

**CINCINNATI COLLEGE
PREPARATORY ACADEMY
HAMILTON COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2025**

Zupka & Associates
Certified Public Accountants



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Columbus, Ohio 43215
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Board of Directors
Cincinnati College Preparatory Academy
370 James Bohanan Dr.
Vandalia, OH 45377

We have reviewed the *Independent Auditor's Report* of the Cincinnati College Preparatory Academy, Hamilton County, prepared by Zupka & Associates, for the audit period July 1, 2024 through June 30, 2025. 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 Cincinnati College Preparatory Academy is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

February 22, 2026

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**CINCINNATI COLLEGE PREPARATORY ACADEMY
HAMILTON COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

Cincinnati College Preparatory Academy
Hamilton County
1425 Linn Street
Cincinnati, Ohio 45214

To the Members of the Board:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Cincinnati College Preparatory Academy, Hamilton County, Ohio, (the Academy) as of and for the year ended June 30, 2025, 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 Cincinnati College Preparatory Academy as of June 30, 2025, 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.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The Schedule of Expenditures of Federal Awards 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 December 12, 2025, 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

December 12, 2025

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Cincinnati College Preparatory Academy
Hamilton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Discussion and analysis of Cincinnati College Preparatory Academy's (the Academy) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the Academy's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Academy's financial performance.

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

Financial Highlights

Key financial highlights for the Cincinnati College Preparatory Academy during fiscal year 2025 are as follows

- Total net position of the Academy was approximately \$14.5 million at fiscal year-end, an increase of \$1.4 million in comparison with the prior fiscal year-end.
- Total assets increased \$696,369 and total liabilities decreased \$703,008 from the prior year.
- The Academy's operating loss for fiscal year 2025 was \$5.7 million.

Using this Financial Report

This financial report contains the basic financial statements of the Academy, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. As the Academy reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information are the same.

Statement of Net Position

The Statement of Net Position answers the question, "How did we do financially during the fiscal year?" This statement includes all assets and deferred outflows of resources and all liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting considers all revenues and expenses during the year, regardless of when the cash is received or paid.

This statement reports the Academy's net position; however, in evaluating the overall position and financial viability of the Academy, non-financial information such as the condition of the Academy's buildings and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated.

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Financial Analysis

Table 1 provides a summary of the Academy's net position for 2025 and 2024:

	2025	2024	Change
ASSETS			
Current Assets	\$ 10,556,443	\$ 9,505,046	\$ 1,051,397
Net OPEB Asset	639,798	560,171	79,627
Capital Assets, Net	12,878,529	13,313,184	(434,655)
Total Assets	<u>24,074,770</u>	<u>23,378,401</u>	<u>696,369</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	2,866,286	2,367,482	498,804
OPEB	435,424	541,656	(106,232)
Total Deferred Outflows of Resources	<u>3,301,710</u>	<u>2,909,138</u>	<u>392,572</u>
LIABILITIES			
Current Liabilities	1,198,166	1,491,353	(293,187)
Long-term liabilities:			
Due in more than one year			
Lease Payable	43,862	72,027	(28,165)
Net Pension Liability	8,567,251	8,640,772	(73,521)
Net OPEB Liability	400,383	708,518	(308,135)
Total Liabilities	<u>10,209,662</u>	<u>10,912,670</u>	<u>(703,008)</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	1,282,292	903,605	378,687
OPEB	1,219,319	1,135,938	83,381
Leases	176,983	274,916	(97,933)
Total Deferred Inflows of Resources	<u>2,678,594</u>	<u>2,314,459</u>	<u>364,135</u>
NET POSITION			
Net Investment in Capital Assets	12,729,915	12,772,844	(42,929)
Restricted	946,722	2,387,373	(1,440,651)
Unrestricted	811,587	(2,099,807)	2,911,394
Total Net Position	<u>\$ 14,488,224</u>	<u>\$ 13,060,410</u>	<u>\$ 1,427,814</u>

Current assets increased in comparison with the prior fiscal year. This increase is a result of an increase in cash and cash equivalents.

Capital Assets decreased as a result of a decrease in construction in progress during the year due to depreciation/amortization exceeding capital asset additions.

Lease payable decreased in comparison with the prior fiscal year. This decrease represents principal payments made during the fiscal year.

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

There was a significant change in net pension/OPEB liability (asset) for the Academy. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the Academy's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows, net OPEB asset and noncurrent liabilities are described in more detail in their respective notes.

Table 2 provides a summary of the Academy's change in net position for 2025 and 2024:

	2025	2024	Change
OPERATING REVENUES			
Program Revenues:			
State Foundation	\$ 8,575,074	\$ 8,291,993	283,081
Other Unrestricted Grants-in-Aid	62,364	62,081	283
Lease Revenue	91,287	105,153	(13,866)
Extracurricular Activities	912	19,336	(18,424)
Other Operating Revenues	-	69,814	(69,814)
Total Operating Revenues	<u>8,729,637</u>	<u>8,548,377</u>	<u>181,260</u>
OPERATING EXPENSES			
Salaries	6,992,942	6,297,520	695,422
Fringe Benefits	1,658,345	1,685,502	(27,157)
Purchased Services	3,849,452	2,834,481	1,014,971
Materials and Supplies	892,065	786,741	105,324
Depreciation/Amortization	705,904	521,951	183,953
Other	225,295	198,587	26,708
Total Operating Expenses	<u>14,324,003</u>	<u>12,324,782</u>	<u>1,999,221</u>
Operating Loss	(5,594,366)	(3,776,405)	
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	395,012	316,885	78,127
Interest and Fiscal Charges	(2,607)	(3,414)	807
Federal and State Grants	6,439,467	10,630,662	(4,191,195)
Contributions and Donations	65,549	28,417	37,132
Other Revenue	124,759	62,882	61,877
Total Non-Operating Revenues (Expenses)	<u>7,022,180</u>	<u>11,035,432</u>	<u>(4,013,252)</u>
Change in Net Position	1,427,814	7,259,027	
Net Position - Beginning of Year	13,060,410	5,801,383	
Net Position - End of Year	<u><u>\$ 14,488,224</u></u>	<u><u>\$ 13,060,410</u></u>	

State Foundation payments increased in comparison with the prior fiscal year due to the State of Ohio biennial budget increases. Interest income increased due to investing in Star Ohio. The decrease in federal and state grant revenue is due to receiving the last of the COVID-19 monies in fiscal year 2024.

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)**

Capital Assets

At the end of fiscal year 2025, the Academy had a decrease in capital assets in comparison with the prior year as a result of depreciation/amortization exceeding capital asset additions. See Note 5 of the basic financial statements for additional details.

Debt

At fiscal year-end, the Academy's leases payable balance decreased in comparison with the prior fiscal year. This decrease represents the amount principal payments made during the fiscal year. See Note 6 of the basic financial statements for additional details.

Current Financial Issues

The future financial stability of the Academy is not without challenges. There will continue to be challenges outside of the Academy's control (i.e. – the economy, the state budget). Since the primary source of funding is the state foundation program, an economic slowdown in the state could result in budgetary cuts to education, which would have a negative impact on the Academy.

Contacting the Academy

This financial report is designed to provide a general overview of the finances of the Cincinnati College Preparatory Academy and to show the Academy's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of the Cincinnati College Preparatory Academy, 1425 Linn Street, Cincinnati, Ohio 45214.

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Statement of Net Position
As of June 30, 2025

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 10,119,222
Receivables:	
Intergovernmental	201,611
Prepaid Items	50,263
Leases Receivable	185,347
Total Current Assets	<u>10,556,443</u>

Noncurrent Assets:

Net OPEB Asset	639,798
Capital Assets:	
Depreciable Capital Assets, Net of Depreciation/Amortization	12,878,529
Total Noncurrent Assets	<u>13,518,327</u>
Total Assets	<u>24,074,770</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	2,866,286
OPEB	435,424
Total Deferred Outflows of Resources	<u>3,301,710</u>

LIABILITIES

Current Liabilities:

Accounts Payable	191,406
Accrued Wages and Benefits	723,604
Contracts Payable	76,587
Intergovernmental Payable	178,404
Leases Payable	28,165
Total Current Liabilities	<u>1,198,166</u>

Noncurrent Liabilities:

Leases Payable	43,862
Net Pension Liability	8,567,251
Net OPEB Liability	400,383
Total Noncurrent Liabilities	<u>9,011,496</u>
Total Liabilities	<u>10,209,662</u>

DEFERRED INFLOWS OF RESOURCES

Leases	176,983
Pension	1,282,292
OPEB	1,219,319
Total Deferred Inflows of Resources	<u>2,678,594</u>

NET POSITION

Net Investment in Capital Assets	12,729,915
Restricted for:	
Federally Funded Programs	29,857
OPEB	639,798
Other	277,067
Unrestricted	811,587
Total Net Position	<u>\$ 14,488,224</u>

See accompanying notes to the basic financial statements

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

OPERATING REVENUES

State Foundation	\$ 8,575,074
Other Unrestricted Grants-in-Aid	62,364
Lease Revenue	91,287
Extracurricular Activities	912
Total Operating Revenues	<u>8,729,637</u>

OPERATING EXPENSES

Salaries and Wages	6,992,942
Fringe Benefits	1,658,345
Purchased Services	3,849,452
Materials and Supplies	892,065
Depreciation/Amortization	705,904
Other	225,295
Total Operating Expenses	<u>14,324,003</u>
Operating Loss	<u>(5,594,366)</u>

NON-OPERATING REVENUES (EXPENSES)

Interest Income	395,012
Interest and Fiscal Charges	(2,607)
Federal and State Grants	6,439,467
Other Revenue	124,759
Contributions and Donations	65,549
Total Non-operating Revenues (Expenses)	<u>7,022,180</u>

Change in Net Position	1,427,814
Net Position - Beginning of Year	<u>13,060,410</u>
Net Position - End of Year	<u><u>\$ 14,488,224</u></u>

See accompanying notes to the basic financial statements

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from State of Ohio	\$ 8,573,019
Cash Received from Other Operations	150,095
Cash Payments for Salaries and Wages	(6,832,075)
Cash Payments for Fringe Benefits	(2,082,501)
Cash Payments for Purchased Services	(3,482,962)
Cash Payments for Materials and Supplies	(925,700)
Cash Payments for Other Expenses	(215,673)
Net Cash Used in Operating Activities	<u>(4,815,797)</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Federal and State Grants	7,838,189
Contributions and Donations	67,770
Other Non-Operating Revenue	145,282
Net Cash Provided by Noncapital Financing Activities	<u>8,051,241</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Principal Paid on Long-term Debt	(27,333)
Interest Paid on Long-term Debt	(2,607)
Payments for Capital Acquisitions	(1,056,210)
Net Cash Used in Capital and Related Financing Activities	<u>(1,086,150)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on Investments	395,012
Net Cash Provided by Investing Activities	<u>395,012</u>

Net Increase in Cash and Cash Equivalents 2,544,306

Cash and Cash Equivalents - Beginning of Year	7,574,916
Cash and Cash Equivalents - End of Year	<u><u>\$ 10,119,222</u></u>

See accompanying notes to the basic financial statements

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Statement of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2025

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED IN OPERATING ACTIVITIES**

Operating Loss	\$ (5,594,366)
Adjustments:	
Depreciation/Amortization	705,904
Construction in progress reclass	450,954
(Increase) Decrease in Assets and Deferred Outflows:	
Intergovernmental Receivable	(383)
Lease Receivable and Related Deferrals	(2,375)
Other Receivable	(2,093)
Prepaid Items	(26,621)
Deferred Outflows - Pension	(498,804)
Deferred Outflows - OPEB	106,232
Net OPEB Asset	(79,627)
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	(122,329)
Accrued Wages and Benefits	79,864
Contracts Payable	13,414
Intergovernmental Payable	74,021
Net Pension Liability	(73,521)
Net OPEB Liability	(308,135)
Deferred Inflows - Pension	378,687
Deferred Inflows - OPEB	83,381
Net Cash Used in Operating Activities	<u><u>\$ (4,815,797)</u></u>

Schedule of Noncash Non-Capital and Capital Financing Activities

Net Impact of accruals related to Capital asset additions	334,007
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See accompanying notes to the basic financial statements

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 – DESCRIPTION OF THE ACADEMY AND REPORTING ENTITY

Cincinnati College Preparatory Academy (the Academy), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in grades kindergarten through twelfth. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

The Academy had one fiscal service provider during the fiscal year, Mangen & Associates, and Ohio Department of Education (ODE) Sponsorship Office was the Academy's sponsor. 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.

The Academy operates under the direction of a Board of Directors (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The Academy has a service agreement with Mangen & Associates to provide certain financial and accounting services, including performing all duties required of the Treasurer of the Academy. See Note 11 for more information.

Component units are legally separate organizations for which the Academy is financially accountable. The Academy is financially accountable for an organization if the Academy appoints a voting majority of the organization's governing board and (1) the Academy is able to significantly influence the programs or services performed or provided by the organization; or (2) the Academy is legally entitled to or can otherwise access the organization's resources; the Academy is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Academy is obligated for the debt of the organization. Component units may also include organizations for which the Academy approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Academy.

Blended component units, although legally separate entities are, in substance, part of the Academy's operations and so data from these units are combined with data of the Academy. The Academy's blended component unit is described below:

West End Cincinnati Victory Partners, LLC, Inc. (the "Company") is a limited liability company organized in 2005 under the laws of the State of Ohio to acquire, develop, and improve real estate located in Cincinnati, Ohio for the functional use of its members. The Company was formed by the Academy and the Young Men's Christian Association of Greater Cincinnati (YMCA). Effective October 8, 2021, the Academy purchased the YMCA membership units in the Company.

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the Statement of Net Position. The difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources is defined as net position. The Statement of Revenues, Expenses and Changes in Net Position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when 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 Academy and its Sponsor. The contract between the Academy and its Sponsor does not require the Academy to follow the provisions of Ohio Revised Code Chapter 5705; therefore, no budgetary information is presented in the basic financial statements.

Cash and Cash Equivalents

To improve cash management, cash received by the Academy is pooled. Money for all funds is maintained in this pool. Individual fund integrity is maintained through Academy records. Interest in the pool is presented on the financial statements as Cash and Cash Equivalents.

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Investments of the cash management pool and investments with an original maturity date of three months or less at the time they are purchased by the Academy are presented on the financial statements as Cash and Cash Equivalents.

During the fiscal year, the Academy invested in STAR Ohio (the State Treasury Asset Reserve of Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company. In accordance with GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," the Academy measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis, which approximates fair value.

For the fiscal year 2025, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day, but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Prepaid Assets

Payments made to vendors for services that will benefit periods beyond fiscal year-end are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense is reported in the year which services are consumed.

Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy maintains a capitalization threshold of \$1,000. Improvements are capitalized. The cost 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.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Building and Improvements	1-50 years
Furniture and Equipment	5 years
Vehicles	5 years

The Academy is reporting intangible right to use assets related to leased 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

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For the Academy, deferred outflows of resources are reported on the statement of net position for pensions and other postemployment benefits (OPEB). These deferred outflows of resources related to pensions and OPEB are explained in Note 8 and Note 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow of resources related to pension and OPEB are explained in Note 8 and Note 9.

Estimates

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

Intergovernmental Revenues

The Academy is a participant in the State Foundation Program. In addition, the State distributes among all public schools, a percentage of proceeds received from the tax on gross casino revenue, to be used to support primary and secondary education. Foundation funding, other unrestricted grants in aid and charges for services are recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year received. Federal and state grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the Academy's primary mission. For the Academy, operating revenues include revenues paid through the State Foundation Program, Other Unrestricted Grants-in-Aid, Lease Revenue, and Extracurricular Activities. Operating expenses are necessary costs incurred to support the Academy's primary mission, including salaries, benefits, purchased services, materials and supplies, depreciation and other.

Non-operating revenues and expenses are those that are not generated directly by the Academy's primary mission. Various Federal and State grants, interest earnings and expense, if any, and contributions comprise the non-operating revenues and expenses of the Academy.

Accrued Liabilities Payable

The Academy has recognized certain liabilities on its Statement of Net Position relating to expenses, which are due but unpaid as of fiscal year-end, including:

Accrued Wages and Benefits – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2025 contract.

Accounts/contracts payable – payments due for services or goods that were rendered or received during fiscal year 2025.

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Intergovernmental payable - payments made after year-end for the Academy's share of retirement contributions and Medicare.

Unearned Revenue

If the Academy receives restricted funds that were not spent by the end of the fiscal year, the amount received is classified as unearned revenue and is carried over to the next fiscal year and repaid.

Compensated Absences

Sick leave benefits are carried forward at a minimal amount to future fiscal years. The School does not pay sick leave benefits upon termination or retirement. A balance for compensated absences has not been recorded on the financial statements due to immateriality.

Federal Tax Exemption Status

The Academy is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, net OPEB liability (asset), 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.

Net Position

Net position represents the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation/amortization, less outstanding debt related to capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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Implementation of New Accounting Principles

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

GASB Statement No. 102, Certain Risk Disclosures – an Amendment of GASB Statement No. 62. GASB 100 The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

GASB Statement No. 101, Compensated Absences The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of the GASB 101 did not have any impact on beginning net position or fund balance.

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that, in the event of bank failure, the Academy will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the bank balance of the Academy was \$346,638 while the book balance was \$269,812. \$250,000 of the Academy’s bank balance was covered by the Federal Depository Insurance Corporation (FDIC).

Investments of the Academy as of June 30, 2025 were as follows:

<u>Investments</u>	<u>Net Asset Value</u>	<u>Percentage of Total</u>	<u>Investment Maturities</u>
			<u>1 to 3 Years</u>
STAR Ohio	\$ 9,849,410	100%	\$ 9,849,410

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Academy does not have any fair value investments.

In accordance with GASB Statement No. 79, the Academy’s investment in STAR Ohio is reported at amortized cost. For the fiscal year ended June 30, 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2025, is 30.4 days and carries a rating of Aam by S&P Global Ratings.

Interest Rate Risk: The Academy’s investment policy follows State statute, which requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Academy, and that an investment must be purchased with the expectation that it will be held to maturity

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Credit Risk – The Academy’s investment policy limits investments to those authorized by State statute.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental receivables arising from state and federal grants, foundation adjustments, and leases. All receivables are considered collectible in full.

The Academy is reporting leases receivable which represents the discounted future lease payments. This discount is being amortized using the interest method. The leases commenced in fiscal years 2017 and 2024 with payments made monthly.

Revenue for the lease during the fiscal year was as follows:

	Fiscal Year Ending 6/30/2025
Lease Revenue	98,553
Interest Revenue	7,016
Total	<u>105,569</u>

A summary of future payments to be received is as follows:

	Leases Receivable	
Fiscal Year	Principal	Interest
2026	101,353	4,184
2027	83,994	1,132
Total	<u>\$ 185,347</u>	<u>\$ 5,316</u>

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NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance 6/30/2024	Additions	Deletions	Ending Balance 6/30/2025
<i>Academy's Capital Assets:</i>				
Capital Assets not Being Depreciated/Amortized				
Construction in Progress	\$ 6,492,172	\$ 65,281	\$ (6,557,453) *	\$ -
Total Capital Assets, Not Being Depreciated/Amortized	<u>6,492,172</u>	<u>65,281</u>	<u>(6,557,453)</u>	<u>-</u>
Capital Assets, Being Depreciated/Amortized				
Buildings and Improvement	7,315,340	6,423,086	-	13,738,426
Furniture, and Equipment	1,795,623	340,335	-	2,135,958
Vehicles	279,702	-	-	279,702
Intangible Right to Use, Equipment	139,202	-	-	139,202
Total Capital Assets, Being Depreciated/Amortized	<u>9,529,867</u>	<u>6,763,421</u>	<u>-</u>	<u>16,293,288</u>
Less Accumulated Depreciation/Amortization				
Buildings and Improvement	(4,256,691)	(385,456)	-	(4,642,147)
Furniture, and Equipment	(1,515,141)	(127,747)	-	(1,642,888)
Vehicles	(216,216)	(9,767)	-	(225,983)
Intangible Right to Use, Equipment	(41,760)	(27,840)	-	(69,600)
Total Accumulated Depreciation/Amortization	<u>(6,029,808)</u>	<u>(550,810)</u>	<u>-</u>	<u>(6,580,618)</u>
Total Capital Assets, Being Depreciated/Amortized, Net	<u>3,500,059</u>	<u>6,212,611</u>	<u>-</u>	<u>9,712,670</u>
Total Academy's Capital Asset, Net	<u>\$ 9,992,231</u>	<u>\$ 6,277,892</u>	<u>\$ (6,557,453)</u>	<u>\$ 9,712,670</u>

*Projects in the amount of \$450,954 that were originally established with the intention that they would result in capital projects were deleted from construction in progress in fiscal year 2025, due to the fact that they would no longer result in capital assets.

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For the Fiscal Year Ended June 30, 2025

	Beginning Balance 6/30/2024	Additions	Deletions	Ending Balance 6/30/2025
<i>Company's Capital Assets:</i>				
Depreciable Capital Assets:				
Buildings and Improvements	\$ 4,683,895	\$ -	\$ -	\$ 4,683,895
Total Depreciable Capital Assets	4,683,895	-	-	4,683,895
Less Accumulated Depreciation:				
Buildings and Improvements	(1,362,942)	(155,094)	-	(1,518,036)
Total Accumulated Depreciation	(1,362,942)	(155,094)	-	(1,518,036)
Depreciable Capital Assets, Net	3,320,953	(155,094)	-	3,165,859
Total Company's Capital Assets, Net	\$ 3,320,953	\$ (155,094)	\$ -	\$ 3,165,859
	Beginning Balance 6/30/2024	Additions	Deletions	Ending Balance 6/30/2025
<i>Total Capital Assets:</i>				
Capital Assets not Being Depreciated/Amortized				
Construction in Progress	\$ 6,492,172	\$ 65,281	\$ (6,557,453)	\$ -
Total Capital Assets, Not Being Depreciated/Amortized	6,492,172	65,281	(6,557,453)	-
Capital Assets, Being Depreciated/Amortized				
Buildings and Improvement	11,999,235	6,423,086	-	18,422,321
Furniture, and Equipment	1,795,623	340,335	-	2,135,958
Vehicles	279,702	-	-	279,702
Intangible Right to Use, Equipment	139,202	-	-	139,202
Total Capital Assets, Being Depreciated/Amortized	14,213,762	6,763,421	-	20,977,183
Less Accumulated Depreciation/Amortization				
Buildings and Improvement	(5,619,633)	(540,550)	-	(6,160,183)
Furniture, and Equipment	(1,515,141)	(127,747)	-	(1,642,888)
Vehicles	(216,216)	(9,767)	-	(225,983)
Intangible Right to Use, Equipment	(41,760)	(27,840)	-	(69,600)
Total Accumulated Depreciation/Amortization	(7,392,750)	(705,904)	-	(8,098,654)
Total Capital Assets, Being Depreciated/Amortized, Net	6,821,012	6,057,517	-	12,878,529
Total Capital Assets, Net	\$ 13,313,184	\$ 6,122,798	\$ (6,557,453)	\$ 12,878,529

Cincinnati College Preparatory Academy
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NOTE 6 – LONG TERM OBLIGATIONS

Changes in the Academy's long-term obligations during the fiscal year was as follows:

	Beginning Balance 6/30/2024	Additions	Deletions	Ending Balance 6/30/2025	Due Within One Year
Net Pension Liability	\$ 8,640,772	\$ -	\$ (73,521)	\$ 8,567,251	\$ -
Net OPEB Liability	708,518	-	(308,135)	400,383	-
Leases Payable	99,360	-	(27,333)	72,027	28,165
Total Long-Term Obligations	<u>\$ 9,448,650</u>	<u>\$ -</u>	<u>\$ (408,989)</u>	<u>\$ 9,039,661</u>	<u>\$ 28,165</u>

Leases payable The Academy has an outstanding agreement to lease equipment. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases thus requiring them to be recorded by the Academy. The future lease payments were discounted based on the Academy's incremental borrowing rate. This discount is being amortized over the life of the lease.

A summary of principal and interest amounts for the remaining lease is as follows:

For Fiscal Year Ending June 30,	Principal	Interest
2026	28,165	1,776
2027	29,022	919
2028	14,840	130
	<u>\$ 72,027</u>	<u>\$ 2,825</u>

NOTE 7 – RISK MANAGEMENT

Property and Liability Insurance

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. For the year ended June 30, 2025, the Academy had insurance coverage for commercial property, school leaders, education errors and omissions, umbrella, commercial auto, and general liability. Settlement amounts did not exceed coverage amounts in the three prior years. There also have been no significant reductions in coverage compared to prior year.

Workers' Compensation

The Academy pays the State Worker's Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is determined by the State.

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NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

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

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Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on 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 through 2025.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Academy’s contractually required contribution to SERS was \$269,629 for fiscal year 2025.

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Plan Description - State Teachers Retirement System (STRS)

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

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. 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, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 – July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 6. Effective on or after Aug. 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or give years of service credit and age 65.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

The DC Plan allows members to place all of their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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 after termination of employment at age 50 or later.

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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. For the fiscal year ended June 30, 2025, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2025 contribution rates were equal to the statutory maximum rates.

The Academy's contractually required contribution to STRS was \$684,641 for fiscal year 2025.

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

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.0441252%	0.02880263%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.0406016%</u>	<u>0.03373021%</u>	
Change in Proportionate Share	<u>-0.0035236%</u>	<u>0.00492758%</u>	
Proportionate Share of the Net Pension			
Liability	\$ 2,077,014	\$ 6,490,237	\$ 8,567,251
Pension Expense	\$ 271,277	\$ 489,355	\$760,632

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At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 79,300	\$ 408,715	\$ 488,015
Changes of assumptions	18,581	299,105	317,686
Changes in proportion and differences between Academy contributions and proportionate share of contributions	34,141	1,072,174	1,106,315
Academy contributions subsequent to the measurement date	269,629	684,641	954,270
Total Deferred Outflows of Resources	<u>\$ 401,651</u>	<u>\$ 2,464,635</u>	<u>\$ 2,866,286</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 3,554	\$ 3,554
Changes of assumptions	-	225,140	225,140
Net difference between projected and actual earnings on pension plan investments	129,915	558,027	687,942
Changes in proportion and differences between Academy contributions and proportionate share of contributions	139,417	226,239	365,656
Total Deferred Inflows of Resources	<u>\$ 269,332</u>	<u>\$ 1,012,960</u>	<u>\$ 1,282,292</u>

\$954,270 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. 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:			
2026	\$ (131,189)	\$ (282,888)	(\$414,077)
2027	92,541	872,436	964,977
2028	(60,458)	111,988	51,530
2029	(38,204)	65,498	27,294
Total	<u>(\$137,310)</u>	<u>\$767,034</u>	<u>\$629,724</u>

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Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.00 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of investment expenses, including inflation
Actuarial Cost Method	Entry Age Normal

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

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

The long-term return expectation for the 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.

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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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	3.00 %	1.00 %
US Equity	22.00	5.81
Non-US Equity Developed	12.00	6.64
Non-US Equity Emerging	6.00	8.56
Fixed Income/Global Bonds	18.00	2.60
Private Equity	14.00	9.89
Real Estate/Real Assets	13.00	4.94
Infrastructure	7.00	6.12
Private Debt/Private Credit	5.00	6.65
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined rate of fiscal year 2024 was 14 percent. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability	\$ 3,177,544	\$ 2,077,014	\$ 1,150,427

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Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024, actuarial valuation, are presented below:

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

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

Actuarial assumptions used in the June 30, 2024 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	100.00 %	

* Final target weights reflected at October 1, 2022.

** 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. 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, 2024. 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, 2024.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability	\$ 10,469,890	\$ 6,490,237	\$ 3,124,135

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NOTE 9 - DEFINED BENEFIT OPEB PLANS

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, 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 2025, this amount was \$30,000. 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 2025, the Academy's surcharge obligation was \$26,519, which is reported as an intergovernmental payable.

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Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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, 2025, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Academy's proportion of the net OPEB liability (asset) was based on the Academy's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/asset			
Prior Measurement Date	0.0430071%	0.02880263%	
Proportion of the Net OPEB Liability/asset			
Current Measurement Date	0.0393113%	0.03373021%	
Change in Proportionate Share	<u>-0.0036958%</u>	<u>0.00492758%</u>	
Proportionate Share of the Net OPEB Liability	\$ 400,383	\$ -	\$ 400,383
Proportionate Share of the Net OPEB (Asset)	\$ -	\$ (639,798)	\$ (639,798)
OPEB Expense	\$ (33,492)	\$ (138,138)	\$ (171,630)

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At June 30, 2025, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 27,814	\$ 27,814
Changes of assumptions	171,846	78,751	250,597
Net difference between projected and actual earnings on pension plan investments	1,956	-	1,956
Changes in proportion and difference between Academy contributions and proportionate share of contributions	125,508	3,030	128,538
Academy contributions subsequent to the measurement date	<u>26,519</u>	<u>-</u>	<u>26,519</u>
Total Deferred Outflows of Resources	<u>\$ 325,829</u>	<u>\$ 109,595</u>	<u>\$ 435,424</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 431,717	\$ 68,951	\$ 500,668
Changes of assumptions	183,924	288,545	472,469
Net difference between projected and actual earnings on OPEB plan investments	-	27,467	27,467
Changes in proportion and difference between Academy contributions and proportionate share of contributions	<u>179,850</u>	<u>38,865</u>	<u>218,715</u>
Total Deferred Inflows of Resources	<u>\$ 795,491</u>	<u>\$ 423,828</u>	<u>\$ 1,219,319</u>

\$26,519 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the year ending June 30, 2026. 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:			
2026	\$ (121,615)	\$ (104,222)	\$ (225,837)
2027	(96,828)	(47,898)	(144,726)
2028	(64,294)	(60,114)	(124,408)
2029	(41,815)	(56,337)	(98,152)
2030	(41,228)	(46,574)	(87,802)
Thereafter	<u>(130,401)</u>	<u>912</u>	<u>(129,489)</u>
Total	<u>\$ (496,181)</u>	<u>\$ (314,233)</u>	<u>\$ (810,414)</u>

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Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Medical Trend Assumption	
Measurement Date	7.00 to 4.40 percent
Prior Measurement Date	6.75 to 4.40 percent

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 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 weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate/Real Assets	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024 was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024 was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination for the SEIR for both the June 30, 2023 and the June 30, 2024 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 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

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Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
Academy's proportionate share of the net OPEB liability	\$533,897	\$400,383	\$294,289

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
Academy's proportionate share of the net OPEB liability	\$270,644	\$400,383	\$570,916

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024, actuarial valuation is presented below:

Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	7.50 percent	3.94 percent
Medicare	-112.22 percent	3.94 percent
Prescription Drug		
Pre-Medicare	8.00 percent	3.94 percent
Medicare	-15.14 percent	3.94 percent

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

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

Actuarial assumptions used in the June 30, 2024, valuation is based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00 %	6.90 %
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00 %</u>	

* Final Target weights reflected at October 1, 2022

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2024.

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Sensitivity of the Academy's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, 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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net OPEB (asset)	(\$520,198)	(\$639,798)	(\$743,876)

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB (asset)	(\$750,906)	(\$639,798)	(\$506,175)

Benefit Term Changes Since the Prior Measurement Date

Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

NOTE 10 – CONTINGENCIES

Grants

The Academy received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. The effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2025, if applicable, cannot be determined at this time. However, in the opinion of the Academy, any such disallowed claims will not have a material adverse effect on the financial position of the Academy at fiscal year-end.

Foundation Funding

School foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education and Workforce (ODEW) 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.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Under Ohio Rev. Code Section 3314.08, ODEW may also perform an FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. As of the date of this report, ODEW has not performed an FTE Review on the Academy for fiscal year 2025.

As of the date of this report, additional ODEW adjustments for fiscal year 2025 have been finalized.

NOTE 11 – CONTRACTED FISCAL SERVICES

The Academy is a party to a fiscal services agreement with Mangen & Associates (M&A), which is an education finance consulting company. The agreement may be terminated by either party, with or without cause, by giving the other party thirty days written notice to terminate. The agreement provides that M&A will perform the following services:

1. Financial Management Services
2. Treasurer Services
3. Payroll / Payables Services
4. CCIP Budget / Federal Programs Monitoring
5. EMIS / DASL / SOES Services

NOTE 12 – OTHER EMPLOYEE BENEFITS

Employee Medical and Dental Benefits - The Academy has purchased insurance to provide employee dental and vision benefits. The Academy has also purchased insurance to provide employee medical/surgical and life benefits. The Academy pays 90% of the employee premium.

NOTE 13 – PURCHASED SERVICES

During the fiscal year, purchased service expenses for services rendered by various vendors were as follows:

Instructional Services	\$	121,924
Health Services		268,657
Staff Services		46,119
Management Services		691,235
Data Processing Services		35,687
Professional and Technical Services		6,196
Other Professional Services		288,196
Property Services		1,052,783
Travel Mileage/Meeting		28,812
Communications		63,488
Utilities		259,243
Contracted Food Services		825,757
Other		156,103
Pupil Transportation		5,252
Total	\$	<u>3,849,452</u>

Required Supplementary Information

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of the Academy's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Academy's Proportion of the Net Pension Liability	0.0406016%	0.0441252%	0.0429040%	0.0367653%
Academy's Proportionate Share of the Net Pension Liability	\$ 2,077,014	\$ 2,438,144	\$ 2,320,582	\$ 1,356,533
Academy's Covered Payroll	\$ 1,697,079	\$ 1,817,636	\$ 1,673,807	\$ 1,342,686
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	122.39%	134.14%	138.64%	101.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.52%	76.06%	75.82%	82.86%

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016
0.0423195%	0.0393852%	0.0349670%	0.0272124%	0.0244535%	0.0239190%
\$ 2,799,101	\$ 2,356,486	\$ 2,002,642	\$ 1,625,881	\$ 1,789,771	\$ 1,364,841
\$ 1,408,993	\$ 839,948	\$ 1,310,681	\$ 845,029	\$ 724,664	\$ 786,153
198.66%	280.55%	152.79%	192.41%	246.98%	173.61%
68.55%	70.85%	71.36%	69.50%	62.98%	69.16%

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of the Academy's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Academy's Proportion of the Net Pension Liability	0.03373021%	0.02880263%	0.02668234%	0.03106440%
Academy's Proportionate Share of the Net Pension Liability	\$ 6,490,237	\$ 6,202,628	\$ 5,931,519	\$ 3,971,863
Academy's Covered Payroll	\$ 4,681,586	\$ 4,005,300	\$ 3,461,136	\$ 3,859,486
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	138.63%	154.86%	171.37%	102.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.90%	87.80%

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017	2016
0.03022591%	0.02943653%	0.02742360%	0.02591858%	0.02575801%	0.02480661%
\$ 7,313,595	\$ 6,509,712	\$ 6,029,834	\$ 6,157,014	\$ 8,621,982	\$ 6,855,821
\$ 3,643,807	\$ 3,301,771	\$ 3,355,579	\$ 2,829,814	\$ 2,449,907	\$ 2,391,757
200.71%	197.16%	179.70%	217.58%	351.93%	286.64%
75.50%	77.40%	77.31%	75.29%	66.80%	72.10%

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of Academy Contributions – Pension
School Employees Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 269,629	\$ 237,591	\$ 254,469	\$ 234,333
Contributions in Relation to the Contractually Required Contribution	<u>(269,629)</u>	<u>(237,591)</u>	<u>(254,469)</u>	<u>(234,333)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy Covered Payroll	\$ 1,925,921	\$ 1,697,079	\$ 1,817,636	\$ 1,673,807
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 187,976	\$ 197,259	\$ 113,393	\$ 176,942	\$ 118,304	\$ 101,453
<u>(187,976)</u>	<u>(197,259)</u>	<u>(113,393)</u>	<u>(176,942)</u>	<u>(118,304)</u>	<u>(101,453)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,342,686	\$ 1,408,993	\$ 839,948	\$ 1,310,681	\$ 845,029	\$ 724,664
14.00%	14.00%	13.50%	13.50%	14.00%	14.00%

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of Academy Contributions – Pension
State Teachers Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 684,641	\$ 655,422	\$ 560,742	\$ 484,559
Contributions in Relation to the Contractually Required Contribution	<u>(684,641)</u>	<u>(655,422)</u>	<u>(560,742)</u>	<u>(484,559)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy Covered Payroll	\$ 4,890,293	\$ 4,681,586	\$ 4,005,300	\$ 3,461,136
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 540,328	\$ 510,133	\$ 462,248	\$ 469,781	\$ 396,174	\$ 342,987
<u>(540,328)</u>	<u>(510,133)</u>	<u>(462,248)</u>	<u>(469,781)</u>	<u>(396,174)</u>	<u>(342,987)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,859,486	\$ 3,643,807	\$ 3,301,771	\$ 3,355,579	\$ 2,829,814	\$ 2,449,907
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of the Academy's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Nine Fiscal Years (1)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Academy's Proportion of the Net OPEB Liability	0.0393113%	0.0430071%	0.0420660%	0.0349140%
Academy's Proportionate Share of the Net OPEB Liability	\$ 400,383	\$ 708,518	\$ 590,611	\$ 660,780
Academy's Covered Payroll	\$ 1,697,079	\$ 1,817,636	\$ 1,673,807	\$ 1,342,686
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	23.59%	38.98%	35.29%	49.21%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.50%	30.02%	30.34%	24.08%

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

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.0398060%	0.0394640%	0.0341583%	0.0274045%	0.0274045%
\$ 865,110	\$ 992,424	\$ 947,644	\$ 735,465	\$ 781,130
\$ 1,408,993	\$ 839,948	\$ 1,310,681	\$ 845,029	\$ 724,664
61.40%	118.15%	72.30%	87.03%	107.79%
18.17%	15.57%	13.57%	12.46%	11.49%

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of the Academy's Proportionate Share of the Net OPEB Liability/(Asset)
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1)**

	2025	2024	2023	2022
Academy's Proportion of the Net OPEB Liability/Asset	0.03373021%	0.02880263%	0.02668234%	0.03106400%
Academy's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (639,798)	\$ (560,171)	\$ (690,895)	\$ (654,959)
Academy's Covered Payroll	\$ 4,681,586	\$ 4,005,657	\$ 3,461,136	\$ 3,859,486
Academy's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-13.67%	-13.98%	-19.96%	-16.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	158.01%	168.52%	230.73%	174.73%

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

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

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.03022600%	0.02943700%	0.02743600%	0.02591858%	0.24301222%
\$ (531,221)	\$ (487,547)	\$ (441,000)	\$ 1,011,247	\$ 704,300
\$ 3,643,807	\$ 3,301,771	\$ 3,355,579	\$ 2,829,814	\$ 2,449,907
-14.58%	-14.77%	-13.14%	35.74%	28.75%
182.13%	174.74%	176.00%	47.11%	37.30%

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of Academy Contributions – OPEB
School Employees Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution (1)	\$ 26,519	\$ 16,391	\$ 18,503	\$ 18,246
Contributions in Relation to the Contractually Required Contribution	<u>(26,519)</u>	<u>(16,391)</u>	<u>(18,503)</u>	<u>(18,246)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Academy Covered Payroll	\$ 1,925,921	\$ 1,697,079	\$ 1,817,636	\$ 1,673,807
OPEB Contributions as a Percentage of Covered Payroll (1)	1.38%	0.97%	1.02%	1.09%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 8,598	\$ 5,384	\$ 16,809	\$ 6,553	\$ 13,966	\$ 11,715
<u>(8,598)</u>	<u>(5,384)</u>	<u>(16,809)</u>	<u>(6,553)</u>	<u>(13,966)</u>	<u>(11,715)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 1,342,686	\$ 1,408,993	\$ 839,948	\$ 1,310,681	\$ 845,029	\$ 724,664
0.64%	0.38%	2.00%	0.50%	1.65%	1.62%

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Schedule of Academy Contributions – OPEB
State Teachers Retirement System of Ohio
Last Ten Fiscal Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy Covered Payroll	\$ 4,890,293	\$ 4,681,586	\$ 4,005,657	\$ 3,461,136
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,859,486	\$ 3,643,807	\$ 3,301,771	\$ 3,355,579	\$ 2,829,814	\$ 2,449,907
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Notes to the Required Supplementary Information

Net Pension Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2016-2017, 2020-2021, and 2024-2025.

For fiscal year 2018, the Cost-of-Living Adjustment (COLA) was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0%.

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

For fiscal year 2022, SERS changed from a COLA of 2.5% to 2.0%.

For fiscal year 2023, SERS changed from a COLA of 2.0% to 2.5%.

Changes in assumptions- SERS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2016, 2018-2021, and 2023-2025.

For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement (h) change in discount rate from 7.75% to 7.5%.

For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.00% to 2.40%, (b) assumed real wage growth was reduced from 0.85% to 0.85%, (c) Cost-of-Living-Adjustments was reduced from 2.50% to 2.00% (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality amount active members, service retirees and beneficiaries, and disabled members were updated (i) change in discount rate from 7.50% to 7.00%. For fiscal year 2023, Cost-of-Living-Adjustments were increased from 2.00% to 2.50%.

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2016-2017 and 2019-2025.

For fiscal year 2018, STRS decreased the Cost-of Living Adjustment (COLA) to zero.

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2016-2017, 2019-2021, and 2024-2025.

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Notes to the Required Supplementary Information**

For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) investment return assumption lowered from 7.45% to 7.00%, (b) discount rate of return reduced from 7.45% to 7.00%.

For fiscal year 2023, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from, 12.50% at age 20 to 2.50% at age 65, to, varies by service from 2.50% to 8.50% (b) 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.

Net OPEB Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2017-2025.

Changes in Assumptions – SERS

Amounts reported for fiscal years 2017-2025 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2025	3.93 percent
Fiscal year 2024	3.86 percent
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 2025	4.88 percent
Fiscal year 2024	4.27 percent
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

**Cincinnati College Preparatory Academy
Hamilton County, Ohio
Notes to the Required Supplementary Information**

Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent
Medicare Trend Assumption	
Medicare	
Fiscal year 2025	7.00 percent decreasing to 4.40 percent
Fiscal year 2024	6.75 percent decreasing to 4.40 percent
Fiscal year 2023	7.00 percent decreasing to 4.40 percent
Fiscal year 2022	5.125 percent decreasing to 4.40 percent
Fiscal year 2020	5.25 percent decreasing to 4.75 percent
Fiscal year 2019	5.375 percent decreasing to 4.75 percent
Fiscal year 2018	5.50 percent decreasing to 5.00 percent
Pre – Medicare	
Fiscal year 2025	7.00 percent decreasing to 4.40 percent
Fiscal year 2024	7.00 percent decreasing to 4.40 percent
Fiscal year 2023	7.00 percent decreasing to 4.40 percent
Fiscal year 2022	6.75 percent decreasing to 4.40 percent
Fiscal year 2020	7.00 percent decreasing to 4.75 percent
Fiscal year 2019	7.25 percent decreasing to 4.75 percent
Fiscal year 2018	7.50 percent decreasing to 5.00 percent

Changes in Assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

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

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

For fiscal year 2023, projected salary increases changed from, 12.50% at age to 2.50% at age 65, to, varies by service from 2.50% to 8.50%. The health care cost trend rates were modified.

For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94%

Cincinnati College Preparatory Academy
Hamilton County, Ohio
Notes to the Required Supplementary Information

ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.

Changes in Benefit Terms – STRS

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

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

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

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

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

For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

There was no benefit term changes from the amounts reported for fiscal year 2023-2025.

**CINCINNATI COLLEGE PREPARATORY ACADEMY
HAMILTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Federal Grantor/ <i>Pass-Through Grantor/</i> Program or Cluster Title	Assistance Listing Number	Expenditures
<u>U.S. Department of Agriculture</u>		
<i>Passed through Ohio Department of Education and Workforce</i>		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 218,338
National School Lunch Program	10.555	550,578
Total Child Nutrition Cluster		<u>768,916</u>
Total U.S. Department of Agriculture		<u>768,916</u>
<u>U.S. Department of Education</u>		
<i>Passed through Ohio Department of Education and Workforce</i>		
Title I - Grants to Local Educational Agencies	84.010	<u>1,232,981</u>
Special Education Cluster (IDEA):		
Special Education - Grants to States	84.027	287,390
Total Special Education Cluster (IDEA)		<u>287,390</u>
Supporting Effective Instruction State Grants	84.367	<u>102,764</u>
Student Support and Academic Enrichment Program	84.424	<u>105,557</u>
Education Stabilization Fund -		
COVID-19 - ARP ESSER	84.425U	644,100
COVID-19 - ARP ESSER - Homeless Children and Youth	84.425W	17,555
Total ALN #84.425		<u>661,655</u>
Total U.S. Department of Education		<u>2,390,347</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 3,159,263</u></u>

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

**CINCINNATI COLLEGE PREPARATORY ACADEMY
HAMILTON COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Cincinnati College Preparatory Academy under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Cincinnati College Preparatory Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Cincinnati College Preparatory Academy.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash 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 Cincinnati College 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**

Cincinnati College Preparatory Academy
Hamilton County
1425 Linn Street
Cincinnati, Ohio 45214

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 Cincinnati College Preparatory Academy, Hamilton County, Ohio, (the Academy) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Academy's internal control over financial reporting (internal control) 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.

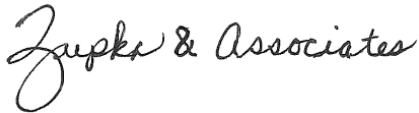
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

December 12, 2025

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

Cincinnati College Preparatory Academy
Hamilton County
1425 Linn Street
Cincinnati, Ohio 45214

To the Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cincinnati College Preparatory Academy, Hamilton 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, 2025. 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 Cincinnati College 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, 2025.

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 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 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 Academy's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Academy's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Academy's compliance with the requirements of 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 Academy's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Academy's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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.

A handwritten signature in cursive script that reads "Zupka & Associates".

Zupka & Associates
Certified Public Accountants

December 12, 2025

**CINCINNATI COLLEGE PREPARATORY ACADEMY
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
UNIFORM GUIDANCE
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

2025(i)	Type of Financial Statement Opinion	Unmodified
2025(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2025(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2025(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2025(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2025(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2025(v)	Type of Major Programs' Compliance Opinions	Unmodified
2025(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2025(vii)	Major Programs (list): Child Nutrition Cluster: School Breakfast Program - ALN #10.553 National School Lunch Program - ALN #10.555	
2025(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others less than \$750,000
2025(ix)	Low Risk Auditee?	Yes

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.

**CINCINNATI COLLEGE PREPARATORY ACADEMY
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The audit report for the fiscal year ending June 30, 2024 included no citations or instance of noncompliance.

OHIO AUDITOR OF STATE KEITH FABER



CINCINNATI COLLEGE PREPARATORY ACADEMY

HAMILTON 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 3/5/2026

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

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