fiscal year 2022 FTE adjustments to enrollment at fiscal year end.

NOTE 6: ACCOUNTS PAYABLE

Accounts Payable consists of obligations totaling \$27,652 at June 30, 2022, incurred during the normal course of conducting operations.

NOTE 7: RISK MANAGEMENT

A. Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The School contracted with Cincinnati Insurance Company for property and general liability insurance. The property insurance limits are \$1,000 deductible and \$385,000 aggregate. The general liability insurance limits are \$1,000,000 each occurrence and \$2,000,000 aggregate. Settled claims have not exceeded this coverage in any of the past three years, nor has there been any significant reduction in insurance coverage from the prior year.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 7: RISK MANAGEMENT (continued)

B. Worker's Compensation

The School pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State. The School had paid all premiums as of June 30, 2022.

NOTE 8: DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability

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

The net pension liability represents the School's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually. Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions are financed; however, the School does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable. The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable*.

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

Plan Description – the School non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

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

SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits are provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources. Age and service requirements for retirement are as follows:

	Eligible to Retire 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 55 with 25 years of service credit	Age 62 with 10 years of service credit: or Age 60 with 25 years of service credit

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 0.5% COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The School's contractually required contribution to SERS was \$114,218 for fiscal year 2022. Of this amount, \$2,888 is reported as an intergovernmental payable.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

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

Plan Description – The School licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries.

STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

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

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 to 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, 2022, 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 2022 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was \$134,616 for fiscal year 2022. Of this amount, \$9,102 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.0098327%	0.00609777%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.0113574%</u>	<u>0.00543583%</u>	
Change in Proportionate Share	<u>0.0015247%</u>	<u>-0.00066194%</u>	
Proportionate Share of the Net Pension			
Liability	\$ 419,055	\$ 695,017	\$ 1,114,072
Pension Expense	\$ 124,028	\$ (107,096)	\$ 16,932

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 40	\$ 21,472	\$ 21,512
Changes of assumptions	8,824	192,810	201,634
Changes in proportion and differences between contributions and proportionate share of contributions	113,545	299,303	412,848
School contributions subsequent to the measurement date	<u>114,218</u>	<u>134,616</u>	<u>248,834</u>
Total Deferred Outflows of Resources	<u>\$ 236,627</u>	<u>\$ 648,201</u>	<u>\$ 884,828</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 10,868	\$ 4,357	\$ 15,225
Net difference between projected and actual earnings on pension plan investments	215,828	598,971	814,799
Changes in proportion and differences between contributions and proportionate share of contributions	<u>-</u>	<u>146,971</u>	<u>146,971</u>
Total Deferred Inflows of Resources	<u>\$ 226,696</u>	<u>\$ 750,299</u>	<u>\$ 976,995</u>

\$248,834 reported as deferred outflows of resources related to pension resulting from the School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	\$ 38,950	\$ (53,934)	\$ (14,984)
2024	(25,674)	(7,690)	(33,364)
2025	(51,316)	(27,297)	(78,613)
2026	<u>(66,247)</u>	<u>(147,793)</u>	<u>(214,040)</u>
Total	<u>\$ (104,287)</u>	<u>\$ (236,714)</u>	<u>\$ (341,001)</u>

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions - SERS

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

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

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

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

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

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disable members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed June 30, 2020.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions - SERS (continued)

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

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

Discount Rate The total pension liability was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on 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 School proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

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(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

E. Actuarial Assumptions - SERS (continued)

	1% Decrease <u>(6.00)%</u>	Current Discount Rate <u>(7.00)%</u>	1% Increase <u>(8.00)%</u>
School's Proportionate Share of the Net Pension Liability	\$ 697,205	\$ 419,055	\$ 184,479

Changes since measurement date Effective July 1, 2022 SERS made the following changes: Retiree Health Care – changes to monthly premium deductions associated with retiree health insurance and income related Medicare Parts B & D reimbursements. Cost-of-living adjustments – Changes to the cost-of-living adjustments made to retirees’ pensions. Normal Retirement Age – changes to the “Normal Retirement Age’ for members of Tiers II and IIA.

F. Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2021, actuarial valuation presented below.

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments	0.0 percent

Post-retirement mortality rates 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, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. STRS Ohio’s investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

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(Continued)**

NOTE 8: DEFINED BENEFIT PENSION PLANS (continued)

F. Actuarial Assumptions - STRS (continued)

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School's Proportionate Share of the Net Pension Liability	\$ 1,301,511	\$ 695,017	\$ 182,535

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS

A. Net OPEB Liability/Asset

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

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

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

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

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

B. 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.

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(Continued)**

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, there were no made to health care. A health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The surcharge is the total amount assigned to the Health Care Fund. The School's contractually required contribution to SERS was \$4,201 for fiscal year 2022. The full amount is reported as an intergovernmental payable.

C. 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.

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

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

Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/asset Prior Measurement Date	0.0090976%	0.00609777%	
Proportion of the Net OPEB Liability/asset Current Measurement Date	<u>0.0107674%</u>	<u>0.00543583%</u>	
Change in Proportionate Share	<u>0.0016698%</u>	<u>-0.00066194%</u>	
Proportionate Share of the Net OPEB Liability/(asset)	\$ 203,782	\$ (114,611)	\$ 89,171
OPEB Expense	\$ 6,135	\$ (30,924)	\$ (24,789)

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

D. OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 2,173	\$ 4,083	\$ 6,256
Changes of assumptions	31,969	7,322	39,291
Changes in proportion and differences between contributions and proportionate share of contributions	120,030	3,858	123,888
School contributions subsequent to the measurement date	4,201	-	4,201
Total Deferred Outflows of Resources	<u>\$ 158,373</u>	<u>\$ 15,263</u>	<u>\$ 173,636</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 101,493	\$ 20,997	\$ 122,490
Changes of assumptions	27,905	68,374	96,279
Net difference between projected and actual earnings on OPEB plan investments	4,428	31,769	36,197
Changes in proportion and differences between contributions and proportionate share of contributions	36,819	52,504	89,323
Total Deferred Inflows of Resources	<u>\$ 170,645</u>	<u>\$ 173,644</u>	<u>\$ 344,289</u>

\$4,201 reported as deferred outflows of resources related to OPEB resulting from the School's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2023	\$ (34,109)	\$ (54,218)	\$ (88,327)
2024	2,677	(53,426)	(50,749)
2025	2,939	(34,197)	(31,258)
2026	5,542	(12,544)	(7,002)
2027	5,647	(4,044)	1,603
Thereafter	831	48	879
Total	<u>\$ (16,473)</u>	<u>\$(158,381)</u>	<u>\$(174,854)</u>

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

E. Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	1.92 percent
Prior Measurement Date	2.45 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	2.27 percent
Prior Measurement Date	2.63 percent
Medical Trend Assumption	
Measurement Date	
Medicare	5.125 to 4.400 percent
Pre-Medicare	6.750 to 4.400 percent
Prior Measurement Date	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

E. Actuarial Assumptions – SERS (continued)

Base Mortality: Healthy Retirees - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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

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(Continued)**

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

E. Actuarial Assumptions – SERS (continued)

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

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

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School's proportionate share of the net OPEB liability	\$ 252,510	\$ 203,782	\$ 164,854
	1% Decrease (5.75 % decreasing to 3.40%)	Current Trend Rate (6.75 % decreasing to 4.40%)	1% Increase (7.75 % decreasing to 5.740%)
School's proportionate share of the net OPEB liability	\$ 156,895	\$ 203,782	\$ 266,408

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

F. Actuarial Assumptions – STRS

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

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-16.18	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	29.98 percent	4.00 percent

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

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

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

The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

F. Actuarial Assumptions – STRS (continued)

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

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

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

Discount Rate The discount rate used to measure the total OPEB asset was 7.00 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 projected to be available to make all projected future benefit payments current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB asset as of June 30, 2021.

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, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as 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.

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NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT PLANS (continued)

F. Actuarial Assumptions – STRS (continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net OPEB asset	\$ 96,713	\$ 114,611	\$ 129,560

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB asset	\$ 128,954	\$ 114,611	\$ 96,872

Benefit Term Changes Since the Prior Measurement Date In February 2022, the Board approved changes to the demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

NOTE 10: PURCHASED SERVICES

For the period July 1, 2021 through June 30, 2022, other purchased service expenses were for the following services:

Property Services	\$ 1,202
Travel and Professional Development	3,216
Communications	41,561
Utilities	40,953
Trade Services	31,102
Other	2,541
Transportation	61,476
Total	\$ 182,051

NOTE 11: TAX EXEMPT STATUS

The School completed its application and filed for tax exempt status under 501(c) 3 of the Internal Revenue Code and was approved for tax exempt status on May 21, 2002. 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.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 12: LONG-TERM LIABILITIES

A summary of long-term obligations at June 30, 2022, is as follows:

	Restated Principal Outstanding 6/30/2021	Additions	Reductions	Principal Outstanding 6/30/2022	Amounts Due Within one year
Heartland Bank - Loan	\$ 230,566	\$ -	\$ (18,488)	\$ 212,078	\$ 19,579
Oakmont Education, LLC - Note	449,792	-	(449,792)	-	-
Net Pension Liability	2,125,799	-	(1,011,727)	1,114,072	-
Net OPEB Liability	197,720	6,062	-	203,782	-
Financed Purchase Payable	-	37,178	(16,143)	21,035	21,035
Lease Payable	39,592	-	(9,122)	30,470	9,506
Total Long-Term Liabilities	<u>\$ 3,043,469</u>	<u>\$ 43,240</u>	<u>\$(1,505,272)</u>	<u>\$ 1,581,437</u>	<u>\$ 50,120</u>

Heartland Bank - Loan – The School has a mortgage outstanding with Heartland Bank, dated February 5, 2021, in the amount of \$236,498. This Loan refinanced the previous mortgage with J.P. Morgan Chase Bank and provided additional funding for repairs to the School’s roof. Terms of the mortgage provide for monthly payments of \$2,605, principal and interest, for 120 months at an annual interest rate of 5.75%. At June 30, 2022, the principal balance was \$212,078. Interest and principal payments totaling \$31,263 were made for the year ending June 30, 2022. Interest comprised of \$12,775.

Oakmont Education, LLC – Note – The School signed a note with Oakmont Education, LLC on November 17, 2020, in the amount of \$499,968 with an interest rate of 5.00% and will mature on June 1, 2025, however the note was paid in full in fiscal year 2022. The note was for the repayment of a past due payable owed to Oakmont Education, LLC.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the Net Pension Liability and Net OPEB Liability see Notes 8 and 9.

Financed Purchased Payable - The School entered into a financed purchase agreement for the purchase of a van in the amount of \$37,178 with an interest rate of 6.5 percent.

Lease Payable - Previously, the School entered into a lease agreement for the right to use copiers. Due to the implementation of GASB Statement No. 87, the School will report an intangible right to use capital asset and corresponding lease liability for the future scheduled payments under the lease agreements. The School entered into a copier lease with Blue Technology Delage and has a term of 60 months with the maturity date of June 1, 2025. The School makes monthly payments of \$933.86.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 12: LONG-TERM LIABILITIES (continued)

The repayment schedules are as follows:

Year(s)	Loan Payable		Financed Purchased		Lease Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 19,579	\$ 11,684	\$ 21,035	\$ 709	\$ 9,506	\$ 1,701	\$ 50,120	\$ 14,094
2024	20,735	10,528	-	-	10,142	1,064	21,799	11,592
2025	21,959	9,404	-	-	10,822	385	22,344	9,789
2026	23,256	8,007	-	-	-	-	23,256	8,007
2027	24,629	6,634	-	-	-	-	24,629	6,634
2028-2031	101,920	11,316	-	-	-	-	101,920	11,316
Total	<u>\$ 212,078</u>	<u>\$ 57,573</u>	<u>\$ 21,035</u>	<u>\$ 709</u>	<u>\$ 30,470</u>	<u>\$ 3,150</u>	<u>\$ 244,068</u>	<u>\$ 61,432</u>

NOTE 13: CONTINGENCIES

A. Grants

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

B. School Foundation 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 Ohio Department of Education (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 for the fiscal year 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 had not performed such a review on the School for fiscal year 2022.

As of the date of this report, all ODE adjustments have been finalized for fiscal year 2022.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 13: CONTINGENCIES (Continued)

C. Litigation

The School is not a party to legal proceedings that, in the opinion of management, would have a material adverse effect on the financial statements.

NOTE 14: SPONSOR

A sponsorship agreement was executed between the School and St. Aloysius Orphanage for a five (5) year period beginning July 1, 2020. Under this agreement, the school pays the Sponsor “up to” 3% of State Aid. Sponsor fee expense at June 30, 2022, totaled \$100,528.

NOTE 15: MANAGEMENT AGREEMENT

Effective July 1, 2017, the School entered into a multi-year Management Agreement (Agreement) with Midwest Education Partners, dba Cambridge Education Group (CEG) which is a subsidiary of Newpoint Education for consulting and management of the School. The Agreement’s term runs through June 30, 2022. On June 29, 2018 the School entered into an agreement between Cambridge Education Group, LLC, Oakmont Education, LLC and the School effective July 1, 2018 to assign the Management Agreement to Oakmont. Oakmont shall assume and perform all of Cambridge’s obligations under the Management Agreement.

Oakmont is responsible and accountable to the Board of Directors for the administration and day-to-day operations. As part of the terms of this agreement, the “Continuing Fee” percentage of the School is 18 percent of gross revenues. In addition to the management fee described above, the School will reimburse Oakmont for its payroll and other costs eligible for reimbursements.

The School had total purchased service expenses for the year ended June 30, 2022, to Oakmont Education in the amount of \$2,502,339, which included a payoff of notes payable, see Note 12 for further information. Oakmont is responsible for all costs incurred in providing the educational program at the School, which include but are not limited to, salaries and benefits of all personnel, curriculum materials, textbooks, library books, computers and other equipment, software, supplies, building payments, maintenance, capital, and insurance.

NOTE 16: CHANGE IN ACCOUNTING PRINCIPLES

During the fiscal year, the School implemented the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The implementation of this Statement did not have an effect on the financial statements of the School.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 16: CHANGE IN ACCOUNTING PRINCIPLES (Continued)

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. These changes were incorporated in the School's financial statements; however, there was no effect on the beginning net position/fund balance.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objectives of this Statement are related to a) the accounting and financial reporting for Section 457 plans and b) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of this Statement did not have an effect on the financial statements of the School.

GASB Statement No. 87, *Leases* and GASB Implementation Guide 2019-3, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the School's financial statements; however there was no effect on the beginning net position. The School recognized \$39,592 in leases payable at July 1, 2021, and this entire amount was fully offset by the intangible right to use leased assets.

NOTE 17: MANAGEMENT COMPANY EXPENSES

For the year ended June 30, 2022, Oakmont Education, LLC and its affiliates incurred the following expenses on behalf of the School. Note to the Schedule of Management Company Expenses: Oakmont Education, LLC charges expenses benefiting more than one school (i.e. overhead) are pro-rated based on full time equivalent (FTE) head count as of June 30, 2022 by each school it manages. Employee Benefits do not include pension and OPEB expenses. Under management agreement with the School, the School is responsible for pension and OPEB expenses for direct school staff.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)**

NOTE 17: MANAGEMENT COMPANY EXPENSES (Continued)

<u>Expenses</u>	<u>Total</u>
Direct Expenses	
Salaries and Wages	
Regular Instruction	\$ 310,350
Special Instruction	170,411
Vocational Instruction	450,405
Other Instruction	170,650
Support Services	708,433
Employees' Benefits	
Regular Instruction	27,448
Special Instruction	12,309
Vocational Instruction	26,496
Other Instruction	7,086
Support Services	45,933
Professional and Technical Services	
Regular Instruction	(1,312)
Support Services	7,917
Property Services	
Support Services	2,167
Transportation	
Support Services	414
Supplies	
Regular Instruction	1,602
Vocational Instruction	1,349
Support Services	7,082
Other Direct Costs	
Regular Instruction	15,958
Support Services	44,653
Indirect Expenses	
Overhead	
Support Services	172,001
Non-Instructional	59,929
	<u>\$ 2,241,281</u>

NOTE 18: COVID-19

The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School. The impact on the School's future operating costs, revenues and any recovery from emergency funding, either federal or state, cannot be estimated.

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's Proportion of the Net Pension Liability	0.0113574%	0.0098327%	0.0056702%	0.0053385%	0.0087607%	0.0107229%	0.0118487%	0.011079%	0.011079%
School's Proportionate Share of the Net Pension Liability	\$ 419,055	\$ 650,357	\$ 339,258	\$ 305,747	\$ 523,432	\$ 298,055	\$ 676,098	\$ 560,702	\$ 658,833
School's Covered Payroll	\$ 392,029	\$ 335,964	\$ 190,704	\$ 191,207	\$ 286,957	\$ 370,971	\$ 400,197	\$ 289,012	\$ 429,762
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	106.89%	193.58%	177.90%	159.90%	182.41%	80.34%	168.94%	194.01%	153.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School's Proportion of the Net Pension Liability	0.00543583%	0.00609777%	0.00386362%	0.00353618%	0.00436169%	0.00681342%	0.00558179%	0.00511459%	0.00511459%
School's Proportionate Share of the Net Pension Liability	\$ 695,017	\$ 1,475,442	\$ 854,416	\$ 777,525	\$ 1,036,129	\$ 2,280,657	\$ 1,542,643	\$ 1,244,045	\$ 1,481,899
School's Covered Payroll	\$ 670,743	\$ 735,907	\$ 453,600	\$ 402,007	\$ 479,514	\$ 409,029	\$ 557,529	\$ 587,715	\$ 666,669
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	103.62%	200.49%	188.36%	193.41%	216.08%	557.58%	276.69%	211.67%	222.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.78%	75.48%	77.40%	77.31%	75.29%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Contributions - Pension
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 114,218	\$ 54,884	\$ 47,035	\$ 25,745	\$ 25,813	\$ 40,174	\$ 51,936	\$ 52,746	\$ 40,057	\$ 59,479
Contributions in Relation to the Contractually Required Contribution	<u>(114,218)</u>	<u>(54,884)</u>	<u>(47,035)</u>	<u>(25,745)</u>	<u>(25,813)</u>	<u>(40,174)</u>	<u>(51,936)</u>	<u>(52,746)</u>	<u>(40,057)</u>	<u>(59,479)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered Payroll	\$ 815,843	\$ 392,029	\$ 335,964	\$ 190,704	\$ 191,207	\$ 286,957	\$ 370,971	\$ 400,197	\$ 289,012	\$ 429,762
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Contributions - Pension
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 134,616	\$ 93,904	\$ 103,027	\$ 63,504	\$ 56,281	\$ 67,132	\$ 57,264	\$ 78,054	\$ 76,403	\$ 86,667
Contributions in Relation to the Contractually Required Contribution	<u>(134,616)</u>	<u>(93,904)</u>	<u>(103,027)</u>	<u>(63,504)</u>	<u>(56,281)</u>	<u>(67,132)</u>	<u>(57,264)</u>	<u>(78,054)</u>	<u>(76,403)</u>	<u>(86,667)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered Payroll	\$ 961,543	\$ 670,743	\$ 735,907	\$ 453,600	\$ 402,007	\$ 479,514	\$ 409,029	\$ 557,529	\$ 587,715	\$ 666,669
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Proportionate Share of the OPEB Liability
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School's Proportion of the Net OPEB Liability	0.0107674%	0.0090976%	0.0053359%	0.0048759%	0.0081349%	0.0100894%
School's Proportionate Share of the Net OPEB Liability	\$ 203,782	\$ 197,720	\$ 134,187	\$ 135,271	\$ 218,319	\$ 97,490
School's Covered Payroll	\$ 392,029	\$ 335,964	\$ 190,704	\$ 191,207	\$ 286,957	\$ 370,971
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	51.98%	58.85%	70.36%	70.75%	76.08%	26.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Proportionate Share of the OPEB Liability/Asset
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School's Proportion of the Net OPEB Liability/Asset	0.00543583%	0.00609777%	0.00386362%	0.00353618%	0.00436169%	0.00681342%
School's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (114,611)	\$ (107,169)	\$ (63,990)	\$ (56,822)	\$ 170,177	\$ 364,383
School's Covered Payroll	\$ 670,743	\$ 735,907	\$ 453,600	\$ 402,007	\$ 479,514	\$ 409,029
School's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-17.09%	-14.56%	-14.11%	-14.13%	35.49%	89.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	174.73%	182.13%	174.74%	176.00%	47.11%	37.30%

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

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

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Contributions - OPEB
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution (1)	\$ 4,201	\$ 2,561	\$ 614	\$ 1,985	\$ 1,158	\$ 941	\$ 1,771	\$ 3,731	\$ 4,604	\$ 12,363
Contributions in Relation to the Contractually Required Contribution	<u>(4,201)</u>	<u>(2,561)</u>	<u>(614)</u>	<u>(1,985)</u>	<u>(1,158)</u>	<u>(941)</u>	<u>(1,771)</u>	<u>(3,731)</u>	<u>(4,604)</u>	<u>(12,363)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Covered Payroll	\$ 815,843	\$ 392,029	\$ 335,964	\$ 190,704	\$ 191,207	\$ 286,957	\$ 370,971	\$ 400,197	\$ 289,012	\$ 429,762
OPEB Contributions as a Percentage of Covered Payroll (1)	0.51%	0.65%	0.18%	1.04%	0.61%	0.33%	0.48%	0.93%	1.59%	2.88%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO
Required Supplementary Information
Schedule of the School's Contributions - OPEB
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,646	\$ 6,667
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	-	(6,646)	(6,667)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered Payroll	\$961,543	\$670,743	\$735,907	\$453,600	\$402,007	\$479,514	\$409,029	\$557,529	\$587,715	\$666,669
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.13%	1.00%

See accompanying notes to the required supplementary information

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

Notes to Required Supplementary Information

Net Pension Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017 and 2019-2022.

The following changes were made to the benefit terms in 2018 as identified: The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018-2020.

Changes in assumptions- SERS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016 and 2018-2021. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member 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 (h) change in discount rate from 7.75% to 7.5%. For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.00% to 2.40%, (b) assumed real wage growth was reduced from 0.85% to 0.85%, (c) Cost-of-Living-Adjustments was reduced from 2.50% to 2.00% (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality amount active members, service retirees and beneficiaries, and disabled members were updated (i) change in discount rate from 7.50% to 7.00%.

Changes in benefit terms – STRS

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

Changes in assumptions – STRS

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

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

Notes to Required Supplementary Information

Net OPEB Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2018-2022.

Changes in Assumptions – SERS

Amounts reported for fiscal years 2018-2022 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

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

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

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

Medicare Trend Assumption

Medicare

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

Pre – Medicare

Fiscal year 2022	6.75 percent decreasing to 4.40 percent
Fiscal year 2020	7.00 percent decreasing to 4.75 percent
Fiscal year 2019	7.25 percent decreasing to 4.75 percent
Fiscal year 2018	7.50 percent decreasing to 5.00 percent

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent 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.

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.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

Notes to Required Supplementary Information

For fiscal year 2020 and 2021, the health care cost trend rates were modified.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to 7.00 percent. The health care cost trend rates modified.

Changes in Benefit Terms – STRS

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

For fiscal year 2020, claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984 per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

There were no benefit term changes from the amounts reported for fiscal year 2022.

SUPPLEMENTARY INFORMATION

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2022	\$ 25,121
National School Lunch Program	10.555	2022	58,918
COVID-19 - National School Lunch Program	10.555	COVID-19, 2022	3,987
Total National School Lunch Program			<u>62,905</u>
Total Child Nutrition Cluster			<u>88,026</u>
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2022	614
Total U.S. Department of Agriculture			<u>88,640</u>
U.S. DEPARTMENT LABOR			
<i>Direct Award</i>			
YouthBuild Grants	17.274	YB-33004-18-60-A-39	552,523
YouthBuild Grants	17.274	YB-36429-21-60-A-39	474,414
Total U.S. Department of Labor and YouthBuild Grants			<u>1,026,937</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2022	51,063
Title I Grants to Local Educational Agencies_Noncompetitive, Supplemental School Improvement	84.010A	84.010A, 2022	33,000
Title I Grants to Local Educational Agencies_Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2022	1,734
Title I Grants to Local Educational Agencies_Expanding Opportunities for EACHCHILD (DSS)	84.010A	84.010A, 2021	52,846
Total Title I Grants to Local Educational Agencies			<u>138,643</u>
Special Education Cluster (IDEA):			
Special Education_Grants to States (IDEA, Part B)	84.027A	84.027A, 2022	46,875
Total Special Education Cluster (IDEA)			<u>46,875</u>
Supporting Effective Instruction State Grants	84.367A	84.367A, 2022	4,243
Student Support and Academic Enrichment Program	84.424A	84.424A, 2022	10,000
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	154,128
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP-Homeless Round II	84.425U	COVID-19, 84.425U, 2022	9,072
Total Education Stabilization Fund (ESF)			<u>163,200</u>
Total U.S. Department of Education			<u>362,961</u>
Total Expenditures of Federal Awards			<u>\$ 1,478,538</u>

The accompanying notes are an integral part of this schedule.

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

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

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the YouthBuild Columbus Community School under programs of the federal government for the fiscal year ended June 30, 2022 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the YouthBuild Columbus Community School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the YouthBuild Columbus Community School. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The YouthBuild Columbus Community School has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - CHILD NUTRITION CLUSTER

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

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

YouthBuild Columbus Community School
Franklin County
1183 Essex Avenue
Columbus, Ohio 43201

To the Members of the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the YouthBuild Columbus Community School, Franklin County, Ohio, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the YouthBuild Columbus Community School's basic financial statements, and have issued our report thereon dated May 26, 2023, wherein we noted as described in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the YouthBuild Columbus Community 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 YouthBuild Columbus Community School's internal control. Accordingly, we do not express an opinion on the effectiveness of the YouthBuild Columbus Community 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 YouthBuild Columbus Community 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YouthBuild Columbus Community 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*.

YouthBuild Columbus Community School

Franklin County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

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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 YouthBuild Columbus Community 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 YouthBuild Columbus Community School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

May 26, 2023

**Independent Auditor’s Report on Compliance for Each Major Federal Program and on
Internal Control Over Compliance Required by the Uniform Guidance**

YouthBuild Columbus Community School
Franklin County
1183 Essex Avenue
Columbus, Ohio 43201

To the Members of the Board of Directors:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the YouthBuild Columbus Community School’s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the YouthBuild Columbus Community School’s major federal programs for the fiscal year ended June 30, 2022. The YouthBuild Columbus Community School’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the YouthBuild Columbus Community School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

YouthBuild Columbus Community School
Franklin County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance
Required by the Uniform Guidance
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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
May 26, 2023

**YOUTHBUILD COLUMBUS COMMUNITY SCHOOL
FRANKLIN COUNTY, OHIO**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program (listed):</i>	YouthBuild Grants (ALN 17.274)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



YOUTHBUILD COLUMBUS COMMUNITY 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 6/27/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov