



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

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WILDWOOD ENVIRONMENTAL ACADEMY  
LUCAS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2024



OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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800-282-0370

Governing Board  
Wildwood Environmental Academy  
1628 Henthorne Road  
Maumee, Ohio 43537

We have reviewed the *Independent Auditor's Report* of Wildwood Environmental Academy, Lucas County, prepared by BHM CPA Group, Inc., for the audit period July 1, 2023 through June 30, 2024. 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. Wildwood Environmental Academy is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

**May 30, 2025**

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WILDWOOD ENVIRONMENTAL ACADEMY  
YEAR ENDED JUNE 30, 2024

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**INDEPENDENT AUDITOR'S REPORT**

Wildwood Environmental Academy  
Lucas County  
1628 Henthorne Road  
Maumee, Ohio 43537

To the Governing Board:

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

***Opinion***

We have audited the financial statements of the Wildwood Environmental Academy, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Wildwood Environmental Academy, Lucas County, Ohio as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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



**Supplementary information**

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule 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 January 30, 2025, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



BHM CPA Group, Inc.  
Portsmouth, Ohio  
January 30, 2025

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*

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The management's discussion and analysis of Wildwood Environmental Academy's financial performance provides an overall review of the Academy's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole; readers should review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

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

**Financial Highlights**

In 2024,  
Total net position was \$(1,975,040).  
Total assets were \$4,105,558.  
Total deferred outflows of resources were \$1,363,500.  
Total liabilities were \$6,761,568.  
Total deferred inflows of resources were \$682,530.

**Using this Annual Report**

This report includes the MD&A, the basic financial statements, and notes to those statements. The basic financial statements include a statement of net position, a statement of revenues, expenses, and change in net position, and a statement of cash flows.

The Statement of Net Position and Statement of Revenues, Expenses, and Change in Net Position reflect how the Academy did financially during fiscal year 2024. 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 two statements report the Academy's net position and change in net position. This change in net position is important because it tells the reader whether the financial position of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

This report also includes required supplementary information concerning the Academy's net other post-employment benefits (OPEB) asset, net pension liability and net OPEB liability, and notes to the required supplementary information.

The Academy uses enterprise presentation for all of its activities.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**Statement of Net Position**

Table 1 provides a summary of the Academy's net position for fiscal years 2024 and 2023:

TABLE 1	<b><u>Governmental Activities</u></b>	
	June 30	
	2024	2023
<b>Assets</b>		
Current assets	\$ 1,556,001	\$ 1,561,410
Noncurrent assets	7,042	7,042
Capital and lease assets, net	2,247,071	323,302
Net OPEB asset	295,444	346,208
Total assets	4,105,558	2,237,962
<b>Deferred Outflows of Resources</b>		
Pension	1,190,026	1,041,276
OPEB	173,474	145,824
Total deferred outflows of resources	1,363,500	1,187,100
<b>Liabilities</b>		
Current liabilities	692,289	788,834
Noncurrent liabilities		
Due in more than one year		
Leases payable	2,038,162	-
Net pension liability	3,853,065	3,535,201
Net OPEB Liability	178,052	149,446
Total noncurrent liabilities	6,069,279	3,684,647
Total liabilities	6,761,568	4,473,481
<b>Deferred Inflows of Resources</b>		
Pension	234,056	315,214
OPEB	448,474	542,006
Total deferred inflows of resources	682,530	857,220
<b>Net Position</b>		
Invested in capital assets—net of related debt	41,575	66,450
Unrestricted (deficit)	(2,016,615)	(1,972,089)
Total net position (deficit)	\$ (1,975,040)	\$(1,905,639)

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**Statement of Net Position (continued)**

***GASB Statements No. 68 and 75***

The net pension liability (NPL) is the largest single liability reported by the Academy at June 30, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." In a prior period, the Academy also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Academy's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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 asset/liability to equal the Academy's proportionate share of each plan's collective:

- a) present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
- b) minus plan assets available to pay these benefits

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

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. For STRS, the plan's fiduciary net OPEB position was sufficient to cover the plan's total OPEB liability resulting in a net OPEB asset for fiscal year 2024 that is allocated to each school based on its proportionate share. The retirement system is responsible for the administration of the pension and OPEB plans.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**Statement of Net Position (continued)**

***GASB Statements No. 68 and 75 (continued)***

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

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

***GASB Statement No. 87***

In a prior period, the Academy implemented GASB Statement No. 87, "Leases". This statement increases the usefulness of governments' financial statements by requiring recognition of certain leased (right-to-use) assets and liabilities for leases that were previously classified as operating leases. 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

***Highlights***

Total net position for the Academy decreased \$69,401. Cash and cash equivalents were \$1,111,278. Intergovernmental receivables increased \$122,856 due primarily to a large accrual of ESSER III revenues combined with various increases and decreases in year-end accruals across the board. Lease assets (net of amortization) increased by \$1,952,798 and lease liability increased \$1,943,671, both due to the extension of two facility leases and the ongoing impact of GASB 87. Contracts payable decreased \$38,684 due to timing differences in the receipt of revenues subject to management fees at year end.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**Change in Net Position**

Table 2 shows the changes in net position for fiscal years 2024 and 2023, as well as a listing of revenues and expenses.

**TABLE 2**

	<b><u>Governmental Activities</u></b>	
	For the year ended June 30	
	2024	2023
<b>Operating Revenues</b>		
Foundation payments	\$ 3,117,442	\$ 2,765,447
Food sales	5,805	15,248
Other revenues	98,600	123,737
	<hr/>	<hr/>
Total operating revenues	3,221,847	2,904,432
<b>Operating Expenses</b>		
Salaries	2,599,662	2,516,591
Fringe benefits	964,093	911,312
Other purchased services	1,233,867	1,166,960
Materials and supplies	217,538	276,186
Depreciation and amortization (unallocated)	307,807	318,091
Other expenses	85,602	74,042
	<hr/>	<hr/>
Total operating expenses	5,408,569	5,263,182
Operating loss	(2,186,722)	(2,358,750)
<b>Nonoperating Revenues and Expenses</b>		
Federal grants	1,438,782	1,384,394
State grants	683,580	876,432
Contributions and donations	500	713
Interest and dividend income	11,004	-
Interest and fiscal charges	(15,774)	(14,962)
Special assessments	(571)	(529)
Loss on disposal of capital assets	(200)	-
Prior year adjustments	-	(167)
	<hr/>	<hr/>
Total nonoperating revenues and expenses	2,117,321	2,245,881
Decrease in net position	(69,401)	(112,869)
Net position beginning of year	<hr/>	<hr/>
	(1,905,639)	(1,792,770)
Net position end of year	<hr/> <hr/>	<hr/> <hr/>
	\$ (1,975,040)	\$ (1,905,639)

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**Change in Net Position (continued)**

***Highlights***

Net position decreased \$69,401. Foundation payments increased \$351,995, mostly due to an equity supplement to brick and mortar community schools in fiscal year 2024. State grants decreased \$192,852 due to the net impact of not receiving Quality Schools funding in fiscal year 2024, and a significant increase in facilities funding in fiscal year 2024. Salaries and fringe benefits increased a combined \$135,852 due to the net impact of a 6 percent salary increase across the board, adding two staff members, and a reduction in pension/OPEB expenses that were outside of the Academy's control. Materials and supplies decreased \$58,648 due to reduced spending related to the loss of Quality Schools funding.

**Capital and Lease Assets**

At the end of fiscal year 2024, the Academy had \$2,247,071 invested in capital assets and lease assets (net of depreciation/amortization).

Table 3 shows capital assets and lease assets (net of depreciation/amortization) for fiscal years 2024 and 2023.

<b>TABLE 3</b>	<b><u>Net Capital and Lease Assets</u></b>	
	June 30	
	2024	2023
Buildings - lease	\$ 2,155,250	\$ 244,566
Equipment - lease	51,356	9,243
Construction in process	17,528	-
Furniture and fixtures	22,937	69,493
Total capital and lease assets	\$ 2,247,071	\$ 323,302

For more information on capital and lease assets, see Note 6 to the basic financial statements.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**Current Financial Issues**

Wildwood Environmental Academy was formed in 2004 under a contract with the Ohio Council of Community Schools. During the 2023-2024 school year there were 321 students enrolled in the Academy. The Academy receives its finances mostly from state aid, and the proportion of state aid to total revenue is anticipated to increase as federal funding resulting from the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) is discontinued at the end of fiscal year 2024. Foundation payments for fiscal year 2024 amounted to \$3,117,442.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The state of emergency in the State of Ohio ended on June 18, 2021. On April 10, 2023, the state of emergency in the United States was terminated. Elementary and Secondary School Emergency Relief (ESSER) funding must be obligated by June 30, 2024. The financial impact of COVID-19 and the ensuing emergency measures have impacted the current period, and the termination of the state of emergency and the expiration of related funding will impact future periods.

**Contacting the Academy's Financial Management**

The financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the funds it receives. If you have questions about this report or need additional information, contact:

Melinda Benkovsky  
Chief Financial Officer  
The Leona Group, LLC  
2125 University Park Drive, Okemos, MI 48864  
melinda.benkovsky@leonagroupmw.com



**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Statement of Net Position*  
*June 30, 2024*

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**Assets**

**Current Assets**

Cash and cash equivalents	\$ 1,111,278
Accounts receivable	830
Intergovernmental receivable	381,716
Prepaid items	<u>62,177</u>
<b>Total current assets</b>	<b>1,556,001</b>

**Noncurrent Assets**

Security deposits	7,042
Nondepreciable capital assets	17,528
Capital assets, net of depreciation	22,937
Lease assets, net of amortization	2,206,606
Net OPEB asset	<u>295,444</u>
<b>Total noncurrent assets</b>	<b><u>2,549,557</u></b>

**Total Assets**

4,105,558

**Deferred Outflows of Resources**

Pension	1,190,026
OPEB	<u>173,474</u>

**Total Deferred Outflows of Resources**

1,363,500

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**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Statement of Net Position*  
*June 30, 2024*  
*(continued)*

**Liabilities**

***Current Liabilities***

Accounts payable	27,405
Contracts payable	35,200
Accrued wages payable	395,743
Intergovernmental payable	315
Deferred revenue	26,442
STRS-SERS payable	39,851
Leases payable - current portion	161,924
Accrued interest payable	5,409
<b><i>Total current liabilities</i></b>	<b>692,289</b>

***Noncurrent Liabilities***

Due in more than one year	
Leases payable	2,038,162
Net pension liability	3,853,065
Net OPEB liability	178,052
<b><i>Total noncurrent liabilities</i></b>	<b>6,069,279</b>

***Total Liabilities***

**6,761,568**

**Deferred Inflows of Resources**

Pension	234,056
OPEB	448,474

***Total Deferred Inflows of Resources***

**682,530**

**Net Position**

Net investment in capital assets (net of related debt)	41,575
Unrestricted (deficit)	(2,016,615)

***Total Net Position***

**\$(1,975,040)**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Statement of Revenues, Expenses and Change in Net Position*  
*For the Fiscal Year Ended June 30, 2024*

<hr/>	
<b>Operating Revenues</b>	
Foundation payments	\$ 3,117,442
Food services	5,805
Other operating revenues	98,600
<b>Total operating revenues</b>	3,221,847
<b>Operating Expenses</b>	
Salaries	2,599,662
Fringe benefits	964,093
Other purchased services	1,233,867
Materials and supplies	217,538
Depreciation and amortization	307,807
Other	85,602
<b>Total operating expenses</b>	5,408,569
<b>Operating Loss</b>	(2,186,722)
<b>Nonoperating Revenues and Expenses</b>	
Federal grants	1,438,782
State grants	683,580
Contributions and donations	500
Dividend income	11,004
Interest expense	(15,774)
Special assessments	(571)
Loss on disposal of capital assets	(200)
<b>Total nonoperating revenues and expenses</b>	2,117,321
<b>Change in Net Position</b>	(69,401)
<b>Net Position Beginning of Year (deficit)</b>	(1,905,639)
<b>Net Position End of Year (deficit)</b>	\$(1,975,040)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Statement of Cash Flows*  
*For the Fiscal Year Ended June 30, 2024*

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**Decrease in Cash and Cash Equivalents:**

***Cash Flows from Operating Activities***

Cash received from State of Ohio	\$3,117,542
Cash received for food services	5,740
Cash received from other operating revenues	146,052
Cash payments to suppliers for goods and services	<u>(4,994,048)</u>

***Net Cash Used for Operating Activities*** (1,724,714)

***Cash Flows from Noncapital Financing Activities***

Cash received for federal grants	1,236,641
Cash received for state grants	678,302
Cash received for contributions	500
Cash payments for special assessments	<u>(550)</u>

***Net Cash Provided by Noncapital Financing Activities*** 1,914,893

***Cash Flows from Capital and Related Financing Activities***

Cash payments for capital acquisitions	(39,459)
Cash payments for lease principal	(270,577)
Cash payments for lease interest	<u>(10,801)</u>

***Net Cash Used for Capital and Related Financing Activities*** (320,837)

***Cash Flows from Investing Activities***

Cash received for dividend income	<u>11,004</u>
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***Net Cash Provided by Investing Activities*** 11,004

***Net Decrease in Cash and Cash Equivalents*** (119,654)

***Cash and Cash Equivalents at Beginning of Year*** 1,230,932

***Cash and Cash Equivalents at End of Year*** \$1,111,278

*(continued)*

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Statement of Cash Flows*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**Reconciliation of Operating Loss to Net Cash Used for Operating Activities**

Operating loss	\$(2,186,722)
<b>Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities</b>	
Depreciation and amortization	307,807
Noncash commodities	33,591
<b><i>Changes in assets and liabilities:</i></b>	
Increase in accounts receivable	(521)
Decrease in intergovernmental receivable	46,171
Decrease in prepaid items	31,062
Decrease in net OPEB asset	50,764
Increase in deferred outflows-pension	(148,750)
Increase in deferred outflows-OPEB	(27,650)
Decrease in accounts payable	(19,805)
Decrease in contracts payable-LOEG	(600)
Decrease in contracts payable-TLG	(38,084)
Increase in accrued wages and benefits	27,629
Decrease in intergovernmental payable	(2,231)
Increase in STRS-SERS payable	30,845
Increase in net pension liability	317,864
Increase in net OPEB liability	28,606
Decrease in deferred inflows-pension	(81,158)
Decrease in deferred inflows-OPEB	(93,532)
<b><i>Total Adjustments</i></b>	<b>462,008</b>
<b><i>Net Cash Used for Operating Activities</i></b>	<b>\$(1,724,714)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## **WILDWOOD ENVIRONMENTAL ACADEMY**

**Lucas County, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

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

Wildwood Environmental Academy (the "Academy") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's mission is to provide an atmosphere where students will develop a thirst for learning, creative expression, and awareness of new horizons. As a family of learners, students and staff exhibit depth of understanding, acceptance of others, personal integrity and responsibility, and a willingness to exercise leadership in their educational and social interactions. Staff, students, and their families are committed to facing the challenges of the new century, believing that there is no problem too complex nor goal too lofty that cannot be mastered. The Academy, 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 other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

On April 2, 2003, the Academy was approved for operation under contract with the Ohio Council of Community Schools (the "Sponsor") for a period of four years through June 30, 2007, with the following extensions:

a seven-year extension through June 30, 2014;  
a five-year extension through June 30, 2019;  
a five-year extension through June 30, 2024, and;  
a six-year extension through June 30, 2030.

The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. For 2024, the Academy paid \$112,666 to the Sponsor.

The Academy operates under the direction of a six-member governing board. The governing 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 governing board controls the Academy's instructional/support facility staffed by forty certificated teaching personnel and thirty-four non-certificated personnel who provide services to 321 students.

The governing board has entered into a management contract with The Leona Group, LLC (TLG), a for-profit limited liability corporation, for management services and operation of the Academy. TLG operates the Academy's instructional/support facility, is the employer of record for all personnel, and supervises and implements the curriculum. In exchange for its services, TLG receives a capitation fee (see Note 14).

The State of Ohio requires that the financial activities of all community schools are overseen by a licensed fiscal officer. The fiscal officer is retained by the board of directors and is not affiliated with TLG.

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

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

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Basis of Presentation**

The Academy's basic financial statements consist of a statement of net position, a statement of revenue, expenses, and change in net position, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

**B. Measurement Focus**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The statement of revenues, expenses, and change in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Academy's financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

Expenses are recognized at the time they are incurred.

**D. Budgetary Process**

Unlike other public schools located in the state of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the Academy's contract with its Sponsor. The contract between the Academy and its Sponsor does prescribe an annual budget requirement in addition to preparing a 5-year forecast which is to be updated on an annual basis.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Cash and Cash Equivalents**

All cash received by the Academy is maintained in a demand deposit account and STAR Ohio. For purposes of the Statement of Cash Flows and for presentation on the Statement of Net Position, investments with an original maturity of three months or less at the time they are purchased are considered to be cash equivalents.

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

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

**F. Receivables**

Accounts receivable and intergovernmental receivables at June 30, 2024 are considered collectible in full and will be received within one year.

**G. Capital Assets**

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Construction in progress is nondepreciable; all other reported capital assets are depreciated. Depreciation is computed using the straight-line method. A summary of capital asset activity can be found in Note 6. Cost thresholds and useful lives are as follows:

**Capitalization and Depreciation Policy**

<u>Category</u>	<u>Cost Threshold</u>	<u>Useful Life</u>
Leasehold improvements	Professional judgement not less than \$25,000	Life of Lease
Furniture, fixtures, and equipment	Individual item - \$5,000	7 years
EDP equipment and software	Sum of like items in a single purchase - \$12,500	3 years
Non-EDP equipment		6 years



**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Lease Assets**

Lease assets are reported on the statement of net position and are initially measured as the sum of the initial measurement of the lease liability and any payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs that are ancillary charges necessary to place the lease asset into service. The lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The amortization is reported as an outflow of resources and combined with depreciation expense related to other capital assets for financial reporting purposes. Lease asset data is presented together with capital asset data in Note 6.

**I. Lease Liability**

Lease liability is reported on the statement of net position and is initially measured at the present value of payments expected to be made during the lease term. Payments are discounted using an implicit interest rate, or if not readily determined by the lessee, the lessee's incremental borrowing rate, and amortized over the life of the lease. Leases not meeting the criteria of a long-term lease liability will be recognized as outflows of resources (expenses) based on the payment provisions of the lease contract. Lease liability is presented in Note 13.

**J. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use through external restriction imposed by creditors, grantors, or laws and regulations of other governments. The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Net position 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.

**K. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Intergovernmental Revenue**

The Academy currently participates in the State Foundation Program. Revenue received from this program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met.

Ohio Amended Substitute House Bill 110 made significant changes to the calculation and payment of state foundation funding. Students are now funded where they are educated rather than where they reside, with a variable base cost per pupil amount, a phase-in formula, and a per-pupil guarantee.

Due to the phasing out of federal funding as a result of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020), the proportion of state aid to total revenue is anticipated to increase toward pre-COVID 19 levels beginning with fiscal year 2024. Approximately 58.21% of revenue is from the foundation allowance; therefore, Academy funding remains heavily dependent on the State's ability to fund local school operations. Since the Academy's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue. The impact on the Academy of the State's projected revenue is not known.

Grants and entitlements are recognized as nonoperating revenues in the accounting period in which eligibility requirements have been met.

**M. 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. Accordingly, actual results could differ from those estimates.

**N. Tax Status**

The Academy is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

**O. Security Deposit**

The Academy entered into a lease for the use of the building for the administration and instruction of the Academy. Based on the lease agreement, a security deposit was required to be paid at the signing of the agreement. This amount, totaling \$7,042, is held by the lessor (See Note 12).

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**P. Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the Academy, deferred outflows of resources are reported on the statement of net position for pension and other post-employment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Notes 8 and 9.

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 position that applies to a future period and will not be recognized until that time. For the Academy, deferred inflows of resources consist of pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 8 and 9.

**Q. Pensions/Other Post-Employment Benefits (OPEB)**

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

**3. UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**3. UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)**

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This Statement establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following:

- a. Management's discussion and analysis (MD&A);
  - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
    - 1) Overview of the Financial Statements,
    - 2) Financial Summary,
    - 3) Detailed Analyses,
    - 4) Significant Capital Asset and Long-Term Financing Activity,
    - 5) Currently Known Facts, Decisions, or Conditions;
  - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
  - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
  - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
  - ii. Requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The Academy is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**4. DEPOSITS AND INVESTMENT**

**A. Deposits**

The Academy has designated one bank for the deposit of its funds. The Academy's deposits consist solely of checking and/or savings accounts at local banks. At June 30, 2024, the carrying amount of all Academy deposits was \$600,274. At June 30, 2024, the Academy's bank balance was \$604,672. \$354,672 was exposed to custodial credit risk as discussed below, and \$250,000 was covered by the Federal Deposit Insurance Corporation (the "FDIC").

**B. Custodial Credit Risk of Bank Deposits**

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

**C. Investment**

As of June 30, 2024, the Academy had the following investment:

Investment Type	Measurement <u>Value</u>	Investment Maturity <u>3 Months or Less</u>	Percentage <u>of Total</u>
STAR Ohio	<u>\$ 511,004</u>	<u>\$ 511,004</u>	<u>100%</u>

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Academy's investment policy limits investment portfolio maturities to five years or less.

**Credit Risk:** STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio to maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2024, is 57 days and carries a rating of AAAM by S&P Global Ratings.

**Concentration of Credit Risk:** The Academy places no limit on the amount that may be invested in any one issuer.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**5. RECEIVABLES**

Receivables at June 30, 2024, consisted of intergovernmental grants and miscellaneous receipts and refunds. All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of receivables follows:

<b>Receivables</b>	
<u>Source</u>	<u>June 30, 2024</u>
Intergovernmental receivable:	
Title I	\$ 106,864
Title IIa	2,230
Title IV	3,466
IDEA	30,809
ESSER III	193,373
ARP Homeless	1,606
SERS refund	11,061
SERS-STRS due from other academies	11,148
Casino tax revenue	10,230
Ohio Department of Education final eRate	1,089
	<u>9,840</u>
Total intergovernmental receivable	<u>\$ 381,716</u>
Accounts receivable	
Food sales	\$ 65
Commission	128
Vendor refund	637
	<u>830</u>
Total accounts receivable	<u>\$ 830</u>

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**6. CAPITAL ASSETS AND LEASE ASSETS**

Capital asset and lease asset activity for the fiscal year ended June 30, 2024 is reflected in the following table.

**Capital and Lease Asset Activity**

<u>Category</u>	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>
Nondepreciable capital assets:				
Construction in progress-greenhouse	\$ -	\$ 17,528	\$ -	\$ 17,528
Capital and lease assets being depreciated/amortized:				
Buildings - lease	724,819	2,155,250	-	2,880,069
Equipment - lease	41,610	58,998	37,683	62,925
Leasehold improvements	392,948	-	-	392,948
Furniture and fixtures	<u>437,303</u>	<u>-</u>	<u>45,806</u>	<u>391,497</u>
Total depreciable capital and lease assets	1,596,680	2,214,248	83,489	3,727,439
Less accumulated depreciation/amortization:				
Buildings - lease	(480,254)	(244,565)	-	(724,819)
Equipment - lease	(32,367)	(16,885)	(37,683)	(11,569)
Leasehold improvements	(392,948)	-	-	(392,948)
Furniture and fixtures	<u>(367,809)</u>	<u>(46,357)</u>	<u>(45,606)</u>	<u>(368,560)</u>
Total accumulated depreciation/amortization	<u>(1,273,378)</u>	<u>(307,807)</u>	<u>(83,289)</u>	<u>(1,497,896)</u>
Total depreciable capital and lease assets - net	<u>323,302</u>	<u>1,906,441</u>	<u>200</u>	<u>2,229,543</u>
Capital Assets - net	<u>\$ 323,302</u>	<u>\$ 1,923,969</u>	<u>\$ 200</u>	<u>\$ 2,247,071</u>

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**7. RISK MANAGEMENT**

**A. Property and Liability**

The Academy is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the Academy contracted with Philadelphia Indemnity Insurance Company for student sports coverage, Travelers for cyber liability, and Hanover Insurance Group for all other coverages listed below:

**Insurance Coverages**

<u>Type</u>	<u>FY2024 Limits</u>
<b><i>Educational Errors and Omissions:</i></b>	
D&O Liability and Employment Practices	\$3,000,000
<b><i>General Liability:</i></b>	
General Aggregate	2,000,000
Per Occurrence	1,000,000
Abuse/Molestation Aggregate	3,000,000
Abuse/Molestation Per Occurrence	1,000,000
Umbrella	5,000,000
<b><i>Property:</i></b>	
Personal Property	799,800
Business Income	350,000
<b><i>Auto Liability:</i></b>	
Combined Single Limit	1,000,000
<b><i>Miscellaneous:</i></b>	
Student Sports Per Occurrence	50,000
Student Sports Aggregate	50,000
Fiduciary and Crime	500,000
Cyber Liability	5,000,000

Settled claims have not exceeded this coverage in any of the past three years. Building coverage was dropped by the Academy in fiscal year 2024 and assumed by the landlord. Any other changes in coverage from the prior year are inflationary in nature, or due to periodic reviews of the needs of the Academy.

**B. Workers' Compensation**

The Academy 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.



**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**8. DEFINED BENEFIT PENSION PLANS**

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

**A. Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability (asset). Any liability for the contractually required pension contribution outstanding at the end of the year is included in STRS-SERS payable.

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

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**8. DEFINED BENEFIT PENSION PLANS (continued)**

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

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

Age and service requirements for retirement are as follows:

<u>Benefits</u>	<u>Eligible to Retire on or before August 1, 2017*</u>	<u>Eligible to Retire On or After August 1, 2017</u>
Full	Age 65 with 5 years of service credit; or 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	Age 60 with 5 years of service credit, or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit, or Age 60 with 25 years of service credit

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Academy’s contractually required contribution to SERS was \$65,135 for fiscal year 2024. The full amount was contributed for fiscal year 2024.

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**8. DEFINED BENEFIT PENSION PLANS (continued)**

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

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility charges will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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 regardless of age.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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*(continued)*

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**8. DEFINED BENEFIT PENSION PLANS (continued)**

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members 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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The Academy's contractually required contribution to STRS was \$312,717 for fiscal year 2024. Of that amount, \$69,905 is recorded as a liability of the Academy.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

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**8. DEFINED BENEFIT PENSION PLANS (continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability:			
Current measurement date	0.0105274%	0.01519100%	
Prior measurement date	<u>0.0104073%</u>	<u>0.01337056%</u>	
Change in proportionate share	<u>0.0001201%</u>	<u>0.00182044%</u>	
Proportionate share of the net pension liability	\$ 581,693	\$ 3,271,372	\$ 3,853,065
Pension expense	\$ 78,631	\$ 387,177	\$ 465,808

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources - Pension</b>			
Differences between expected and actual experience	\$ 25,003	\$ 119,267	\$ 144,270
Changes of assumptions	4,121	269,414	273,535
Changes in proportion and differences between Academy contributions and proportionate share of contributions	28,835	365,534	394,369
Academy contributions subsequent to the measurement date	<u>65,135</u>	<u>312,717</u>	<u>377,852</u>
Total deferred outflows of resources - pension	<u>\$ 123,094</u>	<u>\$1,066,932</u>	<u>\$1,190,026</u>
<b>Deferred Inflows of Resources - Pension</b>			
Differences between expected and actual experience	\$ -	\$ 7,258	\$ 7,258
Net difference between projected and actual earnings on pension plan investments	8,177	9,804	17,981
Changes of assumptions	-	202,792	202,792
Changes in proportion and differences between Academy contributions and proportionate share of contributions	<u>-</u>	<u>6,025</u>	<u>6,025</u>
Total deferred inflows of resources - pension	<u>\$ 8,177</u>	<u>\$ 225,879</u>	<u>\$ 234,056</u>

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**8. DEFINED BENEFIT PENSION PLANS (continued)**

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

\$377,852 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Amortization of Deferred Outflows and Deferred Inflows - Pension**

<b>Fiscal Year Ending June 30:</b>	<b><u>SERS</u></b>	<b><u>STRS</u></b>	<b><u>Total</u></b>
2025	\$ 30,580	\$ 78,810	\$ 109,390
2026	(20,147)	(3,621)	(23,768)
2027	38,914	397,816	436,730
2028	435	55,331	55,766
	<hr/>	<hr/>	<hr/>
Total to be amortized	<u>\$ 49,782</u>	<u>\$ 528,336</u>	<u>\$ 578,118</u>

**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 termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
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**8. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Actuarial Assumptions – SERS (continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, and 2022 are presented below:

**Calculating Total Pension Liability - SERS**

<u>Method</u>	<u>Assumption</u>
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 system expenses
Actuarial cost method	Entry Age Normal (Level Percent of Payroll)
COLA or ad hoc COLA	2.00 percent, on and after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

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

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

The long-term return expectation for the 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. As of June 30, 2023:

**Real Rates of Return on Pension Plan Investments - SERS**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
	<u>100.00 %</u>	

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**8. DEFINED BENEFIT PENSION PLANS (continued)**

**E. Actuarial Assumptions – SERS (continued)**

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14.00 percent. 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. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

**Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the Academy’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Academy’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.

**Sensitivity to Changes in Discount Rate - SERS**

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Academy’s proportionate share of the net pension liability	\$ 858,549	\$ 581,693	\$ 348,494

**F. Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation, are presented below:

**Calculating Total Pension Liability - STRS**

<b>Method</b>	<b>Assumption</b>
Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent, based on service
Investment rate of return	7.00 percent, net of investment expenses, including inflation
Discount rate of return	7.00 percent
Payroll increases	3.00 percent
Cost-of-living adjustments (COLA)	0.00 percent effective July 1, 2017



**WILDWOOD ENVIRONMENTAL ACADEMY**  
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**8. DEFINED BENEFIT PENSION PLANS (continued)**

**F. Actuarial Assumptions – STRS (continued)**

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

Actuarial assumptions used in the June 30, 2023, valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

**Real Rates of Return on Pension Plan Investments - STRS**

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long Term Expected Real Rate of Return**</u>
Domestic equity	26.00 %	6.60 %
International equity	22.00	6.80
Alternatives	19.00	7.38
Fixed income	22.00	1.75
Real estate	10.00	5.75
Liquidity reserves	1.00	1.00
	<u>100.00 %</u>	

\*Final target weights reflected at October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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*(continued)*

**8. DEFINED BENEFIT PENSION PLANS (continued)**

**F. Actuarial Assumptions – STRS (continued)**

**Discount Rate.** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with 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, 2023. 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, 2023.

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

**Sensitivity to Changes in Discount Rate - STRS**

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Academy's proportionate share of the net pension liability	\$ 5,030,647	\$ 3,271,372	\$ 1,783,508

**Assumption and Benefit Changes Since the Prior Measurement Date** The discount rate remained at 7.00 percent for June 30, 2023, valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

**9. DEFINED BENEFIT OPEB PLANS**

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

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

**Health Care Plan Description** - The Academy contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. 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.

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**9. DEFINED BENEFIT OPEB PLANS (continued)**

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

Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the Academy's surcharge obligation was \$8,199. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Academy's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2024.

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**9. DEFINED BENEFIT OPEB PLANS (continued)**

**B. 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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

**C. Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Academy's proportion of the net OPEB liability (asset) was based on the Academy's share of contributions to the respective retirement systems relative to the contributions of all participating entities. 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:			
Current measurement date	0.0108078%	0.01519100%	
Prior measurement date	0.0106442%	0.01337056%	
Change in proportionate share	<u>0.0001636%</u>	<u>0.00182044%</u>	
Proportionate share of the net OPEB liability (asset)	\$ 178,052	\$ (295,444)	\$ (117,392)
OPEB expense	\$ (11,837)	\$ (21,776)	\$ (33,613)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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**9. DEFINED BENEFIT OPEB PLANS (continued)**

**C. Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (continued)**

At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources - OPEB</b>			
Differences between expected and actual experience	\$ 369	\$ 460	\$ 829
Net difference between projected and actual earnings on OPEB plan investments	1,383	525	1,908
Changes of assumptions	60,204	43,526	103,730
Changes in proportion and differences between Academy contributions and proportionate share of contributions	53,997	4,811	58,808
Academy contributions subsequent to the measurement date	8,199	-	8,199
	<u>8,199</u>	<u>-</u>	<u>8,199</u>
Total deferred outflows of resources - OPEB	<u>\$ 124,152</u>	<u>\$ 49,322</u>	<u>\$ 173,474</u>
<b>Deferred Inflows of Resources - OPEB</b>			
Differences between expected and actual experience	\$ 91,830	\$ 45,066	\$ 136,896
Changes of assumptions	50,570	194,931	245,501
Changes in proportion and differences between Academy contributions and proportionate share of contributions	55,913	10,164	66,077
	<u>55,913</u>	<u>10,164</u>	<u>66,077</u>
Total deferred inflows of resources - OPEB	<u>\$ 198,313</u>	<u>\$ 250,161</u>	<u>\$ 448,474</u>

\$8,199 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Amortization of Deferred Outflows and Deferred Inflows - OPEB**

<b>Fiscal Year Ending</b>			
<b>June 30:</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2025	\$ (23,594)	\$ (84,741)	\$ (108,335)
2026	(27,920)	(41,274)	(69,194)
2027	(23,155)	(16,002)	(39,157)
2028	(9,086)	(21,714)	(30,800)
2029	(2,226)	(20,129)	(22,355)
Thereafter	3,621	(16,979)	(13,358)
	<u>3,621</u>	<u>(16,979)</u>	<u>(13,358)</u>
Total to be amortized	<u>\$ (82,360)</u>	<u>\$ (200,839)</u>	<u>\$ (283,199)</u>

**WILDWOOD ENVIRONMENTAL ACADEMY**  
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*(continued)*

**9. DEFINED BENEFIT OPEB PLANS (continued)**

**D. 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, 2023, are presented below:

**Calculating Total OPEB Liability - SERS**

<u>Method</u>	<u>Assumption</u>
Inflation	2.40 percent
Future salary increases, including inflation	3.25 percent to 13.58 percent
Investment rate of return	7.00 percent net of investment expense, including inflation
Actuarial cost method	Entry Age Normal (Level Percent of Payroll)
Fiduciary net position projected to be depleted	2048
Municipal bond index rate	
Measurement date	3.86 percent
Prior measurement date	3.69 percent
Single equivalent interest rate	
Measurement date	4.27 percent
Prior measurement date	4.08 percent
Health care cost trend rate	
Medicare	5.125 percent - 4.40 percent
Pre-Medicare	6.750 percent - 4.40 percent
Medical trend assumption	
Measurement date	6.75 percent - 4.40 percent
Prior measurement date	7.00 percent - 4.40 percent

**WILDWOOD ENVIRONMENTAL ACADEMY**  
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*(continued)*

**9. DEFINED BENEFIT OPEB PLANS (continued)**

**D. Actuarial Assumptions – SERS (continued)**

Mortality rates among healthy retirees were based on the 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 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer 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:

**Real Rates of Return on OPEB Plan Investments - SERS**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
	<u>100.00 %</u>	

**WILDWOOD ENVIRONMENTAL ACADEMY**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**9. DEFINED BENEFIT OPEB PLANS (continued)**

**D. Actuarial Assumptions – SERS (continued)**

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be depleted in 2048 by SERS’ actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

**Sensitivity of the Academy’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

**Sensitivity to Changes in Discount Rate - SERS**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Academy’s proportionate share of the net OPEB liability	\$ 227,602	\$ 178,052	\$ 138,981

**Sensitivity to Changes in Trend Rate - SERS**

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Academy’s proportionate share of the net OPEB liability	\$ 130,809	\$ 178,052	\$ 240,657



**WILDWOOD ENVIRONMENTAL ACADEMY**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**9. DEFINED BENEFIT OPEB PLANS (continued)**

**E. Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation are presented below:

**Calculating Total OPEB Liability - STRS**

<u>Method</u>	<u>Assumption</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent	Varies by service from 2.50 percent to 8.50 percent
Investment rate of return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll increases	3.00 percent	3.00 percent
Discount rate of return	7.00 percent	7.00 percent
Healthcare cost trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	(10.94) percent initial 4.14 percent ultimate	(68.78) percent initial 3.94 percent ultimate
Prescription drug		
Pre-Medicare	(11.95) percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	(5.47) percent initial 3.94 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2023, valuation is based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

**WILDWOOD ENVIRONMENTAL ACADEMY**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**9. DEFINED BENEFIT OPEB PLANS (continued)**

**E. Actuarial Assumptions – STRS (continued)**

**Real Rates of Return on OPEB Plan Investments - STRS**

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long Term Expected Real Rate of Return**</u>
Domestic equity	26.00 %	6.60 %
International equity	22.00	6.80
Alternatives	19.00	7.38
Fixed income	22.00	1.75
Real estate	10.00	5.75
Liquidity reserves	1.00	1.00
	100.00 %	

\*Final target weights reflected at October 1, 2022.

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

**Sensitivity of the Academy's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2023, 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.

**Sensitivity to Changes in Discount Rate - STRS**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Academy's proportionate share of the net OPEB asset	\$ (250,055)	\$ (295,444)	\$ (334,973)

**Sensitivity to Changes in Trend Rate - STRS**

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Academy's proportionate share of the net OPEB asset	\$ (336,808)	\$ (295,444)	\$ (245,622)

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
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*(continued)*

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**9. DEFINED BENEFIT OPEB PLANS (continued)**

**E. Actuarial Assumptions – STRS (continued)**

**Assumption Changes Since the Prior Measurement Date** The discount rate remained unchanged at 7.00 percent for the June 30, 2023, valuation.

**Benefit Term Changes Since the Prior Measurement Date** Healthcare trends were updated to reflect emerging claims and recoveries experiences as well as benefit changes effective January 1, 2024.

**10. CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the funds. However, the effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2024, if applicable, cannot be determined at this time.

**B. COVID-19**

The United States and the State of Ohio declared states of emergency in March 2020 due to the COVID-19 pandemic. The state of emergency in the State of Ohio ended on June 18, 2021. On April 10, 2023, the state of emergency in the United States was terminated. Elementary and Secondary School Emergency Relief (ESSER) funding must be obligated by June 30, 2024. The impact on the Academy's future operating costs and revenues, either federal or state, cannot be estimated.

In addition, the investments of the pension, OPEB, and other Academy employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

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**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**11. PURCHASED SERVICE EXPENSES**

For the period ended June 30, 2024, purchased service expenses were payments for services rendered by various vendors and expenses related to pension and OPEB, as follows:

**Purchased Services**

<u>Category</u>	<u>FY2024</u>
Salaries	\$2,599,662
Fringe benefits	964,093
Other professional and technical services	126,926
The Leona Group, LLC	583,097
Legal services	6,720
Ohio Council of Community Schools	112,666
Cleaning services	9,358
Repairs and maintenance	99,954
Communication	73,993
Advertising	2,954
Utilities	68,951
Contracted food service	137,838
Pupil transportation	<u>11,410</u>
 Total purchased services	 <u><u>\$4,797,622</u></u>

**12. LEASES**

**A. Equipment Leases**

In November 2019, the Academy entered into two 48-month leases with Konica Minolta for two copiers with a total monthly rental fee of \$1,360. These leases were paid in full in November 2023 and the equipment was returned to the lessor.

In November 2023, the Academy entered into two 48-month leases with Konica Minolta for three copiers with a total monthly rental fee of \$1,349.

In August 2020, the Academy entered into a 48-month lease with Pitney Bowes for a mail machine with a quarterly rental fee of \$347.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
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*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**12. LEASES (continued)**

**B. Facility Leases**

On July 21, 2004, the Academy entered into a lease with SMJ Properties, LLC for the use of a school facility for the period from September 1, 2004 through August 31, 2009, with an annual rent of \$84,504, due in equal monthly installments. The following is a list of lease extensions, expiration dates, and rent increases:

- On February 26, 2009, the lease was extended through August 31, 2014.
- On April 10, 2014, the lease was extended through August 31, 2019.
- On May 9, 2019, the lease was extended through June 30, 2024, with a monthly rent increase to \$9,373 effective September 1, 2019.
- On April 22, 2024, the lease was extended through June 30, 2034, with a monthly rent increase to \$9,750 for the first five years and \$10,500 per month thereafter.

Under the lease agreement, the Academy is responsible for paying all utilities and applicable property taxes. The Academy has the option to terminate the lease at any time more than three years after commencement of the lease by giving SMJ Properties, LLC six months' prior written notice if either (i) any changes in any federal, state, or local law or regulation mandate the expenditure by lessee of \$100,000 or more to modify or improve the school facility and an acceptable lease amendment addressing that issue is not negotiated within the six-month period or (ii) actual funding from the State of Ohio is reduced to such an extent that the Academy permanently ceases operation, provided that the Academy has sought adequate funding. Under the latest extension, the Academy will have the right to terminate the lease if the State of Ohio revokes or does not renew their charter to operate a school.

On February 23, 2012, the Academy entered into a lease of a second facility for the period from August 1, 2012 through June 30, 2017 with Leona Wildwood Property Acquisition, LLC, with annual rent of \$120,000. The following is a list of lease extensions, expiration dates, and rent increases:

- On May 23, 2017, the lease was extended through June 30, 2018.
- On May 1, 2018, the lease was extended through June 30, 2019.
- On May 9, 2019, the lease was extended through June 30, 2024. Annual rent during the extension is \$132,000 for years one and two, \$144,000 for years three and four, and \$150,000 for year five.
- On May 8, 2024, the lease was extended through June 30, 2034, with a monthly rent increase to \$13,125 for years two through five and \$13,500 thereafter.

**C. GASB Statement No. 87**

Prior to fiscal year 2022, leases of these types were treated as operating leases. In accordance with GASB Statement No. 87, the Academy evaluated these leases and determined that they meet the criteria for recording them as lease liabilities. In order to maintain consistency with capital asset policy, an equipment lease with a related initial lease asset value of less than \$5,000 will be treated as an operating lease.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**12. LEASES (continued)**

**C. GASB Statement No. 87 (continued)**

The Academy calculated the liabilities based on the present value of the future lease payments as of the inception of the lease or July 1, 2021, whichever is later, and amortized payments over the life of the lease. As of July 1, 2023, the Academy increased the incremental borrowing rate used to calculate principal and interest on new leases from 3.65 percent to 5.40 percent. During the fiscal year the Academy made lease payments totaling \$281,378 consisting of \$270,577 in principal and \$10,801 in interest.

The following is a schedule of the future minimum payments required under the leases as of June 30, 2024:

<b>Future Minimum Lease Due</b>			
<u>Fiscal Year Ending June 30,</u>	<u>Annual Total</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 276,944	\$ 161,924	\$ 115,020
2026	290,684	185,161	105,523
2027	290,684	195,411	95,273
2028	282,071	197,510	84,561
2029	274,500	200,571	73,929
Thereafter	1,440,000	1,259,509	180,491
Total minimum lease payments	\$ 2,854,883	\$ 2,200,086	\$ 654,797

**13. DEBT**

Lease obligation is being recognized as debt due to the implementation of GASB Statement No. 87 as previously described in Note 12. The lease obligation is being amortized over the remaining life of the leases and presented as a reduction of lease liability in the accompanying financial statements. The discounted present values of new lease liabilities during fiscal year 2024 were calculated using the Academy's incremental borrowing rate of 5.40 percent, increased from 3.65 percent.

Debt activity during fiscal year 2024 is shown in the following table:

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**Lucas County, Ohio**  
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*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**13. DEBT (continued)**

<u>Owed To</u>	<b>Debt Activity</b>				<u>Due in one year</u>
	<u>Balance at 6/30/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/2024</u>	
<b><i>Lease Liabilities:</i></b>					
Waterhuggers - facility	\$ 101,246	\$ 932,579	\$ 106,799	\$ 927,026	\$ 62,762
Leona Wildwood Property Acquisition - facility	147,076	1,222,671	147,076	1,222,671	86,085
Konica Minolta - copiers	6,736	58,998	15,345	50,389	13,077
Pitney Bowes - mail machine	<u>1,357</u>	<u>-</u>	<u>1,357</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 256,415</u>	<u>\$2,214,248</u>	<u>\$ 270,577</u>	<u>\$ 2,200,086</u>	<u>\$ 161,924</u>

**14. RELATED PARTY TRANSACTIONS/MANAGEMENT AGREEMENT**

The Academy entered into a five-year contract, effective March 14, 2007 through June 30, 2012, and amended on August 7, 2007 to extend an additional two years through June 30, 2014, with an automatic one-year extension, with The Leona Group, LLC for educational management services for all of the management, operation, administration, and education at the Academy. The contract was extended through fiscal year 2016. On June 28, 2016, a new three-year contract was executed, effective through June 30, 2019. On June 12, 2019, the contract was amended to extend through June 30, 2024. On March 13, 2024, the contract was amended to extend through June 30, 2030. In exchange for its services, The Leona Group, LLC receives a capitation fee of 12 percent of the per-pupil expenditures, with grant administration fees, if any, deducted directly from the fee.

On September 8, 2021, due to the unprecedented amount of funding received from the Federal Government as a result of the Elementary and Secondary School Emergency Relief Fund (ESSER), the board of directors signed a resolution to accept TLG's offer to reduce capitation fees on ESSER II and ESSER III grant funds to 6 percent. The Academy incurred capitation fees of \$583,097 for fiscal year 2024.

Terms of the management contracts require The Leona Group, LLC to provide the following:

- A. implementation and administration of the Educational Program;
- B. management of all personnel functions, including professional development;
- C. operation of the school building and the installation of technology integral to school design;
- D. all aspects of the business administration of the Academy;
- E. the provision of food service for the Academy; and
- F. any other function necessary or expedient for the administration of the Academy.

Also, there are expenses that are billed to the Academy based on the actual costs incurred for the Academy by The Leona Group, LLC. These expenses include salaries of The Leona Group, LLC employees working at the Academy, and other costs related to providing educational and administrative services.

For the year ended June 30, 2024, those expenses are shown in the table on the following page.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**14. RELATED PARTY TRANSACTIONS/MANAGEMENT AGREEMENT (continued)**

**Related Party Transactions**

**Function (code range)**

	<b>Regular Instruction (1100)</b>	<b>Special Instruction (1200)</b>	<b>Support Services (2000)</b>	<b>Non- Instructional (3000-7000)</b>	<b>Total</b>
<b>Direct expenses:</b>					
<b><u>Object (code range)</u></b>					
<b>Salaries and wages (100)</b>	\$1,185,052	\$569,985	\$778,131	\$39,054	\$ 2,572,222
<b>Employees' benefits (200)</b>	424,608	205,446	268,889	10,609	909,552
<b>Professional/technical services (410)</b>	-	-	21,867	-	21,867
<b>Supplies (500)</b>	4,698	-	4,751	-	9,449
<b>Other direct costs (all other)</b>	-	-	24,076	-	24,076
<b>Total expenses</b>	<u>\$ 1,614,358</u>	<u>\$ 775,431</u>	<u>\$ 1,097,714</u>	<u>\$ 49,663</u>	<u>\$ 3,537,166</u>

At June 30, 2024, the Academy had payables to The Leona Group, LLC in the amount of \$35,200. The following is a schedule of payables due to The Leona Group, LLC:

<b><u>Balance Due to The Leona Group, LLC</u></b>	<b><u>June 30, 2024</u></b>
Management Fees	\$ 33,117
Miscellaneous	<u>2,083</u>
<b>Total</b>	<b><u>\$ 35,200</u></b>

**15. INTERGOVERNMENTAL PAYABLES**

Intergovernmental payables at June 30, 2024 totaling \$315 consists of pension and OPEB employer contributions owed to another TLG-managed academy.

**16. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 20, 2024, the date on which the financial statements were submitted for audit. As of that date, no significant subsequent events were noted.



**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Proportionate Share of the Net Pension Liability*  
*Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Academy's proportion of the net pension liability	0.0105274%	0.0104073%	0.0090499%	0.0093368%
Academy's proportionate share of the net pension liability	\$ 581,693	\$ 562,908	\$ 333,915	\$ 617,556
Academy's covered payroll	\$ 421,979	\$ 376,793	\$ 322,650	\$ 317,264
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	137.85%	149.39%	103.49%	194.65%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	75.82%	82.86%	68.55%
 <b><i>State Teachers Retirement System (STRS)</i></b>				
Academy's proportion of the net pension liability	0.01519100%	0.01337056%	0.01336584%	0.01250637%
Academy's proportionate share of the net pension liability	\$ 3,271,372	\$ 2,972,293	\$ 1,708,943	\$ 3,026,097
Academy's covered payroll	\$ 2,089,414	\$ 1,752,707	\$ 1,624,021	\$ 1,559,786
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	156.57%	169.58%	105.23%	194.01%
Plan fiduciary net position as a percentage of the total pension liability	80.02%	78.90%	87.80%	75.50%

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Proportionate Share of the Net Pension Liability*  
*Last Ten Fiscal Years*  
*(continued)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Academy's proportion of the net pension liability	0.0087366%	0.0089665%	0.0088893%	0.0089936%
Academy's proportionate share of the net pension liability	\$ 522,726	\$ 513,528	\$ 531,116	\$ 658,249
Academy's covered payroll	\$ 308,874	\$ 293,163	\$ 296,057	\$ 279,307
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	169.24%	175.17%	179.40%	235.67%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Academy's proportion of the net pension liability	0.01249965%	0.01242783%	0.01179301%	0.01175879%
Academy's proportionate share of the net pension liability	\$ 2,764,222	\$ 2,732,601	\$ 2,801,455	\$ 3,936,021
Academy's covered payroll	\$ 1,495,829	\$ 1,445,021	\$ 1,315,171	\$ 1,230,843
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	184.80%	189.10%	213.01%	319.78%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Proportionate Share of the Net Pension Liability*  
*Last Ten Fiscal Years*  
*(continued)*

	<u>2016</u>	<u>2015</u>
<b><i>School Employees Retirement System (SERS)</i></b>		
Academy's proportion of the net pension liability	0.0092079%	0.0089470%
Academy's proportionate share of the net pension liability	\$ 525,412	\$ 452,803
Academy's covered payroll	\$ 277,200	\$ 239,531
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	189.54%	189.04%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%
<b><i>State Teachers Retirement System (STRS)</i></b>		
Academy's proportion of the net pension liability	0.01123887%	0.00997057%
Academy's proportionate share of the net pension liability	\$ 3,106,095	\$ 2,425,188
Academy's covered payroll	\$ 1,172,586	\$ 999,692
Academy's proportionate share of the net pension liability as a percentage of its covered payroll	264.89%	242.59%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Pension Contributions*  
*Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>School Employees Retirement System (SERS)</b>					
Contractually required pension contribution	\$ 65,135	\$ 59,077	\$ 52,751	\$ 45,171	\$ 44,417
Contributions in relation to the contractually required pension contribution	<u>(65,135)</u>	<u>(59,077)</u>	<u>(52,751)</u>	<u>(45,171)</u>	<u>(44,417)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 465,250	\$ 421,979	\$ 376,793	\$ 322,650	\$ 317,264
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%
 <b>State Teachers Retirement System (STRS)</b>					
Contractually required pension contribution	\$ 312,717	\$ 292,518	\$ 245,379	\$ 227,363	\$ 218,370
Contributions in relation to the contractually required pension contribution	<u>(312,717)</u>	<u>(292,518)</u>	<u>(245,379)</u>	<u>(227,363)</u>	<u>(218,370)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 2,233,693	\$ 2,089,414	\$ 1,752,707	\$ 1,624,021	\$ 1,559,786
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

Note: See accompanying Notes to the Required Supplementary Information

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Pension Contributions*  
*Last Ten Fiscal Years*  
*(continued)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><i>School Employees Retirement System (SERS)</i></b>					
Contractually required pension contribution	\$ 41,698	\$ 39,577	\$ 41,448	\$ 39,103	\$ 36,535
Contributions in relation to the contractually required pension contribution	<u>(41,698)</u>	<u>(39,577)</u>	<u>(41,448)</u>	<u>(39,103)</u>	<u>(36,535)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 308,874	\$ 293,163	\$ 296,057	\$ 279,307	\$ 277,200
Contributions as a percentage of covered payroll	13.50%	13.50%	14.00%	14.00%	13.18%
<b><i>State Teachers Retirement System (STRS)</i></b>					
Contractually required pension contribution	\$ 209,416	\$ 202,303	\$ 184,124	\$ 172,318	\$ 164,162
Contributions in relation to the contractually required pension contribution	<u>(209,416)</u>	<u>(202,303)</u>	<u>(184,124)</u>	<u>(172,318)</u>	<u>(164,162)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 1,495,829	\$ 1,445,021	\$ 1,315,171	\$ 1,230,843	\$ 1,172,586
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

Note: See accompanying Notes to the Required Supplementary Information

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Proportionate Share of the Net OPEB Asset/Liability*  
*Last Eight Fiscal Years <sup>(1)</sup>*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Academy's proportion of the net OPEB liability	0.0108078%	0.0106442%	0.0093959%	0.0097023%
Academy's proportionate share of the net OPEB liability	\$ 178,052	\$ 149,446	\$ 177,825	\$ 210,863
Academy's covered payroll	\$ 421,979	\$ 376,793	\$ 322,650	\$ 317,264
Academy's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.19%	39.66%	55.11%	66.46%
Plan fiduciary net position as a percentage of the total OPEB liability	30.02%	30.34%	24.08%	18.17%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Academy's proportion of the net OPEB liability/(asset)	0.01519100%	0.01337056%	0.01336584%	0.01250637%
Academy's proportionate share of the net OPEB liability/(asset)	\$ (295,444)	\$ (346,208)	\$ (281,808)	\$ (219,799)
Academy's covered payroll	\$ 2,089,414	\$ 1,752,707	\$ 1,624,021	\$ 1,559,786
Academy's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	(14.14)%	(19.75)%	(17.35)%	(14.09)%
Plan fiduciary net position as a percentage of the total OPEB liability	168.52%	230.73%	174.73%	182.10%

<sup>(1)</sup> Information prior to 2017 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's Proportionate Share of the Net OPEB Asset/Liability*  
*Last Eight Fiscal Years <sup>(1)</sup>*  
*(continued)*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><i>School Employees Retirement System (SERS)</i></b>				
Academy's proportion of the net OPEB liability	0.0090264%	0.0091099%	0.0090555%	0.0091335%
Academy's proportionate share of the net OPEB liability	\$ 226,995	\$ 252,733	\$ 243,026	\$ 260,337
Academy's covered payroll	\$ 308,874	\$ 293,163	\$ 296,057	\$ 279,307
Academy's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.49%	86.21%	82.09%	93.21%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%
<b><i>State Teachers Retirement System (STRS)</i></b>				
Academy's proportion of the net OPEB liability/(asset)	0.01249965%	0.01242783%	0.01179301%	0.01175879%
Academy's proportionate share of the net OPEB liability/(asset)	\$ (207,024)	\$ (199,703)	\$ 460,120	\$ 628,863
Academy's covered payroll	\$ 1,495,829	\$ 1,445,021	\$ 1,315,171	\$ 1,230,843
Academy's proportionate share of the net OPEB liability/(asset) as a percentage of its covered payroll	(13.84)%	(13.82)%	34.99%	51.09%
Plan fiduciary net position as a percentage of the total OPEB liability	174.70%	176.00%	47.10%	37.30%

<sup>(1)</sup> Information prior to 2017 is not available. Schedule will eventually report ten years of data.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year. See accompanying Notes to the Required Supplementary Information.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's OPEB Contributions*  
*Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>School Employees Retirement System (SERS)</b>					
Contractually required OPEB contribution <sup>(1)</sup>	\$ 8,199	\$ 7,766	\$ 6,965	\$ 6,333	\$ 6,297
Contributions in relation to the contractually required OPEB contribution	<u>(8,199)</u>	<u>(7,766)</u>	<u>(6,965)</u>	<u>(6,333)</u>	<u>(6,297)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 465,250	\$ 421,979	\$ 376,793	\$ 322,650	\$ 317,264
Contributions as a percentage of covered payroll	1.76%	1.84%	1.85%	1.96%	1.98%
<b>State Teachers Retirement System (STRS)</b>					
Contractually required OPEB contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required OPEB contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 2,233,693	\$ 2,089,414	\$ 1,752,707	\$ 1,624,021	\$ 1,559,786
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> Includes surcharge

Note: See accompanying Notes to the Required Supplementary Information



**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Required Supplementary Information*  
*Schedule of the Academy's OPEB Contributions*  
*Last Ten Fiscal Years*  
*(continued)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>School Employees Retirement System (SERS)</b>					
Contractually required OPEB contribution <sup>(1)</sup>	\$ 7,396	\$ 6,447	\$ 5,097	\$ 4,705	\$ 7,229
Contributions in relation to the contractually required OPEB contribution	<u>(7,396)</u>	<u>(6,447)</u>	<u>(5,097)</u>	<u>(4,705)</u>	<u>(7,229)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 308,874	\$ 293,163	\$ 296,057	\$ 279,307	\$ 277,200
Contributions as a percentage of covered payroll	2.39%	2.20%	1.72%	1.68%	2.61%
<b>State Teachers Retirement System (STRS)</b>					
Contractually required OPEB contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required OPEB contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy's covered payroll	\$ 1,495,829	\$ 1,445,021	\$ 1,315,171	\$ 1,230,843	\$ 1,172,586
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> Includes surcharge

Note: See accompanying Notes to the Required Supplementary Information

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

**1. NET PENSION LIABILITY**

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

**A. Changes in Assumptions – SERS**

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Years 2016 and Prior
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the 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 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

**B. Changes in Benefit Terms – SERS**

For fiscal year 2022, COLA were increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, COLA were reduced from 2.50 percent to 2.00 percent.

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

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**1. NET PENSION LIABILITY (continued)**

**C. Changes in Assumptions – STRS**

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	Fiscal Years 2022 and 2023	Fiscal Years 2021-2018	Fiscal Years 2017 and Prior
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	From 2.50% to 12.50% based on age	From 12.50% at age 20 to 2.50% at age 65	From 12.25% at age 20 to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 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. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

**D. Changes in Benefit Terms - STRS**

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

For fiscal year 2018, the COLA was reduced to zero.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

**1. NET PENSION LIABILITY (continued)**

**D. Changes in Benefit Terms – STRS (continued)**

Fiscal year 2017 and prior, COLA was 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

**2. NET OPEB LIABILITY (ASSET)**

**A. Changes in Assumptions – SERS**

Amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	Fiscal Years 2023 and 2022	Fiscal Years 2021-2017
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

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

	Fiscal Year							
<u>Assumption</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipal Bond Index Rate	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%

**B. Changes in Benefit Terms – SERS**

There have been no changes to the benefit provisions.

**C. Changes in Assumptions – STRS**

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

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.

**WILDWOOD ENVIRONMENTAL ACADEMY**  
**Lucas County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*  
*(continued)*

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**2. NET OPEB LIABILITY (ASSET) (continued)**

**C. Changes in Assumptions – STRS (continued)**

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

**D. Changes in Benefit Terms - STRS**

Effective January 1, 2024, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

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

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

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

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

**Wildwood Environmental Academy  
Lucas County**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR</b>	<b>Federal Assistance Listing</b>	<b>Pass Through Entity Identifying</b>	<b>Total Federal</b>
<i>Pass Through Grantor</i>			
<b>Program / Cluster Title</b>	<b>Number</b>	<b>Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	3L70	33,390
National School Lunch Program	10.555	3L60	110,984
Non-Cash National Lunch Program Commodities	10.555	N/A	33,591
Total Child Nutrition Cluster			<u>177,965</u>
<b>Total U.S. Department of Agriculture</b>			<u><b>177,965</b></u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies, Part A	84.010	3M00	245,365
Title I, School Improvement	84.010	3M00	64,880
Title I, Part A Expanding Opportunities	84.010	3M00	19,372
Total Title I			<u>329,617</u>
Supporting Effective Instruction State Grant, Title II, Part A	84.367	3Y60	8,195
Student Support and Academy Enrichment Program	84.424	3HI0	15,829
Special Education Cluster (IDEA):			
Special Education Grants to States IDEA - Part B	84.027A	3M20	107,488
Special Education Grants to States IDEA - Part B	84.027X	3IAO	736
Special Education Grants IDEA - Preschool	84.173X	3C50	1,081
Total Special Education Cluster (IDEA)			<u>109,305</u>
Education Stabilization Fund Program			
COVID-19 American Rescue Plan - Elementary & Secondary School Emergency Relief	84.425U	3HS0	796,195
COVID-19 Elementary & Secondary School Emergency Relief - ARP Homeless	84.425W	3HS0	1,674
Total ESSER			<u>797,869</u>
<b>Total U.S. Department of Education</b>			<u><b>1,260,815</b></u>
<b>Total Receipts and Expenditures of Federal Awards</b>			<u><b>\$ 1,438,780</b></u>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**WILDWOOD ENVIRONMENTAL ACADEMY  
LUCAS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Wildwood Environmental Academy (the Academy) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy.

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

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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



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

Wildwood Environmental Academy  
Lucas County  
1628 Henthorne Road  
Maumee, Ohio 43537

To the Governing Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Wildwood Environmental Academy, Lucas County, (the Academy) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements and have issued our report thereon dated January 30, 2025.

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

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

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

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



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

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

***Purpose of This Report***

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

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

BHM CPA Group, Inc.  
Portsmouth, Ohio  
January 30, 2025



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

Wildwood Environmental Academy  
Lucas County  
1628 Henthorne Road  
Maumee, Ohio 43537

To the Governing Board:

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

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

We have audited Wildwood Environmental Academy's, Lucas County, (the Academy) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Wildwood Environmental Academy's major federal program for the year ended June 30, 2024. Wildwood Environmental Academy's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Wildwood Environmental Academy complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

Wildwood Environmental Academy  
Lucas County

Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal  
Program and on Internal Control over Compliance Required by the Uniform Guidance  
Page 3

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

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

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

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

BHM CPA Group, Inc.  
Portsmouth, Ohio  
January 30, 2025

**WILDWOOD ENVIRONMENTAL ACADEMY  
LUCAS COUNTY**

Schedule of Findings  
2 CFR § 200.515  
June 30, 2024

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

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

**WILDWOOD ENVIRONMENTAL ACADEMY  
LUCAS COUNTY**

Schedule of Findings  
*2 CFR § 200.515*  
June 30, 2024

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

**None**

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

**None**

# OHIO AUDITOR OF STATE KEITH FABER



**WILDWOOD ENVIRONMENTAL ACADEMY**

**LUCAS 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 6/12/2025**

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

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