



**COMMUNITY STE(A)M ACADEMY - XENIA
GREENE COUNTY
JUNE 30, 2024**

TABLE OF CONTENTS

| TITLE | PAGE |
|--|-------------|
| Independent Auditor's Report | 1 |
| Prepared by Management: | |
| Management's Discussion and Analysis | 5 |
| Basic Financial Statements: | |
| Statement of Net Position | 9 |
| Statement of Revenues, Expenses and Changes in Net Position | 10 |
| Statement of Cash Flows..... | 11 |
| Notes to the Basic Financial Statements..... | 13 |
| Required Supplementary Information: | |
| Schedule of the School Contributions – Pension School Employees Retirement System of Ohio (SERS)..... | 37 |
| Schedule of the School Contributions – Pension State Teachers Retirement System of Ohio (STRS) | 38 |
| Schedule of the School Contributions – OPEB School Employees Retirement System of Ohio (SERS)..... | 39 |
| Schedule of the School Contributions – OPEB State Teachers Retirement System of Ohio (STRS) | 40 |
| Notes to Required Supplementary Information | 41 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 45 |

This page intentionally left blank

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Community STE(A)M Academy – Xenia
Greene County
855 Lower Bellbrook Road
Xenia, Ohio 45385

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Community STE(A)M Academy - Xenia, Greene County, Ohio (the School), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Community STE(A)M Academy - Xenia, Greene County, Ohio as of June 30, 2024, and the changes in financial position and, its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Efficient • Effective • Transparent

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2025, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

December 2, 2025

This page intentionally left blank

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

As management of the Community STE(A)M Academy- Xenia (the School), we offer readers of the School’s financial statements this narrative overview and analysis of the financial activities of the School for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School’s financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School’s financial performance.

Financial Highlights

Key financial highlights for the School are as follows:

- Ending net position of the School was negative \$1,027,043,
- Total assets was \$1,255,834 and total liabilities was \$2,422,857 during this same 12-month period.
- Operating revenues was \$1,218,895 and operating expenses was \$2,595,787 during the same period
- The School’s operating loss for fiscal year 2024 was \$1.4 million
- Fiscal year 2024 was the first year the School was in operation.

Using this Annual Financial Report

This financial report contains the basic financial statements of the School, as well as the Management’s Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position, and a statement of cash flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentation information is the same.

Reporting the School’s Financial Activities

Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

This statement reports the School’s net position; however, in evaluating the overall position and financial viability of the School, non-financial information such as the condition of the School’s property and potential changes in the laws governing charter schools in the State of Ohio will also need to be evaluated. The statement of revenues, expenses and changes in net position reports the changes in net position. This change in net position is important because it tells the reader that, for the School as a whole, the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. The statement of cash flows provides information about how the School is meeting the cash flow needs of its operations.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School’s net pension/OPEB liability.

Financial Analysis

There was no activity in fiscal year 2023 due to fiscal year 2024 being the School’s first year of operation. Table 1 provides a summary of the School’s net position for fiscal year 2024.

Table 1 - Net Position

| | 2024 |
|---|-----------------------|
| ASSETS | |
| Current Assets | \$ 84,057 |
| Security Deposits | 21,224 |
| Capital Assets, Net | 1,150,553 |
| Total Assets | 1,255,834 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pensions | 133,226 |
| OPEB | 6,754 |
| Total Deferred Outflows of Resources | 139,980 |
| LIABILITIES | |
| Current Liabilities | 1,443,129 |
| Long-term liabilities: | |
| Due within one year | 213,390 |
| Due in more than one year | |
| Lease Payable | 766,338 |
| Total Liabilities | 2,422,857 |
| NET POSITION | |
| Net Investment in Capital Assets | 170,825 |
| Restricted | 12,886 |
| Unrestricted | (1,210,754) |
| Total Net Position | \$ (1,027,043) |

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

There was no activity in fiscal year 2023 due to fiscal year 2024 being the School's first year of operation. Table 2 provides a summary of the School's change in net position for 2024.

Table 2 - Change in Net Position

| | 2024 |
|--|-----------------------|
| OPERATING REVENUES | |
| State Foundation | \$ 1,213,984 |
| Other Operating Unrestricted Grants | 4,911 |
| Total Operating Revenues | 1,218,895 |
| OPERATING EXPENSES | |
| Salaries and Wages | 1,054,981 |
| Fringe Benefits | 165,770 |
| Purchased Services | 912,538 |
| Materials and Supplies | 161,398 |
| Depreciation/ Amortization | 258,917 |
| Other | 42,183 |
| Total Operating Expenses | 2,595,787 |
| Operating Loss | (1,376,892) |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest Income | 11 |
| Interest and Fiscal Charges | (54,348) |
| Federal and State Grants | 86,418 |
| Contributions and Donations | 146,990 |
| Other Non-Operating Revenues | 170,778 |
| Total Non-Operating Revenues (Expenses) | 349,849 |
| Change in Net Position | (1,027,043) |
| Net Position - Beginning of Year | - |
| Net Position - End of Year | \$ (1,027,043) |

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

Capital Assets

At fiscal year-end, the School's net capital asset balance was \$1,150,553. For more information on capital assets, see Note 5 to the basic financial statements.

Debt

At fiscal year-end, the School's loan payable balance was \$794,479 and lease payable was \$979,728 year-end. For more information on the School's loan and lease payable, see Note 6 to the basic financial statements.

Current Financial Issues

The School is dependent upon legislative and governmental support to fund ongoing operations. The School is expected to grow in both the number of students and support staff, which will impact the School's funding since the School receives a majority of its financial support from per student state foundation payments.

Contacting the School

This financial report is designed to provide a general overview of the School and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Community STE(A)M Academy-Xenia, 855 Lower Bellbrook Road, Xenia, OH 45385.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Statement of Net Position
As of June 30, 2024**

ASSETS

Current Assets:

Cash and Cash Equivalents \$ 58,829

Receivables:

Intergovernmental 25,228

Total Current Assets 84,057

Noncurrent Assets:

Security Deposit 21,224

Capital Assets:

Depreciable Capital Assets, Net of Depreciation/Amortization 1,150,553

Total Noncurrent Assets 1,171,777

Total Assets 1,255,834

DEFERRED OUTFLOWS OF RESOURCES

Pension 133,226

OPEB 6,754

Total Deferred Outflows of Resources 139,980

LIABILITIES

Current Liabilities:

Accounts Payable 442,563

Accrued Wages and Benefits 190,187

Intergovernmental Payable 15,900

Leases Payable 213,390

Loan Payable 794,479

Total Current Liabilities 1,656,519

Noncurrent Liabilities:

Leases Payable 766,338

Total Noncurrent Liabilities 766,338

Total Liabilities 2,422,857

NET POSITION

Net Investment in Capital Assets 170,825

Restricted for:

Other 12,886

Unrestricted (1,210,754)

Total Net Position \$ (1,027,043)

See accompanying notes to the basic financial statements

**Community STE(A)M Academy-Xenia
Greene County, Ohio
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2024**

OPERATING REVENUES

| | |
|-------------------------------------|------------------|
| State Foundation | \$ 1,213,984 |
| Other Operating Unrestricted Grants | 4,911 |
| Total Operating Revenues | <u>1,218,895</u> |

OPERATING EXPENSES

| | |
|---------------------------------|--------------------|
| Salaries and Wages | 1,054,981 |
| Fringe Benefits | 165,770 |
| Purchased Services | 912,538 |
| Materials and Supplies | 161,398 |
| Depreciation/Amortization | 258,917 |
| Other | 42,183 |
| Total Operating Expenses | <u>2,595,787</u> |
| Operating Loss | <u>(1,376,892)</u> |

NON-OPERATING REVENUES (EXPENSES)

| | |
|--|----------------|
| Interest Income | 11 |
| Interest and Fiscal Charges | (54,348) |
| Federal and State Grants | 86,418 |
| Contributions and Donations | 146,990 |
| Other Non-operating Revenues | 170,778 |
| Total Non-operating Revenues (Expenses) | <u>349,849</u> |

Change in Net Position (1,027,043)

Net Position - Beginning of Year -

Net Position - End of Year \$ (1,027,043)

See accompanying notes to the basic financial statements

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024**

| | |
|---|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Received from State of Ohio | \$ 1,208,836 |
| Cash Received from Other Operations | 4,911 |
| Cash Payments for Salaries and Wages | (890,246) |
| Cash Payments for Fringe Benefits | (268,889) |
| Cash Payments for Purchased Services | (543,929) |
| Cash Payments for Materials and Supplies | (147,058) |
| Cash Payments for Other Expenses | (38,225) |
| Net Cash Used in Operating Activities | <u>(674,600)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Federal and State Grants | 84,068 |
| Loan Proceeds | 854,929 |
| Other Non-Operating | 317,768 |
| Net Cash Provided by Noncapital Financing Activities | <u>1,256,765</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Principal Paid on Long-term Debt | (239,228) |
| Interest Paid on Long-term Debt | (54,348) |
| Payments for Capital Acquisitions | (229,771) |
| Net Cash Used in Capital and Related Financing Activities | <u>(523,347)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest on Investments | 11 |
| Net Cash Provided by Investing Activities | <u>11</u> |
| Net Increase in Cash and Cash Equivalents | 58,829 |
| Cash and Cash Equivalents - Beginning of Year | - |
| Cash and Cash Equivalents - End of Year | <u>\$ 58,829</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES OPERATING ACTIVITIES | |
| Operating Loss | \$ (1,376,892) |
| Adjustments: | |
| Depreciation/Amortization | 258,917 |
| Security Deposit | (21,224) |
| (Increase) Decrease in Assets and Deferred Outflows: | |
| Intergovernmental Receivable | (22,878) |
| Deferred Outflows - Pension | (133,226) |
| Deferred Outflows - OPEB | (6,754) |
| Increase (Decrease) in Liabilities and Deferred Inflows: | |
| Accounts Payable | 421,370 |
| Accrued Wages and Benefits | 190,187 |
| Intergovernmental Payable | 15,900 |
| Net Cash Used in Operating Activities | <u>\$ (674,600)</u> |
| <u>Schedule of Noncash Non-Capital and Capital Financing Activities</u> | |
| Leased Asset and Liability | 1,179,699 |

See accompanying notes to the basic financial statements

This page was intentionally left blank.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Community STE(A)M Academy-Xenia (the School), is a public school established according to Chapter 3326, is part of the state's program of education, may contract for any services necessary for the operation of the School, and may continue in operation for as long as the School is in compliance with the provisions of this chapter and with the proposal for its establishment as approved by the Ohio STEM committee.

The School operates under the direction of a Board of Trustees (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Board controls the School's instructional/support facility staffed by non-certified and certificated full time teaching personnel who provide services to students during the school year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with accounting principles generally accepted in the United States of America 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 School's most significant accounting policies are described below.

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

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

The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

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

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

Expenses are recognized at the time they are incurred.

Budgetary Process

Unlike traditional public schools located in the State of Ohio, STEAM schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705. The School's Board adopts a formal budget at the beginning of the School year. Spending limits are set based on projected revenue from the State of Ohio and other known sources. The Board's adoption of the budget states that actual expenditures are "not to exceed" budget amounts.

Cash and Cash Equivalents

All monies received by the School are maintained in a demand deposit account. For internal accounting purposes, the School segregates its cash into separate funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments with a maturity of three months or less at the time they are purchased are considered to be cash equivalents.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School does not possess any infrastructure. The School maintains a capitalization threshold of \$5,000. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated or amortized, except land and construction in progress and intangibles. Improvements to capital assets are depreciated over the remaining useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | <u>Estimate Life</u> |
|-------------------------------------|----------------------|
| Furnitures, Fixtures, and Equipment | 5 years |
| Leasehold Improvements | 10-25 years |

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

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Intergovernmental Revenue

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Operating and Non-Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly by the School's primary mission. For the School, operating revenues include revenues paid through the State Foundation. Operating expenses are necessary costs incurred to support the School's primary mission, including salaries, benefits, purchased services, materials and supplies, depreciation and other.

Non-operating revenues and expenses are those that are not generated directly by the School's primary mission. Various federal and state grants, interest, contributions and donations, and other non-operating comprise the non-operating revenues of the School. Interest and fiscal charges and loss on disposal of assets, if any, comprise the non-operating expenses.

Accrued Liabilities Payable

The School has recognized certain liabilities on its Statement of Net Position relating to expenses, which are due but unpaid as of June 30, 2024, including:

Accrued Wages and benefits payable – salary and benefit payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2024 contract.

Accounts payable - payments due for services or goods that were rendered or received during fiscal year 2024.

Intergovernmental payable – payment for the employer's share of the retirement contribution, and Medicare associated with services rendered during fiscal year 2024 that were paid in the subsequent fiscal year.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. For the School, deferred outflows of resources are reported on the statement of net position for pensions and other postemployment benefits (OPEB). These deferred outflows of resources related to pensions are explained in Note 8 and Note 9.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School did not have any deferred inflows of resources as of June 30, 2024.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Pensions and Other Postemployment Benefits (OPEB)

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

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation less any outstanding capital related debt. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position of the School at year-end represents resources held for food service programs and unspent state and federal grant proceeds. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Prepaid Assets

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

NOTE 3 – DEPOSITS

At June 30, 2024, the book amount of the School's deposits was \$58,829. The full amount \$39,422 of the School's bank balance, was covered by the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

All intergovernmental receivables are considered collectible in full due to the stable condition of state and federal programs.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|---------------------|-------------|---------------------|
| Capital Assets, Being Depreciated/Amortized | | | | |
| Computers and Equipment | \$ - | \$ 229,771 | \$ - | \$ 229,771 |
| Intangible Right to Use, Buiding | | 1,179,699 | | 1,179,699 |
| Total Capital Assets, Being Depreciated/Amortized | <u>-</u> | <u>1,409,470</u> | <u>-</u> | <u>1,409,470</u> |
| Less Accumulated Depreciation/Amortization | | | | |
| Computers and Equipment | - | (22,977) | - | (22,977) |
| Intangible Right to Use, Buildings | | (235,940) | - | (235,940) |
| Total Accumulated Depreciation/Amortization | <u>-</u> | <u>(258,917)</u> | <u>-</u> | <u>(258,917)</u> |
| Total Capital Assets, Being Depreciated/Amortized, Net | <u>-</u> | <u>1,150,553</u> | <u>-</u> | <u>1,150,553</u> |
| Total Capital Assets, Net | <u>\$ -</u> | <u>\$ 1,150,553</u> | <u>\$ -</u> | <u>\$ 1,150,553</u> |

NOTE 6 – LONG-TERM LIABILITIES

Changes in the School’s long-term liabilities during the fiscal year were as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|------------------------------|----------------------|---------------------|---------------------|---------------------|------------------------|
| Loans from Direct Borrowings | \$ - | \$ 854,929 | \$ (60,450) | \$ 794,479 | \$ 794,479 |
| Leases Payable | - | 1,158,506 | (178,778) | 979,728 | 213,390 |
| Total Long-Term Obligations | <u>\$ -</u> | <u>\$ 2,013,435</u> | <u>\$ (239,228)</u> | <u>\$ 1,774,207</u> | <u>\$ 1,007,869</u> |

Leases payable The School entered into an agreement to lease a building. Due to the implementation of GASB Statement 87, these leases have met the criteria of leases thus requiring them to be recorded by the School. The future lease payments were discounted based on the School’s incremental borrowing rate. This discount is being amortized over the life of the leases.

A summary of principal and interest amounts for the remaining leases are as follows:

| Year Ended | Principal | Interest | Total |
|------------|-------------------|-------------------|---------------------|
| 2025 | \$ 213,390 | \$ 48,559 | \$ 261,949 |
| 2026 | 233,487 | 36,321 | 269,808 |
| 2027 | 254,959 | 22,943 | 277,902 |
| 2028 | 277,892 | 8,348 | 286,240 |
| Total | <u>\$ 979,728</u> | <u>\$ 116,171</u> | <u>\$ 1,095,899</u> |

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Loans payable The School entered into in a line of credit agreement with NCF Savings Bank in the amount of \$854,929. The full amount of the outstanding loan will be due within one year.

NOTE 7 – RISK MANAGEMENT

Property and Liability

The School is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. For the year ended June 30, 2024, the School contracted for general liability, umbrella liability, workers' compensation and employers' liability, and automobile liability.

There was no significant reduction in coverage during the fiscal year, which was the initial year of operations.

Workers' Compensation

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

Employee Medical and Dental Benefits

The School carries their life, vision and dental insurance through Lincoln Financial Group, and their medical insurance through Paramount Health Care. The School pays 80% of the employee cost and 70% of spousal/dependent cost, dental and vision 50% benefits for most employees. The annual cost of medical insurance is based upon gender and age.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023 and 2024.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School's contractually required contribution to SERS was \$49,330 for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2024, plan members were required to contribute 14 percent of their annual covered salary. The School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2024 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was \$83,896 for fiscal year 2024.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources (with the exception of deferred outflows of resources related to School contributions subsequent to the measurement date) and Deferred Inflows of Resources related to Pensions are not applicable to the School at June 30, 2024 due to the School not being in operation during the measurement period. At June 30, 2024, the School reported deferred outflows of resources related to pensions from the following sources:

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

| | SERS | STRS | Total |
|---|-----------|-----------|------------|
| Deferred Outflows of Resources | | | |
| School contributions subsequent to the measurement date | \$ 49,330 | \$ 83,896 | \$ 133,226 |
| Total Deferred Outflows of Resources | \$ 49,330 | \$ 83,896 | \$ 133,226 |

\$133,226 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Actuarial Assumptions – SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, 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 investment 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 percent for males and set forward two years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward five years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class.

The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|------------------------------|---|
| Cash | 2.00 % | 0.75 % |
| US Equity | 24.75 | 4.82 |
| Non-US Equity Developed | 13.50 | 5.19 |
| Non-US Equity Emerging | 6.75 | 5.98 |
| Fixed Income/Global Bonds | 19.00 | 2.24 |
| Private Equity | 12.00 | 7.49 |
| Real Estate/Real Assets | 17.00 | 3.70 |
| Private Debt/Private Credit | 5.00 | 5.64 |
| Total | <u>100.00 %</u> | |

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Discount Rate The total pension liability was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined rate of fiscal year 2023 was 14 percent. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, 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, 2023 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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 % | |

* Final target weights reflected at October 1, 2022.

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

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 9 - DEFINED BENEFIT OPEB PLANS

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

Plan Description - School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

For fiscal year 2024, the School’s surcharge obligation was \$6,754, which is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

OPEB Liabilities, OPEB Assets, OPEB Expense, and Deferred Outflows of Resources (with the exception of deferred outflows of resources related to School contributions subsequent to the measurement date) and Deferred Inflows of Resources related to OPEB are not applicable to the School at June 30, 2024 due to the School not being in operation during the measurement period. At June 30, 2024, the School reported deferred outflows of resources related to OPEB from the following sources:

| | SERS | STRS | Total |
|---|----------|------|----------|
| Deferred Outflows of Resources | | | |
| School contributions subsequent to the measurement date | \$ 6,754 | \$ - | \$ 6,754 |
| Total Deferred Outflows of Resources | \$ 6,754 | \$ - | \$ 6,754 |

\$6,754 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the year ending June 30, 2025.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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, 2023, 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 | 3.86 percent |
| Prior Measurement Date | 3.69 percent |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation | |
| Measurement Date | 4.27 percent |
| Prior Measurement Date | 4.08 percent |
| Medical Trend Assumption | |
| Measurement Date | 6.75 to 4.40 percent |
| Prior Measurement Date | 7.00 to 4.40 percent |

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

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 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class.

These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|------------------------------|---|
| Cash | 2.00 % | 0.79 % |
| US Equity | 24.75 | 4.82 |
| Non-US Equity Developed | 13.50 | 5.19 |
| Non-US Equity Emerging | 6.75 | 5.98 |
| Fixed Income/Global Bonds | 19.00 | 2.24 |
| Private Equity | 12.00 | 7.49 |
| Real Estate/Real Assets | 17.00 | 3.70 |
| Private Debt/Private Credit | 5.00 | 5.64 |

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023 was 4.08 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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination for the SEIR for both the June 30, 2022 and the June 30, 2023 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 3.86 % at June 30, 2023 and 3.69 % at June 30, 2022.

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, 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 | 4.14 percent |
| Medicare | -10.94 percent | 4.14 percent |
| Prescription Drug | | |
| Pre-Medicare | -11.95 percent | 4.14 percent |
| Medicare | 1.33 percent | 4.14 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, 2023, valuation are 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.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

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

* Final Target weights reflected at October 1, 2022

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should

Discount Rate The discount rate used to measure the total OPEB asset was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB asset as of June 30, 2023.

Benefit Term Changes Since the Prior Measurement Date

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

NOTE 10 – CONTINGENT LIABILITIES

Grants Review

Amounts grantor agencies pay to the School are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

Full-Time Equivalency

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

The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. Under Ohio Rev. Code Section 3314.08, ODEW may also perform an FTE Review subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. As of the date of this report, ODEW has finalized the impact of enrollment adjustments to the June 30, 2024 Foundation funding for the School, resulting in no material adjustments.

NOTE 11 – PURCHASED SERVICES

During the fiscal year, purchased service expense consisted of the following:

| | |
|-----------------------------|------------|
| Instruction Services | \$ 592,634 |
| Health Services | 7,153 |
| Staff Services | 58,590 |
| Management Services | 105,861 |
| Data Processing Services | 22,074 |
| Professional/legal Services | 50,706 |
| Other Professional Services | 15,217 |
| Property Services | 14,463 |
| Communications | 2,237 |
| Utilities | 42,926 |
| Contracted Food Services | 677 |
| Total | \$ 912,538 |

NOTE 12 – CHANGES IN ACCOUNTING PRINCIPLES

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

GASB Statement No. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62. GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability.

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024**

In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of the School.

NOTE 13 - JOINTLY GOVERNED ORGANIZATION

Miami Valley Educational Computer Association - The School is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene, Ross, Madison, Montgomery and Highland Counties.

The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School paid MVECA \$6,323 for services provided during the fiscal year. Financial information can be obtained from MVECA at 888 Dayton Street, Suite 102, Yellow Springs, Ohio 45387.

NOTE 14 – SUBSEQUENT EVENT

The School refinanced the line of credit agreement with NCF Savings Bank in July 2024 with an interest rate of 9.5% and maturity date of November 1, 2029.

This page intentionally left blank

Community STE(A)M Academy- Xenia
Greene County, Ohio
Schedule of the School Contributions – Pension
School Employees Retirement System of Ohio (SERS)
Current Fiscal Year (1)

| | 2024 |
|---|------------|
| Contractually Required Contribution | \$ 49,330 |
| Contributions in Relation to the Contractually Required Contribution | (49,330) |
| Contribution Deficiency (Excess) | \$ - |
| School District Covered Payroll | \$ 352,357 |
| Contributions as a Percentage of Covered Payroll | 14.00% |

(1) Information prior to 2024 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Community STE(A)M Academy- Xenia
Greene County, Ohio**
*Schedule of the School Contributions – Pension
State Teachers Retirement System of Ohio (STRS)
Current Fiscal Year (1)*

| | 2024 |
|---|------------|
| Contractually Required Contribution | \$ 83,896 |
| Contributions in Relation to the Contractually Required Contribution | (83,896) |
| Contribution Deficiency (Excess) | \$ - |
| School District Covered Payroll | \$ 599,257 |
| Contributions as a Percentage of Covered Payroll | 14.00% |

(1) Information prior to 2024 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Community STE(A)M Academy- Xenia
Greene County, Ohio**
*Schedule of the School Contributions – OPEB
School Employees Retirement System of Ohio (SERS)
Current Fiscal Year (1)(2)*

| | | 2024 |
|---|----|---------|
| Contractually Required Contribution (1) | \$ | 6,754 |
| Contributions in Relation to the Contractually Required Contribution | | (6,754) |
| Contribution Deficiency (Excess) | | - |
| School District Covered Payroll | \$ | 352,357 |
| OPEB Contributions as a Percentage of Covered Payroll (1) | | 1.92% |

(1) Includes Surcharge

(2) Information prior to 2024 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Community STE(A)M Academy- Xenia
Greene County, Ohio**
*Schedule of the School Contributions – OPEB
State Teachers Retirement System of Ohio (STRS)
Current Fiscal Year (1)*

| | 2024 |
|---|------------|
| Contractually Required Contribution | \$ - |
| Contributions in Relation to the Contractually Required Contribution | - |
| Contribution Deficiency (Excess) | \$ - |
| School District Covered Payroll | \$ 599,257 |
| Contributions as a Percentage of Covered Payroll | 0.00% |

(1) Information prior to 2024 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Note to Required Supplementary Information**

Net Pension Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017 and 2019-2024.

The following changes were made to the benefit terms in 2018 as identified: The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% 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 2018-2020.

Changes in assumptions- SERS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016, 2018-2021, and 2024. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement (h) change in discount rate from 7.75% to 7.5%. For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.00% to 2.40%, (b) assumed real wage growth was reduced from 0.% to 0.85%, (c) Cost-of-Living-Adjustments was reduced from 2.50% to 2.00% (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality amount active members, service retirees and beneficiaries, and disabled members were updated (i) change in discount rate from 7.50% to 7.00%. For fiscal year 2023, Cost-of-Living-Adjustments were increased from 2.00% to 2.50%.

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014-2024.

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017, 2019-2021, and 2024. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Note to Required Supplementary Information**

assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) investment return assumption lowered from 7.45% to 7.00%, (b) discount rate of return reduced from 7.45% to 7.00%. For fiscal year 2023, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from, 12.50% at age 20 to 2.50% at age 65, to, varies by service from 2.50% to 8.50% (b) post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Net OPEB Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 2018-2024.

Changes in Assumptions – SERS

Amounts reported for fiscal years 2018-2023 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

| | |
|------------------|--------------|
| Fiscal year 2024 | 3.86 percent |
| Fiscal year 2023 | 3.69 percent |
| Fiscal year 2022 | 1.92 percent |
| Fiscal year 2021 | 2.45 percent |
| Fiscal year 2020 | 3.13 percent |
| Fiscal year 2019 | 3.62 percent |
| Fiscal year 2018 | 3.56 percent |
| Fiscal year 2017 | 2.92 percent |

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

| | |
|------------------|--------------|
| Fiscal year 2024 | 4.27 percent |
| Fiscal year 2023 | 4.08 percent |
| Fiscal year 2022 | 2.27 percent |
| Fiscal year 2021 | 2.63 percent |
| Fiscal year 2020 | 3.22 percent |
| Fiscal year 2019 | 3.70 percent |
| Fiscal year 2018 | 3.63 percent |

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Note to Required Supplementary Information**

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

Changes in Assumptions – STRS

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

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

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

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

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

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

**Community STE(A)M Academy- Xenia
Greene County, Ohio
Note to Required Supplementary Information**

Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

Changes in Benefit Terms – STRS

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

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

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

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

There were no benefit term changes from the amounts reported for fiscal year 2022-2024.

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Community STE(A)M Academy - Xenia
Greene County
855 Lower Bellbrook Road
Xenia, Ohio 45385

To the Board of Trustees:

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 the Community STE(A)M Academy - Xenia, Greene County, Ohio (the School) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated December 2, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 School’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

December 2, 2025

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY STE(A)M ACADEMY - XENIA

GREENE 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 12/30/2025

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

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