KIDS CARE ELEMENTARY

FRANKLIN COUNTY

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

GUEYE & ASSOCIATES, CPA, INC.

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OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

Board of Education
Kids Care Elementary
3400 Kohr Boulevard
Columbus, Ohio 43224

We have reviewed the *Independent Auditor's Report* of Kids Care Elementary, Franklin County, prepared by Gueye & Associates, CPA, 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. Kids Care Elementary is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

June 09, 2025

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KIDS CARE ELEMENTARY
FRANKLIN COUNTY

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Kids Care Elementary
Franklin County
3400 Kohr Boulevard
Columbus, Ohio 43224

To the Board of Education:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Kids Care Elementary, Franklin County, Ohio (the School), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Kids Care Elementary, Franklin County, Ohio as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the Schools's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Columbus, Ohio
February 28, 2025

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The management's discussion and analysis of the Kids Care Elementary (the "School") financial performance provides an overall review of the School's 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 our notes to the basic financial statements and the financial statements themselves 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 School are as follows:

- Total net position of the School increased $337,435 during the fiscal year. Ending net position of the School was $226,947 compared with negative $110,488 at June 30, 2023.

- Total assets increased $297,778 from the prior fiscal year while total liabilities decreased by $234,938 during this same 12-month period.

- The School's operating loss for fiscal year 2024 was $617,412.

- Total revenues increased by $340,495 and expenses increased $176,251 during the same period.

Using this Annual Financial Report

This financial report contains the basic financial statements of the School, as well as the Management's Discussion and Analysis and Notes to the basic financial statements. The basic financial statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity wide and the fund 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, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources 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

Financial Analysis

Table 1 provides a summary of the School's net position at June 30, 2024 and 2023.

Table 1 - Net Position

	2024	2023	Change
Assets			
Current Assets	$ 1,234,804	$ 941,500	$ 293,304
Net OPEB Asset	66,636	101,048	(34,412)
Capital Assets, Net	45,321	6,435	38,886
Total Assets	1,346,761	1,048,983	297,778
Deferred Outflows of Resources			
Pensions	296,072	473,076	(177,004)
OPEB	74,922	93,799	(18,877)
Total Deferred Outflows of Resources	370,994	566,875	(195,881)
Liabilities			
Current Liabilities	198,659	217,569	(18,910)
Long-term liabilities:			
Due in more than one year			
Line of Credit Payable	-	33,334	(33,334)
Net Pension Liability	878,409	1,053,326	(174,917)
Net OPEB Liability	39,622	47,399	(7,777)
Total Liabilities	1,116,690	1,351,628	(234,938)
Deferred Inflows of Resources			
Pensions	257,837	231,039	26,798
OPEB	116,281	143,679	(27,398)
Total Deferred Inflows of Resources	374,118	374,718	(600)
Net Position			
Investment in Capital Assets	45,321	6,435	38,886
Restricted	496,428	255,687	240,741
Unrestricted	(314,802)	(372,610)	57,808
Total Net Position	$ 226,947	$ (110,488)	$ 337,435

Current assets increased in comparison with the prior fiscal year-end. This increase is primarily the result of an increase in cash and cash equivalents in operating funds due to management decisions.

The net pension and net OPEB liabilities, net OPEB asset, and related deferred outflows and inflows of resources related to pensions/OPEB all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms and changes in actuarial assumptions.

Table 2 provides a summary of the School's change in net position for fiscal year ended June 30, 2024 compared to the prior year

Table 2 - Change in Net Position

	2024	2023	Change
Operating Revenues			
Program Revenues:			
State Foundation	$ 1,273,640	$ 1,046,434	227,206
Other Unrestricted Grants	8,613	8,394	219
Total Operating Revenues	1,282,253	1,054,828	227,425
Operating Expenses			
Salaries	629,124	549,488	79,636
Fringe Benefits	217,643	378,284	(160,641)
Purchased Services	862,417	656,445	205,972
Materials and Supplies	114,313	91,776	22,537
Depreciation	9,450	6,666	2,784
Other	66,718	40,755	25,963
Total Operating Expenses	1,899,665	1,723,414	176,251
Operating Loss	(617,412)	(668,586)	
Non-Operating Revenues			
Interest Income	45,680	-	45,680
Federal and State Grants	906,511	841,777	64,734
Contributions and Donations	736	-	736
Other Revenue	1,920	-	1,920
Total Non-Operating Revenues	954,847	841,777	113,070
Change in Net Position	337,435	173,191	
Net Position - Beginning of Year	(110,488)	(283,679)	
Net Position - End of Year	$ 226,947	$ (110,488)	

State Foundation payments increased in comparison with the prior fiscal year due to the State of Ohio Biennial Budget increases. Interest income increased due to investing in Star Ohio. Federal and State Grants revenue increased due to the School receiving grants related to the COVID-19 pandemic.

Total Expenses increased in comparison with the prior fiscal year. This is primarily due to the increase of purchases services. Fringe benefits decreased due to the changes in pension and OPEB.

Capital Assets

At fiscal year-end, the School's investment in capital assets increased in comparison with the prior fiscal year due to increase in equipment. See Note 5 of the basic financial statements for additional details.

Debt

At fiscal year-end, the School's line of credit balance decreased in comparison with the prior fiscal year-end due to principal payments. 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 a general overview of the finances of the Kids Care Elementary and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Kids Care Elementary, 3400 Kohr Blvd, Columbus, OH 43224.

KIDS CARE ELEMENTARY
FR Kids Care Elementary
Franklin County, Ohio
Statement of Net Position
As of June 30, 2024

ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 1,161,252
Receivables:	
Intergovernmental	70,326
Other	15
Prepaid Items	3,211
Total Current Assets	1,234,804
Noncurrent Assets:	
Net OPEB Asset	66,636
Capital Assets:	
Depreciable Capital Assets, Net of Depreciation/Amortization	45,321
Total Noncurrent Assets	111,957
Total Assets	1,346,761
DEFERRED OUTFLOWS OF RESOURCES	
Pension	296,072
OPEB	74,922
Total Deferred Outflows of Resources	370,994
LIABILITIES	
Current Liabilities:	
Accounts Payable	129,832
Accrued Wages and Benefits	28,561
Intergovernmental Payable	4,796
Unearned Revenue	2,136
Line of Credit Payable	33,334
Total Current Liabilities	198,659
Noncurrent Liabilities:	
Net Pension Liability	878,409
Net OPEB Liability	39,622
Total Noncurrent Liabilities	918,031
Total Liabilities	1,116,690
DEFERRED INFLOWS OF RESOURCES	
Pension	257,837
OPEB	116,281
Total Deferred Inflows of Resources	374,118
NET POSITION	
Investment in Capital Assets	45,321
Restricted for:	
State Funded Programs	81,429
Federally Funded Programs	303,031
Other	45,332
OPEB	66,636
Unrestricted	(314,802)
Total Net Position	$ 226,947

See accompanying notes to the financial statements.

Kids Care Elementary
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

OPERATING REVENUES	
State Foundation	$ 1,273,640
Other Unrestricted Grants	8,613
Total Operating Revenues	1,282,253
OPERATING EXPENSES	
Salaries and Wages	629,124
Fringe Benefits	217,643
Purchased Services	862,417
Materials and Supplies	114,313
Depreciation	9,450
Other	66,718
Total Operating Expenses	1,899,665
Operating Loss	(617,412)
NON-OPERATING REVENUES	
Interest Income	45,680
Federal and State Grants	906,511
Contributions and Donations	736
Other Non-Operating Revenues	1,920
Total Non-operating Revenues	954,847
Change in Net Position	337,435
Net Position - Beginning of Year	(110,488)
Net Position - End of Year	$ 226,947

See accompanying notes to the financial statements.

Franklin County, Ohio
Kids Care Elementary
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from State of Ohio	$ 1,269,036
Cash Received from Other Operations	8,613
Cash Payments for Salaries and Wages	(657,876)
Cash Payments for Fringe Benefits	(166,040)
Cash Payments for Purchased Services	(845,601)
Cash Payments for Materials and Supplies	(122,686)
Cash Payments for Other Expenses	(60,630)
Net Cash Used in Operating Activities	(575,184)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal and State Grants	994,057
Contributions and Donations	736
Loan Proceeds	15,000
Other non-operating	1,920
Net Cash Provided by Noncapital Financing Activities	1,011,713
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Long-term Debt	(48,333)
Payments for Capital Acquisitions	(48,336)
Net Cash Used in Capital and Related Financing Activities	(96,669)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	45,680
Net Cash Provided by Investing Activities	45,680
Net Increase in Cash and Cash Equivalents	385,540
Cash and Cash Equivalents - Beginning of Year	775,712
Cash and Cash Equivalents - End of Year	$ 1,161,252
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES OPERATING ACTIVITIES	
Operating Loss	$ (617,412)
Adjustments:	
Depreciation	9,450
(Increase) Decrease in Assets and Deferred Outflows:	
Intergovernmental Receivable	5,700
Other Receivable	(15)
Prepaid Items	(400)
Deferred Outflows - Pension	177,004
Deferred Outflows - OPEB	18,877
Net OPEB Asset	34,412
Increase (Decrease) in Liabilities and Deferred Inflows:	
Accounts Payable	14,946
Accrued Wages and Benefits	(30,101)
Intergovernmental Payable	(4,351)
Net Pension Liability	(174,917)
Net OPEB Liability	(7,777)
Deferred Inflows - Pension	26,798
Deferred Inflows - OPEB	(27,398)
Net Cash Used in Operating Activities	$ (575,184)

See accompanying notes to the financial statements.

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NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Kids Care Elementary (the School) is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702. The School, which is part of the State's education program, is independent of any school 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 qualifies as an exempt organization under Section 501c (3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the school's tax exempt status.

St. Aloysius Orphanage is the School's sponsor. 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. The School entered into a service agreement with Mangen12, LLC to provide certain financial and accounting services, including performing all duties required of the Treasurer of the School. See Note 12 and Note 13 for more information.

The School operates under the direction of a Board of Directors. The Board of Directors is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated standards, admission standards, and qualifications of teachers. The Board of Directors controls the School's instructional/support facility.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Measurement Focus

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each part gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Expenses are recognized at the time they are incurred

Budgetary Process

Community schools are statutorily required to adopt a budget by Ohio Revised Code3314.032(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 prescribes an annual budget requirement in addition to preparing a 5-year forecast, which is to be updated on an annual basis. Each year, the School Board of Directors, with the assistance of the School's designated fiscal officer, is required to adopt an annual budget by the thirty-first day of October using the format and guidelines prescribed by the Ohio Department of Education(ODE).

Capital Assets

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

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	10 years
Building and Improvements	25 years
Equipment and Furniture	3-5 years
Vehicles	5-7 years

Cash and Cash Equivalents

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

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.

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) 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 will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. These deferred inflows of resources related to pensions and OPEB are explained in Note 8 and Note 9.

Accrued Liabilities Payable

The School has recognized certain liabilities on its statement of net position relating to expenses, which are due but unpaid as of fiscal year-end, including:

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

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

Intergovernmental Payable – payments made after year-end for the School's share of retirement contributions and Medicare associated with services rendered during the fiscal year.

Compensated Absences

Vacation and sick leave benefits are not carried forward to future fiscal years. The School does not pay sick leave benefits upon termination or retirement.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those 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 first when an expense is incurred for purposes which both restricted and unrestricted net position is available.

Operating Revenues and Expenses

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

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 those estimates.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/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.

NOTE 3 – DEPOSITS

At June 30, 2024, the bank balance of the School was $221,747. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, the full amount of bank balance was covered by the Federal Depository Insurance Corporation (FDIC) and the remaining balance was uninsured and uncollateralized.

Investments of the School as of June 30, 2024 were as follows:

			Investment Maturities
Investments	Net Asset Value	Percentage of Total	1 to 3 Years
STAR Ohio	$ 1,000,680	100%	$ 1,000,680

NOTE 4 – RECEIVABLES

Receivables at June 30, 2024, consisted of intergovernmental receivables, which may arise from pension system overpayments, and grants to be reimbursed. All receivables are considered collectible in full.

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Being Depreciated/Amortized				
Buildings	4,670			4,670
Furniture and Equipment	34,018	48,336	-	82,354
Total Capital Assets, Being Depreciated/Amortized	38,688	48,336	-	87,024
Less Accumulated Depreciation/Amortization				
Buildings	(4,670)	-		(4,670)
Furniture and Equipment	(27,583)	(9,450)	-	(37,033)
Total Accumulated Depreciation/Amortization	(32,253)	(9,450)	-	(41,703)
Total Capital Assets, Being Depreciated/Amortized, Net	6,435	38,886	-	45,321
Total Capital Assets, Net	$ 6,435	$ 38,886	$ -	$ 45,321

NOTE 6 – LONG TERM OBLIGATIONS

Long term obligations activity for the fiscal year ended June 30, 2024 was as follows

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Mangen Family Foundation	$ 66,667	$ 15,000	$ (48,333)	$ 33,334	$ 33,334
Net Pension Liability	1,053,326	-	(174,917)	878,409	-
Net OPEB Liability	47,399	-	(7,777)	39,622	-
Total Long-Term Obligations	$ 1,167,392	$ 15,000	$ (231,027)	$ 951,365	$ 33,334

The School received a line of credit for $100,000 from the Mangen Family Foundation in both 2018 and 2019. The loan carries an interest rate of zero percent and is payable on demand.

Debt-service-to-maturity requirements to retire the Mangen Family Foundation loan are as follows:

Year Ended	Principal
2025	$ 33,334
Total	$ 33,334

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. During fiscal year 2024, the School contracted for commercial property liability, employee dishonesty liability, school leader's legal liability, cyber liability, general umbrella liability, and general liability.

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.

Worker's Compensation

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

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NOTE 8 - DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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 are financed; however, the School does receive the benefit of employees' services in exchange for compensation including pension.

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

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

Plan Description - School Employees Retirement System (SERS)

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

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0.0%. A three-year COLA suspension was in effect for all benefit recipients for calendar years 2018, 2019, and 2020. The Retirement Board approved a 2.5% COLA for calendar year 2023 and 2024.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The School's contractually required contribution to SERS was $13,434 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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

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

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

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

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

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

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

The School's contractually required contributions to STRS was $78,668 for fiscal year 2024. Of this amount $2,514 is reported as an intergovernmental payable.

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 actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability Prior Measurement Date	0.0034351%	0.003902490%	
Proportion of the Net Pension Liability Current Measurement Date	0.0025439%	0.003426270%	
Change in Proportionate Share	-0.0008912%	-0.00047622%	
Proportionate Share of the Net Pension Liability	$ 140,564	$ 737,845	$ 878,409
Pension Expense	$ 14,158	$ 106,829	$ 120,987

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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	$ 6,041	$ 26,900	$ 32,941
Changes of assumptions	995	60,765	61,760
Changes in proportion and differences between School contributions and proportionate share of contributions	-	109,269	109,269
School contributions subsequent to the measurement date	13,434	78,668	92,102
Total Deferred Outflows of Resources	$ 20,470	$ 275,602	$ 296,072
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ 1,638	$ 1,638
Changes of assumptions	-	45,738	45,738
Net difference between projected and actual earnings on pension plan investments	1,975	2,213	4,188
Changes in proportion and differences between School contributions and proportionate share of contributions	45,522	160,751	206,273
Total Deferred Inflows of Resources	$ 47,497	$ 210,340	$ 257,837

$92,102 reported as deferred outflows of resources related to pension resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. 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	($21,889)	$23,775	$1,886
2026	(18,523)	(65,805)	(84,328)
2027	(153)	52,934	52,781
2028	104	(24,310)	(24,206)
Total	($40,461)	($13,406)	($53,867)

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, are presented below:

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

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

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

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

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

Sensitivity of the 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 net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	$207,465	$140,564	$842,122

Actuarial Assumptions – STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.
* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	$1,134,642	$737,845	$402,263

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NOTE 9 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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

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

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

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

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. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

The surcharge, is the total amount assigned to the Health Care Fund. The School School's contractually required contribution to SERS was $0 for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org 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 and net OPEB asset were measured as of June 30, 2023, and the total OPEB liability and asset used to calculate the net OPEB liability and net OPEB asset were determined by an actuarial valuation as of that date. The School School's proportion of the net OPEB liability and net OPEB asset were based on the School 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 Prior Measurement Date	0.0033760%	0.00390249%	
Proportion of the Net OPEB Liability/asset Current Measurement Date	0.0024051%	0.00342627%	
Change in Proportionate Share	-0.0009709%	-0.00047622%	
Proportionate Share of the Net OPEB Liability	$ 39,622	$ -	$ 39,622
Proportionate Share of the Net OPEB Asset	$ -	$ (66,636)	$ (66,636)
OPEB Expense	$ 8,352	$ 9,762	$ 18,114

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	$ 84	$ 104	$ 188
Changes of assumptions	13,400	9,815	23,215
Net difference between projected and actual earnings on pension plan investments	310	120	430
Changes in proportion and difference between School contributions and proportionate share of contributions	34,382	16,707	51,089
Total Deferred Outflows of Resources	$ 48,176	$ 26,746	$ 74,922
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 20,437	$ 10,158	$ 30,595
Changes of assumptions	11,255	43,962	55,217
Changes in proportion and difference between School contributions and proportionate share of contributions	30,469	-	30,469
Total Deferred Inflows of Resources	$ 62,161	$ 54,120	$ 116,281

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	$ 3,235	$ (6,309)	$ (3,074)
2026	1,059	(7,979)	(6,920)
2027	831	(2,559)	(1,728)
2028	(2,208)	(4,189)	(6,397)
2029	(5,076)	(3,834)	(8,910)
Thereafter	(11,826)	(2,504)	(14,330)
Total	$ (13,985)	$ (27,374)	$ (41,359)

Actuarial Assumptions - SERS

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

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

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 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 %	0.79 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
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 System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination for the SEIR for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index rate is 3.86 % at June 30, 2023 and 3.69 % at June 30, 2022.

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 of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School's proportionate share of the net OPEB liability	$50,649	$39,623	$30,928

	1% Decrease (5.75 % decreasing to 3.40%)	Current Trend Rate (6.75 % decreasing to 4.40%)	1% Increase (7.75 % decreasing to 5.40%)
School's proportionate share of the net OPEB liability	$29,109	$39,623	$53,554

Actuarial Assumptions – STRS

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

Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	
Payroll Increases	3 percent	
Cost-of-Living Adjustments	0 percent	
Discount Rate of Return	7.00 percent	
Health Care Cost Trends	Initial	Ultimate
Medical		
Pre-Medicare	7.50 percent	4.14 percent
Medicare	-10.94 percent	4.14 percent
Prescription Drug		
Pre-Medicare	-11.95 percent	4.14 percent
Medicare	1.33 percent	4.14 percent

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

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

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

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

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

* Final Target weights reflected at October 1, 2022

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net OPEB asset	$56,399	$66,636	$75,552

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB asset	$75,966	$66,636	$55,399

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

NOTE 10 – EMPLOYEE BENEFITS

Insurance Benefits - The School has purchased insurance from Medical Mutual Insurance Company to provide employee medical, dental, life, and vision.

NOTE 11 – PURCHASED SERVICES

During the fiscal year ended June 30, 2024, purchased service expenses for services rendered by various vendors were as follows:

Instruction service	$ 2,083
Instructional Improvement Services	1,674
Health Services	37,631
Management Services	339,694
Data Processing Services	8,444
Professional/legal Services	1,400
Other Professional Services	187,786
Property Services	125,681
Travel Mileage/Meeting	17,820
Communications	16,577
Contracted Food Services	122,757
Pupil Transportation	870
Total	$ 862,417

NOTE 12 – CONTRACTED FISCAL SERVICES

The School is a party to a fiscal services agreement with Mangen12 LLC (M12), which is an education finance consulting company. The Agreement may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The Agreement provides that M12 will perform the following services:

1. Financial Management Services
2. Treasurer/Accounting Services
3. CCIP Administration

NOTE 13 – SPONSORSHIP AND MANAGEMENT AGREEMENTS

Commencing July 1, 2017, the School was approved for operation under contract with the St. Aloysius Orphanage (the “Sponsor”) for a period of seven years. The terms of the contract were negotiated. Sponsorship fees are calculated as 3.0% of the foundation payments received by the School, from the State of Ohio. Sponsorship fees are recorded as professional and technical services within the purchased services expense on the Statement of Revenues, Expenses and Changes in Net Position.

The School entered into an agreement with Entrepreneurial Ventures in Education (EVE) to provide academic services beginning March 1, 2021 for an initial term of four years. Under the agreement, the School will pay an annual fee of 12 percent of state aid received by the School.

NOTE 14 – CONTINGENCIES

Grants

The School received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

The effect of any such disallowed claims on the overall financial position of the School at June 30, 2024, if applicable, cannot be determined at this time. However, in the opinion of the School, any such disallowed claims will not have a material adverse effect on the financial position of the School at fiscal year-end.

Foundation Funding

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

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

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

NOTE 15 – CHANGES IN ACCOUNTING PRINCIPLES

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

GASB Statement No. 100, Accounting Change and Error Corrections – an Amendment of GASB Statement No. 62. GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The implementation of the GASB pronouncement did not have any impact on beginning net position or fund balance.

Kids Care Elementary
Franklin County, Ohio
Schedule of the School's Proportionate Share of the Net Pension Liability
School Employees' Retirement System of Ohio
Last Six Fiscal Years (1)

	2024	2023	2022
School's Proportion of the Net Pension Liability	0.0025439%	0.0034351%	0.0039885%
School's Proportionate Share of the Net Pension Liability	$ 140,564	$ 185,797	$ 147,164
School's Covered Payroll	$ 92,350	$ 136,886	$ 136,379
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	152.21%	135.73%	107.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%

(1) Information prior to 2019 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

2021	2020	2019
0.0022685%	0.0014248%	0.0010043%
$ 150,043	$ 85,248	$ 57,518
$ 80,543	$ 49,156	$ 32,319
186.29%	173.42%	177.97%
68.55%	70.85%	71.36%

Kids Care Elementary
Franklin County, Ohio
Schedule of the School's Proportionate Share of the Net Pension Liability
State Teachers' Retirement System of Ohio
Last Six Fiscal Years (1)

	2024	2023	2022
School's Proportion of the Net Pension Liability	0.00342627%	0.00390249%	0.00469323%
School's Proportionate Share of the Net Pension Liability	$ 737,845	$ 867,529	$ 600,071
School's Covered Payroll	$ 458,336	$ 502,707	$ 589,143
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	160.98%	172.57%	101.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%

(1) Information prior to 2019 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

2021	2020	2019
0.00426107%	0.00251670%	0.00205786%
$ 1,031,027	$ 556,553	$ 452,477
$ 509,229	$ 308,579	$ 263,050
202.47%	180.36%	172.01%
75.50%	77.40%	77.31%

Kids Care Elementary
Franklin County, Ohio
Schedule of School's Contributions – Pension
School Employees' Retirement System of Ohio
Last Seven Fiscal Years (1)

	2024	2023	2022
Contractually Required Contribution	$ 13,434	$ 12,929	$ 19,164
Contributions in Relation to the Contractually Required Contribution	(13,434)	(12,929)	(19,164)
Contribution Deficiency (Excess)	$ -	$ -	$ -
School Covered Payroll	$ 95,957	$ 92,350	$ 136,886
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%

(1) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

2021		2020		2019		2018	
$	19,093	$	11,276	$	6,636	$	4,363
	(19,093)		(11,276)		(6,636)		(4,363)
$	-	$	-	$	-	$	-
$	136,379	$	80,543	$	49,156	$	32,319
	14.00%		14.00%		13.50%		13.50%

Kids Care Elementary
Franklin County, Ohio
Schedule of School's Contributions – Pension
State Teachers' Retirement System of Ohio
Last Seven Fiscal Years (1)

	2024	2023	2022
Contractually Required Contribution	$ 78,668	$ 64,167	$ 70,379
Contributions in Relation to the Contractually Required Contribution	(78,668)	(64,167)	(70,379)
Contribution Deficiency (Excess)	$ -	$ -	$ -
School Covered Payroll	$ 561,914	$ 458,336	$ 502,707
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%

(1) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

2021	2020	2019	2018
$ 82,480	$ 71,292	$ 43,201	$ 36,827
(82,480)	(71,292)	(43,201)	(36,827)
$ -	$ -	$ -	$ -
$ 589,143	$ 509,229	$ 308,579	$ 263,050
14.00%	14.00%	14.00%	14.00%

Kids Care Elementary
Franklin County, Ohio
Schedule of School's Proportionate Share of the Net OPEB Liability
School Employees' Retirement System of Ohio
Last Seven Fiscal Years (1)

	2024	2023	2022
School's Proportion of the Net OPEB Liability	0.0024051%	0.0033760%	0.0036100%
School's Proportionate Share of the Net OPEB Liability	$ 39,622	$ 47,399	$ 68,328
School's Covered Payroll	$ 92,350	$ 136,886	$ 136,379
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.90%	34.63%	50.10%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%

(1) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

	2021		2020		2019
	0.0020970%		0.0014650%		0.0010186%
$	45,564	$	36,847	$	28,259
$	80,543	$	49,156	$	32,319
	56.57%		74.96%		87.44%
	18.17%		15.57%		13.57%

Kids Care Elementary
Franklin County, Ohio
Schedule of School's Proportionate Share of the Net OPEB Liability
State Teachers' Retirement System of Ohio
Last Seven Fiscal Years (1)

	2024	2023	2022
School's Proportion of the Net OPEB Liability/Asset	0.00342627%	0.00390249%	0.00469300%
School's Proportionate Share of the Net OPEB Liability/(Asset)	$ (66,636)	$ (108,048)	$ (98,948)
School's Covered Payroll	$ 458,336	$ 502,707	$ 589,143
School's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-14.54%	-21.49%	-16.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	168.52%	230.73%	174.73%

(1) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

2021		2020		2019	
	0.00426100%		0.00251700%		0.00205786%
$	(74,887)	$	(41,688)	$	(33,068)
$	509,229	$	308,578	$	263,055
	-14.71%		-13.51%		-12.57%
	182.13%		174.74%		176.00%

Kids Care Elementary
Franklin County, Ohio
Schedule of School Contributions - OPEB
School Employees Retirement System of Ohio
Last Seven Fiscal Years (1)

	2024	2023	2022
Contractually Required Contribution (1)	$ -	$ 612	$ 1,507
Contributions in Relation to the Contractually Required Contribution	-	(612)	(1,507)
Contribution Deficiency (Excess)	-	-	-
School Covered Payroll	$ 95,957	$ 92,350	$ 136,886
OPEB Contributions as a Percentage of Covered Payroll (1)	0.00%	0.66%	1.10%

(1) Includes Surcharge

(2) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

2021	2020	2019	2018
$ -	$ 129	$ 1,164	$ 711
-	(129)	(1,164)	(711)
-	-	-	-
$ 136,379	$ 80,543	$ 49,156	$ 32,319
0.00%	0.16%	2.37%	2.20%

Kids Care Elementary
Franklin County, Ohio
Schedule of School Contributions - OPEB
School Teachers Retirement System of Ohio
Last Seven Fiscal Years (1)

	2024	2023	2022
Contractually Required Contribution	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -
School Covered Payroll	$ 561,914	$ 458,336	$ 502,707
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

(1) Information prior to 2018 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

2021	2020	2019	2018
$ -	$ -	$ -	$ -
-	-	-	-
$ -	$ -	$ -	$ -
$ 589,143	$ 509,229	$ 308,578	$ 263,055
0.00%	0.00%	0.00%	0.00%

Net Pension Liability

Changes of benefit terms- SERS

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

The following changes were made to the benefit terms in 2018 as identified: The COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018-2020.

Changes in assumptions- SERS

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

Changes in benefit terms – STRS

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

Changes in assumptions – STRS

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017, 2019-2021, and 2024. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the "RP-2014" mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) investment return assumption lowered from 7.45% to 7.00%, (b) discount rate of return reduced from 7.45% to 7.00%. For fiscal year 2023, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from, 12.50% at age 20 to 2.50% at age 65, to, varies by service from 2.50% to 8.50% (b) post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Net OPEB Liability

Changes of benefit terms- SERS

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

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent
Medicare Trend Assumption	
Medicare	
Fiscal year 2024	6.75 percent decreasing to 4.40 percent
Fiscal year 2023	7.00 percent decreasing to 4.40 percent
Fiscal year 2022	5.125 percent decreasing to 4.40 percent
Fiscal year 2020	5.25 percent decreasing to 4.75 percent
Fiscal year 2019	5.375 percent decreasing to 4.75 percent
Fiscal year 2018	5.50 percent decreasing to 5.00 percent
Pre – Medicare	
Fiscal year 2024	7.00 percent decreasing to 4.40 percent
Fiscal year 2023	7.00 percent decreasing to 4.40 percent
Fiscal year 2022	6.75 percent decreasing to 4.40 percent
Fiscal year 2020	7.00 percent decreasing to 4.75 percent
Fiscal year 2019	7.25 percent decreasing to 4.75 percent
Fiscal year 2018	7.50 percent decreasing to 5.00 percent

Changes in Assumptions – STRS

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

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

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

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

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

For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

Changes in Benefit Terms – STRS

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

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

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

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

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

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

Kids Care Elementary
Franklin County
3400 Kohr Boulevard
Columbus, Ohio 43224

To the Board of Education:

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 Kids Care Elementary, Franklin County, (the School) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated February 28, 2025.

Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Columbus, Ohio
February 28, 2025

OHIO AUDITOR OF STATE
KEITH FABER

KIDS CARE ELEMENTARY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/24/2025

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