

***CENTRAL POINT PREPARATORY  
ACADEMY***

***FRANKLIN COUNTY, OHIO***

**SINGLE AUDIT**

**For the Year Ended June 30, 2023**





OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Central Point Preparatory Academy  
680 Harrisburg Pike  
Columbus, Ohio 43223

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

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

February 14, 2024

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**CENTRAL POINT PREPARATORY ACADEMY  
FRANKLIN COUNTY  
SINGLE AUDIT  
For the Fiscal Year Ended June 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

Central Point Preparatory Academy  
Franklin County  
680 Harrisburg Pike  
Columbus, Ohio 43223

To the Board of Directors:

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

***Opinion***

We have audited the financial statements of the Central Point Preparatory Academy, Franklin County, Ohio (the Academy), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Central Point Preparatory Academy, Franklin County, Ohio, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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




**Supplementary information**

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



**Charles E. Harris & Associates, Inc.**  
December 8, 2023

## **CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

### **MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED**

The discussion and analysis of Central Point Preparatory Academy (the “Academy”) financial performance provides an overall review of the Academy’s financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the Academy’s’ financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy’s financial performance.

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

### **FINANCIAL HIGHLIGHTS**

Key Financial Highlights for the Academy for the 2022-23 school year are as follows:

- Total Assets and Deferred Outflows of Resources increased \$9,496.
- Total Liabilities and Deferred Inflows of Resources increased \$353,122.
- Total Net Position decreased \$343,626.
- Total Operating and Non-Operating revenues were \$3,032,912. Total Operating expenses were \$3,376,536.

### **USING THIS ANNUAL REPORT**

This report consists of three parts: the required supplemental information, the basic financial statements, and notes to those statements. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

The Statement of Net Position and Statement of Revenues, Expenses, and Change in Net Position reflect how the Academy did financially during fiscal year 2023. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting includes all of the current year revenues and expenses regardless of when cash is received or paid.

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

The Academy uses enterprise presentation for all of its activities.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED**

**Statement of Net Position** - The Statement of Net Position answers the question of how the Academy did financially during 2023. This statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term using the accrual basis of accounting and economic resource focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

Table 1 provides a summary of the Academy’s Net Position for fiscal year 2023 compared to 2022.

| Table 1<br>Statement of Net Position  |  | 2023       | 2022       |
|---------------------------------------|--|------------|------------|
| <b>Assets</b>                         |  |            |            |
| Current Assets                        |  | \$ 500,603 | \$ 547,196 |
| Non-Current Assets                    |  | 372,962    | 317,908    |
| Total Assets                          |  | 873,565    | 865,104    |
| <b>Deferred Outflows of Resources</b> |  | 1,122,949  | 1,121,914  |
| <b>Liabilities</b>                    |  |            |            |
| Current Liabilities                   |  | 289,329    | 262,762    |
| Non-Current Liabilities               |  | 1,286,194  | 642,113    |
| Total Liabilities                     |  | 1,575,523  | 904,875    |
| <b>Deferred Inflows of Resources</b>  |  | 285,417    | 602,943    |
| <b>Net Position</b>                   |  |            |            |
| Investment in Capital Assets          |  | 240,167    | 235,759    |
| Unrestricted                          |  | (104,593)  | 243,441    |
| Total Net Position                    |  | \$ 135,574 | \$ 479,200 |

Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2023, the Academy’s net position totaled \$135,574. Total assets increased based on increases in accounts receivables, other assets, net OPEB asset and capital assets from current year additions, exceeding depreciation expense, offset by decreases in cash from operations. Current liabilities increased due to increases in accounts payable due vendors, offset by reductions in accrued expenses. Changes in deferred outflows/inflows of resources and long-term liabilities was all due to changes in accruals related to GASB 68/75 implementation.

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED

The Academy has adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Academy’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

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

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

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

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

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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED**

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

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

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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED**

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

**Table 2  
Change in Net Position**

|                                     | <b>2023</b>         | <b>2022</b>       |
|-------------------------------------|---------------------|-------------------|
| <b>Operating Revenues</b>           |                     |                   |
| State Aid                           | \$ 1,683,208        | \$ 1,594,613      |
| Other                               | -                   | 3,500             |
| <b>Total Operating Revenues</b>     | <u>1,683,208</u>    | <u>1,598,113</u>  |
| <b>Operating Expenses</b>           |                     |                   |
| Purchased Services                  | 3,124,324           | 2,499,327         |
| Supplies                            | 121,163             | 101,937           |
| Depreciation                        | 120,914             | 81,829            |
| Other                               | 10,137              | 5,152             |
| <b>Total Operating Expenses</b>     | <u>3,376,538</u>    | <u>2,688,245</u>  |
| <b>Operating Income (Loss)</b>      | (1,693,330)         | (1,090,132)       |
| <b>Non-Operating Revenues</b>       |                     |                   |
| Federal and State Grants            | 1,344,099           | 1,341,354         |
| Interest Income                     | 5,605               | -                 |
| Other Grants                        | -                   | 29,800            |
| <b>Total Non-Operating Revenues</b> | <u>1,349,704</u>    | <u>1,371,154</u>  |
| <b>Change in Net Position</b>       | <u>\$ (343,626)</u> | <u>\$ 281,022</u> |

State aid increased due to the increased enrollment at the Academy. In addition, intergovernmental revenues increased due to additional allocations of CARES Act funding. Purchased services increased based on the increases in payments to vendors that are based on a percent of revenue-based agreement and changes due related accruals for implementation of GASB 68/75.

## **CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

### **MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED**

#### **CAPITAL ASSETS**

At fiscal year end, the Academy’s net capital asset balance was \$240,167. This balance represents \$125,322 of current year additions offset by current year depreciation of \$120,914. For more information on capital assets, see Note 5 of the Basic Financial Statements.

#### **CURRENT FINANCIAL ISSUES**

The Academy is a community School and is funded through the State of Ohio Foundation Program. The Academy relies on this, as well as State and Federal funds as its primary source of revenue. 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 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% in Fiscal Year 2022. The phase-in amount will increase to 33.33% in Fiscal Year 2023. Another key provision of HB 110 provided a guarantee that no school would receive less per pupil in Fiscal Year 2023 than it did in Fiscal Year 2022 as a result of implementing this formula change. Additionally, facility related funding was increased from \$250 per pupil to \$500 per pupil in Fiscal Year 2023 and is expected to remain at this level in Fiscal Year 2024.

In June 2023, the State Legislature passed the 24-25 biennial budget which included significant increases to community school funding, as well as, continuing the graduated phase-in approach initiated in last budget cycle. The phase-in percentage for 2024 and 2025 will be 50% and 66.67% respectively. In addition, schools will see an additional \$500 per student in facility funding, a \$650 per student equity grant for both 2024 and 2025, and a 12.1% increase in the per student Base Cost, increasing from \$7,352 to \$8,241.

The full-time equivalent enrollment of the Academy for the year ended June 30, 2023 was 207 compared to 196 in 2022.

Overall, the Academy will continue to provide learning opportunities and apply resources to best meet the needs of students.

#### **CONTACTING THE ACADEMY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizen’s, taxpayers, investors and creditors with a general overview of the Academy’s finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional information, contact the Academy’s Fiscal Officer, C. David Massa, CPA, of Massa Financial Solutions, LLC, 680 Harrisburg Pike, Columbus, OH 43223.

**CENTRAL POINT PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**  
**Statement of Net Position**  
**June 30, 2023**

**Assets:**

**Current Assets:**

|                              |    |         |
|------------------------------|----|---------|
| Cash and Cash Equivalents    | \$ | 181,321 |
| Accounts Receivable          |    | 267,371 |
| Other Assets                 |    | 15,986  |
| Intergovernmental Receivable |    | 35,925  |
| <b>Total Current Assets</b>  |    | 500,603 |

**Noncurrent Assets:**

|   |  |         |
|---|--|---------|
| Net OPEB Asset                                  |  | 132,795 |
| Capital Assets, net of Accumulated Depreciation |  | 240,167 |
| <b>Total Non-Current Assets</b>                 |  | 372,962 |

**Total Assets** 873,565

**Deferred Outflows of Resources:**

|   |  |           |
|---|--|-----------|
| Pension (STRS & SERS) Outflows              |  | 1,050,301 |
| OPEB (STRS & SERS) Outflows                 |  | 72,648    |
| <b>Total Deferred Outflows of Resources</b> |  | 1,122,949 |

**Liabilities:**

**Current Liabilities:**

|                                  |  |         |
|----------------------------------|--|---------|
| Accounts Payable, Trade          |  | 35,653  |
| Accounts Payable, Related Party  |  | 186,689 |
| Accrued Expenses                 |  | 66,987  |
| <b>Total Current Liabilities</b> |  | 289,329 |

**Noncurrent Liabilities:**

|                                     |  |           |
|-------------------------------------|--|-----------|
| Net Pension Liability               |  | 1,255,236 |
| Net OPEB Liability                  |  | 30,958    |
| <b>Total Noncurrent Liabilities</b> |  | 1,286,194 |

**Total Liabilities** 1,575,523

**Deferred Inflows of Resources:**

|  |  |         |
|--|--|---------|
| Pension (STRS & SERS)                      |  | 127,305 |
| OPEB (STRS & SERS)                         |  | 158,112 |
| <b>Total Deferred Inflows of Resources</b> |  | 285,417 |

**Net Position:**

|                            |    |           |
|----------------------------|----|-----------|
| Invested in Capital Assets |    | 240,167   |
| Unrestricted Net Position  |    | (104,593) |
| <b>Total Net Position</b>  | \$ | 135,574   |

See Accompanying Notes to the Basic Financial Statements



**CENTRAL POINT PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2023**

|   |                    |
|---|--------------------|
| <b>Operating Revenues:</b>                        |                    |
| State Aid   | \$ 1,683,208       |
| <b>Total Operating Revenues</b>                   | <u>1,683,208</u>   |
| <br><b>Operating Expenses:</b>                    |                    |
| Purchased Services                                | 3,124,324          |
| Depreciation                                      | 120,914            |
| Supplies  | 121,163            |
| Other Operating Expenses                          | <u>10,137</u>      |
| <b>Total Operating Expenses</b>                   | <u>3,376,538</u>   |
| <br><b>Operating Income (Loss)</b>                | <br>(1,693,330)    |
| <br><b>Non-Operating Revenues and (Expenses):</b> |                    |
| Interest Income                                   | 5,605              |
| Federal and State Restricted Grants               | <u>1,344,099</u>   |
| <b>Net Non-operating Revenues and (Expenses)</b>  | <u>1,349,704</u>   |
| <br><b>Change in Net Position</b>                 | <br>(343,626)      |
| <br><b>Net Position - Beginning of Year</b>       | <br><u>479,200</u> |
| <b>Net Position - End of Year</b>                 | <u>\$ 135,574</u>  |

See Accompanying Notes to the Basic Financial Statements

**CENTRAL POINT PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023**

|  |                          |
|--|--------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                          |
| State Aid Receipts   | \$ 1,683,208             |
| Cash Payments to Suppliers for Goods and Services                        | <u>(3,235,850)</u>       |
| Net Cash Provided By (Used For) Operating Activities                     | <u>(1,552,642)</u>       |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                   |                          |
| Federal and State Grant Receipts   | <u>1,521,252</u>         |
| Net Cash Provided By Noncapital Financing Activities                     | <u>1,521,252</u>         |
| <b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>        |                          |
| Purchase of Capital Assets   | <u>(125,322)</u>         |
| Net Cash Provided By (Used For) Capital and Related Financing Activities | <u>(125,322)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |                          |
| Income Receipts  | <u>5,605</u>             |
| Net Cash (Used For) Provided By Investing Activities                     | <u>5,605</u>             |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>              | <b>(151,107)</b>         |
| <b>Cash and Cash Equivalents - Beginning of the Year</b>                 | <u>332,428</u>           |
| <b>Cash and Cash Equivalents - Ending of the Year</b>                    | <u><b>\$ 181,321</b></u> |

See Accompanying Notes to the Basic Financial Statements

**CENTRAL POINT PREPARATORY ACADEMY - FRANKLIN COUNTY, OHIO**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023**  
(Continued)

|  |                              |
|--|------------------------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</b>         |                              |
| Operating Income (Loss)  | \$ (1,693,330)               |
| <b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:</b> |                              |
| Depreciation   | 120,914                      |
| Changes in Assets, Liabilities, and Deferred Inflows and Outflows:   |                              |
| (Increase)/ Decrease in Net OPEB Asset   | (50,646)                     |
| (Increase)/ Decrease in Accounts Receivable  | (267,371)                    |
| (Increase)/ Decrease in Deferred Outflows Pension  | (14,004)                     |
| (Increase)/ Decrease in Deferred Outflows OPEB   | 12,969                       |
| Increase/ (Decrease) in Net Pension Liability  | 663,179                      |
| Increase/ (Decrease) in Net OPEB Liability   | (19,098)                     |
| Increase/(Decrease) in Accounts Payable, Trade   | (56,529)                     |
| Increase/(Decrease) in Accounts Payable, Related Party   | 180,053                      |
| (Increase)/ Decrease in Other Assets   | (14,296)                     |
| Increase/(Decrease) in Accrued Expenses  | (96,957)                     |
| Increase/ (Decrease) in Deferred Inflows Pension   | (355,940)                    |
| Increase/ (Decrease) in Deferred Inflows OPEB  | 38,414                       |
| <b>Net Cash Provided By (Used For) Operating Activities</b>  | <u><u>\$ (1,552,642)</u></u> |

See Accompanying Notes to the Basic Financial Statements

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

#### **NOTE 1 - DESCRIPTION OF THE ENTITY**

Central Point Preparatory Academy (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's mission is to improve the lives of its students by providing authentic learning experiences in a collaborative, nurturing environment that will build a foundation for student's success in school, at future work and in life. The Academy operates on a foundation, which fosters character building for all students, parents and staff members. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the Academy.

The Academy was approved for operation under a contract with St. Aloysius (the Sponsor) for a seven-year period commencing on July 1, 2020. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The Academy operates under the direction of a Board of Directors (the Board). The Board is responsible for carrying out the provisions of the contract which include, but are not limited to, state mandated provisions regarding student populations, curriculum, academic goals, performance standards, admissions standards, and qualifications of teachers. The Board controls the Academy's instructional and administrative staff.

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

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Academy 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 Academy's accounting policies are described below.

***Basis of Presentation*** - The Academy's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses and Change in Net Position, and a Statement of Cash Flows. Enterprise fund reporting focuses on the determination of the changes in net position, financial position and cash flows.

The Government Accounting Standards Board identifies the presentation of all financial activity to be reported within one enterprise fund for year-ending reporting purposes. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent is that the cost (expense) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Measurement Focus and Basis of Accounting** - The accounting and financial reporting treatment is determined by measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. Under this measurement focus, all assets, all deferred outflows of resources, all liabilities, and all deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total Net Position.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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

**Cash and Cash Equivalents** - All cash received by the Academy is maintained in a demand deposit account and a money market account. All investments of the Academy are considered to be cash and cash equivalents for financial reporting purposes. During fiscal year 2023, investments included a money market account which is reported at cost.

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

**Capital Assets and Depreciation** - Capital assets are capitalized at cost. Donated capital assets are recorded at their acquisition values as of the date received. The costs of additions are capitalized and expenditures for repairs and maintenance are expensed when incurred. When property is sold or retired, the related costs and accumulated depreciation are removed from the financial records and any gain or loss is included in additions to or deductions from net position. Capital assets were \$240,167, as of June 30, 2023, net of accumulated depreciation. Depreciation of capital assets is calculated utilizing the straight-line method over the estimated useful lives of the assets which are as follows:

| <b><u>Asset Class</u></b> | <b><u>Useful Life</u></b> |
|---------------------------|---------------------------|
| Computers & Software      | 3 years                   |
| Furniture & Equipment     | 5 years                   |
| Leasehold Improvements    | 10 years                  |

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

The Academy's policy for asset capitalization threshold is \$5,000. Assets or certain asset groups not meeting the capitalization threshold are not capitalized and are not included in the assets represented in the accompanying statement of net position.

**Intergovernmental Revenues** - The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

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

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

The Academy also participates in various federal programs passed through the Ohio Department of Education.

Under the above programs the Academy recorded \$1,683,208 this fiscal year from the State Foundation Program and Casino Tax Revenues and \$1,344,099 from Federal and State Grants.

**Accrued Liabilities** - Obligations incurred but unpaid at June 30 are reported as accrued liabilities in the accompanying financial statements. These liabilities consisted of Accounts Payable and Accrued Expenses and totaled \$289,329 at June 30, 2023.

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

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

**Net Position** - Net position represent the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use through external restriction imposed by creditors, grantors, or laws and regulations of other governments. The Academy applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Net position invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

**Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activities of the Academy. For the Academy, these revenues are primarily the State Foundation program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the Academy. All revenues and expenses not meeting this definition are reported as non-operating.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Academy, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 7 and 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Academy, deferred inflows of resources include pension and OPEB. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of net position. (See Notes 7 and 8).

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

### **NOTE 3 - CASH AND CASH EQUIVALENTS**

At fiscal year end June 30, 2023, the carrying amount of the Academy's deposits totaled \$24,223 and its bank balance was \$25,000. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosure," as of June 30, 2023, all of the bank balance was covered by the Federal Depository Insurance Corporation.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Investments-** As of June 30, 2023 the Academy had the following investment:

| <u>Investment Type</u> | <u>Measurement Value</u> | <u>Investment Maturity 3 Months or Less</u> | <u>Percentage of Total</u> |
|------------------------|--------------------------|---|----------------------------|
| Money Market Account   | <u>\$ 157,098</u>        | <u>\$ 157,098</u>                           | <u>100%</u>                |

The Academy categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The preceding chart identifies the Academy’s recurring fair value measurements as of June 30, 2023. The mutual funds are measured at fair value and are valued using quoted market prices (Level 1 inputs). The Academy’s remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

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

**Credit Risk-** The Academy has no policy limiting investments based on credit risk other than those established by State law. The money market account is rated AAAM by Standard and Poor’s.

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

**Custodial Credit Risk-** For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Academy will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the money market account was covered FDIC insurance.

**NOTE 4 - RECEIVABLES**

The Academy has receivables totaling \$35,925 at June 30, 2023. These receivables represented amounts due to the Academy from Title I and ESSER funds, but not received as of June 30, 2023. All amounts are expected to be collected within one year.

In addition, the Academy is recording accounts receivable totaling \$267,371 at year end amounts due refunds of real estate taxes upon approval of the exemption from the County. All amounts are expected to be collected within one year.



**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 5 - CAPITAL ASSETS**

For the period ending June 30, 2023, the Academy’s capital assets consisted of the following:

|                                | Balance<br>06/30/22 | Additions | Deletions | Balance<br>06/30/23 |
|--------------------------------|---------------------|-----------|-----------|---------------------|
| Capital Assets:                |                     |           |           |                     |
| Furniture & Equipment          | \$ 205,590          | \$ 11,052 | \$ -      | \$ 216,642          |
| Computers & Software           | 128,183             | 84,520    | -         | 212,703             |
| Leasehold Improvements         | -                   | 29,750    | -         | 29,750              |
| Total Capital Assets           | 333,773             | 125,322   | -         | 459,095             |
| Less Accumulated Depreciation: |                     |           |           |                     |
| Furniture & Equipment          | (44,852)            | (36,229)  | -         | (81,081)            |
| Computers & Software           | (53,162)            | (73,108)  | -         | (126,270)           |
| Leasehold Improvements         | -                   | (11,577)  | -         | (11,577)            |
| Total Accumulated Depreciation | (98,014)            | (120,914) | -         | (218,928)           |
| Total Capital Assets, Net      | \$ 235,759          | \$ 4,408  | \$ -      | \$ 240,167          |

**NOTE 6 - RISK MANAGEMENT**

***Property & Liability*** - The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year ending June 30, 2023, the Academy contracted with Cincinnati Insurance Company for nonprofits and maintained general liability insurance with a \$1,000,000 single occurrence limit and \$2,000,000 annual aggregate. Settled claims have not exceeded this coverage in the past two years, nor has there been any significant reduction in insurance coverage during the year.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

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

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

***Plan Description*** –Academy 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, annual cost-of-living adjustments, 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](http://www.ohsers.org) under Employers/Audit Resources.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%.

A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2023.

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The Academy’s contractually required contribution to SERS was \$16,326 for fiscal year 2023.

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

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

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes 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 services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2023, plan members were required to contribute 14 percent of their annual covered salary. The Academy was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The Academy’s contractually required contributions to STRS was \$107,881 for fiscal year 2023.

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

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

|   | <u>SERS</u>        | <u>STRS</u>        | <u>Total</u> |
|---|--------------------|--------------------|--------------|
| Proportion of the Net Pension Liability<br>Prior Measurement Date   | 0.0025445%         | 0.00389628%        |              |
| Proportion of the Net Pension Liability<br>Current Measurement Date | <u>0.0021290%</u>  | <u>0.00512855%</u> |              |
| Change in Proportionate Share                                       | <u>-0.0004155%</u> | <u>0.00123227%</u> |              |
| Proportionate Share of the Net Pension<br>Liability                 | \$ 115,153         | \$ 1,140,083       | \$ 1,255,236 |
| Pension Expense   | \$ 58,771          | \$ 358,671         | \$ 417,442   |

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the Academy’s proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

|  | <u>SERS</u>      | <u>STRS</u>       | <u>Total</u>        |
|--|------------------|-------------------|---------------------|
| <b>Deferred Outflows of Resources</b>  |                  |                   |                     |
| Differences between expected and actual experience   | \$ 4,664         | \$ 14,595         | \$ 19,259           |
| Changes of assumptions   | 1,137            | 136,433           | 137,570             |
| Net difference between projected and actual earnings on pension plan investments                     | -                | 39,675            | 39,675              |
| Changes in proportion and differences between contributions and proportionate share of contributions | 35,826           | 693,764           | 729,590             |
| Academy contributions subsequent to the measurement date   | <u>16,326</u>    | <u>107,881</u>    | <u>124,207</u>      |
| Total Deferred Outflows of Resources   | <u>\$ 57,953</u> | <u>\$ 992,348</u> | <u>\$ 1,050,301</u> |
| <b>Deferred Inflows of Resources</b>   |                  |                   |                     |
| Differences between expected and actual experience   | \$ 756           | \$ 4,361          | \$ 5,117            |
| Changes of assumptions   | -                | 102,695           | 102,695             |
| Net difference between projected and actual earnings on pension plan investments                     | 4,018            | -                 | 4,018               |
| Changes in proportion and differences between contributions and proportionate share of contributions | <u>15,475</u>    | <u>-</u>          | <u>15,475</u>       |
| Total Deferred Inflows of Resources  | <u>\$ 20,249</u> | <u>\$ 107,056</u> | <u>\$ 127,305</u>   |

\$124,207 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

| Fiscal Year Ending June 30: | SERS      | STRS       | Total      |
|-----------------------------|-----------|------------|------------|
| 2024                        | \$ 28,449 | \$ 234,214 | \$ 262,663 |
| 2025                        | (8,008)   | 227,492    | 219,484    |
| 2026                        | (5,740)   | 200,085    | 194,345    |
| 2027                        | 6,677     | 115,620    | 122,297    |
|                             |           |            | -          |
|                             |           |            | -          |
| Total                       | \$ 21,378 | \$ 777,411 | \$ 798,789 |

**Actuarial Assumptions - SERS**

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will 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, 2022, are presented below:

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

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

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

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



**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

***Sensitivity of the Academy's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the 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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| Academy's proportionate share<br>of the net pension liability | \$ 169,500             | \$ 115,153                          | \$ 69,367              |

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2022, actuarial valuation.

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

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

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

STRS Ohio's 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:

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

|   | <u>1% Decrease<br/>(6.00%)</u> | <u>Current<br/>Discount Rate<br/>(7.00%)</u> | <u>1% Increase<br/>(8.00%)</u> |
|---|--------------------------------|--|--------------------------------|
| Academy's proportionate share<br>of the net pension liability | \$ 1,722,251                   | \$ 1,140,083                                 | \$ 647,750                     |

**Assumption and Benefit Changes Since the Prior Measurement Date** - Demographic assumptions were changed based on the actuarial experience study for the July 1, 2015, through June 30, 2021. STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023.

**CENTRAL POINT PREPARATORY ACADEMY— FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 8 – DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

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

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

## CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

**Funding Policy** - State statute permits SERS to fund 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 2023, there was no contribution made to health care. A health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

The surcharge, is the total amount assigned to the Health Care Fund. The Academy's contractually required contribution to SERS was \$2,092 for fiscal year 2023.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

|  | <u>SERS</u>        | <u>STRS</u>        | <u>Total</u> |
|--|--------------------|--------------------|--------------|
| Proportion of the Net OPEB Liability/asset<br>Prior Measurement Date   | 0.0026449%         | 0.00389628%        |              |
| Proportion of the Net OPEB Liability/asset<br>Current Measurement Date | <u>0.0022049%</u>  | <u>0.00512855%</u> |              |
| Change in Proportionate Share  | <u>-0.0004400%</u> | <u>0.00123227%</u> |              |
| Proportionate Share of the Net OPEB Liability                          | \$ 30,958          | \$ -               | \$ 30,958    |
| Proportionate Share of the Net OPEB Asset                              | \$ -               | \$ (132,795)       | \$ (132,795) |
| OPEB Expense   | \$ 7,509           | \$ (23,778)        | \$ (16,269)  |

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

|  | <u>SERS</u>      | <u>STRS</u>       | <u>Total</u>      |
|--|------------------|-------------------|-------------------|
| <b>Deferred Outflows of Resources</b>  |                  |                   |                   |
| Differences between expected and actual experience   | \$ 258           | \$ 1,926          | \$ 2,184          |
| Changes of assumptions   | 4,925            | 5,654             | 10,579            |
| Net difference between projected and actual earnings on OPEB plan investments                        | 159              | 2,310             | 2,469             |
| Changes in proportion and differences between contributions and proportionate share of contributions | 53,691           | 1,633             | 55,324            |
| Academy contributions subsequent to the measurement date   | 2,092            | -                 | 2,092             |
| <b>Total Deferred Outflows of Resources</b>  | <u>\$ 61,125</u> | <u>\$ 11,523</u>  | <u>\$ 72,648</u>  |
| <b>Deferred Inflows of Resources</b>   |                  |                   |                   |
| Differences between expected and actual experience   | \$ 19,803        | \$ 19,948         | \$ 39,751         |
| Changes of assumptions   | 12,707           | 94,170            | 106,877           |
| Net difference between projected and actual earnings on OPEB plan investments                        | -                | -                 | -                 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 10,518           | 966               | 11,484            |
| <b>Total Deferred Inflows of Resources</b>   | <u>\$ 43,028</u> | <u>\$ 115,084</u> | <u>\$ 158,112</u> |

\$2,092 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

|                             | <u>SERS</u>      | <u>STRS</u>         | <u>Total</u>       |
|-----------------------------|------------------|---------------------|--------------------|
| Fiscal Year Ending June 30: |                  |                     |                    |
| 2024                        | \$ 4,157         | \$ (30,321)         | \$ (26,164)        |
| 2025                        | 4,204            | (29,862)            | (25,658)           |
| 2028                        | 2,574            | (7,578)             | (5,004)            |
| Thereafter                  | (6,727)          | (15,990)            | (22,717)           |
| <b>Total</b>                | <u>\$ 16,005</u> | <u>\$ (103,561)</u> | <u>\$ (87,556)</u> |

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

***Actuarial Assumptions - SERS***

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will 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, 2022, are presented below:

|  |  |
|--|--|
| Wage Inflation   | 2.40 percent   |
| Future Salary Increases, including inflation   | 3.25 percent to 13.58 percent                                |
| Investment Rate of Return  | 7.00 percent net of investments expense, including inflation |
| Municipal Bond Index Rate:   |  |
| Measurement Date   | 3.69 percent   |
| Prior Measurement Date   | 1.92 percent   |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation |  |
| Measurement Date   | 4.08 percent   |
| Prior Measurement Date   | 2.27 percent   |
| Medical Trend Assumption   | 7.00 to 4.40 percent   |
| Prior Measurement Date   |  |

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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

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

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022 was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination for the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.



**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

***Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

|   | 1% Decrease<br>(3.08%) | Current<br>Discount Rate<br>(4.08%) | 1% Increase<br>(5.08%) |
|---|------------------------|-------------------------------------|------------------------|
| Academy's proportionate share of the net OPEB liability | \$ 38,449              | \$ 30,958                           | \$ 24,909              |

|   | 1% Decrease<br>(6.00 % decreasing<br>to 3.40%) | Current<br>Trend Rate<br>(7.00 % decreasing<br>to 4.40%) | 1% Increase<br>(8.00 % decreasing<br>to 5.40%) |
|---|--|--|--|
| Academy's proportionate share of the net OPEB liability | \$ 23,873                                      | \$ 30,958  | \$ 40,209                                      |

***Actuarial Assumptions – STRS***

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

|                            |   |              |
|----------------------------|---|--------------|
| Projected salary increases | Varies by service from 2.5 percent to 8.5 percent             |              |
| Investment Rate of Return  | 7.00 percent, net of investment expenses, including inflation |              |
| Payroll Increases          | 3 percent   |              |
| Cost-of-Living Adjustments | 0 percent   |              |
| Discount Rate of Return    | 7.00 percent  |              |
| Health Care Cost Trends    | Initial   | Ultimate     |
| Medical                    |   |              |
| Pre-Medicare               | 7.50 percent  | 3.94 percent |
| Medicare                   | -68.78 percent  | 3.94 percent |
| Prescription Drug          |   |              |
| Pre-Medicare               | 9.00 percent  | 3.94 percent |
| Medicare                   | 5.47 percent  | 3.94 percent |

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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

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

**Discount Rate** The discount rate used to measure the total OPEB asset was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB asset as of June 30, 2022.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

|  | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|--|------------------------|-------------------------------------|------------------------|
| Academy's proportionate share<br>of the net OPEB asset | \$ 122,766             | \$ 132,795                          | \$ 141,386             |

|  | 1% Decrease | Current<br>Trend Rate | 1% Increase |
|--|-------------|-----------------------|-------------|
| Academy's proportionate share<br>of the net OPEB asset | \$ 137,741  | \$ 132,795            | \$ 126,552  |

**Benefit Term Changes Since the Prior Measurement Date**

Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

**NOTE 9 - CONTINGENCIES**

**Grants** - The Academy received financial assistance from federal and state agencies in the form of 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 Academy, any such adjustments will not have a material adverse effect on the financial position of the Academy.

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

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

Under Ohio Rev. Code Section 3314.08, ODE may also perform 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. ODE’s adjustments are finalized and did not materially affect the financial statements.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 10 - SPONSOR CONTRACT**

The Academy contracted with St. Aloysius as its sponsor and for oversight services as required by law. Sponsorship fees are calculated as a three percent of state funds received by the Academy from the State of Ohio. For the fiscal year ended June 30, 2023, the total sponsorship fees paid totaled \$51,916.

**NOTE 11 - PURCHASED SERVICES**

For the period of July 1, 2022 through June 30, 2023, the Academy made the following purchased services commitments.

| <u>Purchased Services</u> | <u>Amount</u>       |
|---------------------------|---------------------|
| Personnel Services        | \$ 1,357,002        |
| Professional Services     | 953,825             |
| Property Services         | 425,077             |
| Utilities                 | 71,868              |
| Travel & Meetings         | 773                 |
| Communications            | 90,778              |
| Contractual Trade         | 225,001             |
| Total                     | <u>\$ 3,124,324</u> |

**NOTE 12 - LEASE OBLIGATIONS**

Effective July 15, 2020, the Academy signed a lease with RM Imagine Harrisburg Pike OH, LLC for a term of five years and is set to expire on June 30, 2025 with two additional five-year terms options. The total rent expense for fiscal year 2023 was \$205,378 which is calculated at 13% of the state and local funding received by the tenant per student, directly or indirectly, pursuant to the Ohio Revised Code for the particular students enrolled at the community school. Rent shall not include funds from charitable contributions, transportation funding/reimbursements, grant revenues, and facility funding.

**NOTE 13 - IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 14 – MANAGEMENT COMPANY AND MANAGEMENT COMPANY EXPENSES**

The Academy entered into an agreement with Accel Schools, a management company, to provide legal, financial, and other management support services for fiscal year 2023. The agreement was for a period of ten years beginning July 1, 2020. Management fees are calculated as 15% of the Academy’s State Revenue. The total amount due from the Academy for the fiscal year ending June 30, 2023 was \$406,116 and is included under “Purchased Services” on the Statement of Revenues, Expenses and Changes in Net Position.

Also per the management agreement there are expenses that will be billed to the Academy based on the actual costs incurred by Accel Schools. These expenses include rent, salaries of Accel employees working at the Academy and other costs related to providing education and administrative services. The total amount billed to the Academy inclusive of management fees during fiscal year 2023 was \$1,511,154.

The following is a summary of the management company expenses during fiscal year 2023:

| Central Point Preparatory Academy                    | Regular Instruction<br>(1100 Function Codes) | Special Instruction<br>(1200 Function Codes) | Support Services<br>(2000 Function Codes) | Non-Instructional<br>(3000 through 7000 Function Codes) | Total               |
|--|--|--|---|---|---------------------|
| <b>Direct Expenses:</b>                              |  |  |   |   |                     |
| Salaries & Wages (100 Object Codes)                  | \$ 707,278                                   | \$ 33,356                                    | \$ 99,725                                 | \$ -  | \$ 840,359          |
| Employees’ Benefits (200 Object Codes)               | 226,608                                      | 5,510  | 15,548                                    | -   | 247,666             |
| Professional & Technical Services (410 Object Codes) | 22,356                                       | -  | 312,575                                   | -   | 334,931             |
| Other direct costs (All other Object Codes)          | 6,394  | -  | 81,806                                    | -   | 88,200              |
| <b>Indirect Expenses:</b>                            |  |  |   |   |                     |
| Overhead   | -  | -  | 349,778                                   | -   | 349,778             |
| <b>Total Expenses</b>                                | <b>\$ 962,636</b>                            | <b>\$ 38,866</b>                             | <b>\$ 859,432</b>                         | <b>\$ -</b>   | <b>\$ 1,860,934</b> |

Accel Schools charges expenses benefiting more than one school (i.e. overhead) are pro-rated based on full time equivalent (FTE) head count as of June 30, 2023 by each school it manages.

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of the Academy's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Two Fiscal Years (1)

|   | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| Academy's Proportion of the Net Pension Liability   | 0.0021290%  | 0.0025445%  |
| Academy's Proportionate Share of the Net Pension Liability  | \$ 115,153  | \$ 93,884   |
| Academy's Covered Payroll   | \$ 79,529   | \$ 87,829   |
| Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 144.79%     | 106.89%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                        | 75.82%      | 82.86%      |

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of the Academy's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement System of Ohio  
 Last Two Fiscal Years (1)

|   | <u>2023</u>  | <u>2022</u> |
|---|--------------|-------------|
| Academy's Proportion of the Net Pension Liability   | 0.00512855%  | 0.00389628% |
| Academy's Proportionate Share of the Net Pension Liability  | \$ 1,140,083 | \$ 498,173  |
| Academy's Covered Payroll   | \$ 666,736   | \$ 480,779  |
| Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 170.99%      | 103.62%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                        | 78.90%       | 87.80%      |

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of Academy Contributions - Pension  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (1)

|   | <u>2023</u>     | <u>2022</u>     | <u>2021</u>     |
|---|-----------------|-----------------|-----------------|
| Contractually Required Contribution                                     | \$ 16,326       | \$ 11,134       | \$ 12,296       |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(16,326)</u> | <u>(11,134)</u> | <u>(12,296)</u> |
| Contribution Deficiency (Excess)  | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| Academy Covered Payroll   | \$ 116,614      | \$ 79,529       | \$ 87,829       |
| Contributions as a Percentage of<br>Covered Payroll                     | 14.00%          | 14.00%          | 14.00%          |

(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



**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of Academy Contributions - Pension  
 State Teachers Retirement System of Ohio  
 Last Three Fiscal Years (1)

|   | <u>2023</u>      | <u>2022</u>     | <u>2021</u>     |
|---|------------------|-----------------|-----------------|
| Contractually Required Contribution                                     | \$ 107,881       | \$ 93,343       | \$ 67,309       |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(107,881)</u> | <u>(93,343)</u> | <u>(67,309)</u> |
| Contribution Deficiency (Excess)  | <u>\$ -</u>      | <u>\$ -</u>     | <u>\$ -</u>     |
| Academy Covered Payroll   | \$ 770,579       | \$ 666,736      | \$ 480,779      |
| Contributions as a Percentage of<br>Covered Payroll                     | 14.00%           | 14.00%          | 14.00%          |

(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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of the Academy's Proportionate Share of the Net OPEB Liability  
 School Employees Retirement System of Ohio  
 Last Two Fiscal Years (1)

|  | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Academy's Proportion of the Net OPEB Liability   | 0.0022049%  | 0.0026449%  |
| Academy's Proportionate Share of the Net OPEB Liability  | \$ 30,958   | \$ 50,056   |
| Academy's Covered Payroll  | \$ 79,529   | \$ 87,829   |
| Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 38.93%      | 56.99%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                        | 30.34%      | 24.08%      |

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of the Academy's Proportionate Share of the Net OPEB Liability/(Asset)  
 State Teachers Retirement System of Ohio  
 Last Two Fiscal Years (1)

|  | 2023         | 2022        |
|--|--------------|-------------|
| Academy's Proportion of the Net OPEB Liability/Asset   | 0.00512855%  | 0.00389628% |
| Academy's Proportionate Share of the Net OPEB Liability/(Asset)                                      | \$ (132,795) | \$ (82,149) |
| Academy's Covered Payroll  | \$ 666,736   | \$ 480,779  |
| Academy's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll | -19.92%      | -17.09%     |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset                        | 174.73%      | 174.73%     |

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

Amounts presented as of the Academy's measurement date, which is the prior fiscal year end. See accompanying notes to the required supplementary information

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of Academy Contributions - OPEB  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (2)

|   | <u>2023</u>    | <u>2022</u>    | <u>2021</u>    |
|---|----------------|----------------|----------------|
| Contractually Required Contribution (1)                                 | \$ 2,092       | \$ 1,583       | \$ 1,797       |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(2,092)</u> | <u>(1,583)</u> | <u>(1,797)</u> |
| Contribution Deficiency (Excess)  | <u>-</u>       | <u>-</u>       | <u>-</u>       |
| Academy Covered Payroll   | \$ 116,614     | \$ 79,529      | \$ 87,829      |
| OPEB Contributions as a Percentage of<br>Covered Payroll (1)            | 1.79%          | 1.99%          | 2.05%          |

(1) Includes Surcharge

(2) 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

**CENTRAL POINT PREPARATORY ACADEMY– FRANKLIN COUNTY, OHIO**

Required Supplementary Information  
 Schedule of Academy Contributions - OPEB  
 State Teachers Retirement System of Ohio  
 Last Three Fiscal Years (2)

|   | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|-------------|
| Contractually Required Contribution                                     | \$ -        | \$ -        | \$ -        |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>-</u>    | <u>-</u>    | <u>-</u>    |
| Contribution Deficiency (Excess)  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Academy Covered Payroll   | \$ 770,579  | \$ 666,736  | \$ 480,779  |
| Contributions as a Percentage of<br>Covered Payroll                     | 0.00%       | 0.00%       | 0.00%       |

(2) 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

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

**Note 1 - Net Pension Liability**

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

Changes in Assumptions - SERS

For fiscal year 2022, the SERS Board adopted the following assumption changes:

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

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

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

Changes in Benefit Terms - SERS

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

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

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

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

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms - STRS

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

**Note 2 - Net OPEB Liability (Asset)**

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

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

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

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

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

Pre-Medicare Trend Assumption

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

Medicare Trend Assumption

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

Changes in Benefit Terms - SERS

There have been no changes to the benefit provisions.

Changes in Assumptions – STRS

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

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

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

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

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

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The



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

assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

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

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

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

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

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**CENTRAL POINT PREPARATORY ACADEMY  
FRANKLIN COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Prepared by Management)**

| <b>FEDERAL GRANTOR</b><br><i>Pass Through Grantor</i><br>Program Title | Federal Assistance<br>Listing Number | Grant<br>Year | Expenses                   |
|--|--------------------------------------|---------------|----------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                  |                                      |               |                            |
| <i>Passed Through Ohio Department of Education</i>                     |                                      |               |                            |
| Child Nutrition Cluster:   |                                      |               |                            |
| School Breakfast Program   | 10.553                               | 2023          | \$ 65,226                  |
| National School Lunch Program  | 10.555                               | 2023          | 108,436                    |
| CN COVID Food Pro Manf   | 10.555                               | 2023          | 10,499                     |
| Total Child Nutrition Cluster  |                                      |               | <u>184,161</u>             |
| <i>Total U.S. Department of Agriculture</i>                            |                                      |               | <u>184,161</u>             |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                    |                                      |               |                            |
| <i>Passed Through Ohio Department of Education</i>                     |                                      |               |                            |
| <i>Special Education Cluster (IDEA):</i>                               |                                      |               |                            |
| Special Education--Grants to States (IDEA, Part B)                     | 84.027                               | 2023          | 44,942                     |
| <i>Total Special Education Cluster (IDEA)</i>                          |                                      |               | <u>44,942</u>              |
| ARP ESSER - Education Stabilization Fund - COVID-19                    | 84.425U                              | 2023          | 601,446                    |
| Title I  | 84.010A                              | 2023          | 163,207                    |
| Charter School Program   | 84.282A                              | 2023          | 14,095                     |
| <i>Total U.S. Department of Education</i>                              |                                      |               | <u>823,690</u>             |
| <b>Total Federal Financial Assistance</b>                              |                                      |               | <b><u>\$ 1,007,851</u></b> |

*The accompanying notes are an integral part of this Schedule.*

**CENTRAL POINT PREPARATORY ACADEMY**  
**FRANKLIN COUNTY, OHIO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**2 CFR 200.510(B)(6)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(Prepared by Management)

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Central Point Preparatory Academy, Franklin County, Ohio (the Academy) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy

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

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

**NOTE C - INDIRECT COSTS**

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

**NOTE D – TRANSFERS**

The Academy generally must spend Federal assistance within 15 months of receipt. However, with Ohio Department of Education (ODE) approval, an School (carryover) unspent Federal assistance to the succeeding year, thus allowing the School a total of 27 months to spend the assistance.

**NOTE E – CHILD NUTRITION CLUSTER**

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Central Point Preparatory Academy  
Franklin County  
680 Harrisburg Pike  
Columbus, Ohio 43223

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Central Point Preparatory Academy, Franklin County, Ohio (the Academy), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 8, 2023.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

*Central Point Preparatory Academy  
Franklin County*

Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*  
Page 2

***Purpose of this Report***

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



***Charles E. Harris & Associates, Inc.***  
December 8, 2023

**Charles E. Harris & Associates, Inc.**

*Certified Public Accountants*

5510 Pearl Road Ste 102

Parma, OH 44129-2550

Phone - (216) 575-1630

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

Central Point Preparatory Academy  
Franklin County  
680 Harrisburg Pike  
Columbus, Ohio 43223

To the Board of Directors:

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

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

We have audited the Central Point Preparatory Academy, Franklin County, Ohio's (the Academy) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Academy's major federal program for the year ended June 30, 2023. The Academy's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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



*Central Point Preparatory Academy*

*Franklin County*

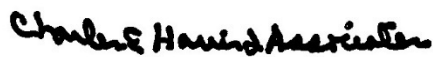
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control  
Over Compliance Required by the Uniform Guidance

Page 3

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

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

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



*Charles E. Harris & Associates, Inc.*

December 8, 2023

**Central Point Preparatory Academy  
Franklin County**

**Schedule of Findings  
2 CFR § 200.515  
June 30, 2023**

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

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

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

# OHIO AUDITOR OF STATE KEITH FABER



**CENTRAL POINT PREPARATORY ACADEMY**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 2/27/2024**

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

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