

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO**

**SINGLE AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2023**

***Zupka & Associates***  
**Certified Public Accountants**



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of the Board  
Columbus Preparatory Academy  
3320 West Market Street, Ste. 300  
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We have reviewed the *Independent Auditor's Report* of the Columbus Preparatory Academy, Franklin County, prepared by Zupka & Associates, for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

April 05, 2024

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**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
SINGLE AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report	1-3
Management’s Discussion and Analysis	5-10
Basic Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses, and Changes in Net Position	12
Statement of Cash Flows	13-14
Notes to the Basic Financial Statements	15-42
Required Supplementary Information:	
Schedule of the Academy’s Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio - Last Ten Fiscal Years	43
State Teachers Retirement System (STRS) of Ohio - Last Ten Fiscal Years	43
Schedules of Academy Contributions – Pension:	
School Employees Retirement System (SERS) of Ohio - Last Ten Fiscal Years	44
State Teachers Retirement System (STRS) of Ohio - Last Ten Fiscal Years	44
Schedule of the Academy’s Proportionate Share of the Net OPEB Liability (Asset):	
School Employees Retirement System (SERS) of Ohio – Last Seven Fiscal Years	45
State Teachers Retirement System (STRS) of Ohio – Last Seven Fiscal Years	45
Schedule of Academy Contributions – OPEB:	
School Employees Retirement System (SERS) of Ohio – Last Ten Fiscal Years	46
State Teachers Retirement System (STRS) of Ohio – Last Ten Fiscal Years	46
Notes to the Required Supplementary Information	47-50
Schedule of Expenditures of Federal Awards	51
Notes to the Schedule of Expenditures of Federal Awards	52
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53-54
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	55-57
Schedule of Findings and Questioned Costs	58
Schedule of Prior Audit Findings and Recommendations	59

## INDEPENDENT AUDITOR'S REPORT

Columbus Preparatory Academy  
Franklin County  
3330 Chippewa Street  
Columbus, Ohio 43204

To the Members of the Board:

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Columbus Preparatory Academy, Franklin County, Ohio, (the Academy) as of and for the year ended June 30, 2023, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Columbus Preparatory Academy as of June 30, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 (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.

***Emphasis of Matter***

As described in Note 15 to the basic financial statements, the Academy is experiencing financial difficulties and management has a plan in regard to this matter. The basic financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

**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 Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 is presented for purposes of additional analysis 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, 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 March 27, 2024, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Zupka & Associates  
Certified Public Accountants

March 27, 2024



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**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

The discussion and analysis of the Columbus Preparatory Academy’s (the “Academy”) financial performance provides an overall review of the Academy’s financial activities for the fiscal year ended June 30, 2023. Readers should also review the basic financial statements and notes to enhance their understanding of the Academy’s financial performance.

**HIGHLIGHTS**

The Academy finished its seventeenth year of operations during fiscal year 2023 serving grades kindergarten through eighth grade. Enrollment varied during the year but finished with 795 full time equivalent students, a decrease of 29 students from fiscal year end 2022.

Key highlights for fiscal year 2023 are as follows:

- Net position increased \$143,932
- Total revenue decreased from \$8,201,873 in fiscal year 2022 to \$7,365,077 in fiscal year 2023.
- Total operating expenses (excluding interest expense) increased from \$6,006,476 in fiscal year 2022 to \$7,065,638 in fiscal year 2023.
- Federal Grants decreased during fiscal year 2023 due to the expiration of pandemic related grants.

**OVERVIEW OF FINANCIAL STATEMENTS**

The financial report consists of three parts: required supplemental information, the basic financial statements, and the notes to the financial statements. These statements are organized so the reader can understand the financial position of the Academy. Enterprise accounting uses a flow of economic resource 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 net position represents the statement of position of the Academy. The statement of revenues, expenses, and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The statement of cash flows reflects how the Academy finances and meets its cash flow needs. Finally, the notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided on the basic financial statements.

**FINANCIAL ANALYSIS OF THE ACADEMY AS A WHOLE**

The Academy is not required to present government-wide financial statements as the Academy is engaged in only business-type activities. Therefore, no condensed financial information derived from the governmental-wide financial statements is included in the discussion and analysis.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

***Statement of Net Position*** - Table 1 provides a summary of Academy's net position for 2023 compared to 2022. The Statement of Net Position shows the assets, liabilities, and overall net position for the Academy as a whole at the end of the fiscal year.

**Table 1  
Net Position**

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current Assets	\$ 487,051	\$ 1,159,135
Capital Assets, Net	2,305,115	2,996,451
Security Deposits	1,536	-
Net OPEB Asset	569,774	396,846
Total Assets	<u>3,363,476</u>	<u>4,552,432</u>
<b>Deferred Outflow of Resources</b>		
Pension/OPEB	1,949,194	1,353,621
Total Deferred Outflow of Resources	<u>1,949,194</u>	<u>1,353,621</u>
<b>Liabilities</b>		
Current Liabilities	1,801,931	1,757,730
Long-Term Liabilities	6,625,057	5,438,456
Total Liabilities	<u>8,426,988</u>	<u>7,196,186</u>
<b>Deferred Inflow of Resources</b>		
Pension/OPEB	1,620,593	3,588,710
Total Deferred Inflow of Resources	<u>1,620,593</u>	<u>3,588,710</u>
<b>Net Position</b>		
Net Investment in Capital Assets	1,422,632	1,666,521
Unrestricted	(6,157,543)	(6,545,364)
Total Net Position	<u>\$ (4,734,911)</u>	<u>\$ (4,878,843)</u>

Cash decreased \$337,933 due to current year operations, the acquisition of capital assets, the paydown of employee withholdings payable and debt retirement. Accounts payable increased \$45,980. Deferred outflows / inflows of resources and long-term liabilities changed in relation to accruals required under GASB 68 and GASB 75.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

**Statement of Revenues, Expenses and Changes in Net Position** - Table 2 shows the changes in Net Position for fiscal year 2023 and 2022, as well as a listing of revenues and expenses. This change in Net Position is important because it tells the reader that, for the Academy as a whole, the financial position of the Academy has improved or diminished. The cause of this may be the result of many factors, some financial, some not. Non-financial factors include the current laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

	<u>2023</u>	<u>2022</u>
<b>Operating Revenues</b>		
State Aid	\$ 5,998,036	\$ 5,822,882
Miscellaneous	51,298	81,220
<b>Non-Operating Revenues</b>		
Federal and State	1,254,975	1,756,264
Contributions and Donations	60,330	50,900
Miscellaneous	438	490,607
Total Revenues	<u>7,365,077</u>	<u>8,201,873</u>
<b>Operating Expenses</b>		
Salaries	3,502,660	3,080,146
Benefits	1,058,255	836,125
Benefits - GASB 68/75	(136,992)	(666,464)
Purchased Services	1,344,072	1,473,002
Depreciation/Amortization	932,048	962,957
Supplies	262,636	223,625
Other Operating Expenses	102,959	97,085
<b>Non-Operating Expenses</b>		
Other Expenses	155,507	232,786
Total Expenses	<u>7,221,145</u>	<u>6,239,262</u>
Changes in Net Position	<u>143,632</u>	<u>1,962,611</u>
Net Position: Beginning of the Year	<u>(4,878,843)</u>	<u>(6,841,454)</u>
Net Position: End of Year	<u>\$ (4,734,911)</u>	<u>\$ (4,878,843)</u>

Overall, the decrease in revenues was a result of the decrease in the allocation of Federal and State grants received during the year along with a decrease in miscellaneous income. Salaries, Benefits, Supplies and Other Operating Expenses increased while Purchased Services, and Non-Operating Expenses decreased due to current year's operating requirements. Depreciation/Amortization decreased due to certain assets being fully depreciated in fiscal year 2022. In addition, the negative impact of pension / OPEB accruals decreased Benefits reported as a benefit – GASB 68/75.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

**NET PENSION LIABILITY**

The net pension liability (NPL) is the largest single liability reported by the School on June 30, 2023, 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 School 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 School’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and 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 asset/liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio’s statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB asset/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.

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

**CAPITAL ASSETS**

At the end of fiscal year 2023, the Academy had \$2,305,115 invested in capital assets (net of accumulated depreciation/amortization) for computers, furniture and equipment and computers, leased buildings, and leasehold improvements. For further information regarding the Academy’s capital assets, refer to Note 5 of the basic financial statements.

**DEBT**

At June 30, 2023, the Academy had a balance of \$2,736,758 in Notes and Leases Payable. Balances include a note due Tatonka Capital in the amount of \$330,484, all of which is due within one year and a note with ACCEL Schools in the amount of \$103,791, all of which is due within one year. An additional note with ACCEL for \$2,000,000 has a year-end balance totaling \$1,420,000 of which \$250,000 is due within one year. Lease obligations for the school building total \$830,178 at year-end, with \$763,497 due within one year. Computers were acquired during the year under a lease arrangement with TEQ Lease, Inc. in the amount of \$64,224. At year end the outstanding balance was \$52,305 with \$16,056 due during the next year. For further information regarding the Academy’s debt, refer to Note 6 to the basic financial statements.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023 (UNAUDITED)**

**BUDGETARY**

Unlike other public school located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in the Ohio Revised Code Chapter 5705 unless specifically provided in the School’s contract with its Sponsor. The Academy does provide an annual budget in addition to five-year forecasts in October and May of each fiscal year according to its Sponsor agreement, therefore no budgetary information is presented in the basic financial statements.

**CURRENT FINANCIAL ISSUES**

The Academy is a community School and is funded through the State of Ohio Foundation Program. The Academy relies on this, as well as State and Federal funds as its primary source of revenue. The Academy is reliant upon State Foundation monies and Federal Sub-Grants to offer quality educational services to students. In order to continually provide learning opportunities to the School’s students, the School will apply resources to best meet the needs of its students. It is the intent of the School to apply for other State and Federal funds that are made available to finance its operations.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures has impacted the current period and will continue to impact subsequent periods of the School. Due to the dynamic environment and change in fiscal policies, the exact impact on the School’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be reasonably estimated.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Academy’s finances and to show the Academy’s accountability for the money it receives. If you have any question concerning this report, please contact the Academy’s Fiscal Officer at 3330 Chippewa Street, Columbus, Ohio 43204.

**Columbus Preparatory Academy**  
**Franklin County, Ohio**  
**Statement of Net Position**  
**As of June 30, 2023**

**Assets**

**Current Assets**

Cash and Cash Equivalents	\$	409,247
Accounts Receivable		890
Intergovernmental Receivables		76,914

<b>Total Current Assets</b>		487,051
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**Noncurrent Assets**

Security Deposits		1,536
Capital Assets, Net of Accumulated Depreciation		2,305,115
Net OPEB Asset		569,774

<b>Total Noncurrent Assets</b>		2,876,425
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**Total Assets**

		3,363,476
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**Deferred Outflows of Resources:**

Pension		1,851,431
OPEB		97,763

<b>Total Deferred Outflow of Resources</b>		1,949,194
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**Liabilities**

**Current Liabilities**

Accounts Payable		192,001
Intergovernmental Payable		3,711
Wages and Benefits Payable		142,391
Current Portion of Long-Term Debt		1,463,828

<b>Total Current Liabilities</b>		1,801,931
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**Noncurrent Liabilities**

Noncurrent Portion of Long-Term Debt		1,272,930
Net Pension Liability		5,254,630
Net OPEB Liability		97,497

<b>Total Noncurrent Liabilities</b>		6,625,057
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**Total Liabilities**

		8,426,988
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**Deferred Inflows of Resources:**

Pension		963,686
OPEB		656,907

<b>Total Deferred Inflows of Resources</b>		1,620,593
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**Net Position**

Investment in Capital Assets		1,422,632
Unrestricted		(6,157,543)

<b>Total Net Position</b>	\$	(4,734,911)
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The accompanying notes to the financial statements are an integral part of this statement.



**Columbus Preparatory Academy  
Franklin County, Ohio  
Statement of Revenues, Expenses and  
Changes in Net Position  
For the Fiscal Year Ended June 30, 2023**

<b>Operating Revenues</b>	
State Aid	\$ 5,998,036
Miscellaneous	51,298
<b>Total Operating Revenues</b>	6,049,334
 <b>Operating Expenses</b>	
Salaries	3,502,660
Fringe Benefits	1,058,255
Fringe Benefits - GASB 68/75	(136,992)
Purchased Services	1,344,072
Depreciation/Amortization	932,045
Supplies	262,636
Other Operating Expenses	102,959
<b>Total Operating Expenses</b>	7,065,638
<b>Operating Loss</b>	(1,016,304)
 <b>Non-Operating Revenues / (Expense)</b>	
Federal and State Restricted Grants	1,254,975
Contributions and Donations	60,330
Interest Income	438
Interest Expense	(155,507)
<b>Total Non-Operating Revenues / (Expense)</b>	1,160,236
<b>Change in Net Position</b>	143,932
<b>Net Position, Beginning of Year</b>	(4,878,843)
<b>Net Position, End of Year</b>	\$ (4,734,911)

The accompanying notes to the financial statements are an integral part of this statement.

**Columbus Preparatory Academy  
Franklin County, Ohio  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2023**

<b>Cash Flows Used for Operating Activities:</b>	
State Aid Receipts	\$ 5,998,036
Other Operating Receipts	51,298
Cash Payments to Suppliers for Goods and Services	(1,663,688)
Cash Payments to Employees for Services	(3,544,551)
Cash Payments for Employee Benefits	(942,481)
<b>Net Cash Used for Operating Activities</b>	<u>(101,386)</u>
<b>Cash Flows Provided by Noncapital Financing Activities</b>	
Federal and State Grant Receipts	1,466,581
Contributions and Donations	60,330
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>1,526,911</u>
<b>Cash Flows Used for Capital and Related Financing Activities</b>	
Purchase of Capital Assets	(240,712)
Capital Lease Proceeds	64,224
Note Payable Principal Payments	(1,430,365)
Note Payable Interest Payments	(155,507)
Capital Lease Security Deposit	(1,536)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<u>(1,763,896)</u>
<b>Cash Flows from Investing Activities</b>	
Interest	438
<b>Net Cash Provided by Investing Activities</b>	<u>438</u>
Net Decrease in Cash and Cash Equivalents	(337,933)
Cash and Cash Equivalents, Beginning of Year	747,180
Cash and Cash Equivalents, End of Year	<u>\$ 409,247</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Columbus Preparatory Academy  
Franklin County, Ohio  
Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2023**

(Continued from Previous Page)

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

Operating Loss		\$ (1,016,304)
Adjustments to Reconcile Operating Loss to Net Cash Flows Used for Operating Activities		
Depreciation/Amortization		932,048
Changes in Assets, Liabilities, & Deferred Inflows/Outflows of Resources		
(Increase) / Decrease in Other Current Assets		122,545
(Increase) / Decrease in Net OPEB Asset		(172,928)
(Increase) / Decrease in Deferred Outflows Pension		(596,980)
(Increase) / Decrease in Deferred Outflows OPEB		1,407
Increase / (Decrease) in Accounts Payable		48,980
Increase / (Decrease) in Other Current Liabilities		(48,663)
Increase / (Decrease) in Deferred Inflows Pension		(2,037,447)
Increase / (Decrease) in Deferred Inflows OPEB		69,330
Increase / (Decrease) in Net Pension Liability		2,620,616
Increase / (Decrease) in Net OPEB Liability		(20,990)
Total Adjustments		914,918
Net Cash Flows Used for Operating Activities		\$ (101,386)

The accompanying notes to the financial statements are an integral part of this statement.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – DESCRIPTION OF ACADEMY**

The Columbus Preparatory Academy (the “Academy”) is a nonprofit corporation established pursuant to Ohio Revised Code Chapter 3314. The Academy offers education for Ohio children in grades K-8. The Academy is independent of any Academy and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may lease or acquire facilities as needed and contract any services necessary for the operation of the Academy.

The Academy was approved for operation under a contract with the Ohio Council of Community Schools (the Sponsor) for a period of four academic years commencing after July 1, 2004, and ending June 30, 2008, and subsequently renewed for a ten-year term set to expire on June 30, 2018. Effective July 1, 2018, the contract was renewed for an additional 10 years. 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.

Ohio Revised Code Section 3314.02(E) states in part that the Academy operate under the direction of a Governing Board that consists of not less than five individuals who are not owners or employees, or immediate relatives or owners or employees of any for-profit firm that operates or manages an Academy for the Governing Board. The Board is responsible for conducting the provisions of the contract that include, but are not limited to, state-mandated provision regarding student population, curriculum, academic goals, performance standards, admission standards, and qualification of teachers.

The Academy contracts with Tatonka Education Services for management services including management of personnel and human resources, the program of instruction, marketing data management, purchasing, strategic planning, public relation, financial reporting, recruiting, compliance issues, budgets, contracts, and equipment and facilities.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES**

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

***Basis of Presentation*** - The Academy’s basic financial statements consist of a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows. The Academy uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows.

***Measurement Focus*** - The enterprise activity is accounted for using a flow of economic resources measurement focus. All assets, liabilities, deferred inflows/ outflows of resources associated with the operation of the Academy are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The statement of cash flows reflects how the Academy finances meet its cash flow needs.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**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. Revenue resulting from nonexchange transactions, in which Academy receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period 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.

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

**Cash and Cash Equivalents** - Cash received by the Academy is reflected as “Cash and Cash Equivalents” on the statement of net position. The Academy had no investments during the fiscal year ended June 30, 2023.

**Prepaid Items** - The Academy records payments made to vendors for services that will benefit periods beyond June 30, 2023, as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed. No prepaid items were recorded in fiscal year 2023.

**Capital Assets** - The Academy’s capital assets during fiscal year 2023 consisted of computers and software, furniture, leasehold improvements, leased building, and other equipment. All capital assets are capitalized at cost and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition value as of the date received. The Academy maintains a capitalization threshold of one thousand five hundred dollars. The Academy does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All capital assets, except for construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Lives</u>
Computers & Software	5-20 years
Furniture & Equipment	5-20 years
Leasehold Improvements	Remaining term of lease

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

The School is reporting an intangible right to use assets related to leased buildings, structures, and improvements as well as furniture, fixtures, and equipment. These intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**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 either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors, or laws or 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 is available. The board has not adopted any enabling legislation restricting any resources. The statement of net position presents net invested in capital assets, which represents capital assets net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

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

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

In addition to liabilities, the statements of financial position report in 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 include pension and OPEB. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of net position. (See Note 9 and 10)

**Pensions/Other Postemployment Benefits (OPEB)** – For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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.

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 3 - CASH AND CASH EQUIVALENTS**

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

The Academy maintains its cash balances at Huntington Bank in Ohio. The Federal Deposit Insurance Corporation (FDIC) insures balances up to \$250,000, per qualifying account. At June 30, 2023, the book amount of the Academy’s deposits totaled \$409,247 and the bank balance was \$419,161. \$250,000 of the bank balance was covered by Federal Depository Insurance, while \$169,161 was uninsured and exposed to custodial credit risk.

Custodial credit risk is the risk that, in the event of a bank failure, the Academy’s deposits may not be returned. The Academy does not have a deposit policy for custodial credit risk. All bank 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 collateral pools at the 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 or as specific collateral held at the Federal Reserve Bank in the name of the Academy.

**NOTE 4 – RECEIVABLES**

At June 30, 2023, the Academy had intergovernmental receivables of \$76,914 and accounts receivable of \$890. These receivables represent monies due from Federal programs which were not received as of year-end and monies from other sources, respectively. All receivables are expected to be collected within one year.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 06/30/22	Additions	Deletions	Balance 06/30/23
Capital Assets:				
Leasehold Improvements	1,958,763	139,042	-	2,097,805
Furniture & Equipment	265,819	-	-	265,819
Leased Building	2,187,092	-	-	2,187,092
Leased Computers Computers & Software	-	64,224	-	64,224
	441,387	37,446	-	78,833
<b>Total Capital Assets</b>	<b>4,853,061</b>	<b>240,712</b>	<b>-</b>	<b>5,093,773</b>
Less Accumulated Depreciation/Amortization:				
Leasehold Improvements	(648,178)	(177,888)	-	(826,066)
Furniture & Equipment	(155,898)	(7,644)	-	(163,542)
Leased Building	(709,327)	(709,327)	-	(1,418,654)
Leased Computers Computers & Software	-	(13,380)	-	(13,380)
	(343,207)	(23,809)	-	(367,016)
<b>Total Accumulated Depreciation/Amortization</b>	<b>(1,856,610)</b>	<b>(932,048)</b>	<b>-</b>	<b>(2,788,658)</b>
<b>Total Capital Assets, Net</b>	<b>\$ 2,996,451</b>	<b>\$ (691,336)</b>	<b>\$ -</b>	<b>\$ 2,305,115</b>

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 6 – LONG-TERM OBLIGATIONS**

Changes in the Academy’s long-term obligations during fiscal year 2023 were as follows:

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023	Due Within One Year
Net Pension/OPEB Liabilities:					
Net Pension Liability	\$ 2,634,014	\$ 2,620,616	\$ -	\$ 5,254,630	\$ -
Net OPEB Liability	118,487	-	(20,990)	97,497	-
Total Net Pension/OPEB Liabilities	2,752,501	2,620,616	(20,990)	5,352,127	-
Direct Borrowing:					
ACCEL - Notes Payable	333,838		(230,047)	103,791	103,791
ACCEL - Notes Payable	1,580,000		(160,000)	1,420,000	250,000
TEQ Leased Computers	-	64,224	(11,919)	52,305	16,056
Leased Building Payable	1,529,930		(699,752)	830,178	763,497
Tatonka - Notes Payable	659,131		(328,647)	330,484	330,484
Total Direct Borrowing	4,102,899	64,224	(1,430,365)	2,736,758	1,463,828
Total	<u>\$ 6,855,400</u>	<u>\$ 2,684,840</u>	<u>\$ (1,451,355)</u>	<u>\$ 8,088,885</u>	<u>\$ 1,463,828</u>

**Tatonka Capital - Notes Payable**

In January 2015, the Academy restructured its existing debt through an agreement with Tatonka Capital. The note of \$3,687,628 and 7% interest requires monthly payments of \$42,817 and will mature on December 15, 2024. During fiscal year 2022 this note was restructured to lower the monthly payment to \$29,566 and the interest rate decreased to 5.357% while the Academy is contracted with Tatonka Education Services for their management support. The note will mature on June 15, 2024. Principal payments and discounts during the year totaled \$328,647 and interest payments totaled \$26,145.

Prepayments are allowed on the note. In the event of default, all principal and accrued interest shall become immediately payable. Default is defined as late payments, failure to perform obligations under the terms of the note, voluntary insolvency proceedings, involuntary insolvency proceedings, misrepresentation of documents, material adverse change in financial condition, reorganization of the borrower without consent from lender, and transfer of any material properties or assets without consent from lender.

The following is a schedule of the future minimum payments required under the Tatonka promissory notes as of June 30, 2023:

Fiscal Year	Principal	Interest
2024	\$ 330,484	\$ 9,443
Total Minimum Payments	<u>\$ 330,484</u>	<u>\$ 9,443</u>



**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Accel Schools – Notes Payable**

In January 2020, the Academy restructured its outstanding accounts payable with Accel Schools into a note totaling \$904,470. The note was structured for 5.5% interest as long as the Academy continued to renew the management contract with Accel, however effective June 30, 2022, the School switched operators to Tatonka Education Services, in which the interest will be accrued at 8% requiring quarterly payments starting March 2020 equal to \$62,500. Principal payments during the year totaled \$230,047 and interest payments totaled \$19,954.

Prepayments are allowed on the note. In the event of default, all principal and accrued interest shall become immediately due and payable at the lender’s option. In addition, interest rate can be increased five percentage points higher than the current rate of 8% after the termination of the management agreement. Default is defined as late payments, failure to perform obligations under the terms of the note, voluntary insolvency proceedings, involuntary insolvency proceedings, misrepresentation of documents, material adverse change in financial condition, reorganization of the borrower without consent from lender, and the borrower is no longer in operation.

The following is a schedule of the future minimum payments required under the ACCEL note as of June 30, 2023:

Fiscal Year	Principal	Interest
2024	103,791	2,964
Total Minimum Payments	\$ 103,791	\$ 2,964

**Accel Schools – Notes (settlement) Payable**

In December 2020, the Academy restructured its outstanding accounts payable and entered into a settlement payable with Accel Schools in a note totaling \$2,000,000. The note required \$260,000 due at signing and will require annual payments starting October 2022 equal to \$160,000 through fiscal year 2023 and then effective October 2023 payments will increase to \$250,000 annually until the note is paid in full. Principal payments during the year totaled \$160,000.

Prepayments are allowed on the note. In the event of default, Accel Schools (former management company) holds a security interest in all accounts of the Academy. Default is defined as late payments, failure to perform obligations under the terms of the note, voluntary insolvency proceedings, involuntary insolvency proceedings, misrepresentation of documents, material adverse change in financial condition, reorganization of the borrower without consent from lender, and the borrower is no longer in operation.

The following is a schedule of the future minimum payments required under the ACCEL note as of June 30, 2023:

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Fiscal Year	Principal
2024	\$ 250,000
2025	250,000
2026	250,000
2027	250,000
2028	250,000
2029	170,000
Total payments	\$ 1,420,000

**Leased Building Payable**

On June 30, 2014, the School entered into a lease with Spirit Master Funding II, LLC for property located at 3333 Chippewa Drive Columbus, Ohio 43204. The term of the lease is for a period of ten years, with the option to renew for two additional terms of five years, however neither party is aware if these will be exercised. Base rent will be \$806,000 annually through the duration of the lease agreement. The incremental borrowing rate on the lease is 8.75%. At year end, accumulated amortization on the leased buildings totaled \$1,418,654, with a net book value of \$768,438.

The School has outstanding agreements to a lease building. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases thus requiring them to be recorded by the School. The future lease payments were discounted based on the interest rate implicit in the lease or using the School's incremental borrowing rate. This discount is being amortized over the life of the lease. Lease payments during the year applied to building lease payable totaled \$699,752 and to interest totaled \$106,248.

Future minimum payments for principal and interest on the lease are as follows:

Year	Principal	Interest	Total
2024	\$ 763,497	\$ 42,503	\$ 806,000
2025	66,681	486	67,167
Total	\$ 830,178	\$ 42,989	\$ 873,167

**TEQ Lease Payable**

On July 28, 2022, the School entered into a lease with TEQ Lease, Inc. for computer equipment with a cost of \$64,224. The lease term is for a period of forty-eight months commencing September 1, 2022. Lease payments are made in advance in the amount of \$1,536 per month for the duration of the lease agreement. The incremental borrowing rate on the lease is 7.25%. During the year principal payments totaled \$11,919 and interest totaled \$3,442.

Future minimum payments for principal and interest on the lease are as follows:

Year	Principal	Interest	Total
2024	\$ 16,056	\$ 2,377	\$ 18,433
2025	16,654	1,779	18,433
2026	17,538	895	18,433
2027	2,057	115	2,172
Total	\$ 52,305	\$ 5,166	\$ 57,471

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 7 – RISK MANAGEMENT**

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 2023, the Academy contracted with Pashley Insurance Agency to obtain insurance coverage with the Hartford Casualty Insurance Company.

General Liability:	
Each Occurrence	\$ 1,000,000
Aggregate Limit	2,000,000
Products - Completed Operations Aggregate Limit	2,000,000
Medical Expense Limit - Any One Person/Occurrence	15,000
Damage to Rented Premises - Each Occurrence	500,000
Personal and Advertising Injury	1,000,000
Automobile Liability:	
Bodily Injury Limit	1,000,000
Excess/Umbrella Liability:	
Each Occurrence	8,000,000
Aggregate Limit	8,000,000
Excess/Umbrella Liability:	
Building & BPP	8,896,500

Settled claims have not exceeded this commercial coverage in any prior three years and there have been no significant reductions in insurance coverage from the prior year.

**NOTE 8 – PURCHASED SERVICES**

For the period July 1, 2022, through June 30, 2023, purchased service expenses were as follows:

Professional Services	\$ 636,868
Property Services	236,873
Utilities	235,120
Travel and Meetings	352
Communications	24,285
Contractual Trade Services	208,974
Field Trips	1,600
Total Purchased Services	<u><u>\$ 1,344,072</u></u>

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

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

**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 School'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.

Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School 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 *intergovernmental payable*.

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

Plan Description – School 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:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit 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, may 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 School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School’s contractually required contribution to SERS was \$46,533 for fiscal year 2023.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

Plan Description – School licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate 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.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The School's contractually required contribution to STRS was \$442,571 for fiscal year 2023.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The School'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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.0067106%	0.02200468%	
Current Measurement Date	<u>0.0061660%</u>	<u>0.01882156%</u>	
Change in Proportionate Share	<u>-0.0005446%</u>	<u>-0.00318312%</u>	
 Proportionate Share of the Net			
Pension Liability	\$ 362,961	\$ 4,891,669	\$ 5,254,630
Pension Expense	\$ 20,885	\$ 454,408	\$ 475,293

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.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 14,700	\$ 62,621	\$ 77,321
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	170,221	170,221
Changes of Assumptions	3,582	585,385	588,967
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	20,188	505,630	525,818
School Contributions Subsequent to the Measurement Date	46,533	442,571	489,104
<b>Total Deferred Outflows of Resources</b>	<b>\$ 85,003</b>	<b>\$ 1,766,428</b>	<b>\$ 1,851,431</b>

<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 2,382	\$ 18,712	\$ 21,094
Net Difference between Projected and Actual Earnings on Pension Plan Investments	12,664	-	12,664
Changes of Assumptions	-	440,627	440,627
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	1,639	487,662	489,301
<b>Total Deferred Inflows of Resources</b>	<b>\$ 16,685</b>	<b>\$ 947,001</b>	<b>\$ 963,686</b>

\$489,104 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ 10,108	\$ (3,527)	\$ 6,581
2025	8,719	12,950	21,669
2026	(18,092)	(128,660)	(146,752)
2027	21,050	496,093	517,143
<b>Total</b>	<b>\$ 21,785</b>	<b>\$ 376,856</b>	<b>\$ 398,641</b>



**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, and June 30, 2021, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
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
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 ending June 30, 2020.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

**Discount Rate** The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School's Proportionate Share of the Net Pension Liability	\$ 534,262	\$ 362,961	\$ 218,643

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Actuarial Assumptions – STRS**

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

Inflation	2.50 percent
Salary Increases	
Current Measurement Period	Varies by service from 2.50 percent to 8.50 percent
Prior Measurement Period	Varies by service from 2.50 percent to 12.50 percent
Payroll Increases	3.00 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017

For 2022, 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.

For 2021, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022, 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:

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 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 pension liability was 7.00 percent as of June 30, 2022. 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, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School's Proportionate Share of the Net Pension Liability	\$ 7,389,530	\$ 4,891,669	\$ 2,779,251

**Changes between the Measurement Date and the Reporting Date** The discount rate was adjusted to 7.00 percent for the June 30, 2022, valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 10 – DEFINED BENEFIT OPEB PLANS**

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

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

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

Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, 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 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School's surcharge obligation was \$4,410, which is reported as an intergovernmental payable. 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 School's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2023.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0069442%	0.02200468%	
Prior Measurement Date	<u>0.0062606%</u>	<u>0.01882156%</u>	
Change in Proportionate Share	<u>0.0006836%</u>	<u>0.00318312%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 97,497	\$ (569,774)	
OPEB Expense	\$ (11,469)	\$ (107,302)	\$ (118,771)

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.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 821	\$ 8,260	\$ 9,081
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	510	9,921	10,431
Changes of Assumptions	15,509	24,269	39,778
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	17,413	16,650	34,063
School Contributions Subsequent to the Measurement Date	4,410	-	4,410
<b>Total Deferred Outflows of Resources</b>	<u>\$ 38,663</u>	<u>\$ 59,100</u>	<u>\$ 97,763</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$ 62,365	\$ 85,566	\$ 147,931
Changes of Assumptions	40,022	404,030	444,052
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	17,296	47,628	64,924
<b>Total Deferred Inflows of Resources</b>	<u>\$ 119,683</u>	<u>\$ 537,224</u>	<u>\$ 656,907</u>

\$4,410 reported as deferred outflows of resources related to OPEB resulting from School 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ (24,407)	\$ (135,316)	\$ (159,723)
2025	(21,148)	(149,408)	(170,556)
2026	(16,469)	(65,373)	(81,842)
2027	(10,479)	(25,941)	(36,420)
2028	(6,171)	(33,938)	(40,109)
Thereafter	(6,756)	(68,148)	(74,904)
<b>Total</b>	<u>\$ (85,430)</u>	<u>\$ (478,124)</u>	<u>\$ (563,554)</u>

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

***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 consider 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, 2022, are presented below:

Inflation	2.40 percent
Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position Depletion	Projected to be 2044
Municipal Bond Index Rate	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate	
Measurement Date	4.08 percent, net of plan investment expense, including price inflation
Prior Measurement Date	2.27 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Medicare	5.125 percent - 4.40 percent
Pre-Medicare	6.750 percent - 4.40 percent
Medical Trend Assumption	7.00 percent - 4.40 percent



**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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 are based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

The most recent experience study was completed for the five-year period ending 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 in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighing 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 time. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020, five-year experience study, are summarized as follows:

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the 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 become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021, total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School's Proportionate Share of the Net OPEB Liability	\$ 121,093	\$ 97,497	\$ 78,449
		<u>Current Trend Rate</u>	<u>1% Increase</u>
School's Proportionate Share of the Net OPEB Liability	<u>1% Decrease</u> \$ 75,188	\$ 97,497	\$ 126,637

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

***Actuarial Assumptions – STRS***

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

	June 30, 2022	June 30, 2021
Projected Salary Increases	Varies by service from 2.50 percent to 8.50 percent	Varies by service from 2.50 percent to 12.50 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, net of investment	7.00 percent, net of investment
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4.00 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4.00 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4.00 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4.00 percent ultimate

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

For 2022, 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.

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 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, 2022. 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, 2022. 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, 2022.

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School's Proportionate Share of the Net OPEB (Asset)	\$ (526,741)	\$ (569,774)	\$ (606,636)
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
School's Proportionate Share of the Net OPEB (Asset)	\$ (590,995)	\$ (569,774)	\$ (542,989)

**NOTE 11 - CONTINGENCIES**

**Grants** - The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2023.

**Litigation** - There are currently no matters in litigation with the Academy as defendant.

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

Under Ohio Rev. Code Section 3314.08, ODE may also perform an FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE did not perform such a review on the Academy for fiscal year 2023.

As of the date of this report, additional ODE adjustments for fiscal year 2023 have been finalized.

In addition, the Academy's contracts with their Sponsor and Management Company require payment based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 2023 have been finalized.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 12 - SPONSOR**

The Academy was approved for operation under a contract with the Ohio Council of Community Schools (the Sponsor) through June 30, 2023. As part of this contract, the Sponsor is entitled to a maximum of 2% of foundation revenues. Effective July 1, 2018, the contract was renewed for an additional 10 years. Total amount due and paid for fiscal year 2023 was \$126,437.

**NOTE 13 – MANAGEMENT COMPANY**

The Academy entered into an agreement with Tatonka Education Services, a management company, to provide legal, financial, and other management support services for fiscal year 2023. The agreement was for a period of five years beginning June 2020. Management fees are due at \$27,500 per month. The total amount charged to the Academy for the fiscal year ending June 30, 2023, was \$330,000 and is included under “Purchased Services” on the Statement of Revenues, Expenses and Changes in Net Position.

The Academy also contracts with the management company Tatonka Education Services to provide their fiscal officer services. The contract for the fiscal year started on July 1, 2023, and continues through June 30, 2023, for a monthly fee of \$3,000. The total amount due from the Academy for the fiscal year ending June 30, 2023, was \$36,000 and is included under “Purchased Services” on the Statement of Revenues, Expenses and Changes in Net Position.

**NOTE 14 - IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

***Implementation of New Accounting Principles***

For the fiscal year ended June 30, 2023, the Academy has implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and certain provisions of GASB Statement No. 99, Omnibus 2022. The implementation of GASB Statements Nos. 94, 96, and 99 did not have an effect on the financial statements of the Academy.

**NOTE 15 - MANAGEMENT PLAN**

For fiscal year 2023, the Academy had a net position deficit of \$(4,734,911) including the impact of net pension/OPEB assets/liabilities and related accruals. The Academy’s net deficit in fiscal year 2023 improved from the \$(4,878,843) net deficit in fiscal 2022. Enrollment increased in fiscal year 2023 to 823, down from 795 in fiscal year 2022. The Academy’s ability to maintain a stable administrative and instructional team along with active advertising via print, radio, mailings and through referrals of current parents is anticipated to help produce the likelihood of future enrollment growth leading to surpluses and provide an opportunity for the academy to recover from its prior deficits.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 16 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2022 while the national state of emergency continued. During fiscal year 2023, the School received COVID-19 funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the School. The impact on the School's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

**COLUMBUS PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**

**Required Supplementary Information  
Schedule of the Academy's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>School Employees Retirement System (SERS)</b>										
Academy's Proportion of the Net Pension Liability	0.00671060%	0.00616600%	0.00628150%	0.00666670%	0.00748640%	0.00748640%	0.00646730%	0.00710200%	0.008182%	0.008182%
Academy's Proportionate Share of the Net Pension Liability	\$ 362,961	\$ 227,508	\$ 415,472	\$ 398,880	\$ 366,036	\$ 447,296	\$ 473,347	\$ 405,247	\$ 414,086	\$ 486,557
Academy's Covered Payroll	\$ 250,679	\$ 212,836	\$ 220,214	\$ 228,704	\$ 113,126	\$ 237,057	\$ 291,257	\$ 213,809	\$ 224,726	\$ 259,465
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.79%	106.89%	188.67%	174.41%	323.56%	188.69%	162.52%	189.54%	184.26%	187.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
<b>State Teachers Retirement System (STRS)</b>										
Academy's Proportion of the Net Pension Liability	0.02200468%	0.01882156%	0.02218667%	0.02158220%	0.02275695%	0.02549244%	0.02338648%	0.01942633%	0.01798518%	0.01798518%
Academy's Proportionate Share of the Net Pension Liability	\$ 4,891,669	\$ 2,406,506	\$ 5,368,385	\$ 4,772,773	\$ 5,003,742	\$ 6,055,784	\$ 7,828,160	\$ 5,368,869	\$ 4,374,618	\$ 5,211,017
Academy's Covered Payroll	\$ 2,860,714	\$ 2,322,457	\$ 2,677,586	\$ 2,533,836	\$ 2,689,779	\$ 2,802,579	\$ 2,146,643	\$ 2,026,814	\$ 1,994,323	\$ 1,771,154
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.99%	103.62%	200.49%	188.36%	186.03%	216.08%	364.67%	264.89%	219.35%	294.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%	77.31%	75.29%	66.80%	72.10%	74.70%	69.30%

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.



COLUMBUS PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO

Required Supplementary Information  
 Schedule of the Academy's Contributions - Pension  
 Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>School Employees Retirement System (SERS)</b>										
Contractually Required Contribution	\$ 46,533	\$ 35,095	\$ 29,797	\$ 30,830	\$ 30,875	\$ 15,272	\$ 33,188	\$ 40,776	\$ 28,180	\$ 31,147
Contributions in Relation to the Contractually Required Contribution	(46,533)	(35,095)	(29,797)	(30,830)	(30,875)	(15,272)	(33,188)	(40,776)	(28,180)	(31,147)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Academy's Covered Payroll	\$ 332,379	\$ 250,679	\$ 212,836	\$ 220,214	\$ 228,704	\$ 113,126	\$ 237,057	\$ 291,257	\$ 213,809	\$ 224,726
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
<b>State Teachers Retirement System (STRS)</b>										
Contractually Required Contribution	\$ 442,571	\$ 400,500	\$ 325,144	\$ 374,862	\$ 354,737	\$ 376,569	\$ 392,361	\$ 300,530	\$ 283,754	\$ 259,262
Contributions in Relation to the Contractually Required Contribution	(442,571)	(400,500)	(325,144)	(374,862)	(354,737)	(376,569)	(392,361)	(300,530)	(283,754)	(259,262)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Academy's Covered Payroll	\$ 3,161,221	\$ 2,860,714	\$ 2,322,457	\$ 2,677,586	\$ 2,533,836	\$ 2,689,779	\$ 2,802,579	\$ 2,146,643	\$ 2,026,814	\$ 1,994,323
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information.

**COLUMBUS PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**

**Required Supplementary Information  
Schedule of the Academy's Proportionate Share of the Net OPEB Liability (Asset)  
Last Seven Fiscal Years (1)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<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	0.00694420%	0.00626100%	0.00658700%	0.00646530%	0.00648670%	0.00762800%	0.00656800%
Academy's Proportionate Share of the Net OPEB Liability	\$ 97,497	\$ 118,487	\$ 143,157	\$ 162,588	\$ 179,959	\$ 204,715	\$ 187,213
Academy's Covered Payroll	\$ 250,679	\$ 212,836	\$ 220,214	\$ 228,704	\$ 113,126	\$ 237,057	\$ 291,257
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	38.89%	55.67%	65.01%	71.09%	159.08%	86.36%	64.28%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%
<b><i>State Teachers Retirement System (STRS)</i></b>							
Academy's Proportion of the Net OPEB Liability (Asset)	0.02200468%	0.01882200%	0.02218700%	0.02158220%	0.02275695%	0.02549244%	0.02338648%
Academy's Proportionate Share of the Net OPEB Liability (Asset)	\$ (569,774)	\$ (396,846)	\$ (389,936)	\$ (357,453)	\$ (365,681)	\$ 994,621	\$ 1,250,715
Academy's Covered Payroll	\$ 2,860,714	\$ 2,322,457	\$ 2,677,586	\$ 2,533,836	\$ 2,689,779	\$ 2,802,579	\$ 2,146,643
Academy's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.92%	-17.09%	-14.56%	-14.11%	-13.60%	35.49%	58.26%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.73%	174.73%	182.10%	174.70%	176.00%	47.11%	37.30%

(1) Information prior to 2017 is not available.

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.

**COLUMBUS PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**

**Required Supplementary Information  
Schedule of the Academy's Contributions - OPEB  
Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><i>School Employees Retirement System (SERS)</i></b>										
Contractually Required Contribution (2)	\$ 4,410	\$ 4,957	\$ 0	\$ 4,557	\$ 3,371	\$ 4,083	\$ 4,959	\$ 3,384	\$ 1,753	\$ 333
Contributions in Relation to the Contractually Required Contribution	<u>(4,410)</u>	<u>(4,957)</u>	<u>0</u>	<u>(4,557)</u>	<u>(3,371)</u>	<u>(4,083)</u>	<u>(4,959)</u>	<u>(3,384)</u>	<u>(1,753)</u>	<u>(333)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Academy's Covered Payroll	\$ 332,379	\$ 250,679	\$ 212,836	\$ 220,214	\$ 228,704	\$ 113,126	\$ 237,057	\$ 291,257	\$ 213,809	\$ 224,726
OPEB Contributions as a Percentage of Covered Payroll (2)	1.33%	1.98%	0.00%	2.07%	1.47%	3.61%	2.09%	1.16%	0.82%	0.15%
<b><i>State Teachers Retirement System (STRS)</i></b>										
Contractually Required Contribution	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,943
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(19,943)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Academy's Covered Payroll	\$ 3,161,221	\$ 2,860,714	\$ 2,322,457	\$ 2,677,586	\$ 2,533,836	\$ 2,689,779	\$ 2,802,579	\$ 2,146,643	\$ 2,026,814	\$ 1,994,323
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

(2) Includes surcharge

See accompanying notes to the required supplementary information.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - NET PENSION LIABILITY**

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

***Changes in Assumptions - SERS***

For fiscal year 2021, the SERS Board adopted the following assumption changes:

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

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

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

***Changes in Benefit Terms - SERS***

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

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

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

***Changes in Assumptions – STRS***

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

***Changes in Benefit Terms - STRS***

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

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

***Changes in Assumptions – SERS***

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

Municipal Bond Index Rate:

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

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

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

Pre-Medicare Trend Assumption

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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Medicare Trend Assumption

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

***Changes in Benefit Terms - SERS***

There have been no changes to the benefit provisions.

***Changes in Assumptions – STRS***

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

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

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

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

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

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

***Changes in Benefit Terms – STRS***

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

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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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.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	Assistance Listing Number	Expenditures
<b><u>U.S. Department of Agriculture</u></b>		
<i>Passed through Ohio Department of Education</i>		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 28,965
National School Lunch Program	10.555	142,105
Total Child Nutrition Cluster		<u>171,070</u>
COVID-19 - Pandemic EBT Administrative Costs	10.649	628
<b>Total U.S. Department of Agriculture</b>		<u>171,698</u>
<b><u>U.S. Department of Education</u></b>		
<i>Passed through Ohio Department of Education</i>		
Title I - Grants to Local Educational Agencies	84.010	160,952
Title I - Grants to Local Educational Agencies - Expanding Opportunities <i>Total ALN #84.010</i>	84.010A	<u>5,076</u>
		<u>166,028</u>
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	89,363
COVID-19 - Special Education Grants to States - ARP IDEA Part B	84.027X	<u>24,448</u>
Total Special Education Cluster		<u>113,811</u>
English Language Acquisition State Grants	84.365	<u>18,544</u>
Improving Teacher Quality State Grants	84.367	<u>10,155</u>
Student Support and Academic Enrichment Program	84.424	<u>13,334</u>
Education Stabilization Fund:		
COVID-19 - Education Stabilization Fund - ARP ESSER	84.425U	<u>578,032</u>
<b>Total U.S. Department of Education</b>		<u>899,904</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 1,071,602</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Columbus Preparatory Academy under programs of the federal government for the year ended June 30, 2023 and is prepared in accordance with the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 Columbus Preparatory Academy, it is not intended to and does not present the financial position, changes in net position or cash flows of the Columbus Preparatory Academy.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3: INDIRECT COST RATE**

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

**NOTE 4: CHILD NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

Columbus Preparatory Academy  
Franklin County  
3330 Chippewa Street  
Columbus, Ohio 43204

To the Members of the 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, the financial statements of the Columbus Preparatory Academy, Franklin County, Ohio, (the Academy) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated March 27, 2024, wherein we noted the Academy is experiencing financial difficulties and management has a plan in regard to this matter.

**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) to determine the 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 have not been 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 determination of financial statement amounts. 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.



Zupka & Associates  
Certified Public Accountants

March 27, 2024

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

Columbus Preparatory Academy  
Franklin County  
3330 Chippewa Street  
Columbus, Ohio 43204

To the Members of the Board:

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

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

We have audited the Columbus Preparatory Academy, Franklin County, Ohio's (the Academy) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Academy's major federal program for the year ended June 30, 2023. The Academy's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

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

We conducted an 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 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 Columbus Preparatory 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 each major federal program. Our audit does not provide a legal determination of the Columbus Preparatory Academy's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements to the Columbus Preparatory 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 Columbus Preparatory 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 Columbus Preparatory Academy's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Columbus Preparatory 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 Columbus Preparatory 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 Columbus Preparatory Academy's internal control over compliance. Accordingly, no such opinion is expressed.

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


### **Report on Internal Control over Compliance**

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

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

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

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



Zupka & Associates  
Certified Public Accountants

March 27, 2024

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

2023(i)	Type of Financial Statement Opinion	Unmodified
2023(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2023(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2023(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2023(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2023iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2023(v)	Type of Major Programs' Compliance Opinions	Unmodified
2023(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2023(vii)	Major Programs (list):  Education Stabilization Fund - ARP ESSER - ALN #84.425U	
2023(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others less than \$750,000
2023(ix)	Low Risk Auditee?	No

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

None.

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

None.

**COLUMBUS PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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The prior audit report, as of June 30, 2022, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.



# OHIO AUDITOR OF STATE KEITH FABER



**COLUMBUS PREPARATORY ACADEMY**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 4/18/2024**

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

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