DAYTON BUSINESS TECHNOLOGY HIGH SCHOOL

MONTGOMERY COUNTY, OHIO

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

Board of Directors
Dayton Business Technology High School
348 W. First Street
Dayton, Ohio 45402

We have reviewed the *Independent Auditor's Report* of Dayton Business Technology High School, Montgomery County, prepared by Rea & Associates, Inc., 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. Dayton Business Technology High School is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 11, 2025

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DAYTON BUSINESS TECHNOLOGY HIGH SCHOOL
MONTGOMERY COUNTY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dayton Business Technology High School
Montgomery County
348 W. First Street
Dayton, Ohio 45402

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dayton Business Technology High School, Montgomery County, Ohio, (the "School"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Dayton Business Technology High School, Montgomery County, Ohio, as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025 on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
April 21, 2025

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The discussion and analysis of Dayton Business Technology High School's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for the Dayton Business Technology High School during fiscal year 2024 are as follows:

- Total net position of the School was $1.6 million at fiscal year-end, an increase of $407,846 in comparison with the prior fiscal year-end.
- Total assets increased $373,697 and total liabilities increased $141,123 from the prior year.
- The School's operating loss for fiscal year 2024 was $262,391.

Using this Financial Report

This financial report contains the basic financial statements of the School, as well as the Management's Discussion and Analysis and notes to the basic financial statements. The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund presentations information is the same.

Statement of Net Position

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

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

Table 1 provides a summary of the School's net position for fiscal year 2024 compared to those reported for fiscal year 2023.

(Table 1)
Statement of Net Position

	2024	2023	Change
Assets			
Current Assets	$ 798,712	$ 722,189	$ 76,523
Net OPEB Asset	71,693	96,032	(24,339)
Capital Assets, net	2,221,417	1,899,904	321,513
Total Assets	3,091,822	2,718,125	373,697
Deferred Outflows of Resources	371,873	348,995	22,878
Liabilities			
Current Liabilities	365,479	258,229	107,250
Long Term Liabilities	1,180,563	1,146,690	33,873
Total Liabilities	1,546,042	1,404,919	141,123
Deferred Inflows of Resources	315,238	467,632	(152,394)
Net Position			
Net Investment in Capital Assets	1,925,876	1,839,249	86,627
Restricted for OPEB	71,693	15,265	56,428
Unrestricted	(395,154)	(659,945)	264,791
Total Net Position	$ 1,602,415	$ 1,194,569	$ 407,846

Current assets increased in comparison with the prior fiscal year-end. This increase is primarily due to an increase in cash and cash equivalents. Cash and cash equivalents increased as a result of normal operations and grants received.

Current liabilities and capital assets both increased in comparison with the prior fiscal year-end. This increase is mainly due to the School starting a construction project to renovate the third floor of their building.

There was a change in net pension/OPEB liability (asset) for the School. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the School's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows, net OPEB asset and noncurrent liabilities are described in more detail in their respective notes.

The total net position reported for fiscal year 2024 increased in comparison to prior fiscal year. Table 2 demonstrates the details of this increase.

(Table 2)
Change in Net Position

	2024	2023	Change
Operating Revenue	$ 1,337,099	$ 868,845	$ 468,254
Non-Operating Revenue	675,038	640,808	34,230
Total Revenue	2,012,137	1,509,653	502,484
Operating Expenses	1,599,490	1,609,017	(9,527)
Non-Operating Expenses	4,801	1,342	3,459
	1,604,291	1,610,359	(6,068)
Change in Net Position	$ 407,846	$ (100,706)	$ 508,552

The School's operating revenues are primarily based on enrollment. The increase in the School's operating revenue was impacted by the increase in foundation funding while non-operating revenue increased due to federal grants.

Capital Assets

At the end of fiscal year 2024, the School had an increase in capital assets as acquisitions exceeded depreciation and amortization. During the fiscal year, the School started a project to renovate the third floor of their building. See Note 5 of the basic financial statements for additional details.

Debt

At the end of fiscal year 2024, the School had a decrease in leases payable due to making payments on their lease during fiscal year 2024. See Note 6 of the basic financial statements for additional details.

Current Financial Issues

The future financial stability of the School is not without challenges. There will continue to be challenges outside of the School's control (i.e. – the economy, the state budget). Since the primary source of funding is the state foundation program, an economic slowdown in the state could result in budgetary cuts to education, which would have a negative impact on the School.

Contacting the School's Financial Management

This financial report is designed to provide our readers with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information, contact the Fiscal Officer at 3320 West Market Street, Suite 300, Fairlawn, Ohio 44333.

Dayton Business Technology High School
Montgomery County, Ohio
Statement of Net Position
June 30, 2024

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	525,383
Intergovernmental Receivable		2,111
Grant Funding Receivable		262,301
Prepaids		8,917
Total Current Assets		798,712
Noncurrent Assets		
Capital Assets not Being Depreciated/Amortized		790,136
Capital Assets Being Depreciated/Amortized, Net		1,431,281
Net OPEB Asset		71,693
Total Noncurrent Assets		2,293,110
Total Assets		3,091,822
DEFERRED OUTFLOWS OF RESOURCES		
Pension		303,254
OPEB		68,619
Total Deferred Outflows of Resources		371,873
LIABILITIES		
Current Liabilities		
Accounts Payable		72,406
Contracts Payable		213,246
Retainge Payable		31,766
Accrued Wages and Benefits		35,599
Intergovernmental Payable		1,062
Interest Payable		358
Lease Payable		11,042
Total Current Liabilities		365,479
Long Term Liabilities		
Lease Payable		39,487
Net Pension Liability		1,061,671
Net OPEB Liability		79,405
Total Long Term Liabilities		1,180,563
Total Liabilities		1,546,042
DEFERRED INFLOWS OF RESOURCES		
Pension		165,984
OPEB		149,254
Total Deferred Inflows of Resources		315,238
NET POSITION		
Net Investment In Capital Assets		1,925,876
Restricted for OPEB		71,693
Unrestricted Net Position		(395,154)
Total Net Position	$	1,602,415

See accompanying notes to the basic financial statements.

Dayton Business Technology High School
Montgomery County, Ohio
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

OPERATING REVENUES	
Foundation Payments	$ 1,311,864
Other	20,525
Casino Revenue	4,710
Total Operating Revenues	1,337,099
OPERATING EXPENSES	
Salaries and Wages	769,827
Fringe Benefits	102,148
Purchased Services	522,782
Supplies And Materials	120,817
Depreciation/Amortization	31,123
Other Expenses	52,793
Total Operating Expenses	1,599,490
Operating Income (Loss)	(262,391)
NON-OPERATING REVENUES (EXPENSES)	
Federal and State Grants	675,038
Interest Expense	(4,801)
Net Non-Operating Revenues (Expenses)	670,237
Change in Net Position	407,846
Net Position Beginning of Year	1,194,569
Net Position End of Year	$ 1,602,415

See accompanying notes to the basic financial statements.

Dayton Business Technology High School
Montgomery County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From State Aid	$	1,316,574
Cash Received from Other Operating Sources		20,525
Cash Payments for Supplies and Goods and Services		(727,239)
Cash Payments for Salaries and Benefits		(1,023,007)
Other Cash Payments		(55,191)
Net Cash Used For Operating Activities		(468,338)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Cash Payments For Capital Acquisitions		(107,624)
Cash Payments for Principal		(10,126)
Cash Payments for Interest		(4,876)
Net Cash Used for Capital Financing Activities		(122,626)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Federal and State Grants		685,568
Net Increase (Decrease) in Cash and Cash Equivalents		94,604
Cash and Cash Equivalents at Beginning of Year		430,779
Cash and Cash Equivalents at End of Year	$	525,383
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES		
Operating Income (Loss)	$	(262,391)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Used For Operating Activities		
Depreciation/Amortization		31,123
Changes in Assets, Liabilities, and Deferred Outflows/Inflows:		
Intergovernmental Receivable		9,949
Prepaids		(2,398)
Deferred Outflows of Resources		(22,878)
Deferred Inflows of Resources		(152,394)
Net OPEB Asset		24,339
Net Pension/OPEB Liability		44,915
Accounts Payable		(83,640)
Intergovernmental Payable		(19,898)
Accrued Wages and Benefits		(35,065)
Total Adjustments		(205,947)
Net Cash Used For Operating Activities	$	(468,338)
NON-CASH ACTIVITY:		
During fiscal year 2024, the School purchased capital assets on account.	$	245,012

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

The Dayton Business Technology High School (the School), is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational, literary, scientific, and related teaching service. The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School is considered a conversion community school under Ohio law. Conversion schools are created by converting all or part of an existing public school into a community school.

The School is designed for at-risk, high school students who have a desire for, and whose education can be optimized by, a program of online instruction environment that does not include ancillary components of more traditional education. Because the focus is on virtual learning, the ability of students to learn independently using various computer educational programs is an essential element of the School's program.

Ohio Department of Education and Workforce was the School's sponsor. The Sponsor agreement expires June 30, 2028. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. See Note 13 for more information.

The School operates under the direction of a five-member Board of Directors (the Board). The Sponsor contract requires that the majority of the members of the Board be elected or appointed public officials or public sector employees who have a professional interest in furthering the establishment and operation of the School. The Sponsor contract also permits additional Board positions to be filled by parents or community civic leaders.

The School participates in the Metropolitan Educational Technology Association (META). META is composed of over 200 members which includes school districts, joint vocational schools, educational service centers, and libraries covering 37 counties in Central Ohio. The META helps its members purchase services, insurances, supplies, and other items at a discounted rate. The governing board of META is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County and one representative from each county outside of Franklin County. Each year, the participating school districts pay a membership fee to META to cover the costs of administering the program. Financial information may be obtained from the Metropolitan Educational Technology Association, 2100 Citygate Dr., Columbus, OH 43219.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Measurement Focus and Basis of Accounting

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

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

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

Budgetary Process

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

Cash and Cash Equivalents

All monies received by the School are maintained in demand deposit accounts.

Prepaid Items

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

Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School maintains a capitalization threshold of $1,000 for assets acquired prior to July 2016 and $5,000 for subsequent purchased assets. Improvements are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Improvements to capital assets are depreciated over the remaining useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimate Life
Land Improvements	10 years
Building and Improvements	20-50 years
Furniture and Fixtures	5-30 years

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. This deferred inflow of resources related to pension and OPEB are explained in Note 8 and Note 9.

Estimates

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

Intergovernmental Revenues

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

Operating and Non-Operating Revenues and Expenses

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

Non-operating revenues and expenses are those that are not generated directly by the School's primary mission. Various Federal and State grants and other revenues comprise the non-operating revenues and expenses of the School.

Federal Tax Exemption Status

The School is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code.

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, net OPEB liability (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.

Net Position

Net position represents the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, less outstanding debt related to capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Implementation of New Accounting Principles

For the fiscal year ended June 30, 2024, the School has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022* and GASB Statement No. 100, *Accounting Changes and Error Corrections*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the School.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the School.

NOTE 3 - DEPOSITS AND INVESTMENTS

Custodial credit risk for deposits is the risk that, in the event of bank failure, the School will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2024, $263,330 of the School’s bank balance was uninsured and uncollateralized.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2024, consisted of intergovernmental and grants. All receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds. All receivable amounts are expected to be received within one year.

NOTE 5 - CAPITAL ASSETS

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

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets Not Being Depreciated/Amortized:				
Land	$ 437,500	$ -	$ -	$ 437,500
Construction In Progress	-	352,636	-	352,636
Total Nondepreciable Capital Assets	437,500	352,636	-	790,136
Capital Assets Being Depreciated/Amortized:				
Land Improvements	28,007	-	-	28,007
Building and Improvements	1,783,389	-	-	1,783,389
Furniture and Equipment	114,840	-	-	114,840
Leased Asset - Building (intangible)	63,509	-	-	63,509
Total Capital Assets Being Depreciated/Amortized:	1,989,745	-	-	1,989,745
Less Accumulated Depreciation/Amortization:				
Land Improvements	(22,719)	-	-	(22,719)
Building and Improvements	(446,177)	(11,796)	-	(457,973)
Furniture and Equipment	(55,421)	(7,230)	-	(62,651)
Leased Asset - Building (intangible)	(3,024)	(12,097)	-	(15,121)
Total Accumulated Depreciation/Amortization:	(527,341)	(31,123)	-	(558,464)
Total Capital Assets Being Depreciated/Amortized, Net	1,462,404	(31,123)	-	1,431,281
Capital Assets, Net	$ 1,899,904	$ 321,513	$ -	$ 2,221,417

NOTE 6 - LONG-TERM OBLIGATIONS

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

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Amount Due One Year
Lease Payable	$ 60,655	$ -	$ (10,126)	$ 50,529	$ 11,042

Lease Payable

The School has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases thus requiring it to be recorded by the School. The future lease payments were discounted based on the School's incremental borrowing rate. This discount is being amortized over the life of the lease.

The future lease payments required are as follows:

	Lease Payments	
Fiscal Year	Principal	Interest
2025	$11,042	$ 3,958
2026	12,041	2,959
2027	13,130	1,870
2028	14,316	683
	$50,529	$ 9,470

NOTE 7 - RISK MANAGEMENT

Property and Liability Insurance

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The School contracted for general liability insurance, rental insurance, employee benefit insurance, and auto insurance during the fiscal year. Settlement amounts did not exceed coverage amounts in the three prior years. There also have been no significant reductions in coverage compared to prior year.

Workers' Compensation

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

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire 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, may be included in this plan.

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School's contractually required contribution to SERS was $41,640 for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility charges 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 their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School's contractually required contribution to STRS was $73,468 for fiscal year 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows/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 independent actuarial valuation as of that date. The School's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0048472%	0.00368629%	
Prior Measurement Date	0.0040151%	0.00370877%	
Change in Proportionate Share	0.0008321%	-0.00002248%	
Proportionate Share of the Net Pension Liability	$ 267,831	$ 793,840	$ 1,061,671
Pension Expense	$ 31,333	$ (2,171)	$ 29,162

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

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 11,512	$ 28,943	$ 40,455
Changes of Assumptions	1,896	65,376	67,272
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	37,862	42,557	80,419
School Contributions Subsequent to the Measurement Date	41,640	73,468	115,108
Total Deferred Outflows of Resources	$ 92,910	$ 210,344	$ 303,254
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ -	$ 1,760	$ 1,760
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,766	2,378	6,144
Changes of Assumptions	-	49,210	49,210
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	-	108,870	108,870
Total Deferred Inflows of Resources	$ 3,766	$ 162,218	$ 165,984

$115,108 reported as deferred outflows of resources related to pension resulting from school contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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	$ 19,523	$ (50,434)	$ (30,911)
2026	1,984	(46,333)	(44,349)
2027	25,799	77,268	103,067
2028	198	(5,843)	(5,645)
Total	$ 47,504	$ (25,342)	$ 22,162

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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, and 2022 are presented below:

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.00 %	

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed 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 contribution rate of fiscal year 2023 was 14.00 percent. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return, 7.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the School's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the School'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	Current Discount Rate	1% Increase
School's Proportionate Share of the Net Pension Liability	$ 395,307	$ 267,831	$ 160,460

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation, are presented below:

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

Post-retirement mortality rates for healthy retirees 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, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

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

*Final target weights reflected at October 1, 2022.

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
School's Proportionate Share of the Net Pension Liability	$ 1,220,751	$ 793,840	$ 432,791

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00 percent for June 30, 2023, valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

NOTE 9 - DEFINED BENEFIT OPEB PLANS

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

Plan Description - School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School's surcharge obligation was $4,304. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

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

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

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0048199%	0.00368629%	
Prior Measurement Date	0.0038839%	0.00370877%	
Change in Proportionate Share	0.0009360%	-0.00002248%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 79,405	$ (71,693)	
OPEB Expense	$ (11,180)	$ (4,588)	$ (15,768)

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

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 168	$ 112	$ 280
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	613	127	740
Changes of Assumptions	26,847	10,561	37,408
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	25,778	109	25,887
School Contributions Subsequent to the Measurement Date	4,304	-	4,304
Total Deferred Outflows of Resources	$ 57,710	$ 10,909	$ 68,619
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 40,952	$ 10,939	$ 51,891
Changes of Assumptions	22,551	47,304	69,855
Changes in Proportion and Differences between School Contributions and Proportionate Share of Contributions	23,002	4,506	27,508
Total Deferred Inflows of Resources	$ 86,505	$ 62,749	$ 149,254

$4,304 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2025. 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	$ (17,444)	$ (23,557)	$ (41,001)
2026	(14,946)	(11,109)	(26,055)
2027	(8,311)	(3,930)	(12,241)
2028	(2,358)	(5,112)	(7,470)
2029	580	(4,612)	(4,032)
Thereafter	9,380	(3,520)	5,860
Total	$ (33,099)	$ (51,840)	$ (84,939)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented below:

	June 30, 2023
Inflation	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
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	100.00 %	

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 plan at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 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 School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability	$ 101,503	$ 79,405	$ 61,981

	1% Decrease	Current Trend Rate	1% Increase
School's Proportionate Share of the Net OPEB Liability	$ 58,336	$ 79,405	$ 107,324

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023, and 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Projected Salary Increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

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

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

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

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

*Final target weights reflected at October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

Sensitivity of the School's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate 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	Current Discount Rate	1% Increase
School's Proportionate Share of the Net OPEB (Asset)	$ (60,679)	$ (71,693)	$ (81,286)

	1% Decrease	Current Trend Rate	1% Increase
School's Proportionate Share of the Net OPEB (Asset)	$ (81,731)	$ (71,693)	$ (59,603)

Assumption Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00 percent for the June 30, 2023, valuation.

Benefit Term Changes Since the Prior Measurement Date Healthcare trends were updated to reflect emerging claims and recoveries experiences as well as benefit changes effective January 1, 2024.

NOTE 10 - CONTINGENCIES

Grants

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

Litigation

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

NOTE 11 - OTHER EMPLOYEE BENEFITS

Employee Medical, Dental, Vision, and Life Benefits

The School has purchased insurance from Anthem Blue Cross Blue Shield to provide employee medical, dental, and vision benefits. Life insurance is provided through Hartford.

NOTE 12 - PURCHASED SERVICES

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

Professional & Technical Services	$	321,294
Property Services		30,699
Sponsor Fees		37,102
Communications		41,793
Utilities		40,143
Food Service		51,751
Total	$	522,782

NOTE 13 - SPONSOR

The School was sponsored by the Ohio Department of Education and Workforce (DEW). The School pays DEW through Foundation deductions. The sponsor provides oversight, monitoring, treasury and technical assistance for the School on the School's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

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Dayton Business Technology High School
Montgomery County, Ohio
Schedule of the School's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2024	2023	2022	2021
School Employees Retirement System (SERS)				
School's Proportion of the Net Pension Liability	0.0048472%	0.0040151%	0.0037401%	0.0045513%
School's Proportionate Share of the Net Pension Liability	$ 267,831	$ 217,168	$ 137,999	$ 301,033
School's Covered Payroll	$ 191,407	$ 157,414	$ 129,100	$ 153,421
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.93%	137.96%	106.89%	196.21%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
School Teachers Retirement System (STRS)				
School's Proportion of the Net Pension Liability	0.00368629%	0.00370877%	0.00325627%	0.00415030%
School's Proportionate Share of the Net Pension Liability	$ 793,840	$ 824,463	$ 416,343	$ 1,004,225
School's Covered Payroll	$ 497,900	$ 475,264	$ 392,879	$ 507,221
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.44%	173.47%	105.97%	197.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	78.90%	87.80%	75.50%

Amounts presented for each fiscal year were determined as of the School's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
0.0054010%	0.0055496%	0.0053219%	0.0059716%	0.007757%	0.008061%
$ 323,151	$ 317,834	$ 317,972	$ 437,067	$ 442,599	$ 407,963
$ 184,867	$ 178,600	$ 175,393	$ 181,571	$ 236,364	$ 228,550
174.80%	177.96%	181.29%	240.71%	187.25%	178.50%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
0.00473120%	0.00538755%	0.00520399%	0.00542019%	0.00548846%	0.00492783%
$ 1,046,276	$ 1,184,601	$ 1,236,220	$ 1,814,300	$ 1,516,850	$ 1,198,619
$ 552,700	$ 610,171	$ 580,679	$ 616,329	$ 574,264	$ 517,836
189.30%	194.14%	212.89%	294.37%	264.14%	231.47%
77.30%	77.30%	75.30%	66.80%	72.10%	74.70%

See accompanying notes to the required supplementary information.

Dayton Business Technology High School
Montgomery County, Ohio
Schedule of the School's Contributions - Pension
Last Ten Fiscal Years

	2024	2023	2022	2021
School Employees Retirement System (SERS)				
Contractually Required Contribution	$ 41,640	$ 26,797	$ 22,038	$ 18,074
Contributions in relation to the contractually required contribution	(41,640)	(26,797)	(22,038)	(18,074)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 297,429	$ 191,407	$ 157,414	$ 129,100
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
School Teachers Retirement System (STRS)				
Contractually Required Contribution	$ 73,468	$ 69,706	$ 66,537	$ 55,003
Contributions in relation to the contractually required contribution	(73,468)	(69,706)	(66,537)	(55,003)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 524,771	$ 497,900	$ 475,264	$ 392,879
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
$ 21,479	$ 24,957	$ 24,111	$ 24,555	$ 25,420	$ 31,153
(21,479)	(24,957)	(24,111)	(24,555)	(25,420)	(31,153)
$ -	$ -	$ -	$ -	$ -	$ -
$ 153,421	$ 184,867	$ 178,600	$ 175,393	$ 181,571	$ 236,364
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
$ 71,011	$ 77,378	$ 85,424	$ 81,295	$ 86,286	$ 80,397
(71,011)	(77,378)	(85,424)	(81,295)	(86,286)	(80,397)
$ -	$ -	$ -	$ -	$ -	$ -
$ 507,221	$ 552,700	$ 610,171	$ 580,679	$ 616,329	$ 574,264
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Dayton Business Technology High School
Montgomery County, Ohio
Schedule of the School's Proportionate Share of the Net OPEB Liability (Asset)
Last Eight Fiscal Years (1)

	2024	2023	2022	2021
School Employees Retirement System (SERS)				
School's Proportion of the Net OPEB Liability	0.0048199%	0.0038839%	0.0034840%	0.0041580%
School's Proportionate Share of the Net OPEB Liability	$ 79,405	$ 54,530	$ 65,941	$ 90,369
School's Covered Payroll	$ 191,407	$ 157,414	$ 129,100	$ 153,421
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.48%	34.64%	51.08%	58.90%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
School Teachers Retirement System (STRS)				
School's Proportion of the Net OPEB Liability (Asset)	0.00368629%	0.00370877%	0.00325600%	0.00415000%
School's Proportionate Share of the Net OPEB Liability (Asset)	$ (71,693)	$ (96,032)	$ (68,650)	$ (72,936)
School's Covered Payroll	$ 497,900	$ 475,264	$ 392,879	$ 507,221
School's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.40%	-20.21%	-17.47%	-14.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.52%	230.73%	174.73%	182.10%

(1) Information prior to 2017 is not available.

Amounts presented for each fiscal year were determined as of the School's measurement date, which is the prior fiscal year-end.

2020	2019	2018	2017
0.0048970%	0.0050195%	0.0048312%	0.0058925%
$ 123,154	$ 139,254	$ 129,657	$ 167,958
$ 184,867	$ 178,600	$ 175,393	$ 181,571
66.62%	77.97%	73.92%	92.50%
15.57%	13.57%	12.46%	11.49%
0.00473100%	0.00538755%	0.00520399%	0.00542019%
$ (78,357)	$ (86,572)	$ 203,041	$ 289,873
$ 552,700	$ 610,171	$ 580,679	$ 616,329
-14.18%	-14.19%	34.97%	47.03%
174.70%	176.00%	47.10%	37.30%

See accompanying notes to the required supplementary information.

Dayton Business Technology High School
Montgomery County, Ohio
Schedule of the School's Contributions - OPEB
Last Ten Fiscal Years

	2024	2023	2022	2021
School Employees Retirement System (SERS)				
Contractually Required Contribution (1)	$ 4,304	$ 2,618	$ 1,403	$ 519
Contributions in Relation to the Contractually Required Contribution	(4,304)	(2,618)	(1,403)	(519)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 297,429	$ 191,407	$ 157,414	$ 129,100
OPEB Contributions as a Percentage of Covered Payroll (1)	1.45%	1.37%	0.89%	0.40%
School Teachers Retirement System (STRS)				
Contractually Required Contribution	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
School's Covered Payroll	$ 524,771	$ 497,900	$ 475,264	$ 392,879
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
$ -	$ 924	$ 893	$ -	$ 2,299	$ 28
-	(924)	(893)	-	(2,299)	(28)
$ -	$ -	$ -	$ -	$ -	$ -
$ 153,421	$ 184,867	$ 178,600	$ 175,393	$ 181,571	$ 236,364
0.00%	0.50%	0.50%	0.00%	1.27%	0.01%
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -
$ 507,221	$ 552,700	$ 610,171	$ 580,679	$ 616,329	$ 574,264
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

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

Changes in Assumptions - SERS

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

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

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

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

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

Changes in Benefit Terms - SERS

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

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

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

Changes in Assumptions – STRS

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

	Fiscal Years 2022 and 2023	Fiscal Years 2021-2018	Fiscal Years 2017 and Prior
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	From 2.50% to 12.50% based on age	From 12.50% at age 20 to 2.50% at age 65	From 12.25% at age 20 to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

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

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

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

Changes in Benefit Terms - STRS

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

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

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

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

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

	Fiscal Years 2023 and 2022	Fiscal Years 2021-2017
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

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

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

Changes in Assumptions – STRS

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

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

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

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

Changes in Benefit Terms – STRS

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

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

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

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

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

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

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

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

To the Board of Directors
Dayton Business Technology High School
Montgomery County
348 W. First Street
Dayton, Ohio 45402

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Dayton Business Technology High School, Montgomery County, Ohio (the "School") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated April 21, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The School's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The School's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
April 21, 2025

Dayton Business Technology High School
Montgomery County, Ohio
Schedule of Findings and Responses
June 30, 2024

Finding Number: 2024-001
Material Weakness – Internal Controls Over Financial Reporting

Criteria: The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. AU-C 265 establishes standards, responsibilities and guidance for auditors during a financial statement audit engagement for identifying and evaluating a client's internal control over financial reporting. This standard requires the auditor to report in writing to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses. To this end, AU-C 265 lists specific control deficiencies that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Condition: The school posted improper journal entries at year end relating to a construction project involving ESSER funds. Due to this, the School did not properly record federal and state revenues with related receivables, construction in progress, contracts payable, retainage payable, and net investment in capital assets. As a result, audit adjustments and reclassifications were made to the financial statements presented for audit.

Context: The following audit adjustments were made to properly state the accounts as of year end.

- To remove grant monies received – decrease cash and increase grants funding receivable by $139,160.
- To remove construction expenditures – increase cash and decrease purchased services by $34,579.
- To correct construction in progress costs to reflect actual spending – increase cash by $104,581, decrease accounts payable by $79,680, decrease construction in progress by $152,495, and increase retainage payable by $31,766.
- To adjust ARP ESSER grant revenues – decrease federal grant revenue and decrease grants funding receivable by $177,884.
- To reclassify the obligation of future construction costs - decrease accounts payable and increase contracts payable by $213,246.
- To reclassify investment in capital assets - decrease net investment in capital assets and increase unrestricted net position by $97,145.
- Net change in cash was not affected by these transactions.

Cause: The School did not properly record construction project costs, cash, contracts payable, purchased services, retainage, net investment in capital assets, and revenues at year end. The entries posted to the financial statements represented significant differences in numerous accounts on the statement of net position and the statement of revenues, expenses and changes in net position as shown above.

Effect: Audit adjustments described above were necessary to properly present the financial statements in accordance with generally accepted accounting principles (GAAP).

Recommendation: The School should implement and strengthen processes to review financial transactions and monthly financial reports to ensure that transactions are recorded in accordance with GAAP.

Management's Response: School recorded expenses related to a large construction project in accordance with guidelines from ARP ESSER grant documentation stating expenses must be encumbered as of June 30, 2024, although the services were not rendered until after June 30, 2024. ARP ESSER had many stipulations and controls that made compliance with GAAP and compliance with the grant sometimes conflict, although GAAP should take precedent. Going forward, school will record financial expenditures in accordance with GAAP and make modifications for submissions of grant compliance documentation. Furthermore, the ARP ESSER grant has concluded and thus should not have a repeat situation to evaluate.

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OHIO AUDITOR OF STATE
KEITH FABER

DAYTON BUSINESS TECHNOLOGY HIGH SCHOOL

MONTGOMERY 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 6/24/2025

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