DAYTON LEADERSHIP ACADEMIES - DAYTON VIEW CAMPUS
MONTGOMERY COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

OHIO AUDITOR OF STATE
KEITH FABER

DAYTON LEADERSHIP ACADEMIES – DAYTON VIEW CAMPUS
MONTGOMERY COUNTY
JUNE 30, 2019

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Dayton Leadership Academies - Dayton View Campus
Montgomery County
1416 West Riverview Avenue
Dayton, Ohio 45402

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Dayton Leadership Academies - Dayton View Campus, Montgomery County, Ohio (the School), as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dayton Leadership Academies - Dayton View Campus, Montgomery County, Ohio, as of June 30, 2019, and the changes in financial position and its cash flows thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the basic financial statements, on July 1, 2018 the Dayton Leadership Academies – Early Learning Academy merged with the School which resulted in a restatement of net position at July 1, 2018. We did not modify our opinion for this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and *schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the School's basic financial statements taken as a whole.

The Schedule of Receipts and Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2020, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2020

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The discussion and analysis of the Alliance Community Schools', doing business as Dayton Leadership Academies-Dayton View Campus (the School), financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School's financial performance.

Financial Highlights

- In total, net position increased $318,361 from fiscal year 2018 as the School received about $289,000 more in revenues with the remaining increase coming from the negative pension/OPEB expense reported at the two retirement systems.
- The School realized a ($3,899,164) impact to the net position due to Governmental Accounting Standards Board (GASB) 68 Pension Reporting and GASB 75 Other Postemployment Benefits other than Pension requirements.
- The cash balance increased as the School merged with the Early Learning Academy for fiscal year 2019. Early Learning Academy's cash balance was $770,429 when the two schools merged.
- Current liabilities decreased by $30,729 from last year as the School had less outstanding vendor payments compared to fiscal year 2018.

Using this Financial Report

This annual report consists of a series of financial statements, notes to those statements and required supplementary information.

The statement of net position and the statement of revenues, expenses, and changes in net position reflect how the School did financially during fiscal year 2019. These statements include all assets, deferred outflows, liabilities and deferred inflows using the full accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These statements report the School's net position and the change in that position. This change in net position is important because it tells the reader whether the financial position of the School has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating.

Table 1 provides a summary of the School's net position for fiscal year 2019 and fiscal year 2018:

(Table 1)
Net Position

	2019	2018 restated	Change
Assets:			
Current Assets	$1,305,030	$1,892,335	($587,305)
Net OPEB Asset	274,000	0	274,000
Depreciable Capital Assets, Net	54,448	65,361	(10,913)
Total Assets	1,633,478	1,957,696	(324,218)
Deferred Outflows	1,965,392	1,595,251	370,141
Liabilities:			
Current Liabilities	525,282	556,011	(30,729)
Net OPEB Liability	388,462	914,947	(526,485)
Net Pension Liability	4,493,592	4,273,020	220,572
Total Liabilities	5,407,336	5,743,978	(336,642)
Deferred Inflows	1,256,502	1,192,298	64,204
Net Position:			
Net Investment in Capital Assets	54,448	65,361	(10,913)
Restricted	110,136	185,622	(75,486)
Unrestricted	(3,229,552)	(3,634,312)	404,760
Total Net Position	($3,064,968)	($3,383,329)	$318,361

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

Under the standards required by GASB 68 and GASB 75, the pension and OPEB asset/liability equals the School's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service, less plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post employment benefits. GASB noted that the unfunded portion of the pension and OPEB benefit promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension and other postemployment benefit system. In Ohio, there is no legal means to enforce the unfunded liability of the pension and OPEB system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension and OPEB system is responsible for the administration of the plan.

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

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

Total net position increased $318,361 as the School reports a negative OPEB/pension expense in connection with the Net Pension and Net OPEB assets/liabilities. The reduction in OPEB and increase in pension liabilities is the result of several different factors including changes in assumptions and change in the School's proportionate share of the total liability. The School saw the total current assets decrease $587,305 with changes in the cash balance due to higher expenses in 2019. The School's capital assets decreased as depreciation exceeded additions for the year. The School also saw the current liabilities decrease by $30,729 as there were fewer outstanding vendor payments for the current year.

The School is reporting a net OPEB asset for their proportionate share of the STRS OPEB asset. The large decrease in the net OPEB liability is partially due to changes in the proportionate share amount changing but mainly from the STRS amount changing from a liability to an asset.

Table 2 shows the changes in net position for fiscal year 2019 and fiscal year 2018.

(Table 2)
Change in Net Position

	2019	2018 restated	Change
Operating Revenues:			
Foundation Payments	$ 3,613,563	$ 3,476,511	$ 137,052
Charges for Services	9,189	1,860,053	(1,850,864)
Other Operating Revenues	41,108	14,563	26,545
Total Operating Revenues	3,663,860	5,351,127	(1,687,267)
Non-Operating Revenues:			
Federal and State Grants	1,231,221	1,170,439	60,782
Local Contributions and Donations	0	15,000	(15,000)
Total Non-Operating Revenues	1,231,221	1,185,439	45,782
Total Revenues	4,895,081	6,536,566	(1,641,485)
Operating Expenses:			
Salaries	2,562,291	1,411,050	1,151,241
Fringe Benefits	(233,570)	(1,634,466)	1,400,896
Purchased Services	1,903,251	4,484,162	(2,580,911)
Materials and Supplies	313,156	434,239	(121,083)
Depreciation	10,913	52,603	(41,690)
Other Operating Expenses	20,679	107,460	(86,781)
Total Expenses	4,576,720	4,855,048	(278,328)
Change in Net Position	318,361	1,681,518	(1,363,157)
Net Position Beginning of Year	(3,383,329)	(5,064,847)	1,681,518
Net Position End of Year	($3,064,968)	($3,383,329)	$318,361

Community schools receive no support from tax revenues and rely on funding through the state foundation program and federal grants. Total foundation and federal and state grant revenues increased as the FTE counts for both schools in fiscal year 2018 was 415 and increased to 434 for fiscal year 2019. The charges for services dropped dramatically as the School provided service to the Early Learning Academy last year which was not applicable for the current year due to the merger.

The expenses saw similar changes with increases for salaries and wages reported for the higher students attending the School. On a cash basis, the School reports over $689,000 in fringe benefits but with the amortization of certain net pension and OPEB items the expense actually flips to negative. The purchased services decreased as the School was providing other services to the Early Learning Academy which weren't applicable for the current year.

Capital Assets

	Balance 6/30/19
Capital Assets, Being Depreciated:	
Building	$50,449
Furniture and Equipment	274,418
Less Accumulated Depreciation:	
Building	(9,645)
Furniture and Equipment	(260,774)
Governmental Activities Capital Assets, Net	$54,448

At the end of fiscal year 2019 the School had $54,448 (net of accumulated depreciation) invested in buildings and furniture & equipment. For more information on capital assets see Note 5 to the basic financial statements.

Debt

The School had no debt at June 30, 2019.

For the future

The School's financial health is dependent on the number of students that attend the School. For the November 2019 foundation calculation, the School reported 462 FTE (compared to 434 FTE for fiscal year 2019) which should net the School an additional $232,000 over what both schools received last year.

Contacting the School's Financial Management

This financial report is designed to provide our citizens with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have questions about this report or need additional information contact Nicki Hagler, Treasurer at Dayton Leadership Academies-Dayton View, 1416 West Riverview Avenue, Dayton, Ohio 45402, or e-mail at nicki@mangen1.com.

DAYTON LEADERSHIP ACADEMIES - DAYTON VIEW CAMPUS
MONTGOMERY COUNTY, OHIO
STATEMENT OF NET POSITION

AS OF JUNE 30, 2019

Assets:	
Current assets:	
Cash and cash equivalents	$ 1,224,231
Segregated cash	1,325
Accounts receivable	1,100
Intergovernmental receivable	78,374
Total current assets	1,305,030
Noncurrent assets:	
Net OPEB assets	274,000
Depreciable Capital assets	54,448
Total noncurrent assets	328,448
Total Assets	1,633,478
Deferred Outflows of Resources:	
OPEB	162,407
Pension	1,802,985
Total Deferred Outflows of Resources:	1,965,392
Liabilities:	
Current liabilities	
Accounts payable	266,445
Accrued wages and benefits payable	219,192
Intergovernmental payable	39,645
Total current liabilities	525,282
Long term liabilities	
Net OPEB liability	388,462
Net Pension Liability	4,493,592
Total long term liabilities	4,882,054
Total Liabilities	5,407,336
Deferred Inflows of Resources:	
OPEB	496,244
Pension	760,258
Total Deferred Inflows of Resources:	1,256,502
Net Position:	
Net investment in capital assets	54,448
Restricted	110,136
Unrestricted	(3,229,552)
Total Net Position	$ (3,064,968)

See accompanying notes to the basic financial statements

DAYTON LEADERSHIP ACADEMIES - DAYTON VIEW CAMPUS
MONTGOMERY COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Fiscal Year Ended June 30, 2019

Operating Revenues:		
Foundation payments	$	3,613,563
Charges for services		9,189
Other operating revenues		41,108
Total operating revenues		3,663,860
Operating Expenses:		
Salaries		2,562,291
Fringe benefits		(233,570)
Purchased services		1,903,251
Materials and supplies		313,156
Depreciation		10,913
Other operating expenses		20,679
Total operating expenses		4,576,720
Operating Loss		(912,860)
Non-Operating Revenues:		
Federal and state grants		1,231,221
Change in net position		318,361
Net position at beginning of year - restated		(3,383,329)
Net position at end of year	$	(3,064,968)

See accompanying notes to the basic financial statements

DAYTON LEADERSHIP ACADEMIES - DAYTON VIEW CAMPUS
MONTGOMERY COUNTY, OHIO
STATEMENT OF CASH FLOWS

For the Fiscal Year Ended June 30, 2019

Increase (Decrease) in cash and cash equivalents	
Cash flows from operating activities:	
Cash received from State of Ohio - Foundation	$ 3,625,031
Cash received from charges for services	12,861
Cash received from other operating revenues	41,108
Cash payments for personal services	(3,237,657)
Cash payments for contract services	(1,805,221)
Cash payments for supplies and materials	(299,533)
Cash payments for other expenses	(20,679)
Net cash used for operating activities	(1,684,090)
Cash flows from noncapital financing activities:	
Cash received from state and federal grants	1,239,890
Net cash provided by noncapital financing activities	1,239,890
Net change in cash and cash equivalents	(444,200)
Cash and Cash Equivalents at beginning of year	1,669,756
Cash and Cash Equivalents at end of year	1,225,556

Reconciliation of operating loss to net cash used for operating activities:

Operating loss	(912,860)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	10,913
Change in assets, deferred outflows, liabilities and deferred inflows:	
Decrease in accounts receivable	120,615
Decrease in intergovernmental receivable	13,821
Increase in deferred outflows	(370,141)
Increase in accounts payable	26,066
Decrease in deferred inflows	64,204
Increase in accrued wages and benefits	11,230
Decrease in intergovernmental payable	(68,025)
Change in net OPEB asset/liability	(800,485)
Increase in net pension liability	220,572
Net cash used for operating activities	$ (1,684,090)

Note: The School had outstanding intergovernmental receivables related to non-operating grants of $78,374 at June 30, 2019.

See accompanying notes to the basic financial statements

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Alliance Community School, Inc. "Doing Business As" Dayton Leadership Academies-Dayton View Campus (the "School"), formally known as Dayton View Academy School, is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to maintain and provide a school exclusively for any educational literary, scientific, and related teaching service. Specifically, the School's purpose is to be a charter school serving children from kindergarten through grade eight. The School, which is part of the state's education program, is to operate or arrange for the operation of schools in the Dayton, Ohio area. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School. On October 5, 2009 the School officially changed its name from Dayton View Academy School to Dayton Leadership Academies-Dayton View Campus.

The School qualifies as an exempt organization under Section 501(c)(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.

The creation of the School was initially proposed to the Ohio State Board of Education, the sponsor, by the Board of Trustees of Alliance Community Schools, Inc. (the "Board") on November 9, 1998. The Ohio State Board of Education approved the proposal and entered into a contract with the Board, which provided for the commencement of School operations beginning with the 2001 academic year and terminated upon conclusion of fiscal year 2005.

The contract with the Ohio State Board of Education was not renewed and the School entered a sponsor contract with the Thomas B. Fordham Foundation for the period July 1, 2005 through June 30, 2010. The School renewed the sponsor contract with the Thomas B. Fordham Foundation for the period of July 1, 2010 through June 30, 2011. The sponsor contract was renewed for the period of July 1, 2011 through June 30, 2013. The sponsor contract was renewed for the period of July 1, 2013 through June 30, 2015. The sponsor contract was renewed for an additional year through June 30, 2016. The sponsor contract was renewed for an additional year through June 30, 2017. The sponsor contract was renewed for an additional year through June 30, 2018. The sponsor contract was renewed for a period from July 1, 2018 to June 30, 2021.

The School operates under a five member Board of Trustees. This Board of Trustees exercises its authority by appointing a separate Board of Governance for the School. The Board of Trustees is responsible for carrying out the provisions of the sponsor contract which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

The School is associated with the Metropolitan Educational Technology Association, which is defined as a jointly governed organization. It is a computer consortium of area schools sharing computer resources (See Note 14).

Alliance Community Schools, Inc. formerly had two divisions. These divisions operated under the names of Dayton Leadership Academies - Early Learning Academy and Dayton Leadership Academies-Dayton View Campus. For fiscal year 2019, the Early Learning Academy was merged into the School (See Note 16).

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. 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.

During the fiscal year, the School segregates transactions related to certain School functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. For financial reporting, the School uses a single enterprise fund presentation.

Enterprise fund reporting focuses on the determination of the change in net position, financial positions and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

B. Measurement Focus

The accounting and financial reporting treatment of an entity's financial transactions is determined by the entity's measurement focus. The enterprise activity is accounted for using a flow of economic resources measurement focus. Within this measurement focus, all assets, deferred outflows, all liabilities and deferred inflows associated with the operation of the School are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position. The statement of cash flows provides information about how the School finances and meets its cash flow needs.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurements made. The School's financial statements are prepared using the full accrual basis of accounting.

D. Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal 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 expense requirements, in which the resources are provided to the School on a reimbursement basis.

E. Expenses

Expenses are recognized at the time they are incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Equity in Pooled Cash

The School maintains a checking account. All funds of the School are maintained in this account. This account is presented on the Statement of Net Position as “Cash and Cash Equivalents”. The School also maintains a health reimbursement account which is presented on the Statement of Net Position as “Segregated Cash.”

G. Capital Assets

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School maintains a capitalization threshold of $5,000.

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.

Capital assets 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:

Description	Estimated Lives
Buildings	50 years
Modular Buildings	20-30 years
Machinery/Equipment	5-20 years
Furniture and Fixtures	5 years
Vehicles	5 years

H. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the School. These revenues are primarily foundation payments from the State and sales for food services. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the School. Revenues and expenses not meeting this definition are reported as non-operating.

I. Intergovernmental Revenues

The School currently participates in the State Foundation Program. Revenues received from this program are recognized as operating revenues in the accounting period in which all eligibility requirements have been met. The amount of these grants is directly related to the number of students enrolled in the School. The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the School. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated.

The remaining grants and entitlements received by the School are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. 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.

K. Budgetary Process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its sponsor. The contract between the School and its sponsor does not prescribe a budgetary process for the School; therefore, no budgetary information is presented in the financial statements.

L. Net Position

Net position represents the difference between assets, deferred outflows, liabilities and deferred inflows. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The School has a restricted net position as of June 30, 2019 of $110,136 related to grant funds.

M. Deferred Outflows/Deferred Inflows

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 position that applies to a future period 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 pension/OPEB. The deferred outflows of resources related to pension/OPEB are explained in Notes 7 and 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School, deferred inflows of resources include pension/OPEB. Deferred inflows of resources related to pension/OPEB are reported on the statement of net position. (See Notes 7 and 8)

N. Pensions/OPEB

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEBs, 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 systems. 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 systems report investments at fair value.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported on the Statement of Net Position.

NOTE 3 – DEPOSITS AND INVESTMENTS

Articles of Incorporation, Article VI, states that the assets of the School may be invested in obligations issued or guaranteed by the United States of America or any agency thereof, obligations of state governments and municipal corporations, real estate mortgage, savings deposits, corporate bonds, and notes and carefully selected preferred stocks.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School will not be able to recover deposits or collateralized securities that are in the possession of an outside party. At fiscal year end, $1,057,498 of the School's bank balance of $1,307,498 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution. At June 30, 2019, the carrying amount of the School's deposits was $1,225,556.

The School has no policy for custodial credit risk for deposits.

The School held no investments during fiscal year 2019.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2019, consisted of intergovernmental (Federal and State grants). All receivables are considered collectible in full and will be received within one year.

A summary of the principal items of intergovernmental receivables follows:

Federal Food Service Subsidy	$52,924
Title VI-B Grant	3,338
Title I Grant	15,669
Title II Grant	1,407
Miscellaneous Federal Grant	5,036
Total Intergovernmental Receivable	$78,374

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2019 was as follows:

	Restated Balance 6/30/18	Additions	Deductions	Balance 6/30/19
Capital Assets, Being Depreciated:				
Building	$50,449	$0	$0	$50,449
Furniture and Equipment	274,418	0	0	274,418
Less Accumulated Depreciation:				
Building	(7,659)	(1,986)	0	(9,645)
Furniture and Equipment	(251,847)	(8,927)	0	(260,774)
Capital Assets, Net	$65,196	($10,913)	$0	$54,448

NOTE 6 – RISK MANAGEMENT

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 the fiscal year ended June 30, 2019, the School carried insurance purchased through Argonaut Insurance Company for general liability, business personal property, employee dishonesty, excess liability, automobile liability, educator's legal liability, employment practices liability, and directors and officers liability insurance.

The general liability provides $1,000,000 per occurrence and $3,000,000 in the aggregate with no deductible that also provides a separate $500,000 limit for damaged to rented premises. The automobile liability provides $1,000,000 per occurrence with no deductible. The property insurance provides $14,196,369 for building and contents and carries a $2,500 deductible. The Ohio employers' liability provides $1,000,000 for each employee and $1,000,000 in the aggregate. Excess liability is provided at a $1,000,000 limit with $1,000,000 in the aggregate. Computer equipment is provided at a $1,000,000 limit with a $500 deductible. There has been no reduction in coverage from the prior year and settled claims have not exceeded the School's coverage in any of the past three years.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

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.

The Ohio Revised Code limits the School's obligation for this liability to annually required payments. The School cannot control benefit terms or the manner in which pensions 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 the accrual basis of accounting.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years of service credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30 or $86 multiplied by the years of service. Final average salary is the average of the highest three years of salary.

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

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, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. 0.5 percent was allocated to the Health Care Fund for fiscal year 2019.

The School's contractually required contribution to SERS was $53,247 for fiscal year 2019. Of this amount $0 is reported as an intergovernmental payable.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The School's 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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65 or 35 years of service and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 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% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of 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 Ohio 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 Ohio bearing the risk of investment gain or loss on the account. STRS Ohio has therefore included all three plan options as one defined benefit plan for GASB 68 schedules of employer allocations 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.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

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, 2019, 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 2019 contribution rates were equal to the statutory maximum rates.

The School's contractually required contribution to STRS was $282,487 for fiscal year 2019. Of this amount $24,029 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2018, 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	0.01231280%	0.01487849%	
Proportion of the Net Pension Liability - current measurement date	0.01387330%	0.01702785%	
Change in proportionate share	0.00156050%	0.00214936%	
Proportionate Share of the Net Pension Liability	$749,550	$3,744,042	$4,493,592
Pension Expense	($24,248)	$71,133	$46,885

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

At June 30, 2019, 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	$43,577	$86,211	$129,788
Changes in proportionate share and differences between School contributions and proportionate share of contributions	51,867	604,140	656,007
Changes in assumptions	17,942	663,514	681,456
School contributions subsequent to the measurement date	53,247	282,487	335,734
Total Deferred Outflows of Resources	$166,633	$1,636,352	$1,802,985
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$22,015	$227,033	$249,048
Differences between expected and actual experience	0	24,451	24,451
Changes in proportionate share and differences between School contributions and proportionate share of contributions	153,535	333,224	486,759
Total Deferred Inflows of Resources	$175,550	$584,708	$760,258

$335,734 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, 2020. 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:			
2020	($15,401)	$299,580	$284,179
2021	(13,938)	241,132	227,194
2022	(26,075)	196,699	170,624
2023	(6,750)	31,746	24,996
Total	($62,164)	$769,157	$706,993

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018, are presented below:

Wage Inflation	3 percent
Future Salary Increases, including inflation	3.5 percent to 18.2 percent
COLA or Ad Hoc COLA	2.5 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement.
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

The actuarial assumptions used in the June 30, 2018 valuation were based on the results on an experience study that was completed June 30, 2015. Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years us used for the period after disability retirement.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

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	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 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.

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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School's proportionate share of the net pension liability	$1,119,183	$749,550	$522,366

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - STRS

The total pension liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.25 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0% effective July 1, 2017

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

Actuarial assumptions used in the July 1, 2018, valuation are based on the results of an actuarial experience study, effective June 30, 2016.

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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*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.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

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 7.45 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 (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School's proportionate share of the net pension liability	$5,467,680	$3,744,042	$2,285,216

NOTE 8 – DEFINED BENEFIT OPEB PLANS

Net OPEB Asset/Liability

The net OPEB asset/liability reported on the statement of net position represents an asset/liability 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 asset/liability represents the 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 asset/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 these estimates annually.

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

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

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 asset/liability. Resulting adjustments to the net OPEB asset/liability 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 asset/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 the accrual basis 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 Comprehensive Annual 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.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

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 2019, 0.5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was $21,600. 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. For fiscal year 2019, the School paid $13,128 for the SERS surcharge.

The School's contractually required contribution to SERS was $9,216 for fiscal year 2019. Of this amount $0 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. 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 Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be merged by STRS Ohio. 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, 2019, STRS Ohio did not allocate any employer contributions to post-employment health care.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

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

The net OPEB asset/liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School's proportion of the net OPEB liability was based on the School's share of contributions to the OPEB plan 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 - prior measurement date	0.01246180%	0.01487849%	
Proportion of the Net OPEB Asset/Liability - current measurement date	0.01400230%	0.01702785%	
Change in proportionate share	0.00154050%	0.00214936%	
Proportionate Share of the Net OPEB Liability/(Asset)	$388,462	($274,000)	$114,462
OPEB Expense (Income)	$32,345	($593,000)	($560,655)

At June 30, 2019, 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	$6,341	$31,959	$38,300
Changes in proportionate share and difference between School	38,297	76,594	114,891
contributions and proportionate share of contributions	0	0	0
School contributions subsequent to the measurement date	9,216	0	9,216
Total Deferred Outflows of Resources	$53,854	$108,553	$162,407
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$585	$31,259	$31,844
Differences between expected and actual experience	0	15,941	15,941
Changes in assumptions	34,901	372,830	407,731
Change in proportionate share	40,728	0	40,728
Total Deferred Inflows of Resources	$76,214	$420,030	$496,244

$9,216 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2020	($28,397)	($56,714)	($85,111)
2021	(23,643)	(56,714)	(80,357)
2022	5,714	(56,713)	(50,999)
2023	5,963	(49,614)	(43,651)
2024	6,003	(47,124)	(41,121)
Thereafter	2,784	(44,598)	(41,814)
Total	($31,576)	($311,477)	($343,053)

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.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. 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, 7.50 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.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

The target allocation and best estimates of arithmetic real rates of return for each major assets class, as used in the June 30, 2015 five-year experience study, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2018 was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018 was 3.63 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 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

Sensitivity of the School's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in 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 (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease (2.70%)	Current Discount Rate (3.70%)	1% Increase (4.70%)
School's proportionate share of the net OPEB liability	$471,368	$388,462	$322,816

	1% Decrease (6.25% decreasing to 3.75%)	Current Trend Rate (7.25% decreasing to 4.75%)	1% Increase (8.25% decreasing to 5.75%)
School's proportionate share of the net OPEB liability	$313,417	$388,462	$487,834

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Cost-of-Living Adjustments	0.0 percent, effective July 1, 2017 (COLA)
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends:	
Medical	Pre-Medicare 6 percent initial, 4 percent ultimate Medicare 5 percent initial, 4 percent ultimate
Prescription Drug	Pre-Medicare 8 percent initial, 4 percent ultimate Medicare -5.23 percent initial, 4 percent ultimate

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

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

Since the prior measurement date, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45% based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita health care costs were updated.

Also since the prior measurement date, 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. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

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	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

*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 OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. 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 of current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018. The blended discount rate of 4.13 percent, which represents the long term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017.

NOTE 8 – DEFINED BENEFIT OPEB PLANS (continued)

Sensitivity of the School District'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, 2018, calculated using the current period discount rate assumption of 7.45 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 (6.45 percent) or one percentage point higher (8.45 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 (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School's proportionate share of the net OPEB asset	($234,518)	($274,000)	($306,484)

	1% Decrease	Current Trent Rate	1% Increase
School's proportionate share of the net OPEB asset	($304,628)	($274,000)	($242,129)

NOTE 9 – EMPLOYEE BENEFITS

The School has elected to provide employee medical benefits through Anthem. The School also provides life insurance through Lincoln National Life Insurance, dental insurance through Superior Dental Care and vision insurance through Vision Service Plan. The percentage the employer pays varies depending upon the plan elected by the employee.

NOTE 10 – RELATED PARTY TRANSACTIONS

A. Alliance Edison, LLC (AE)

The School leases its facilities and land from Alliance Edison, LLC (AE). The lease expense for the year ended June 30, 2019 was $12,952. Additionally, the School paid Alliance Edison, LLC, $22,270 for real estate taxes and $5,000 for property rental accounting services. AE's sole purpose is to acquire and hold title to, maintain and develop certain real estate properties for the exclusive support and benefit of a system of educational organizations. (See Note 11)

B. Thomas B. Fordham Foundation

The School contract requires 2.0 percent for the first 300 FTEs and 1.5 percent for additional FTEs of all funds received from State foundation revenues to be transferred to the Thomas B. Fordham Foundation for sponsorship fees. Total payments made during the period ended June 30, 2019 were $66,746.

NOTE 11 – LEASES

The School subleases a building and 5.8494 acres through Alliance Edison (AE). (See note 10A). AE leases the land from the Dayton Metropolitan Housing Authority (DMHA). The term of the lease commenced on July 1, 2009 through June 30, 2014. The School subsequently renewed the lease and the current lease term is effective from July 2015 through July 2020. The School agreed to pay AE, as rent for the land, an amount equal to the land lease owed to the DMHA; plus an amount equal to the debt service relating to any financing obtained; plus loan closing costs, ongoing loan administration costs associated with any financing secured by the premises, including but not limited to, costs associated with satisfying the financial reporting and periodic appraisal requirements; plus out of pocket expenses incurred by AE. Rent paid for the land and building for the fiscal year ended June 30, 2019 was $12,952.

NOTE 12 – CONTINGENCIES

A. Grants

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

B. State 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 subsequent to the fiscal year end that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODE performed such a review on the School for fiscal year 2019. As of the date of this report, ODE finalized the impact of enrollment adjustments to the June 30, 2019 Foundation funding for the School. These adjustments resulted in a payable of $10,958, which will be paid by the School in fiscal year 2020.

NOTE 13 – PURCHASED SERVICES

For the fiscal year ended June 30, 2019, purchased services expenses for services rendered by various vendors were as follows:

Professional and technical services	$	600,810
Property Services		450,197
Tuition		5,404
Communications		109,475
Utilities		85,142
Food Service		456,457
Transportation		187,737
Other		8,029
	$	1,903,251

NOTE 14 – JOINTLY GOVERNED ORGANIZATION

Metropolitan Educational Technology Association –META is an educational solutions partner providing services across Ohio. META provides cost effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice-president and nine board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The board exercises total control over the operation of the Council including budgeting, appropriating, contracting, and designating management. Each member's degree of control is limited to its representation on the Board. The School paid META $79,932 for services provided during the fiscal year.

Financial information can be obtained from David Varda, who serves as the Chief Financial Officer at 100 Executive Drive, Marion, Ohio 43302.

NOTE 15 – LONG-TERM OBLIGATIONS

The changes in the School's long-term obligations during fiscal year 2019 were as follows:

Description	Restated Outstanding 06/30/18	Additions	Deductions	Outstanding 06/30/19
Net OPEB Liability				
SERS	$334,442	$54,020	$0	$388,462
STRS	580,505	0	580,505	0
Net Pension Liability				
SERS	738,603	13,887	2,940	749,550
STRS	3,534,417	209,625	0	3,744,042
Total	$5,187,967	$277,532	$583,445	$4,882,054

NOTE 16 - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2019, the School implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations.* The implementation of the standard had no impact on the financial statements of the School.

As stated earlier, the School merged the Early Learning Academy at the beginning of fiscal year 2019. Early Learning Academy stopped operating at June 30, 2018 and transitioned all of the assets and liabilities to the School on July 1, 2018. The merger with Early Learning Academy had the following effect on net position as reported June 30, 2018:

Net Position June 30, 2018	($4,038,207)
Adjustments:	
Cash Balance	770,429
Intergovernmental Receivables	42,445
Net Capital Assets	165
Accounts Payable	(138,655)
Net Pension Liability, Deferred Inflows/Outflows	(19,506)
Restated Net Position June 30, 2018	($3,383,329)

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School 's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
The School 's Proportion of the Net Pension Liability	0.0138733%	0.0123128%	0.0155549%	0.0184887%	0.0230020%	0.0230020%
The School 's Proportionate Share of the Net Pension Liability	749,550	735,663	1,138,475	1,054,983	1,164,118	1,367,855
The School 's Covered Payroll	297,993	423,771	479,850	591,988	556,306	321,936
The School 's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	251.53%	173.60%	237.26%	178.21%	209.26%	424.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available
Amounts presented for each fiscal year were determined as of the School's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School 's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)

	2019	2018	2017	2016	2015	2014
The School 's Proportion of the Net Pension Liability	0.01702785%	0.01487849%	0.01327905%	0.01578852%	0.01674552%	0.01674552%
The School 's Proportionate Share of the Net Pension Liability	3,744,042	3,534,417	4,444,898	4,363,485	4,073,090	4,851,838
The School 's Covered Payroll	1,155,071	1,345,907	1,303,607	1,769,571	1,212,846	1,474,108
The School 's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	324.14%	262.60%	340.97%	246.58%	335.83%	329.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available
Amounts presented for each fiscal year were determined as of the School's measurement date, which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School 's Pension Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	$ 53,247	$ 40,229	$ 59,328	$ 67,179	$ 78,024	$ 77,104	$ 44,556	$ 162,252	$ 130,393	$ 96,770
Contributions in Relation to the Contractually Required Contribution	(53,247)	(40,229)	(59,328)	(67,179)	(78,024)	(77,104)	(44,556)	(162,252)	(130,393)	(96,770)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 394,422	$ 297,993	$ 423,771	$ 479,850	$ 591,988	$ 556,306	$ 321,936	$ 1,206,335	$ 1,037,335	$ 714,697
Contributions as a Percentage of Covered Payroll	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.45%	12.57%	13.54%

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School's Pension Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	$ 282,487	$ 161,710	$ 188,427	$ 182,505	$ 247,740	$ 157,670	$ 191,634	$ 219,538	$ 228,339	$ 221,832
Contributions in Relation to the Contractually Required Contribution	(282,487)	(161,710)	(188,427)	(182,505)	(247,740)	(157,670)	(191,634)	(219,538)	(228,339)	(221,832)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 2,017,764	$ 1,155,071	$ 1,345,907	$ 1,303,607	$ 1,769,571	$ 1,212,846	$ 1,474,108	$ 1,688,754	$ 1,756,454	$ 1,706,400
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School 's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Three Fiscal Years (1)

	2019	2018	2017
The School 's Proportion of the Net OPEB Liability	0.0140023%	0.0124618%	0.0154210%
The School 's Proportionate Share of the Net OPEB Liability	388,462	334,442	439,560
The School 's Covered Payroll	297,993	423,771	479,850
The School 's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	130.36%	78.92%	91.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available

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

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School 's Proportionate Share of the Net OPEB Asset/Liability
State Teachers Retirement System of Ohio
Last Three Fiscal Years (1)

	2019	2018	2017
The School 's Proportion of the Net OPEB Liability	0.01702785%	0.01487849%	0.01327905%
The School 's Proportionate Share of the Net OPEB Liability	(274,000)	580,505	795,706
The School 's Covered Payroll	1,156,543	1,345,907	1,303,607
The School 's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-23.69%	43.13%	61.04%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available

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

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School 's OPEB Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	$ 9,216	$ 1,490	$ 6,640	$ 7,527	$ 8,694	$ 8,101	$ 4,473	$ 2,631	$ 32,808	$ 3,483
Contributions in Relation to the Contractually Required Contribution	(9,216)	(1,490)	(6,640)	(7,527)	(8,694)	(8,101)	(4,473)	(2,631)	(32,808)	(3,483)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 394,422	$ 297,993	$ 423,771	$ 479,850	$ 591,988	$ 556,306	$ 321,936	$ 1,206,335	$ 1,037,335	$ 714,697
Contributions as a Percentage of Covered Payroll	2.34%	0.50%	1.57%	1.57%	1.47%	1.46%	1.39%	0.22%	3.16%	0.49%

See accompanying notes to the required supplementary information.

Dayton Leadership Academies - Dayton View Campus
Montgomery County, Ohio
Required Supplementary Information
Schedule of the School's OPEB Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contributions	$ -	$ -	$ -	$ -	$ -	$ 12,128	$ 14,741	$ 16,888	$ 17,564	$ 17,064
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	(12,128)	(14,741)	(16,888)	(17,564)	(17,064)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
The School Covered Payroll	$ 2,017,764	$ 1,156,543	$ 1,345,907	$ 1,303,607	$ 1,769,571	$ 1,212,846	$ 1,474,108	$ 1,688,754	$ 1,756,454	$ 1,706,400
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%

See accompanying notes to the required supplementary information.

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016, and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Changes in Assumptions - STRS

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

	Fiscal Year 2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:	
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 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent
Medical Trend Assumption:	

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.

Changes in Benefit Terms – STRS OPEB

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.

DAYTON LEADERSHIP ACADEMIES - DAYTON VIEW CAMPUS
MONTGOMERY COUNTY

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR *Pass Through Grantor* **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Receipts**	**Total Federal Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	$ 102,185	$ 102,185
National School Lunch Program	10.555	N/A	213,977	213,977
Total Child Nutrition Cluster			316,162	316,162
Fresh Fruit and Vegetable Program	10.582	N/A	11,567	11,567
Total U.S. Department of Agriculture			**327,729**	**327,729**
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education				
Title I Grants to Local Educational Agencies	84.010	S010A180035	551,777	564,681
Special Education Cluster (IDEA)				
Special Education Grants to States	84.027	H027A180111	117,237	120,575
Total Special Education Cluster (IDEA)			117,237	120,575
Twenty-First Century Community Learning Centers	84.287	S287C180035	219,998	213,527
Supporting Effective Instruction State Grants	84.367	S367A180034	4,214	5,078
Student Support and Academic Enrichment Program	84.424	S424A180036	77	(1,621)
Total U.S. Department of Education			**893,303**	**902,240**
Total Receipts and Expenditures of Federal Awards			**$ 1,221,032**	**$ 1,229,969**

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Dayton Leadership Academies – Dayton View Campus (the School) under programs of the federal government for the fiscal year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The School has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the School to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE F - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2019, the School made allowable transfers of $32,661 and $21,951 from the Supporting Effective Instruction State Grants (84.367) and Student Support and Academic Enrichment (84.424) programs, respectively, to the Title I Grants to Local Educational Agencies (84.010) program. The Schedule shows the School spent approximately $5,078 and $(1,621) on the Supporting Effective Instruction State Grants (84.367) and Student Support and Academic Enrichment (84.424) programs, respectively. The amounts reported for the Supporting Effective Instruction State Grants (84.367) and Student Support and Academic Enrichment (84.424) programs on the Schedule exclude the amounts transferred to the Title I Grants to Local Educational Agencies program. The amount transferred to the Title I Grants to Local Educational Agencies program is included as Title I Grants to Local Educational Agencies expenditures when disbursed.

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KEITH FABER

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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*

Dayton Leadership Academies - Dayton View Campus
Montgomery County
1416 West Riverview Avenue
Dayton, Ohio 45402

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Dayton Leadership Academies - Dayton View Campus, Montgomery County, (the School) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated March 16, 2020, wherein we noted the Dayton Leadership Academies – Early Learning Academy merged with the School which resulted in a restatement of net position at July 1, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the School's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Keith Faber

Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2020

OHIO AUDITOR OF STATE
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Dayton Leadership Academies - Dayton View Campus
Montgomery County
1416 West Riverview Avenue
Dayton, Ohio 45402

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited the Dayton Leadership Academies - Dayton View Campus's (the School) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Dayton Leadership Academies - Dayton View Campus's major federal program for the fiscal year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School's major federal program.

Management's Responsibility

The School's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the School's compliance for the School's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the School's major program. However, our audit does not provide a legal determination of the School's compliance.

Opinion on the Major Federal Program

In our opinion, the Dayton Leadership Academies - Dayton View Campus complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

The School's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

March 16, 2020

DAYTON LEADERSHIP ACADEMIES – DAYTON VIEW CAMPUS
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Title I Grants to Local Educational Agencies (CFDA 84.010)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

DAYTON LEADERSHIP ACADEMIES - DAYTON VIEW

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 31, 2020

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