

**COLUMBUS PERFORMANCE
ACADEMY
FRANKLIN COUNTY, OHIO**

SINGLE AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2024**

Zupka & Associates
Certified Public Accountants



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Columbus, Ohio 43215
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Members of the Board
Columbus Performance Academy
Two Easton Oval, Suite 525
Columbus, OH 43219

We have reviewed the *Independent Auditor's Report* of the Columbus Performance Academy, Franklin County, prepared by Zupka & Associates, for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2025

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**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO
SINGLE AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

Columbus Performance Academy
Franklin County
274 East 1st Ave.
Columbus, Ohio 43201

To the Members of the Board:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Columbus Performance Academy, Franklin County, Ohio, (the Academy) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Columbus Performance Academy as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

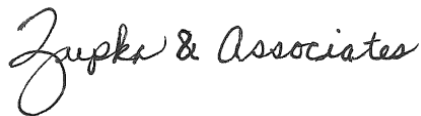
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Postemployment Benefit Liabilities and Pension and Postemployment Benefit Contributions, as listed in the table of contents, be presented to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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Academy's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Zupka & Associates
Certified Public Accountants

December 19, 2024

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**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

The Management’s Discussion and Analysis of the Columbus Performance Academy’s (The Academy) financial performance provides an overall review of the Academy’s financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Academy’s financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the Academy’s financial performance.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- Total assets were \$218,378 and deferred outflows of resources were \$317,560.
- Total liabilities were \$1,315,838 and deferred inflows of resources were \$261,356.
- Net position increased \$48,124.

Using the Basic Financial Statements

This report consists of four parts, the Management’s Discussion and Analysis (MD&A), the basic financial statements, and notes to those statements, and required supplementary information. The basic financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.

Reporting the Academy’s Financial Activities

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

These documents look at all financial transactions and ask the question, “How did we do financially during 2024?” The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position answer this question. These statements include *all assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy’s *net position* and changes in net position. This change in net position is important because it tells the reader that, for the Academy as a whole, the *financial position* of the Academy has improved or diminished. The 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 Academy finances and meets the cash flow needs of its operations.

Notes to the Basic Financial Statements

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

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

Required Supplementary Information

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

The table below provides a summary of the Academy’s net position for fiscal year 2024 and 2023.

Net Position		
	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Current assets	\$ 100	\$ 255,825
Net OPEB asset	96,728	136,175
Capital Assets, Net of Amortization	<u>121,550</u>	<u>162,067</u>
Total Assets	<u>218,378</u>	<u>554,067</u>
<u>Deferred Outflows</u>		
Pension	285,264	368,735
OPEB	<u>32,296</u>	<u>23,952</u>
Total Deferred Outflows of Resources	<u>317,560</u>	<u>392,687</u>
<u>Liabilities</u>		
Current liabilities	40,248	294,013
Long-term liabilities:		
Leases Payable	86,781	127,029
Net Pension liability	1,161,108	1,262,791
Net OPEB liability	<u>27,701</u>	<u>25,050</u>
Total Liabilities	<u>1,315,838</u>	<u>1,708,883</u>
<u>Deferred Inflows</u>		
Pension	153,244	178,373
OPEB	<u>108,112</u>	<u>148,878</u>
Total Deferred Inflows of Resources	<u>261,356</u>	<u>327,251</u>
<u>Net Position</u>		
Net investment in capital assets	(5,479)	(3,251)
Restricted	96,728	-
Unrestricted (deficit)	<u>(1,132,505)</u>	<u>(1,086,129)</u>
Total Net Position	<u>\$ (1,041,256)</u>	<u>\$ (1,089,380)</u>

The net pension liability (NPL), the largest single liability reported by the Academy at June 30, 2024, the net OPEB liability (NOL) and the net OPEB asset are reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27”, and GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting net OPEB asset and deferred outflows related to pension and OPEB.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

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

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

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

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

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

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

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

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

Current assets and current liabilities decreased in fiscal year 2024 a decrease in grants receivable and the corresponding accounts payable to the management company. The changes in deferred inflows and outflows of resources, net OPEB asset, net pension liability and net OPEB liability are due to the reporting of GASB 68 and 75 as previously discussed. Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the Academy's net position was a deficit of \$1,041,256, an increase of \$48,124 from previous year.

Change in Net Position

	2024	2023
<u>Operating Revenues</u>		
State foundation *	\$ 1,835,427	\$ 1,698,044
Other State Aid *	10,789	10,509
Other operating revenue	48,613	45,426
Total Operating Revenues	<u>1,894,829</u>	<u>1,753,979</u>
<u>Operating Expenses</u>		
Purchased services - management fees	2,848,462	2,487,409
Amortization	40,517	40,517
Other operating expenses	54,575	98,849
Total Operating Expenses	<u>2,943,554</u>	<u>2,626,775</u>
<u>Non-operating Revenues</u>		
Federal grants	1,104,246	866,143
Contributions	-	28,542
Interest and Fiscal Charges	(7,397)	(8,420)
Total Non-operating Revenues	<u>1,096,849</u>	<u>886,265</u>
Change in net position	48,124	13,469
Net Position at the beginning of the year	<u>(1,089,380)</u>	<u>(1,102,849)</u>
Net Position at the end of the year	<u>\$ (1,041,256)</u>	<u>\$ (1,089,380)</u>

* Certain reclassifications have been made

The revenue generated by a community school is almost entirely dependent on per-pupil allotment given by the state foundation and from federal entitlement programs. The increase in federal grants is due to additional amounts of COVID related federal funding.

The increase in purchased services is due to the increase in federal grant revenue and state foundation.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)**

Below is a comparison of other operating expense without the pension and OPEB expenses related to GASB 68 and GASB 75.

	2024	2023
Other operating expenses	\$ 104,928	\$ 115,568

Decrease in other operating expense is due to a reduction in pension contributions. See Note 5 and 6 for further information regarding GASB 68 and GASB 75.

Capital Assets

As of June 30, 2024, the Academy had net capital assets of \$121,550 invested in intangible right-to-use lease – building. See Note 7 for further information on capital assets.

Long-Term Obligations

As of June 30, 2024, the Academy had Leases Payable balance of \$127,029 with \$40,248 that will be due within one year. See Note 8 for further information on long-term obligations.

Current Financial Related Activities

The Academy was formed in fiscal year 2011 through a contract with the Buckeye Hope Institute. In fiscal year 2011, enrollment was 64. The enrollment for fiscal year 2024 was 169, an increase of 7 students from fiscal year 2023. The Academy receives its finances mostly from state aid. Per pupil base aid for fiscal year 2024 was \$8,242.

Contacting the Academy's Financial Management

This financial report is designed to provide our citizens with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have any questions about this report or need additional information, contact Mr. Todd Taylor, Treasurer, at Columbus Performance Academy, 2 Easton Oval, Suite 525, Columbus, Ohio 43219 or email at ttaylor@performanceacademies.com.

Basic Financial Statements

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 100
Total Current Assets	<u>100</u>

Noncurrent Assets:

Net OPEB Asset	96,728
Capital Assets, Net of Amortization	<u>121,550</u>
Total Noncurrent Assets	<u>218,278</u>
Total Assets	<u>218,378</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension	285,264
OPEB	<u>32,296</u>
Total Deferred Outflows of Resources	<u>317,560</u>

LIABILITIES

Current Liabilities:

Leases Payable	<u>40,248</u>
Total Current Liabilities	<u>40,248</u>

Noncurrent Liabilities:

Net Pension Liability	1,161,108
Net OPEB Liability	27,701
Leases Payable	<u>86,781</u>
Total Noncurrent Liabilities	<u>1,275,590</u>
Total Liabilities	<u>1,315,838</u>

DEFERRED INFLOWS OF RESOURCES

Pension	153,244
OPEB	<u>108,112</u>
Total Deferred Inflows of Resources	<u>261,356</u>

NET POSITION

Net Investment in Capital Assets	(5,479)
Restricted for:	
OPEB	96,728
Unrestricted (Deficit)	<u>(1,132,505)</u>
Total Net Position	<u><u>\$ (1,041,256)</u></u>

See accompanying notes to the basic financial statements

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OPERATING REVENUES

State Foundation	\$ 1,835,427
Other State Aid	10,789
Other Operating Revenues	48,613
Total Operating Revenues	<u>1,894,829</u>

OPERATING EXPENSES

Purchased Services - management fees	2,848,462
Amortization	40,517
Other operating expenses	54,575
Total Operating Expenses	<u>2,943,554</u>
Operating Loss	<u>(1,048,725)</u>

NON-OPERATING REVENUES

Interest and Fiscal Charges	(7,397)
Federal grants	1,104,246
Total Nonoperating Revenues	<u>1,096,849</u>
Change in Net Position	48,124

Net Position - Beginning of Year	<u>(1,089,380)</u>
Net Position - End of Year	<u><u>\$ (1,041,256)</u></u>

See accompanying notes to the basic financial statements

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN 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	\$ 1,846,216
Cash Received from Other Operations	48,613
Cash Payments for Purchased Services	(3,104,186)
Cash Payments for Other Expenses	<u>(104,928)</u>
Net Cash Used in Operating Activities	<u>(1,314,285)</u>

**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Federal grants	<u>1,225,040</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,225,040</u>

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

Principal Paid on Leases Payable	(38,289)
Interest Paid on Leases Payable	<u>(7,397)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(45,686)</u>

Net Decrease in Cash and Cash Equivalents (134,931)

Cash and Cash Equivalents - Beginning of Year	<u>135,031</u>
Cash and Cash Equivalents - End of Year	<u>\$ 100</u>

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

Operating Loss	\$ (1,048,725)
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Adjustments:

Amortization	40,517
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(Increase) Decrease in Assets and Deferred Outflows:

Net OPEB Asset	39,447
Deferred Outflow of Resources - Pensions	83,471
Deferred Outflow of Resources - OPEB	(8,344)

Increase (Decrease) in Liabilities and Deferred Inflows:

Accounts Payable	(255,724)
Net Pension Liability	(101,683)
Net OPEB Liability	2,651
Deferred Inflow of Resources - Pensions	(25,129)
Deferred Inflow of Resources - OPEB	<u>(40,766)</u>

Net Cash Used in Operating Activities	<u>\$ (1,314,285)</u>
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See accompanying notes to the basic financial statements

Notes to the Basic Financial Statements

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1: DESCRIPTION OF THE ACADEMY

The Columbus Performance Academy (the “Academy”) has been approved as a tax exempt status nonprofit corporation under Section 501c(3) of the Internal Revenue Code. It was established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in kindergarten through grade eight. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy’s tax-exempt status.

The Academy, which is part of the State’s education program, is independent of any Academy and is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the Academy. The Academy contracts with Performance Academies Inc. for most of its functions. See Note 4.

The Academy was approved for operation under a contract with the Buckeye Hope Institute (the Sponsor) for a period of five years commencing in July 2010. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. Effective July 1, 2015 the Academy was under contract with the University of Toledo for a period of 10 years. The Academy entered into a sponsorship agreement with Ohio Council of Community Schools effective October 10, 2017 for a period ten of years and terminated the sponsorship agreement with the University of Toledo.

The Academy operates under the direction of a five-member Board of Directors (The Board). The Board is responsible for carrying out the provisions of the contract with the sponsor which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admissions standards, and qualifications of teachers. The Board of Directors leases the Academy’s one instructional/support facility from Performance Academies, Inc. as noted in the management agreement. The facility is staffed with teaching personnel employed by Performance Academies, Inc. The Board also operates the following schools:

Columbus Preparatory and Fitness Academy	Columbus, Ohio
Northland Preparatory and Fitness Academy	Columbus, Ohio
Performance Academy Eastland	Columbus, Ohio
Whitehall Preparatory and Fitness Academy	Columbus, Ohio

Also, the Academy is associated with META Solutions, which is defined as a jointly governed organization. It is a computer consortium of area schools sharing computer resources (See Note 11).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental nonprofit organizations.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Academy's accounting policies are described below.

A. Basis of Presentation

The Academy's basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

B. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and deferred outflows of resources and all liabilities and deferred inflows of resources are included on the statement of net position. The Statement of Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the Academy finances and meets cash flow needs of its enterprise activities.

C. Basis of Accounting

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

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

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

Expenses are recognized at the time they are incurred.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Academy, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 5 and 6.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Academy, deferred inflows of resources include pension and OPEB. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 5 and 6)

E. Budgetary Process

Community schools are statutorily required to adopt a budget by Ohio Revised Code 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its Sponsor.

The contract between the Academy and its sponsor requires that monthly budget reports be prepared comparing actual for the month to budgeted amount for the month. It also requires that a variance report accompany the monthly reports identifying areas that may need to be adjusted to maintain a balanced budget. Monthly reports and timely presentations are to be furnished to the Board by the treasurer with recommendations for Board action to adjust the spending plan as appropriate action is warranted.

F. Cash Deposits

All cash received by the Academy is maintained in a demand deposit account.

G. Net Position

Net position represents the difference between the assets and deferred outflows and liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Academy or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The Academy applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position is available.

**COLUMBUS PERFORMANCE ACADEMY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Concentration of Business and Current Risk

As of June 30, 2024, funds received from the federal and state of Ohio governments represented 98.38 percent of the revenues and intergovernmental receivable reported by the Academy. Accordingly, the risk exists that the ability to receive funds from these governments could affect the financial status of the Academy.

I. Deposits

The Academy maintains its cash balance in a demand deposit account. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At June 30, 2024, the Academy's cash balance was \$100, and was fully insured by FDIC. The Academy had no investments at June 30, 2024, or during the fiscal year.

J. Estimates

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

K. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities. For the Academy, these revenues are primarily foundation payments from the state and other operating revenues. Operating expenses are necessary costs incurred to provide the goods or service that is the primary activity of the Academy. Revenues and expenses not meeting this definition are reported as non-operating.

L. Intergovernmental Revenues

The Academy currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. Revenue received under this program, in fiscal year 2024 totaled \$1,835,427.

Grants and entitlements are recognized as non-operating revenues in the accounting period in which eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. The Academy also participates in various federal programs passed through the Ohio Department of Education. Federal Grant revenue received during fiscal year 2024 was \$1,104,246.

**COLUMBUS PERFORMANCE ACADEMY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Pensions/Other Postemployment Benefits (OPEB)

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

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES

During the fiscal year, the School District 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. 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.

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**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4: AGREEMENT WITH PERFORMANCE ACADEMIES, INC.

On March 1, 2010, the Academy contracted with Performance Academies, Inc., to provide educational programs that offer educational excellence and innovation based upon the Academy's unique school design, comprehensive educational program, and sound school and business principles and management methodologies. This contract remains in effect as long as the Academy continues to renew the contract and has entered into or is continuing to operate under any chartering school contract. Under the contract Performance Academies, Inc. is responsible for providing educational and management services and products, human resources administration, including school personnel and business management, curricula, programs, contract administration and technology. Significant provisions of the contract are as follows.

A. Financial Provisions

Management Consulting and Operation Fee

The Academy pays Performance Academies, Inc. all state and federal per pupil allocations, transportation, technology or other operational funds, including private donations, endowments, or grants applied for on behalf of the Academy, except for 2 percent of the base state per pupil allocation. This 2 percent is to be retained by the Academy as a Board Reserve to be used by June 30 of each year for the Academy's benefit. The amount paid to Performance Academies, Inc. by the Academy is reflected in the Statement of Revenues, Expenses, and Changes in Net Position as Purchased Services - Management Fees operating expense.

The Academy's Financial Responsibility

The Academy uses the Board Reserve to pay Board members' compensation, expenses for fund raising and grant writing accomplished by the Academy, and other expenses for the benefit of the Academy at the Board's discretion. The actual transactions related to these expenditures are performed by Performance Academies, Inc. under the Academy's direction.

Performance Academies, Inc. Financial Responsibilities

Performance Academies, Inc. is responsible for the payment of all wages, compensation and expenses of Performance Academies, Inc. or the Academy including the Superintendent, Treasurer, assistants, administrators, clerical staff, and teachers. Performance Academies, Inc. is also responsible for janitorial services, worker's compensation, other insurance; necessary comprehensive or premises liability insurance, and attorney fees. Performance Academies, Inc. pays their own office expenses and supplies, leases for equipment and the Academy offices or facilities, and travel, lodging and other expenses incurred pursuant to services rendered by Performance Academies, Inc.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4: AGREEMENT WITH PERFORMANCE ACADEMIES, INC. (Continued)

A. Financial Provisions (Continued)

Financial Reporting by Performance Academies, Inc.

Performance Academies, Inc. shall provide the Academy's Board with a proposed and projected annual budget prior to opening each fiscal year, statements of all revenues received with respect to the Academy, and statements of all direct expenditures for services rendered to or on behalf of the Academy. Performance Academies, Inc. also provides consultation on annual audits in compliance with state law and regulations showing the manner in which funds are spent for the Academy. Performance Academies, Inc. reports on the Academy's operations and finances on a quarterly basis, and on other information on a reasonably requested basis, to enable the Board to monitor the performance of the Academy, and to give it a reasonable opportunity to inspect, examine, audit and otherwise review the books, records, accounts, ledgers and other financial documents of Performance Academies, Inc. to the extent that they relate to or otherwise pertain to activities of the Academy.

Financial Reporting by the Academy

The Academy shall provide Performance Academies, Inc. with statements of all funds received by the Academy from grants applied for by the Academy, donations or endowments, and statements of all expenditures and investments made with such funds, and with the Board Reserve funds.

B. Personnel

Performance Academies, Inc. selects and hires all teaching staff, administrative or other staff. They also evaluate, assign, discipline and transfer personnel. Performance Academies, Inc. also selects the Academy's Superintendent and establishes employment terms. During the first two years of operation, the Superintendent shall be a representative of Performance Academies, Inc. Performance Academies, Inc. determines the number of teachers needed for the operation of the Academy and selects and hires all teachers. The personnel who perform services at the Academy are employees or subcontractors or service providers of Performance Academies, Inc. and are paid by Performance Academies, Inc.

C. Agreement Termination

Termination by the Academy

The Academy may terminate the Contract after prior written notice to Performance Academies, Inc. if the Academy ceases to be approved by the Ohio Department of Education as an Ohio Community School and the Academy or Performance Academies, Inc. cannot secure another sponsor; upon sixty days prior written notice in the event that Performance Academies, Inc. be guilty of a felony or fraud, gross negligence, or other act of willful or gross misconduct in the rendering of services under the Agreement, or in the event that Performance Academies, Inc. fails to remedy a material breach of its duties or obligation within six months after written notice of the breach is provided to Performance Academies, Inc. by the Academy, if Performance Academies, Inc. has failed to cure such breach during the first three months of the notice period.

Performance Academies, Inc. may terminate the Contract in the event the Academy materially breaches the Agreement and the Academy fails to remedy such a breach within ninety days of its receipt of written notice of such breach from Performance Academies, Inc.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN

A. Net Pension Liability

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

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

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

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

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

B. Plan Description - School Employees Retirement

Plan Description —Academy non-teaching employees participate in SERS, a cost-sharing, multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. Plan Description - School Employees Retirement System (SERS) (Continued)

Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 2.5 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 Academy is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

B. Plan Description - School Employees Retirement System (SERS) (Continued)

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 the entire 14.0 percent.

The Academy's contractually required contribution to SERS was \$8,903 for fiscal year 2024.

C. Plan Description - State Teachers Retirement System (STRS)

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

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.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

C. Plan Description State Teachers Retirement System (STRS) (Continued)

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes to the DB plan. Member contributions to the DC plan are allocated among investment choices by the member, and contributions to the DB plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account.

STRS has therefore included all three plan options in the GASB 68 schedules of employer allocation and pension amounts by employer.

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

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 Academy 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 Academy's contractually required contributions to STRS was \$101,269 for fiscal year 2024.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Academy's proportion of the net pension liability was based on the Academy's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.0017322%	0.00525908%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.0016300%</u>	<u>0.00497351%</u>	
Change in Proportionate Share	<u>-0.0001022%</u>	<u>-0.00028557%</u>	
Proportionate Share of the Net Pension			
Liability	\$ 90,065	\$ 1,071,043	\$ 1,161,108
Pension Expense	\$ 7,392	\$ 59,439	\$ 66,831

At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 3,872	\$ 39,047	\$ 42,919
Changes of assumptions	638	88,206	88,844
Changes in proportion and differences between Academy contributions and proportionate share of contributions	697	42,632	43,329
Academy contributions subsequent to the measurement date	<u>8,903</u>	<u>101,269</u>	<u>110,172</u>
Total Deferred Outflows of Resources	<u>\$ 14,110</u>	<u>\$ 271,154</u>	<u>\$ 285,264</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 2,375	\$ 2,375
Changes of assumptions	-	66,394	66,394
Net difference between projected and actual earnings on pension plan investments	1,269	3,213	4,482
Changes in proportion and differences between Academy contributions and proportionate share of contributions	<u>4,016</u>	<u>75,977</u>	<u>79,993</u>
Total Deferred Inflows of Resources	<u>\$ 5,285</u>	<u>\$ 147,959</u>	<u>\$ 153,244</u>

**COLUMBUS PERFORMANCE ACADEMY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$110,172 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$74)	(\$26,101)	(\$26,175)
2026	(4,871)	(27,310)	(32,181)
2027	4,800	93,730	98,530
2028	67	(18,393)	(18,326)
Total	(\$78)	\$21,926	\$21,848

E. 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.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

E. Actuarial Assumptions - SERS (Continued)

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 one year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.

Mortality among disable members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8 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 June 30, 2020.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	0.75 %
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>	

**COLUMBUS PERFORMANCE ACADEMY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

E. Actuarial Assumptions - SERS (Continued)

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.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability	\$132,933	\$90,065	\$539,588

F. Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2023, actuarial valuation.

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

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

F. Actuarial Assumptions – STRS (Continued)

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

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

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

**COLUMBUS PERFORMANCE ACADEMY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5: DEFINED BENEFIT PENSION PLAN (Continued)

G. Actuarial Assumptions – STRS (Continued)

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.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net pension liability	\$1,647,026	\$1,071,043	\$583,918

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**COLUMBUS PERFORMANCE ACADEMY
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN

A. Net OPEB Liability/Asset

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

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

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

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

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

B. Plan Description – School Employees Retirement System (SERS)

Health Care Plan Description - The Academy contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

B. Plan Description – School Employees Retirement System (SERS) (Continued)

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, there was no contribution made to health care. A health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 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.

The surcharge, is the total amount assigned to the Health Care Fund. The Academy's contractually required contribution to SERS was \$1,113 for fiscal year 2024.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

C. Plan Description – State Teachers Retirement System (STRS) (Continued)

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.

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

The net OPEB liability and net OPEB asset were measured as of June 30, 2023, and the total OPEB liability and asset used to calculate the net OPEB liability and net OPEB asset were determined by an actuarial valuation as of that date. The Academy's proportion of the net OPEB liability and net OPEB asset were based on the Academy's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/asset			
Prior Measurement Date	0.0017841%	0.00525908%	
Proportion of the Net OPEB Liability/asset			
Current Measurement Date	<u>0.0016815%</u>	<u>0.00497351%</u>	
Change in Proportionate Share	<u>-0.0001026%</u>	<u>-0.00028557%</u>	
Proportionate Share of the Net OPEB Liability	\$ 27,701	\$ -	\$ 27,701
Proportionate Share of the Net OPEB Asset	\$ -	\$ (96,728)	\$ (96,728)
OPEB Expense	\$ (1,898)	\$ (4,001)	\$ (5,899)

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

D. OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2024, the Academy reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 56	\$ 150	\$ 206
Changes of assumptions	9,363	14,248	23,611
Net difference between projected and actual earnings on pension plan investments	216	175	391
Changes in proportion and difference between Academy contributions and proportionate share of contributions	5,459	1,516	6,975
Academy contributions subsequent to the measurement date	<u>1,113</u>	<u>-</u>	<u>1,113</u>
Total Deferred Outflows of Resources	<u><u>\$ 16,207</u></u>	<u><u>\$ 16,089</u></u>	<u><u>\$ 32,296</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 14,289	\$ 14,753	\$ 29,042
Changes of assumptions	7,867	63,821	71,688
Changes in proportion and difference between Academy contributions and proportionate share of contributions	<u>5,744</u>	<u>1,638</u>	<u>7,382</u>
Total Deferred Inflows of Resources	<u><u>\$ 27,900</u></u>	<u><u>\$ 80,212</u></u>	<u><u>\$ 108,112</u></u>

\$1,113 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the year ending June 30, 2024.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

D. OPEB Liabilities, OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (4,729)	\$ (29,078)	\$ (33,807)
2026	(3,842)	(13,299)	(17,141)
2027	(2,265)	(4,888)	(7,153)
2028	(1,118)	(6,520)	(7,638)
2029	(421)	(5,987)	(6,408)
Thereafter	(431)	(4,351)	(4,782)
Total	<u>\$ (12,806)</u>	<u>\$ (64,123)</u>	<u>\$ (76,929)</u>

E. 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

E. Actuarial Assumptions – SERS (Continued)

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 percent for males and set forward two years and adjusted 81.35 percent for females. Disabled Retirees - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward three years and adjusted 106.8 percent for females. Contingent Survivors - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward one year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Actives - PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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.

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FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

E. Actuarial Assumptions – SERS (Continued)

The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.79 %
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 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 is 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 percent at June 30, 2023 and 3.69 percent at June 30, 2022.

Sensitivity of the Academy's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

E. Actuarial Assumptions – SERS (Continued)

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Academy's proportionate share of the net OPEB liability	\$35,411	\$27,701	\$21,623

	1% Decrease (5.75 % decreasing to 3.40%)	Current Trend Rate (6.75 % decreasing to 4.40%)	1% Increase (7.75 % decreasing to 5.40%)
Academy's proportionate share of the net OPEB liability	\$20,352	\$27,701	\$37,442

F. 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

F. Actuarial Assumptions – STRS (Continued)

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

Actuarial assumptions used in the June 30, 2023 valuation is based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

<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	<u>1.00</u>	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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 6: DEFINED BENEFIT OPEB PLAN (Continued)

F. Actuarial Assumptions – STRS (Continued)

Discount Rate The discount rate used to measure the total OPEB liability 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 liability as of June 30, 2023.

Sensitivity of the Academy's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Academy's proportionate share of the net OPEB (asset)	(\$81,868)	(\$96,728)	(\$109,670)

	1% Decrease	Current Trend Rate	1% Increase
Academy's proportionate share of the net OPEB (asset)	(\$110,270)	(\$96,728)	(\$80,416)

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.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 7: CAPITAL ASSETS

A summary of the Academy's capital assets at June 30, 2024 is as follows:

	Balance 6/30/2023	Additions	Disposals	Balance 6/30/2024
Capital assets being amortized				
Intangible right-to-use Lease - Buildings	\$ 202,584	\$ -	\$ -	\$ 202,584
Accumulated Amortization				
Intangible right-to-use Lease - Buildings	(40,517)	(40,517)	-	(81,034)
Capital assets, being amortized, net	<u>\$ 162,067</u>	<u>\$ (40,517)</u>	<u>\$ -</u>	<u>\$ 121,550</u>

NOTE 8: LONG-TERM OBLIGATIONS

The Academy's long-term obligations during the year consist of the following:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due in One Year
Net pension liability:					
STRS	\$ 1,169,100	-	98,057	\$ 1,071,043	\$ -
SERS	93,691	-	3,626	90,065	-
Total net pension liability	1,262,791	-	101,683	1,161,108	-
Net OPEB liability - SERS	25,050	2,651	-	27,701	-
Leases Payable	165,318	-	38,289	127,029	40,248
<i>Total Long-Term Liabilities</i>	<u>\$ 1,453,159</u>	<u>2,651</u>	<u>139,972</u>	<u>\$ 1,315,838</u>	<u>\$ 40,248</u>

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Notes 5 and 6.

Leases Payable – On September 17, 2022, the Academy entered into a building lease agreement with Wood Stone Columbus First Avenue, LLC for additional five-year renewal. The agreement commenced on July 1, 2022 through June 30, 2027. Payments are made monthly in the amount of \$3,807.

The following is the schedule of future lease payments:

Fiscal Year	Principal	Interest	Total
2025	\$ 40,248	\$ 5,438	\$ 45,686
2026	42,308	3,378	45,686
2027	44,473	1,213	45,686
	<u>\$ 127,029</u>	<u>\$ 10,029</u>	<u>\$ 137,058</u>

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 9: PURCHASED SERVICES

For the period ended June 30, 2024, purchased service expenses represent management services rendered by Performance Academies, Inc. (See Note 4) and STRS and SERS expenses made by the Academy on behalf of Performance Academies, Inc.

Purchased Service Agreement	\$ 2,848,462
SERS and STRS Expenses	<u>54,575</u>
Total Purchased Service	<u><u>\$ 2,903,037</u></u>

NOTE 10: CONTINGENCIES

A. Grants

The Academy received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Academy. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the academy at June 30, 2024.

B. State Foundation Funding

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

Under Ohio Rev. Code Section 3314.08, ODE may also perform an FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE did not perform such a review on the Academy for fiscal year 2024.

As of the date of this report, all ODE adjustments for fiscal year 2024 have been finalized.

C. Litigation

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

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 11: METROPOLITAN EDUCATIONAL TECHNOLOGY ASSOCIATION (META) SOLUTIONS

The Academy is a participant in META Solutions which is a computer consortium. META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. Financial information can be obtained from Dave Varda, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

NOTE 12: MANAGEMENT COMPANY EXPENSES

For the fiscal year ended June 30, 2024, Performance Academies, Inc. incurred the following expenses on behalf of the Academy:

Direct Expenses:

Salaries & Wages	
Regular Instruction	\$ 389,142
Special Instruction	198,125
Other Instruction	62,606
Support Services	288,216
Employees' Benefits	
Regular Instruction	204,798
Special Instruction	40,060
Other Instruction	11,644
Support Services	42,066
Professional and Technical Services	
Regular Instruction	13,893
Special Instruction	197,122
Other Instruction	2,489
Support Services	227,265
Property Services	
Support Services	87,639
Noninstructional Activities	386,128
Utilities	
Noninstructional Activities	136
Contracted Services	
Support Services	377
Noninstructional Activities	162,401
Pupil Transportation	
Support Services	29
Other Purchased Services	
Support Services	117,380
Supplies	
Regular Instruction	156,398
Other Instruction	906
Support Services	43,118
Noninstructional Activities	201
Other Direct Costs	12,420
Total Expenses	<u>\$ 2,644,559</u>

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 12: MANAGEMENT COMPANY EXPENSES (Continued)

Overhead charges of \$489,511 included in direct costs are assigned to the Academy based on a percentage of FTE students per Academy. These charges represent the indirect cost of services in the operation of the Academy. Such services include but are not limited to, facilities management, equipment, operational support services, management and management consulting, board relations, human resources, management, training and orientation financial reporting and compliance, purchasing and procurement, education services, technology support and marketing communications.

NOTE 13: RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets' errors and omissions; and natural disasters. As part of its management agreement with Performance Academies, Inc., Performance Academies, Inc. has contracted with an insurance company for property and general liability insurance pursuant to the Management Agreement. There was no significant reduction in insurance coverage from the prior year and claims have not exceeded insurance coverage over the past three years.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Academy's Proportion of the Net Pension Liability	0.0016300%	0.0017322%	0.0016975%	0.0017206%
Academy's Proportionate Share of the Net Pension Liability	\$ 90,065	\$ 93,691	\$ 62,632	\$ 113,804
Academy's Covered Payroll	\$ 64,636	\$ 66,229	\$ 57,507	\$ 59,007
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.34%	141.47%	108.91%	192.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.0017280%	0.0018127%	0.0018458%	0.0015007%	0.0016784%	0.001735%
\$ 103,389	\$ 103,817	\$ 110,283	\$ 109,837	\$ 95,771	\$ 87,807
\$ 43,185	\$ 60,830	\$ 59,436	\$ 46,607	\$ 50,531	\$ 50,418
239.41%	170.67%	185.55%	235.67%	189.53%	174.16%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Academy's Proportion of the Net Pension Liability	0.00497351%	0.00525908%	0.00515080%	0.00477994%
Academy's Proportionate Share of the Net Pension Liability	\$ 1,071,043	\$ 1,169,100	\$ 658,575	\$ 1,156,575
Academy's Covered Payroll	\$ 671,764	\$ 683,707	\$ 635,571	\$ 576,864
Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.44%	170.99%	103.62%	200.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.00539425%	0.00575119%	0.00582686%	0.00560261%	0.00772016%	0.00678260%
\$ 1,192,906	\$ 1,264,558	\$ 1,384,184	\$ 1,875,362	\$ 2,133,626	\$ 1,649,763
\$ 633,307	\$ 653,814	\$ 640,593	\$ 589,500	\$ 805,471	\$ 692,992
188.36%	193.41%	216.08%	318.13%	264.89%	238.06%
77.40%	77.31%	75.29%	66.80%	72.10%	74.70%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF ACADEMY CONTRIBUTIONS - PENSION
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO
LAST TEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 8,903	\$ 9,049	\$ 9,272	\$ 8,051
Contributions in Relation to the Contractually Required Contribution	<u>(8,903)</u>	<u>(9,049)</u>	<u>(9,272)</u>	<u>(8,051)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy Covered Payroll	\$ 63,593	\$ 64,636	\$ 66,229	\$ 57,507
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 8,261	\$ 5,830	\$ 8,212	\$ 8,321	\$ 6,525	\$ 6,660
<u>(8,261)</u>	<u>(5,830)</u>	<u>(8,212)</u>	<u>(8,321)</u>	<u>(6,525)</u>	<u>(6,660)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 59,007	\$ 43,185	\$ 60,830	\$ 59,436	\$ 46,607	\$ 50,531
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF ACADEMY CONTRIBUTIONS - PENSION
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ 101,269	\$ 94,047	\$ 95,719	\$ 88,980
Contributions in Relation to the Contractually Required Contribution	<u>(101,269)</u>	<u>(94,047)</u>	<u>(95,719)</u>	<u>(88,980)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy Covered Payroll	\$ 723,350	\$ 671,764	\$ 683,707	\$ 635,571
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 80,761	\$ 88,663	\$ 91,534	\$ 89,683	\$ 82,530	\$ 112,766
<u>(80,761)</u>	<u>(88,663)</u>	<u>(91,534)</u>	<u>(89,683)</u>	<u>(82,530)</u>	<u>(112,766)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 576,864	\$ 633,307	\$ 653,814	\$ 640,593	\$ 589,500	\$ 805,471
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO
LAST EIGHT FISCAL YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Academy's Proportion of the Net OPEB Liability	0.0016815%	0.0017841%	0.0015365%	0.0016213%
Academy's Proportionate Share of the Net OPEB Liability	\$ 27,701	\$ 25,050	\$ 29,079	\$ 35,236
Academy's Covered Payroll	\$ 64,636	\$ 66,229	\$ 57,507	\$ 59,007
Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.86%	37.82%	50.57%	59.71%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.0016192%	0.0016395%	0.0017379%	0.0013604%
\$ 40,719	\$ 45,484	\$ 46,640	\$ 38,776
\$ 43,185	\$ 60,830	\$ 59,436	\$ 46,607
94.29%	74.77%	78.47%	83.20%
15.57%	13.57%	12.46%	11.49%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF THE ACADEMY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/ASSET
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO
LAST EIGHT FISCAL YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Academy's Proportion of the Net OPEB Liability/Asset	0.00497351%	0.00525908%	0.00515080%	0.00477994%
Academy's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (96,728)	\$ (136,175)	\$ (108,600)	\$ (84,007)
Academy's Covered Payroll	\$ 671,764	\$ 683,707	\$ 635,571	\$ 576,864
Academy's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-14.40%	-19.92%	-17.09%	-14.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	168.52%	230.73%	174.73%	182.13%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.00539425%	0.00575119%	0.00582686%	0.00560261%
\$ (89,341)	\$ (92,416)	\$ 46,640	\$ 299,629
\$ 633,307	\$ 653,814	\$ 640,593	\$ 589,500
-14.11%	-14.13%	7.28%	50.83%
174.74%	176.00%	47.11%	37.30%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF ACADEMY CONTRIBUTIONS - OPEB
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution (1)	\$ 1,113	\$ 1,252	\$ 1,231	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>(1,113)</u>	<u>(1,252)</u>	<u>(1,231)</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Academy Covered Payroll	\$ 63,593	\$ 64,636	\$ 66,229	\$ 57,507
OPEB Contributions as a Percentage of Covered Payroll (1)	1.75%	1.94%	1.86%	0.00%

(1) Includes Surcharge

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 265	\$ 494	\$ 304	\$ 1,130	\$ -	\$ 1,070
<u>(265)</u>	<u>(494)</u>	<u>(304)</u>	<u>(1,130)</u>	<u>-</u>	<u>(1,070)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 59,007	\$ 43,185	\$ 60,830	\$ 59,436	\$ 46,607	\$ 50,531
0.45%	1.14%	0.50%	1.90%	0.00%	2.12%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF ACADEMY CONTRIBUTIONS - OPEB
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Academy Covered Payroll	\$ 723,350	\$ 671,764	\$ 683,707	\$ 635,571
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 576,864	\$ 633,307	\$ 653,814	\$ 640,593	\$ 589,500	\$ 805,471
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Net Pension Liability

Changes of benefit terms- SERS

There were no changes in benefit terms from the amounts reported for fiscal years 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 0.85% to 0.85%, (c) Cost-of-Living-Adjustments was reduced from 2.50% to 2.00% (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality amount active members, service retirees and beneficiaries, and disabled members were updated (i) change in discount rate from 7.50% to 7.00%. For fiscal year 2023, Cost-of-Living-Adjustments were increased from 2.00% to 2.50%.

Changes in benefit terms – STRS

There were no changes in benefit terms from the amounts reported for fiscal years 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 assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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
Fiscal year 2017	2.98 percent

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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-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.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number/ Additional Award Identification	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Passed through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2024	\$ 41,190
National School Lunch Program	10.555	2024	95,452
Total Child Nutrition Cluster			136,642
Total U.S. Department of Agriculture			136,642
<u>U.S. Department of Education</u>			
<i>Passed through Ohio Department of Education</i>			
Title I - Grants to Local Educational Agencies	84.010	84.010, 2023	9,842
Title I - Grants to Local Educational Agencies	84.010	84.010, 2024	151,529
Title I - Grants to Local Educational Agencies - Supplemental School Improvement	84.010A	84.010A, 2024	43,106
Title I - Grants to Local Educational Agencies - Expanding Opportunities	84.010A	84.010A, 2024	18,939
Total ALN #84.010			223,416
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	84.027, 2024	51,731
Special Education Preschool Grants	84.173	84.173, 2024	442
Total Special Education Cluster			52,173
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	84.367, 2024	13,293
Student Support and Academic Enrichment Program	84.424	84.424, 2024	13,468
Education Stabilization Fund:			
COVID-19 - ARP ESSER	84.425U	COVID-19, 84.425U, 2024	673,638
Total U.S. Department of Education			975,988
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,112,630

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

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Columbus Performance Academy under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Columbus Performance Academy, it is not intended to and does not present the financial position, changes in net position or cash flows of the Columbus Performance Academy.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3: INDIRECT COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10 percent of modified total direct costs to indirect costs. The Columbus Performance Academy has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4: CHILD NUTRITION CLUSTER

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Columbus Performance Academy
Franklin County
274 East 1st Ave.
Columbus, Ohio 43201

To the Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Columbus Performance Academy, Franklin County, Ohio, (the Academy) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements, and have issued our report thereon dated December 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

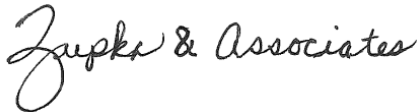
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Zupka & Associates
Certified Public Accountants

December 19, 2024

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

Columbus Performance Academy
Franklin County
274 East 1st Ave.
Columbus, Ohio 43201

To the Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Columbus Performance Academy, Franklin County, Ohio's (the Academy) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Academy's major federal program for the year ended June 30, 2024. The Academy's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Columbus Performance Academy complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

Zupka & Associates
Certified Public Accountants

December 19, 2024

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

2024(i)	Type of Financial Statement Opinion	Unmodified
2024(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2024(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2024(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2024(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2024(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2024(v)	Type of Major Programs' Compliance Opinions	Unmodified
2024(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2024(vii)	Major Programs (list): Education Stabilization Fund - COVID-19 ARP ESSER - ALN #84.425U	
2024(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others less than \$750,000
2024(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**COLUMBUS PERFORMANCE ACADEMY
FRANKLIN COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The prior issued audit report, as of June 30, 2023, included no findings or citations.

OHIO AUDITOR OF STATE KEITH FABER



COLUMBUS PERFORMANCE ACADEMY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/13/2025

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