CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Cincinnati Technology Academy
219 E. Maple St. Ste 202
North Canton, OH 44720

We have reviewed the *Independent Auditor's Report* of the Cincinnati Technology Academy, Hamilton County, prepared by Rea & 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 Cincinnati Technology Academy is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

February 01, 2024

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CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY

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Rea & associates a brighter way

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cincinnati Technology Academy
3800 Glenway Avenue
Cincinnati, Ohio 45205

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cincinnati Technology Academy, Hamilton 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 Cincinnati Technology Academy, Hamilton County, Ohio, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Pension and Other Post-Employment Benefit Schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by *Title 2* U.S. Code of Federal Regulations *Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the 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 GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
December 21, 2023

The discussion and analysis of the Cincinnati Technology 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 2022-2023 school year are as follows:

- Total assets were $1,403,454.
- Deferred outflows were $748,904.
- Total liabilities were $2,832,189.
- Total Deferred Inflows were $685,204.
- Total net position was $(1,365,035).
- Total operating and non-operating revenues were $3,707,701. Total operating and non-operating expenses were $3,279,252.

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 and deferred outflows of resources and 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 change 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.

Statement of Net Position **-** The Statement of Net Position answers the question of how the Academy performed financially during fiscal year 2023. This statement includes all assets and deferred outflows of resources and 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 as compared to fiscal year 2022.

Table 1
Statement of Net Position

	2023	2022
Assets		
Current Assets	$ 910,696	$ 246,638
Non Current Assets	492,758	666,032
Total Assets	1,403,454	912,670
Deferred Outflows of Resources	748,904	985,154
Liabilities		
Current Liabilities	222,419	121,427
Non-Current Liabilities	2,609,770	2,177,670
Total Liabilities	2,832,189	2,299,097
Deferred Inflows of Resources	685,204	1,392,211
Net Position		
Net Investment in Capital Assets	242,148	341,807
Restricted	-	190,062
Unrestricted	(1,607,183)	(2,325,353)
Total Net Position	$ (1,365,035)	$ (1,793,484)

Current assets represent cash and cash equivalents, grants receivable, other receivables and other assets. Current liabilities represent accounts payable, accrued expenses, intergovernmental payable, and current portion of building lease liability.

Current assets increased as a result of increases in cash and cash equivalents and grants receivables. Non-current assets decreased as a result of decreases in capital assets. Current liabilities increased as a result of increases in accounts payables. Deferred outflows, deferred inflows and non-current liabilities changed as a result of the GASB68 and 75 accounting.

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 assets.

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.

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

In accordance with GASB 68 and GASB 75, the Academy's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB assets/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.

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 $(1,365,035).

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

Table 2
Change in Net Position

	2023	2022
Operating Revenues		
State Aid	$ 1,919,501	$ 1,982,239
Miscellaneous	32,426	-
Total Operating Revenues	1,951,927	1,982,239
Operating Expenses		
Purchased Services: Salaries and Benefits	1,378,574	1,399,554
Pension/ OPEB Expense	293,007	358,304
Purchased Services	1,021,866	999,373
Materials and Supplies	362,359	88,683
Depreciation	208,571	139,825
Other	4,164	13,148
Total Operating Expenses	3,268,541	2,998,887
Operating Income (Loss)	(1,316,614)	(1,016,648)
Non-Operating Revenues/ (Expenses)		
Federal and State Restricted Grants	1,748,718	1,104,629
Interest Income	7,056	573
Miscellaneous	-	2,510
Lease Interest Expense	(10,711)	(14,257)
Net Non-Operating Revenues/(Expenses)	1,745,063	1,093,455
Change in Net Position	$ 428,449	$ 76,807

Decreases in state aid were due to decrease in student FTE and increases in federal and state grants were due to increased allocations of COVID-19 funding sources. Fluctuations in materials and supplies were due to additional COVID-19 expenditures. The remaining expenses were relatively consistent with the prior year.

BUDGET

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Rev. Code Chapter 5705 (with the exception section 5705.391 – Five Year Forecasts), unless specifically provided in the community school's contract with its Sponsor.

The contract between the Academy and its Sponsor does prescribe a budgetary process. The Academy must prepare and submit a detail budget for every fiscal year to the Board of Directors and its Sponsor. The five-year forecast is also submitted to the Ohio Department of Education, annually.

CAPITAL ASSETS

At fiscal year end, the Academy's net capital asset balance was $413,102. There were current year additions of $29,623 offset by current year depreciation of $208,571. For more information on capital assets, see Note 6 of the Basic Financial Statements.

LEASE OBLIGATIONS

At fiscal year end, the Academy's outstanding lease obligation was $170,954 with $83,345 due within one year. For more information on capital assets, see Note 7 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. The Academy continually evaluates the extent of the impact that changes in State funding will have on current year operations.

The full-time equivalent enrollment of the Academy for the year ended June 30, 2023 was 202 compared to 214 in fiscal year 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 citizens, 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 C. David Massa, CPA, of Massa Financial Solutions, LLC, 3800 Glenway Avenue, Cincinnati, Ohio 45205 or e-mail at dave@massasolutionsllc.com

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CINCINNATI TECHNOLOGY ACADEMY - HAMILTON COUNTY, OHIO
Statement of Net Position
June 30, 2023

Assets:		
Current Assets:		
Cash and Cash Equivalents	$	562,888
Grants Receivable		301,469
Other Receivable		42,061
Other Asset		4,278
Total Current Assets		910,696
Noncurrent Assets:		
Net OPEB Asset		79,656
Capital Assets, net of Accumulated Depreciation		413,102
Total Non-Current Assets		492,758
Total Assets		1,403,454
Deferred Outflows of Resources:		
Pension (STRS & SERS)		502,527
OPEB (STRS & SERS)		246,377
Total Deferred Outflows of Resources		748,904
Liabilities:		
Current Liabilities:		
Accounts Payable		110,652
Accrued Expenses		27,074
Intergovernmental Payable		1,348
Current Portion of Lease Liability		83,345
Total Current Liabilities		222,419
Noncurrent Liabilities:		
Non-Current Portion of Lease Liability		87,609
Net Pension Liability		2,148,435
Net OPEB Liability		373,726
Total Noncurrent Liabilities		2,609,770
Total Liabilities		2,832,189
Deferred Inflows of Resources:		
Pension (STRS & SERS)		217,815
OPEB (STRS & SERS)		467,389
Total Deferred Inflows of Resources		685,204
Net Position:		
Net Investment in Capital Assets		242,148
Unrestricted Net Position		(1,607,183)
Total Net Position	$	(1,365,035)

See Accompanying Notes to the Basic Financial Statements

CINCINNATI TECHNOLOGY ACADEMY - HAMILTON COUNTY, OHIO
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2023

Operating Revenues:		
State Aid	$	1,919,501
Miscellaneous		32,426
Total Operating Revenues		1,951,927
Operating Expenses:		
Purchased Services: Salaries and Benefits		1,378,574
Pension/OPEB Expense		293,007
Purchased Services		1,021,866
Materials and Supplies		362,359
Depreciation		208,571
Other Operating Expenses		4,164
Total Operating Expenses		3,268,541
Operating Income (Loss)		(1,316,614)
Non-Operating Revenues and (Expenses):		
Federal and State Restricted Grants		1,748,718
Interest Income		7,056
Lease Interest Expense		(10,711)
Net Non-operating Revenues and (Expenses)		1,745,063
Change in Net Position		428,449
Net Position - Beginning of Year		(1,793,484)
Net Position - End of Year	$	(1,365,035)

See Accompanying Notes to the Basic Financial Statements

CINCINNATI TECHNOLOGY ACADEMY - HAMILTON COUNTY, OHIO
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
State Aid Receipts	$ 1,934,602
Miscellaneous	32,426
Cash Payments to Suppliers for Goods and Services	(2,970,358)
Net Cash Provided By (Used For) Operating Activities	(1,003,330)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal and State Grant Receipts	1,524,562
Net Cash Provided By Noncapital Financing Activities	1,524,562
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Assets	(29,623)
Lease Interest Expense	(10,711)
Lease Principal Payments	(79,289)
Net Cash Used For Capital and Related Financing Activities	(119,623)
CASH FLOWS FROM NVESTING ACTIVITIES	
Interest Receipts	7,056
Net Cash Provided By Investing Activities	7,056
Net Increase/(Decrease) in Cash and Cash Equivalents	408,665
Cash and Cash Equivalents - Beginning of the Year	154,223
Cash and Cash Equivalents - Ending of the Year	$ 562,888

See Accompanying Notes to the Basic Financial Statements

CINCINNATI TECHNOLOGY ACADEMY - HAMILTON COUNTY, OHIO
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023
(Continued)

Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities		
Operating Income (Loss)	$	(1,316,614)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Depreciation		208,571
Changes in Assets, Liabilities, and Deferred Inflows and Outflows:		
(Increase)/ Decrease in Intergovernmental Receivable		15,102
(Increase)/ Decrease in Other Receivable		(42,061)
(Increase)/ Decrease in Other Asset		(4,278)
(Increase)/ Decrease in Net OPEB Asset		(5,674)
(Increase)/ Decrease in Deferred Outflows Pension/OPEB		236,250
Increase/(Decrease) in Accounts Payable		83,941
Increase/(Decrease) in Intergovernmental Payable		(25,613)
Increase/(Decrease) in Accrued Expenses		(40,681)
Increase/ (Decrease) in Net Pension Liability/OPEB Liability		594,734
Increase/ (Decrease) in Deferred Inflows Pension		(707,007)
Net Cash Provided By (Used For) Operating Activities	$	(1,003,330)

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - DESCRIPTION OF THE ACADEMY

The Cincinnati Technology Academy, Hamilton County, Ohio (the "Academy"), is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the needs of students in grades K through Twelve. The Academy is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code exclusively for educational purposes. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax-exempt status. The Academy, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy.

The Academy was approved for operation under contract with the Educational Resources Corporation of Ohio (the Sponsor) for a period of four years commencing on July 1, 2021 and ending on June 30, 2024. 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.

Effective November 15, 2021, the Academy entered into a multi-year Management Agreement (Agreement) with Educational Empowerment Group, LLC (EEG). The Agreement's term runs through June 30, 2023. EEG is responsible and accountable to the Board of Directors for the administration and day-to-day operations. The Agreement was renewed for an additional three year term ending June 30, 2026.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

B. Measurement Focus

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

C. Basis of Accounting

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

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

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

Expenses are recognized at the time they are incurred.

D. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Academy, see Notes 9 and 10 for deferred outflows of resources related to the Academy’s net pension liability and net OPEB liability/asset, respectively.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Academy, see Notes 9 and 10 for deferred inflows of resources related to the Academy’s net pension liability and net OPEB liability/asset, respectively.

E. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the Academy and its Sponsor. The contract between the Academy and its Sponsor requires the Academy to comply with a financial plan that details the estimated budget for each year of the contract.

F. Cash & Cash Equivalents

All monies received by the Academy are maintained in a demand deposit account and a money market account. Total cash for all funds is presented as “cash & cash equivalents” on the accompanying statement of net position. During fiscal year 2023, investments included a money market account.

G. Capital Assets and Depreciation/Amortization

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Academy’s capitalization threshold is $1,000 for all asset classes. The Academy does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Depreciation of furniture and equipment and leasehold improvements are computed using the straight-line method over the estimated useful life of three to eight years.

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

H. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program. Revenues from the State foundation program are recognized as operating revenue in the accounting period in which all eligibility requirements had been met. The amount awarded under this program for fiscal year 2023 totaled $1,919,501.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes 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 amount awarded under these programs for fiscal year 2023 totaled $1,748,718.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed. The Academy had no prepaid items at June 30, 2023.

J. Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Academy applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

K. Estimates

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

L. Operating Revenues and Expenses

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

M. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related 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 - ACCOUNTABILITY AND COMPLIANCE

Change in 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, Omnibus2022. The implementation of GASB Statements Nos. 94, 96, and 99 did not have an effect on the financial statements of the Academy.

NOTE 4 - DEPOSITS

Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all Academy deposits was $25,000. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2023, all of the Academy's bank balance of $25,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and none of the balance was exposed to custodial risk as discussed below.

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

Investment Type	Measurement Value	Investment Maturity 3 Months or Less	Percentage of Total
Money Market Account	$ 537,888	$ 537,888	100%

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. $250,000 of the money market account was covered FDIC insurance, and the remaining balance was uninsured and uncollateralized.

NOTE 5 - RECEIVABLES

Receivables at June 30, 2023, consisted of grants receivables and other receivables and represent revenue earned but not received as of June 30, 2023. The balance at June 30, 2023 were $301,469 and $42,061, respectively.

NOTE 6 - CAPITAL ASSETS

For the period ending June 30, 2023, the Academy's capital asset consisted of the following:

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Capital Assets, being depreciated:				
Leasehold improvements	$ 172,595	$ -	$ -	$ 172,595
Furniture and equipment	393,698	19,936	-	413,634
Computers	-	9,687	-	9,687
Intangible right to use:				
Lease building	327,029	-	-	327,029
Total Capital Assets	893,322	29,623	-	922,945
Less Accumulated Depreciation:				
Leasehold improvements	(67,406)	(34,851)	-	(102,257)
Furniture and equipment	(152,109)	(89,541)	-	(241,650)
Computers	-	(2,422)	-	(2,422)
Intangible right to use:				
Lease building	(81,757)	(81,757)	-	(163,514)
Total Accumulated Depreciation	(301,272)	(208,571)	-	(509,843)
Total Capital Assets, Net	$ 592,050	$ (178,948)	$ -	$ 413,102

NOTE 7 - LONG-TERM OBLIGATIONS

The Academy's long-term obligations activity during fiscal year 2023 consisted of the following.

	Balance at 06/30/22	Additions	Reductions	Balance at 06/30/23	Due Within One Year
Net pension liability:					
STRS	$ 448,644	$ 235,223	$ -	$ 683,867	$ -
SERS	996,292	468,276	-	1,464,568	-
Total net pension liability	1,444,936	703,499	-	2,148,435	-
Net OPEB liability					
SERS	482,491	-	(108,765)	373,726	-
Lease payable	250,243	-	(79,289)	170,954	83,345
Total long-term obligations	$ 2,177,670	$ 703,499	$ (188,054)	$ 2,693,115	$ 83,345

See Note 9 for details on the net pension liability.

See Note 10 for details on the net OPEB liability.

Lease Payable
In a prior fiscal year, the Academy entered into a lease agreement for the right to use a building for classroom space. In accordance with GASB Statement No. 87, the Academy has reported an intangible capital asset and corresponding liability for the future scheduled payments under the lease agreements.

The Academy entered into a lease agreement on July 25, 2019, with Deborah Conners to lease classroom space for the Academy. The term of the lease commenced July 1, 2019 and continues through June 30, 2025. The Academy shall pay to Deborah Conners $7,500 in month base rent on the first day of each month.

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Lease Payable Principal	Interest	Total
2024	$ 83,345	$ 6,655	$ 90,000
2025	87,609	2,391	90,000
Total	$ 170,954	$ 9,046	$ 180,000

NOTE 8 - RISK MANAGEMENT

Property and Liability

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2023, the Academy contracted with Argonaut Insurance Agency for property and general liability insurance. General Liability provided by Argonaut Insurance Company contains a $1,000,000 single occurrence limit and a $3,000,000 aggregate. There is a $2,500 deductible.

Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in coverage.

NOTE 9 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term ***net pension/OPEB liability (asset)*** 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 both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description - The Academy's 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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% 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 10.00% of their annual covered salary and the Academy is required to contribute 14.00% 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 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The Academy's contractually required contribution to SERS was $89,351 for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, 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 website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five year 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, 2026, 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% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The Academy's contractually required contribution to STRS was $83,316 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 projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.0270019%	0.00350890%	
Proportion of the Net Pension Liability Current Measurement Date	0.0270776%	0.00307631%	
Change in Proportionate Share	0.0000757%	-0.00043259%	
Proportionate Share of the Net Pension Liability	$ 1,464,568	$ 683,867	$ 2,148,435
Pension Expense	$ 258,171	$ 42,596	$ 300,767

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 School'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.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 59,316	$ 8,753	$ 68,069
Changes of assumptions	14,452	81,839	96,291
Net difference between projected and actual earnings on pension plan investments	-	23,796	23,796
Changes in proportion and differences between contributions and proportionate share of contributions	87,556	54,148	141,704
Academy contributions subsequent to the measurement date	89,351	83,316	172,667
Total Deferred Outflows of Resources	$ 250,675	$ 251,852	$ 502,527
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 9,614	$ 2,616	$ 12,230
Changes of assumptions	-	61,600	61,600
Net difference between projected and actual earnings on pension plan investments	51,108	-	51,108
Changes in proportion and differences between contributions and proportionate share of contributions	-	92,877	92,877
Total Deferred Inflows of Resources	$ 60,722	$ 157,093	$ 217,815

$172,667 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ 92,367	$ (20,809)	$ 71,558
2025	(3,689)	(14,830)	(18,519)
2026	(73,007)	(22,275)	(95,282)
2027	84,931	69,357	154,288
Total	$ 100,602	$ 11,443	$ 112,045

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

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 for the five-year period ended 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 average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

***Sensitivity of the 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%, 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%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability	$ 2,155,773	$ 1,464,568	$ 882,236

Actuarial Assumptions - STRS

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

Inflation	2.50 percent
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:

Asset Class	Target Allocation *	Long-Term Expected Real 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 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% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments 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 represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability	$ 1,033,075	$ 683,867	$ 388,546

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.

NOTE 10 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 9 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the Academy's surcharge obligation was $2,037.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Academy's contractually required contribution to SERS was $2,037 for fiscal year 2023.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The 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 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% 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/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability/asset Prior Measurement Date	0.0254938%	0.00350890%	
Proportion of the Net OPEB Liability/asset Current Measurement Date	0.0266185%	0.00307631%	
Change in Proportionate Share	0.0011247%	-0.00043259%	
Proportionate Share of the Net OPEB Liability	$ 373,726	$ -	$ 373,726
Proportionate Share of the Net OPEB Asset	$ -	$ (79,656)	$ (79,656)
OPEB Expense	$ 10,582	$ (18,342)	$ (7,760)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 3,143	$ 1,153	$ 4,296
Changes of assumptions	59,445	3,394	62,839
Net difference between projected and actual earnings on OPEB plan investments	1,943	1,385	3,328
Changes in proportion and differences between contributions and proportionate share of contributions	173,360	517	173,877
Academy contributions subsequent to the measurement date	2,037	-	2,037
Total Deferred Outflows of Resources	$ 239,928	$ 6,449	$ 246,377
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 239,063	$ 11,963	$ 251,026
Changes of assumptions	153,417	56,489	209,906
Changes in proportion and differences between contributions and proportionate share of contributions	-	6,457	6,457
Total Deferred Inflows of Resources	$ 392,480	$ 74,909	$ 467,389

$2,037 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/asset in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (29,870)	$ (22,272)	$ (52,142)
2025	(34,563)	(20,009)	(54,572)
2026	(30,176)	(8,749)	(38,925)
2027	(11,626)	(3,526)	(15,152)
2028	(12,105)	(4,578)	(16,683)
Thereafter	(36,249)	(9,326)	(45,575)
Total	$ (154,589)	$ (68,460)	$ (223,049)

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.

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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
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	100.00 %	

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.

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 (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Academy's proportionate share of the net OPEB liability	$ 464,174	$ 373,726	$ 300,711

	1% Decrease (6.00 % decreasing to 3.40%)	Current Trend Rate (7.00 % decreasing to 4.40%)	1% Increase (8.00 % decreasing to 5.40%)
Academy's proportionate share of the net OPEB liability	$ 288,210	$ 373,726	$ 485,425

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.

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% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed 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 as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

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%, 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%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net OPEB asset	$ 73,640	$ 79,656	$ 84,809

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB asset	$ 82,623	$ 79,656	$ 75,911

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 11 - PURCHASED SERVICES

For fiscal year 2023, purchased services expenses were payments for services rendered by various vendors, as follows:

	Amount
Professional and technical	$ 511,289
Property services	111,154
Student Support	234,613
Instructional Support	133,797
Other	31,013
Total	$ 1,021,866

NOTE 12 - CONTINGENCIES

A. Grants

The Academy received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2023, if applicable, cannot be determined at this time.

B. Litigation

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

NOTE 13 – MANAGEMENT COMPANY EXPENSES

As of June 30, 2023, Education Empowerment Group and its affiliates incurred the following expenses on behalf of the School:

Cincinnati Technology Academy	Regular Instruction (1100 Function codes)	Special Instruction (1200 Function codes)	Support Services (2000 Function Codes)	Non-Instructional (3000 through 7000 Function Codes)	Total
Direct expenses:					
Salaries & wages (100 object codes)	$ 275,242	$ 62,357	$ 1,028,263	$ 4,214	$ 1,370,076
Employees' benefits (200 object codes)	-	-	-	5,267	5,267
Professional & technical services (410 object codes)	-	-	-	286,376	286,376
Property services (420 object codes)	-	-	-	12,895	12,895
Contracted craft or trade services (460 object codes)	-	-	-	250	250
Supplies (500 object codes)	-	-	-	1,771	1,771
Other direct costs (All other object codes)	-	-	-	28,714	28,714
Overhead	-	-	-	237,777	237,777
Total expenses	**$ 275,242**	**$ 62,357**	**$ 1,028,263**	**$ 577,264**	**$ 1,943,126**

EEG charges overhead expenses benefiting more than one school on a pro-rated basis based on full time equivalents (FTE) headcount as of June 30, 2023 for each school it manages.

NOTE 14- SPONSOR AND MANAGEMENT CONTRACTS

A. Sponsor

The School contracted with St. Aloysius Orphanage as its sponsor and oversight services, monitoring and technical assistance. Sponsorship fees are calculated as a three percent of state funds received by the School from the State of Ohio. For the fiscal year ended June 30, 2023, the total sponsorship fees paid totaled $60,526.

B. Management Company

Effective November 12, 2021, the School entered into a management agreement with Educational Empowerment Group, EEG Main Street Preparatory Academy, LLC to operate the School. The agreement was a two year agreement expiring June 30, 2023, with automatic renewal terms for three years ending June 30, 2026. EEG is responsible and accountable to the School's Board of Directors for the administration and day-to-day operations for a monthly management fee of 16% of qualified gross revenues. School had management fees for the year ended June 30, 2023, of $272,392, and payables to EEG of $79 at June 30, 2023.

NOTE 15 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2023, the Academy received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Academy. The impact on the Academy's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIRMENT SYSTEM
LAST NINE FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Academy's Proportion of the Net Pension Liability	0.0270776%	0.0270019%	0.0210035%	0.0182683%	0.0174542%	0.0162820%	0.0170764%	0.0134279%	0.007321%
Academy's Proportionate Share of the Net Pension Liability	$ 1,464,568	$ 996,292	$ 765,036	$ 626,704	$ 537,704	$ 545,886	$ 530,329	$ 429,401	$ 214,870
Academy's Covered Payroll	$ 1,011,114	$ 950,707	$ 765,036	$ 626,704	$ 537,704	$ 545,886	$ 530,329	$ 429,401	$ 214,870
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	144.85%	104.79%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

(1) Information prior to 2015 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

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY’S PROPORTIONATE SHARE OF NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM
LAST NINE FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Academy's Proportion of the Net Pension Liability	0.00307631%	0.00350890%	0.00308316%	0.00329372%	0.00354621%	0.00384583%	0.00410436%	0.00395563%	0.00300476%
Academy's Proportionate Share of the Net Pension Liability	$ 683,867	$ 448,644	$ 372,086	$ 386,693	$ 403,143	$ 422,800	$ 431,857	$ 412,700	$ 330,615
Academy's Covered Payroll	$ 399,936	$ 432,979	$ 372,086	$ 386,693	$ 403,143	$ 422,800	$ 431,857	$ 412,700	$ 330,615
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.99%	103.62%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%	77.31%	75.29%	66.80%	72.10%	74.70%

(1) Information prior to 2015 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

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY'S CONTRIBUTIONS - PENSION
SCHOOL EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 89,351	$ 141,556	$ 133,099	$ 107,105	$ 84,605	$ 72,590	$ 76,424	$ 74,246	$ 56,595	$ 29,781
Contributions in Relation to the Contractually Required Contribution	(89,351)	(141,556)	(133,099)	(107,105)	(84,605)	(72,590)	(76,424)	(74,246)	(56,595)	(29,781)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Academy Covered Payroll	$ 638,221	$ 1,011,114	$ 950,707	$ 765,036	$ 626,704	$ 537,704	$ 545,886	$ 530,329	$ 429,401	$ 214,870
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY'S CONTRIBUTIONS - PENSION
STATE TEACHERS RETIRMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ 83,316	$ 55,991	$ 60,617	$ 52,092	$ 54,137	$ 56,440	$ 59,192	$ 60,460	$ 57,778	$ 42,980
Contributions in Relation to the Contractually Required Contribution	(83,316)	(55,991)	(60,617)	(52,092)	(54,137)	(56,440)	(59,192)	(60,460)	(57,778)	(42,980)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Academy Covered Payroll	$ 595,114	$ 399,936	$ 432,979	$ 372,086	$ 386,693	$ 403,143	$ 422,800	$ 431,857	$ 412,700	$ 330,615
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIRMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017
Academy's Proportion of the Net OPEB Liability	0.0266185%	0.0254938%	0.0198622%	0.0177905%	0.0172919%	0.0153027%	0.0172118%
Academy's Proportionate Share of the Net OPEB Liability	$ 373,726	$ 482,491	$ 431,671	$ 447,394	$ 479,724	$ 410,684	$ 530,329
Academy's Covered Payroll	$ 1,011,114	$ 950,707	$ 765,036	$ 626,704	$ 537,704	$ 545,886	$ 530,329
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.96%	50.75%	56.42%	71.39%	89.22%	75.23%	100.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

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

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

See accompanying notes to the required supplementary information

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF NET OPEB LIABILITY/(ASSET)
STATE TEACHERS RETIREMENT SYSTEM
LAST SEVEN FISCAL YEARS (1)

	2023	2022	2021	2020	2019	2018	2017
Academy's Proportion of the Net OPEB Liability/Asset	0.00307631%	0.00350890%	0.00308316%	0.00329372%	0.00354621%	0.00384583%	0.00410436%
Academy's Proportionate Share of the Net OPEB Liability/(Asset)	$ (79,656)	$ (73,982)	$ (54,187)	$ (54,552)	$ (56,984)	$ 150,050	$ 219,502
Academy's Covered Payroll	$ 399,936	$ 432,979	$ 372,086	$ 386,693	$ 403,143	$ 422,800	$ 431,857
Academy's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-19.92%	-17.09%	-14.56%	-14.11%	-14.13%	35.49%	50.83%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	174.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.30%

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

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

See accompanying notes to the required supplementary information

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY’S CONTRIBUTION - OPEB
SCHOOL EMPLOYEES RETIRMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution (1)	$ 2,037	$ 11,918	$ 5,533	$ 3,617	$ 9,630	$ 10,186	$ 2,698	$ 8,309	$ 2,799	$ 347
Contributions in Relation to the Contractually Required Contribution	(2,037)	(11,918)	(5,533)	(3,617)	(9,630)	(10,186)	(2,698)	(8,309)	(2,799)	(347)
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Academy Covered Payroll	$ 638,221	$ 1,011,114	$ 950,707	$ 765,036	$ 626,704	$ 537,704	$ 545,886	$ 530,329	$ 429,401	$ 214,870
OPEB Contributions as a Percentage of Covered Payroll (1)	0.32%	1.18%	0.58%	0.47%	1.54%	1.89%	0.49%	1.57%	0.65%	0.16%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE ACADEMY'S CONTRIBUTION - OPEB
STATE TEACHERS RETIRMENT SYSTEM
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,306
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	-	-	(3,306)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Academy Covered Payroll	$ 595,114	$ 399,936	$ 432,979	$ 372,086	$ 386,693	$ 403,143	$ 422,800	$ 431,857	$ 412,700	$ 330,615
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

See accompanying notes to the required supplementary information

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.

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms - STRS

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

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

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

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

Pre-Medicare Trend Assumption

Fiscal year 2023	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 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.

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*

To the Board of Directors
Cincinnati Technology Academy
3800 Glenway Avenue
Cincinnati, Ohio 45205

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Cincinnati Technology Academy, Hamilton 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 21, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
December 21, 2023

Rea & associates a brighter way

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

To the Board of Directors
Cincinnati Technology Academy
3800 Glenway Avenue
Cincinnati, Ohio 45205

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cincinnati Technology Academy's, Hamilton County, Ohio (the "Academy") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Academy's major federal programs for the year ended June 30, 2023. The Academy's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each 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 each major federal program. Our audit does not provide a legal determination of the Academy's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Academy’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Academy’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Academy’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
December 21, 2023

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Grant Year	Expenses	Total Provided to Subrecipients
U. S. Department of Education				
Passed Through Ohio Department of Education:				
Title I	84.010A	2023	$ 275,861	$ -
Title I - Expanding Opportunities for Each Child	84.010A	2023	35,937	-
Title I - School Quality Improvement	84.010A	2023	55,058	-
Total Title I			366,856	-
Special Education Cluster:				
IDEA Part B	84.027A	2023	65,861	-
IDEA Early Childhood Special Education	84.173A	2023	663	-
COVID-19 ARP-IDEA Part B	84.027X	2023	12,626	-
COVID-19 ARP-IDEA Early Childhood Special Education	84.173X	2023	936	-
Total Special Education Cluster			80,086	-
COVID-19: Educations Stabilization Fund	84.425D	2023	651,248	-
COVID-19: ARP - Educations Stabilization Fund	84.425U	2023	328,828	-
Total Education Stabilization Fund			980,076	-
Title IV-A Student Support and Academic Enrichment	84.424A	2023	2,782	-
Equity for Each Grant	84.048A	2023	41,800	-
Title III Language Instruction for English Learners	84.365A	2023	8,857	-
Title II-A Improving Teacher Quality	84.367A	2023	8,514	-
Total U.S. Department of Education			1,488,971	-
U. S. Department of Agriculture				
Passed Through the Ohio Department of Education:				
Child Nutrition Cluster:				
Cash Assistance:				
School Breakfast Program	10.553	2023	34,113	-
National School Lunch Program	10.555	2023	131,586	-
Total Child Nutrition Cluster			165,699	-
Total U.S. Department of Agriculture			165,699	-
TOTAL FEDERAL FINANCIAL ASSISTANCE			$ 1,654,670	$ -

The accompanying notes are an integral part of this schedule.

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON 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

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Cincinnati Technology Academy, Hamilton 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. The Academy has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE C - TRANSFERS

The Academy generally must spend Federal assistance within 15 months of receipt. However, with Ohio Department of Education (ODE) approval, a Academy can transfer (carryover) unspent Federal assistance to the succeeding year, thus allowing the Academy a total of 27 months to spend the assistance. During fiscal year 2023, the ODE authorized the following transfers:

AL Number / Grant Title	Grant Year	Transfer Out	Transfer In
84.010A Title I	2022	$ 65,239	
84.010A Title I	2023		$ 65,239
84.010A Title I - School Improvement	2022	36,671	
84.010A Title I - School Improvement	2023		36,671
84.010A Title I - Expanding Opportunities for Each Child Non-Competitive Grant	2022	15,304	
84.010A Title I - Expanding Opportunities for Each Child Non-Competitive Grant	2023		15,304
84.367A Title II-A Improving Teacher Quality	2022	29,673	
84.367A Title II-A Improving Teacher Quality	2023		29,673
84.027A IDEA Part B	2022	4,650	
84.027A IDEA Part B	2023		4,650
84.424A Title IV-A Student Support and Academic Enrichment	2022	47,785	
84.424A Title IV-A Student Support and Academic Enrichment	2023		47,785
		$ 199,322	$ 199,322

NOTE D - CHILD NUTRITION CLUSTER

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

CINCINNATI TECHNOLOGY ACADEMY
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR §200.515
JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unmodified
(d) (1) (ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None Reported
(d) (1) (iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None Reported
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d) (1) (vii)	Major Programs (list): Education Stabilization Fund – COVID-19 & American Rescue Plan Education Stabilization Fund Programs – COVID-19	ALN # 84.425D, 84.425U
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > $750,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.

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OHIO AUDITOR OF STATE
KEITH FABER

CINCINNATI TECHNOLOGY ACADEMY

HAMILTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 2/13/2024

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