

**REGENERATION BOND HILL
HAMILTON COUNTY, OHIO**

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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800-282-0370

Board of Directors
ReGeneration Bond Hill
5158 Fishwick Drive
Cincinnati, OH 45216

We have reviewed the *Independent Auditor's Report* of the ReGeneration Bond Hill, 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 ReGeneration Bond Hill is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

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

April 28, 2026

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**REGENERATION BOND HILL
HAMILTON COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

ReGeneration Bond Hill
Hamilton County
5158 Fishwick Drive
Cincinnati, Ohio 45216

To the Members of the Board:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the ReGeneration Bond Hill, Hamilton County, Ohio, (the School) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ReGeneration Bond Hill 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 School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 School's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

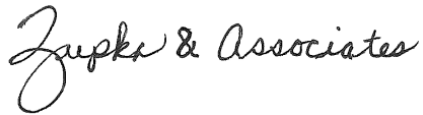
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

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

Zupka & Associates
Certified Public Accountants

January 27, 2026

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REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 - UNAUDITED

The management's discussion and analysis of the ReGeneration Bond Hill (the "School") financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

Key Financial Highlights for the School are as follows:

- The liabilities and deferred inflows of resources of the School exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$4.2 million (negative net position).
- Total assets decreased by \$474,065 from the prior year and total liabilities decreased by \$909,949 from the prior year.
- Operating revenues increased by \$186,356 compared to those reported for the prior fiscal year while total operating expenses decreased by \$615,662 during the same period.

USING THIS ANNUAL REPORT

This financial report contains the basic financial statements of the School, 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 change in net position, and a statement of cash flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity.

Statement of Net Position and the Statement of Revenues, Expenses and Change in Net Position

The statement of net position and the statement of revenues, expenses and change in net position answer the question, "How did we do financially during the fiscal year?" The statement of net position includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

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

The statement of revenues, expenses and change in net position reports the change in net position. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

REGENERATION BOND HILL - 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 School's net position at June 30, 2025 compared to the prior fiscal year.

Table 1 Statement of Net Position		
	2025	2024
Assets		
Current Assets	\$ 106,327	\$ 335,996
Net OPEB Assets	98,598	128,641
Capital Assets, Net	3,960,971	4,175,324
Total Assets	4,165,896	4,639,961
Deferred Outflows of Resources	593,520	1,028,403
Liabilities		
Current Liabilities	664,181	2,644,848
Long Term Liabilities	7,467,470	6,396,752
Total Liabilities	8,131,651	9,041,600
Deferred Inflows of Resources	799,330	702,070
Net Position		
Net Investment in Capital Assets	(162,780)	(104,596)
Restricted for OPEB	-	128,641
Unrestricted	(4,008,785)	(4,099,351)
Total Net Position	\$ (4,171,565)	\$ (4,075,306)

Capital assets, net decreased in comparison with the prior fiscal year. This decrease is due to current year amortization/depreciation exceeding current year additions. Current assets decreased due decreased cash from operations as well as decreases in accounts receivables.

Current liabilities decreased in comparison with the prior fiscal year. This decrease is primarily due restructuring of accounts payable due the School operator in the prior year as notes during fiscal year 2025, which in turn caused long term liabilities to increase.

There was a significant change in net pension/OPEB liability (asset) for the School. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the School'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.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 - UNAUDITED

Table 2 shows the change in net position for the fiscal year ended June 30, 2025, compared to the prior fiscal year.

Table 2
Change in Net Position

	2025	2024
Total Revenues		
Operating Revenues	\$ 2,169,658	\$ 1,983,302
Non-Operating Revenues	989,765	895,914
Total Revenues	3,159,423	2,879,216
Total Expenses		
Operating Expenses	3,118,912	3,728,790
Non-Operating Expenses	136,770	142,554
Total Expenses	3,255,682	3,871,344
Change in Net Position	<u>\$ (96,259)</u>	<u>\$ (992,128)</u>

Non-operating revenues increased in comparison with the prior fiscal year. This increase is primarily due to the increase in donations.

Operating revenues increased in comparison with the prior fiscal year. This increase is primarily due to increases in enrollment. Operating expenses decreased primarily due to decreases in fringe benefits due accruals related to GASB 68/75.

Capital Assets

The School had a decrease in capital assets in comparison with the prior year. This decrease represents current year depreciation/amortization exceed capital asset additions. See Note 5 of the basic financial statements for additional details.

Debt

At fiscal year-end, the School leases payable decreased while the direct borrowings increased due the restructuring of prior year accounts payable due the School operator into a note agreement. See Note 6 of the basic financial statements for additional details.

Current Financial Issues

The School is a community School and is funded through the State of Ohio Foundation Program. The School relies on this, as well as, other State and Federal funds as its primary source of revenue. In 2022, the State replaced the existing funding formula with a new formula that was implemented in January 2022 as a result of changes in Ohio law under the passage of HB110. Under the new formula, community schools are funded directly with no deductions or transfers from the student's district of residence. The funding calculation for community schools uses several concepts and formulas, some of which also apply to traditional school districts. These primarily include Base Cost, Special Education, Disadvantaged Pupil

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025 - UNAUDITED

Impact Aid, English Learners and Career Technical Education. Combined, these elements make up the Core Foundation Funding and the change in calculated amounts compared to the funding received in Fiscal Year 2020 are being phased-in at 16.67% per year until fully implemented. In June 2025, the State Legislature passed the 26-27 biennial budget which included the continued phase-in of the new formula, reaching full implementation in Fiscal Year 2027.

In addition, facility funding remained the same as the last budget cycle and the student equity grant was reduced from \$650 per student to \$500 per student for Fiscal Year 2026. Most all schools had liquidated their remaining ESSER funds during (or prior to) Fiscal Year 2025. Moving forward, all schools will need to continue to be vigilant about growing enrollment and monitoring expenses in order to build sustainable budgets for the future.

Contacting the School's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School's finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional information contact C. David Massa, CPA, of Massa Financial Solutions, LLC, 1030 North Main Steet, North Canton, Ohio 44720 or e-mail at dave@massasolutionsllc.com.

REGENERATION SCHOOLS BOND HILL - HAMILTON COUNTY, OHIO
Statement of Net Position
June 30, 2025

Assets:

Current Assets:

Cash and Cash Equivalents	\$ 17,458
Other Assets	702
Intergovernmental Receivable	88,167
Total Current Assets	<u>106,327</u>

Noncurrent Assets:

Net OPEB Asset	98,598
Capital Assets, net of Accumulated Depreciation	3,960,971
Total Non-Current Assets	<u>4,059,569</u>

Total Assets	4,165,896
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Deferred Outflows of Resources:

Pension (STRS & SERS) Outflows	439,116
OPEB (STRS & SERS) Outflows	154,404
Total Deferred Outflows of Resources	<u>593,520</u>

Liabilities:

Current Liabilities:

Accounts Payable, Trade	196,918
Accounts Payable, Related Party	150,521
Accrued Wages and Benefits	89,574
Current Portion of Long Term Obligations	227,168
Total Current Liabilities	<u>664,181</u>

Noncurrent Liabilities:

Non-Current Portion of Long Term Obligations	5,950,395
Net Pension Liability	1,433,571
Net OPEB Liability	83,504
Total Noncurrent Liabilities	<u>7,467,470</u>

Total Liabilities	8,131,651
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Deferred Inflows of Resources:

Pension (STRS & SERS)	541,253
OPEB (STRS & SERS)	258,077
Total Deferred Inflows of Resources	<u>799,330</u>

Net Position:

Invested in Capital Assets	(162,780)
Unrestricted Net Position	(4,008,785)
Total Net Position	<u>\$ (4,171,565)</u>

See Accompanying Notes to the Basic Financial Statements

REGENERATION SCHOOLS BOND HILL - HAMILTON COUNTY, OHIO
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2025

Operating Revenues:	
State Aid	\$ 2,137,889
Miscellaneous	31,769
Total Operating Revenues	<u>2,169,658</u>
Operating Expenses:	
Salaries	1,298,338
Fringe Benefits	362,533
Purchased Services	1,155,004
Depreciation	233,799
Supplies	59,357
Other Operating Expenses	9,881
Total Operating Expenses	<u>3,118,912</u>
Operating Income (Loss)	(949,254)
Non-Operating Revenues and (Expenses):	
Federal and State Restricted Grants	582,373
Interest Expense	(136,770)
Donations	407,392
Net Non-operating Revenues and (Expenses)	<u>852,995</u>
Change in Net Position	(96,259)
Net Position - Beginning of Year	<u>(4,075,306)</u>
Net Position - End of Year	<u><u>\$ (4,171,565)</u></u>

See Accompanying Notes to the Basic Financial Statements

REGENERATION SCHOOLS BOND HILL - HAMILTON COUNTY, OHIO
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

State Aid Receipts	\$ 2,137,889
Miscellaneous	31,769
Cash Payments to Employees for Services	(1,342,252)
Cash Payments for Employee Benefits	(280,122)
Cash Payments to Suppliers for Goods and Services	(1,152,852)
Net Cash Provided By (Used For) Operating Activities	<u>(605,568)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal and State Grant Receipts	582,083
Donation Receipts	131,836
Net Cash Provided By Noncapital Financing Activities	<u>713,919</u>

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES

Purchase of Assets	(19,446)
Note Principal Payments	(156,169)
Note Interest Expense	(136,770)
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(312,385)</u>

Net Increase/(Decrease) in Cash and Cash Equivalents	(204,034)
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Cash and Cash Equivalents - Beginning of the Year	221,492
Cash and Cash Equivalents - Ending of the Year	<u>\$ 17,458</u>

Non-Cash Transactions

During the year, the School received \$275,556 of In-Kind Donations from the Management Company.

See Accompanying Notes to the Basic Financial Statements

REGENERATION SCHOOLS BOND HILL - HAMILTON COUNTY, OHIO
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(Continued)

Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities	
Operating Income (Loss)	\$ (949,254)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Depreciation	233,799
Changes in Assets, Liabilities, and Deferred Inflows and Outflows:	
Increase/ (Decrease) in Deferred Inflows Pension	132,716
Increase/ (Decrease) in Deferred Inflows OPEB	(35,456)
Increase/ (Decrease) in Net Pension Liability	(433,591)
Increase/ (Decrease) in Net OPEB Liability	(46,184)
(Increase)/ Decrease in Accounts Receivable	26,055
(Increase)/ Decrease in Net OPEB Asset	30,043
(Increase)/ Decrease in Deferred Outflows Pension	379,651
(Increase)/ Decrease in Deferred Outflows OPEB	55,232
(Increase)/ Decrease in Other Assets	(130)
Increase/(Decrease) in Accounts Payable, Trade	(105,056)
Increase/(Decrease) in Accounts Payable, Related Party	150,521
Increase/(Decrease) in Accrued Wages & Benefits	(43,914)
Net Cash Provided By (Used For) Operating Activities	<u><u>\$ (605,568)</u></u>

See Accompanying Notes to the Basic Financial Statements

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 - DESCRIPTION OF THE ENTITY

ReGeneration Bond Hill (the School) is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific, and related teaching service. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School. The School qualifies as an exempt organization under Section 501c (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the school's tax exempt status.

Thomas B. Fordham Institute is the School's sponsor. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The School entered into a service agreement with ReGeneration Schools to provide certain financial and accounting services, including performing all duties required of the Treasurer of the School. See Note 12 for more information.

The School operates under the direction of a Board of Directors. The Board of Directors is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated standards, admission standards, and qualifications of teachers.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to 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 School's accounting policies are described below.

Basis of Presentation - The School's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows.

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

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

Expenses are recognized at the time they are incurred.

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

Capital Assets - Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School maintains a capitalization threshold of five hundred dollars. The School does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Land Improvements	10 years
Building and Improvements	25 years
Furniture, Fixtures, and Equipment	3-5 years
Vehicles	5-7 years

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

Cash and Cash Equivalents - All monies received by the School are maintained in demand deposit accounts. For internal accounting purposes, the School segregates its cash into separate funds.

Prepaid Items - 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.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Net Position - Net position represents the difference between 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, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those 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 School applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net position is available.

Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the School's primary activities. For the School, these revenues are primarily state aid payments. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activities of the School. Revenues and expenses not meeting this definition are reported as non-operating.

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

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

Implementation of New Accounting Principles - For the fiscal year ended June 30, 2025, the School has implemented GASB Statement No. 101, Compensated Absences and GASB Statement No. 102, Certain Risk Disclosures.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of School.

GASB Statement No. 102 provides users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints as concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the School.

NOTE 3 - DEPOSITS AND INVESTMENTS

At fiscal year-end, all of the School's bank balance was covered by FDIC.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2025, consisted of intergovernmental receivables arising from state and federal grant programs revenues earned during the fiscal year, but not received until after fiscal year-end and intergovernmental receivables from overpayment to pension system. All receivables are considered collectible in full.

NOTE 5 – CAPITAL ASSETS

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

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Capital Assets, Depreciated/Amortized				
Intangible Right to Use Building	\$ 4,728,770	\$ -	\$ -	\$4,728,770
Furniture, Fixtures, and Equipment	153,284	19,446	-	172,730
Total Capital Assets, Depreciated/Amortize	4,882,054	19,446	-	4,901,500
Less Accumulated Depreciation/Amortization				
Intangible Right to Use Building	(619,038)	(206,346)	-	(825,384)
Furniture, Fixtures, and Equipment	(87,692)	(27,453)	-	(115,145)
Total Accumulated Depreciation/Amortizat	(706,730)	(233,799)	-	(940,529)
Total Capital Assets Being Depreciated/ Amortized Net	4,175,324	(214,353)	-	3,960,971
Capital Assets, Net	\$ 4,175,324	\$(214,353)	\$ -	\$3,960,971

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 6 – LONG-TERM OBLIGATIONS

The changes in the School's long-term obligations during fiscal year 2025 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Debt:					
Management Company Loan	\$ 276,151	\$ -	\$ -	\$ 276,151	\$ -
ReGeneration Schools Notes	1,777,661	-	-	1,777,661	66,698
Total Direct Borrowings	2,053,812	-	-	2,053,812	66,698
Lease Payable	4,279,920	-	(156,169)	4,123,751	160,470
Net Pension Liability	1,867,162	-	(433,591)	1,433,571	-
Net OPEB Liability	129,688	-	(46,184)	83,504	-
Total	<u>\$ 8,330,582</u>	<u>\$ -</u>	<u>\$ (635,944)</u>	<u>\$ 7,694,638</u>	<u>\$ 227,168</u>

In fiscal year 2020, the School received a loan from the School's management company for operating expenses. In fiscal year 2021, the School received a series of notes from ReGeneration Schools for operating expenses. During fiscal year 2025, there was not additional note activity, but \$1,282,661 was reclassified from Accounts Payable to Notes Payable to properly reflect these balances. There is no current repayment plan on the notes from 2020 and 2021 until the school is operating at a surplus.

The School signed an agreement to lease building space beginning July 1, 2021 through June 30, 2044. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases thus requiring them to be recorded by the School. The future lease payments were discounted based on the School's incremental borrowing rate. This discount is being amortized over the life of the lease.

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

Fiscal Year	Lease Payments			Notes Payable		Loans Payable
	Principal	Interest	Total	Principal	Principal	Principal
2026	\$ 160,470	\$ 131,646	\$ 292,116	\$ 66,698	\$ -	-
2027	165,764	126,352	292,116	182,394	-	-
2028	171,232	120,884	292,116	206,716	-	-
2029	176,881	115,235	292,116	206,716	-	-
2030	182,716	109,400	292,116	155,037	-	-
2031-2035	1,008,070	452,510	1,460,580	465,100	-	-
2036-2040	1,185,682	274,898	1,460,580	-	-	-
2041-2044	1,072,936	71,186	1,144,122	495,000	276,151	-
Total	<u>\$ 4,123,751</u>	<u>\$1,402,111</u>	<u>\$ 5,525,862</u>	<u>\$ 1,777,661</u>	<u>\$ 276,151</u>	<u>\$ 276,151</u>

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 7 – RISK MANAGEMENT

Property and Liability Insurance - The School is exposed to various risks of loss related to torts, theft of damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the fiscal year, the School contracted for commercial property liability, general umbrella liability, and automobile liability. Settlement amounts did not exceed coverage amounts in the three prior years. There also has been no significant reductions in coverage compared to the prior fiscal year.

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

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) represent the School's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB 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 these estimates annually.

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years.

If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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*. Any liability for the contractually required pension contribution outstanding at the end of the year is included in *accrued expenses*.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. 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 2024.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 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 School's contractually required contribution to SERS was \$22,591 for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The School licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 credited 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 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 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 August 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 their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The School's contractually required contribution to STRS was \$146,735 for fiscal year 2025.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.00847160%	0.00519811%	
Prior Measurement Date	0.00801290%	0.00661440%	
Change in Proportionate Share	0.00045870%	-0.00141629%	
Proportionate Share of the Net			
Pension Liability	\$433,371	\$1,000,200	\$1,433,571
Pension Expense	(\$18,718)	\$266,820	\$248,102

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ 16,545	\$ 62,984	\$ 79,529
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Changes of Assumptions	3,877	46,094	49,971
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	20,638	119,652	140,290
School Contributions Subsequent to the Measurement Date	22,591	146,735	169,326
Total Deferred Outflows of Resources	<u>\$ 63,651</u>	<u>\$ 375,465</u>	<u>\$ 439,116</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 547	\$ 547
Net Difference between Projected and Actual Earnings on Pension Plan Investments	27,108	85,997	113,105
Changes of Assumptions	-	34,696	34,696
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	-	392,905	392,905
Total Deferred Inflows of Resources	<u>\$ 27,108</u>	<u>\$ 514,145</u>	<u>\$ 541,253</u>

\$169,326 reported as deferred outflows of resources related to pension resulting from the School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (13,370)	\$ (78,309)	\$ (91,679)
2027	34,098	(5,569)	28,529
2028	1,195	(122,760)	(121,565)
2029	(7,971)	(78,777)	(86,748)
Total	<u>\$ 13,952</u>	<u>\$ (285,415)</u>	<u>\$ (271,463)</u>

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.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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:

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted 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.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	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	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. 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 contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School's Proportionate Share of the Net Pension Liability	\$ 663,000	\$ 433,371	\$ 240,039

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation are presented below:

Inflation	2.50 percent
Salary Increases	From 2.5 percent to 8.5 percent, based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017

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

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

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

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00%	6.90%
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 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	\$ 1,613,498	\$ 1,000,200	\$ 481,456

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 School contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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 School's surcharge obligation was \$2,878.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School's contractually required contribution to SERS were equal to the surcharge amount for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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. All benefit recipients 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.

Net OPEB Liability (Asset)

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 School's proportion of the net OPEB liability (asset) was based on the School's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0081988%	0.00519811%	
Prior Measurement Date	0.0078721%	0.00661440%	
Change in Proportionate Share	<u>0.0003267%</u>	<u>-0.00141629%</u>	
Proportionate Share of the Net			
OPEB Liability (Asset)	\$ 83,504	\$ (98,598)	
OPEB Expense	\$ 24,582	\$ (18,069)	\$ 6,513

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	\$ -	\$ 4,285	\$ 4,285
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	406	-	406
Changes of Assumptions	35,842	12,131	47,973
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	83,220	15,642	98,862
School Contributions Subsequent to the Measurement Date	2,878	-	2,878
Total Deferred Outflows of Resources	<u>\$ 122,346</u>	<u>\$ 32,058</u>	<u>\$ 154,404</u>
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	\$ 90,035	\$ 10,627	\$ 100,662
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	4,234	4,234
Changes of Assumptions	38,358	44,465	82,823
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	70,358	-	70,358
Total Deferred Inflows of Resources	<u>\$ 198,751</u>	<u>\$ 59,326</u>	<u>\$ 258,077</u>

\$2,878 reported as deferred outflows of resources related to OPEB resulting from the School contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ 11,252	\$ (11,666)	\$ (414)
2027	(6,167)	(3,228)	(9,395)
2028	(25,370)	(6,391)	(31,761)
2029	(22,083)	(6,024)	(28,107)
2030	(21,961)	(4,523)	(26,484)
Thereafter	(14,954)	4,564	(10,390)
Total	<u>\$ (79,283)</u>	<u>\$ (27,268)</u>	<u>\$ (106,551)</u>

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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:

	June 30, 2024
Inflation	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059
Municipal Bond Index Rate	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	7.00 to 4.40 percent
Prior Measurement Date	6.75 to 4.40 percent

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The 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 long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	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	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 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 was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

Sensitivity of School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (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.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School's proportionate share of the net OPEB liability	\$111,350	\$83,504	\$61,377
	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%)
School's proportionate share of the net OPEB liability	\$56,446	\$83,504	\$119,071

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	7.50 percent initial 4.14 percent ultimate
Medicare	-112.22 percent initial 3.94 percent ultimate	-10.94 percent initial 4.14 percent ultimate
Prescription Drug		
Pre-Medicare	8.00 percent initial 3.94 percent ultimate	-11.95 percent initial 4.14 percent ultimate
Medicare	-15.14 percent initial 3.94 percent ultimate	1.33 percent initial 4.14 percent ultimate

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

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

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	100.00%	

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

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

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

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net OPEB asset	(\$80,172)	(\$98,598)	(\$114,638)

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB asset	(\$115,721)	(\$98,598)	(\$78,006)

NOTE 10 – EMPLOYEE BENEFITS

Insurance Benefits - The School has purchased employee health, dental, vision, and life insurance.

NOTE 11 – PURCHASED SERVICES

During the fiscal year ended June 30, 2025, purchased service expenses for services rendered by various vendors were as follows:

Professional and Technical Services	\$	622,461
Property Services		94,980
Communications		12,777
Utilities Services		75,936
Contractual Trade		99,346
Pupil Transportation		249,279
Other		225
	\$	<u>1,155,004</u>

NOTE 12 - SPONSOR

The School has contracted with Thomas B. Fordham Foundation to provide sponsorship services. The School pays the Thomas B. Fordham Foundation 2 percent of monthly foundation payments. The Sponsor provides oversight, monitoring, treasury and technical assistance for the School.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - CONTINGENCIES

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such disallowable claims will not have a material adverse effect on the financial position of the School.

Litigation

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

Full-Time Equivalency

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 & 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.

Under Ohio Rev. Code Section 3314.08, ODE may also perform a FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODEW did not perform such a review on the School for fiscal year 2025.

As of the date of this report, all ODEW adjustments for fiscal year 2025 are finalized.

In addition, the School's contracts with their Sponsor and Management Company require payment based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 2025 are not finalized. Until such adjustments are finalized by ODEW, the impact on the fiscal year 2025 financial statements, related to additional reconciliation necessary with these contracts/agreements, is not determinable. Management believes this may result in either an additional receivable to, or liability of, the School.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 – MANAGEMENT COMPANY

Effective April 8, 2019, the School has contracted with ReGeneration Schools to assist with the operations of the School. ReGeneration will support the Schools operations through various activities such as recruiting and hiring of School personnel, professional development, fundraising, facility operations and maintenance, comprehensive program design, curriculum development, instructional oversight, marketing, student recruitment, and management of School quality. The School pays ReGeneration 10 percent of their qualified monthly foundation payments, which excludes in-kind contributions and competitive School grants.

NOTE 15 – FISCAL DISTRESS AND MANAGEMENT PLAN

The School's Net Position at June 30, 2025 was (\$4,171,565) and \$(2,547,278) excluding GASB Statement Numbers 68 and 75. The deficit represents the amount in which the School's total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources at fiscal year-end. The Board remains committed to the success of the School both academically and financially and is focused on overcoming this deficit through increases in student enrollment.

ReGeneration Bond Hill
Hamilton County, Ohio
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net Pension Liability
Last Five Fiscal Years (1)

Year	School's Proportion of the Net Pension Liability	School's Proportionate Share of the Net Pension Liability	School's Covered Payroll	School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<i>School Employees Retirement System (SERS)</i>					
2025	0.0084716%	\$ 433,371	\$ 370,921	116.84%	78.52%
2024	0.0080129%	442,754	305,821	144.78%	76.06%
2023	0.0079038%	427,499	312,886	136.63%	75.82%
2022	0.0116287%	429,065	401,136	106.96%	82.86%
2021	0.0120340%	795,954	435,536	182.75%	68.55%
<i>State Teachers Retirement System (STRS)</i>					
2025	0.0051981%	\$ 1,000,200	\$ 721,471	138.63%	82.55%
2024	0.0066144%	1,424,408	893,400	159.44%	80.02%
2023	0.0075077%	1,668,968	955,414	174.69%	78.90%
2022	0.0083255%	1,064,494	1,067,086	99.76%	87.80%
2021	0.0056035%	1,355,848	720,393	188.21%	75.50%

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

(1) Information prior to 2021 is not available.

See accompanying notes to the required supplementary information.

ReGeneration Bond Hill
Hamilton County, Ohio
Required Supplementary Information
Schedule of the School's Proportionate Share of the Net OPEB Liability (Asset)
Last Five Fiscal Years (1)

Year	School's Proportion of the Net OPEB Liability (Asset)	School's Proportionate Share of the Net OPEB Liability (Asset)	School's Covered Payroll	School's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
<i>School Employees Retirement System (SERS)</i>					
2025	0.0081988%	\$ 83,504	\$ 370,921	22.51%	44.50%
2024	0.0078721%	129,688	305,821	42.41%	30.02%
2023	0.0072276%	101,476	312,886	32.43%	30.34%
2022	0.0106562%	201,677	401,136	50.28%	24.08%
2021	0.0109940%	238,944	435,536	54.86%	18.17%
<i>State Teachers Retirement System (STRS)</i>					
2025	0.0051981%	\$ (98,598)	\$ 721,471	-13.67%	158.01%
2024	0.0066144%	(128,641)	893,400	-14.40%	168.52%
2023	0.0075077%	(194,399)	955,414	-20.35%	230.73%
2022	0.0083255%	(175,547)	1,067,086	-16.45%	174.73%
2021	0.0056040%	(98,490)	720,393	-13.67%	182.10%

The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

(1) Information prior to 2021 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information.

ReGeneration Bond Hill
Hamilton County, Ohio
Required Supplementary Information
Schedule of School Contributions
Last Six Fiscal Years (3)

Year	Contractually Required Contribution - Pension (1)	Contractually Required Contribution - OPEB (1)(2)	School's Covered Payroll	Pension Contributions as a Percentage of Covered Payroll	OPEB Contributions as a Percentage of Covered Payroll (2)
<i>School Employees Retirement System (SERS)</i>					
2025	\$ 22,591	\$ 2,878	\$ 161,364	14.00%	1.78%
2024	51,929	3,397	370,921	14.00%	0.92%
2023	42,815	3,741	305,821	14.00%	1.22%
2022	43,804	352	312,886	14.00%	0.11%
2021	56,159	684	401,136	14.00%	0.17%
2020	60,975	-	435,536	14.00%	0.00%
<i>State Teachers Retirement System (STRS)</i>					
2025	\$ 146,735	\$ -	\$ 1,048,107	14.00%	0.00%
2024	101,006	-	721,471	14.00%	0.00%
2023	125,076	-	893,400	14.00%	0.00%
2022	133,758	-	955,414	14.00%	0.00%
2021	149,392	-	1,067,086	14.00%	0.00%
2020	100,855	-	720,393	14.00%	0.00%

(1) The contributions in relation to the contractually required contributions are equal to the contractually required contributions, resulting in zero contribution deficiency/excess.

(2) SERS contributions include surcharge

(3) Information prior to 2020 is not available.

See accompanying notes to the required supplementary information.

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

NOTE 1 - NET PENSION LIABILITY

Changes in Assumptions - SERS

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

	<u>Fiscal Years 2025-2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Years 2016 and Prior</u>
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

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

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

Changes in Benefit Terms - SERS

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

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Changes in Assumptions – STRS

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

	<u>Fiscal Years 2025-2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50%	2.50%	2.75%
	Varies by service from	From 12.50% at age 20 to	From 12.25% at age 20 to
Projected Salary Increases	2.50% 8.50%	2.50% at age 65	2.75% at age 70
Investment Rate of Return, net of investment	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

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

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Changes in Benefit Terms - STRS

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

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

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

	<u>Fiscal Years 2025-2022</u>	<u>Fiscal Years 2021-2017</u>
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

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

	<u>Fiscal Year</u>								
<u>Assumption</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Municipal Bond Index Rate	3.93%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.88%	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%

Changes in Assumptions – STRS

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

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

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Changes in Benefit Terms – STRS

For fiscal year 2025, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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

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

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

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

REGENERATION BOND HILL - HAMILTON COUNTY, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

**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**

ReGeneration Bond Hill
Hamilton County
5158 Fishwick Drive
Cincinnati, Ohio 45216

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 ReGeneration Bond Hill, Hamilton County, Ohio, (the School) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated January 27, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) 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 School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

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

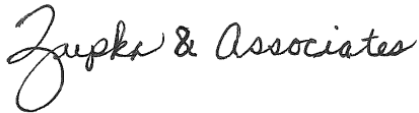
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Zupka & Associates
Certified Public Accountants

January 27, 2026

**REGENERATION BOND HILL
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The prior audit report, as of June 30, 2024, included no citations or instances of noncompliance.

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OHIO AUDITOR OF STATE KEITH FABER



REGENERATION BOND HILL

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 5/12/2026

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