OHIO TUITION TRUST AUTHORITY

FRANKLIN COUNTY

REGULAR AUDIT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2024 and 2023

Rea & associates

www.reacpa.com

OHIO AUDITOR OF STATE
KEITH FABER

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

Governing Board
Ohio Tuition Trust Authority
35 East Chestnut Street, 8th Floor
Columbus, Ohio 43215

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

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

Keith Faber
Auditor of State
Columbus, Ohio

October 28, 2024

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INDEPENDENT AUDITOR'S REPORT

Ohio Tuition Trust Authority
35 E. Chestnut St, 8th Floor
Columbus, OH 43215

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Enterprise Fund and Private Purpose Trust Fund of the Ohio Tuition Trust Authority (the Authority), a department of the State of Ohio, as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Enterprise Fund and Private Purpose Trust Fund of the Authority, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the CollegeAdvantage Direct 529 Savings Plan (The Vanguard Group, Inc.) and the BlackRock CollegeAdvantage 529 plan, which represent 98 and 98 percent of the Private Purpose Trust Fund assets as of June 30, 2024 and 2023, respectively, and total revenues constituting 93 and 94 present of total revenues of the Private Purpose Trust Fund for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Private Purpose Trust Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Authority present only the financial position, changes in financial position, and where applicable, cash flows thereof of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Ohio as of June 30, 2024 and 2023, the changes in financial position, or where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
September 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024, 2023 AND 2022

As management of the Ohio Tuition Trust Authority (OTTA), part of the primary government of the State of Ohio, we offer readers of OTTA's financial statements this narrative overview and analysis of OTTA's financial activities for the fiscal years ended June 30, 2024, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with OTTA's financial statements for the years ended June 30, 2024 and 2023, which begin on Page 10 of this report.

The primary objective of OTTA is to help make higher education affordable by providing tax-advantaged investment opportunities to save in advance for higher education expenses. This program offers two variable college savings plans and the Guaranteed Savings Plan. Plans are collectively called CollegeAdvantage. The variable college savings plans consist of two separate and distinct sales channels: direct and advisor. OTTA outsources recordkeeping and fund accounting services for the direct plan to Ascensus College Savings Recordkeeping Services, LLC and for the advisor plan to BlackRock Advisors, LLC. Recordkeeping and distributions for the Guaranteed Savings Plan are handled by OTTA. Sales of new units of the Guaranteed Savings Plan were suspended on December 31, 2003.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to OTTA's basic financial statements, which consist of two components: 1) financial statements and 2) notes to the financial statements.

Financial statements: OTTA follows enterprise fund accounting, which means these statements are presented in a manner similar to a private-sector business. These statements offer short-term and long-term financial information about activities.

The *statement of net position* presents information on all OTTA assets and liabilities, including information about the nature and amounts of investments in resources (assets), obligations (liabilities) and OTTA's net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether OTTA's financial position is improving or deteriorating.

The *statement of revenues, expenses and changes in fund net position* presents information showing how OTTA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that affect cash flows in prior and future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The *statement of cash flows* provides information about OTTA's cash receipts and cash payments during the reporting period. This statement summarizes the net changes resulting from operating, investing and capital and related financing activities.

Each of the financial statements highlights the OTTA plans, which are designed to recover all costs through fees or investment earnings (business-type activities).

The *statement of fiduciary net position* and the *statement of changes in fiduciary net position* present information on the net position and changes in net position of the options offered in the variable savings plans. Those options are available in the CollegeAdvantage Direct 529 Savings Plan and the CollegeAdvantage Advisor 529 Savings Plan. The two variable savings plans are classified in the Private Purpose Trust Fund.

*Notes to the financial statements***:** The notes provide additional information essential to a full understanding of the data provided in the financial statements and individual schedules. A summary comparison of the Enterprise Fund's financial position and operations is presented below:

Condensed Comparative Statements of Net Position for the Enterprise Fund at June 30, 2024, 2023 and 2022:

	2024	2023	2022
Current assets, excluding securities	$ 7,380,589	$ 9,541,769	$ 11,549,480
Unrestricted Securities	21,087,839	20,568,562	20,561,792
Restricted securities	135,335,608	143,163,696	157,625,338
Other assets	165,667	47,219	450,641
Total Assets	163,969,703	173,321,246	190,187,251
Deferred outflows	1,149,955	1,554,254	306,594
Current liabilities, excluding liabilities related to tuition benefits	1,109,140	1,587,808	1,147,023
Net pension and other post-employment benefits liability	2,645,790	3,522,832	986,711
Tuition benefits liability	48,000,000	61,900,000	79,300,000
Total Liabilities	51,754,930	67,010,640	81,433,734
Deferred inflows	88,538	87,576	1,655,630
Total Net Position	$ 113,276,190	$ 107,777,284	$ 107,404,481

Statement of Revenues, Expenses and Changes in Fund Net Position - Years Ended June 30, 2024, 2023 and 2022:

	2024	2023	2022
Operating revenue:			
Investment income	$ 8,684,365	$ 3,410,799	$ (7,919,720)
Basis points revenue	6,543,365	5,936,328	6,412,285
Total Operating Revenue	15,227,730	9,347,127	(1,507,435)
Operating expenses, excluding tuition benefits expense	9,008,349	9,756,814	8,515,760
Tuition benefits expense	14,620,475	16,617,510	26,418,392
Actuarial tuition benefits expense	(13,900,000)	(17,400,000)	(29,600,000)
Total Operating Expenses	9,728,824	8,974,324	5,334,152
Change In Net Position	5,498,906	372,803	(6,841,587)
Beginning Net Position	107,777,284	107,404,481	114,246,068
Ending Net Position	$ 113,276,190	$ 107,777,284	$ 107,404,481

Analysis of OTTA's Financial Position and Results of Operations
Enterprise Fund

OTTA's securities for tuition benefits and administrative expenses decreased $7,308,812 (4.5%) and $14,454,871 (8.1%), while investment returns realized were 6.0% and 2.2% during the years ended June 30, 2024 and 2023, respectively. The securities for tuition benefits and administrative expenses continues to decrease as tuition payouts for the Guaranteed Savings Plan are ongoing as well as administrative expenses for each respective plan, net of investment returns. In addition, the tuition benefits payable decreased $13,900,000 (22.5%) and $17,400,000 (21.9%) during the same time periods. The tuition benefits liability decrease is a result of the continued redemption of units and credits by plan participants, net of actuarial changes.

OTTA's primary source of operating revenue is investment income and a small administrative fee that was assessed to each credit or unit sold to the CollegeAdvantage participants, while the significant operating expense is tuition benefits expense. For fiscal years ended June 30, 2024 and 2023, OTTA's net position increased (decreased) $5,498,906 and $372,803, respectively, primarily due to variability in investment returns and actuarial tuition benefit expense.

The Guaranteed Savings Plan has been closed to new investments since 2003. Since the plan has the full faith and credit backing of the State of Ohio, OTTA continually evaluates the investments of the plan to de-risk investments through asset allocation changes, with the goal of protecting the assets through the final disbursement of the Plan.

Private Purpose Trust Fund
Financial Summary

A summary comparison of the Private Purpose Trust Fund's fiduciary net position and statement of changes is presented below:

Condensed Statement of Fiduciary Net Position
At June 30, 2024, 2023 and 2022:

	2024	2023	2022
Total assets	$ 17,718,960,865	$ 15,777,728,524	$ 14,359,052,878
Total liabilities	(140,195,306)	(125,583,750)	(57,774,629)
Net Position Held In Trust For Plan Participants	$ 17,578,765,559	$ 15,562,144,774	$ 14,301,278,249

Condensed Statement Of Changes in Fiduciary Net Position
Years Ended June 30, 2024, 2023 and 2022

	2024	2023	2022
Additions:			
Units sold	$ 1,842,360,472	$ 1,483,493,906	$ 1,718,540,844
Transfers/Exchanges in	1,794,148,257	1,297,067,380	5,871,075,201
Net investment earnings	2,000,477,690	1,403,434,901	(2,000,441,189)
Total Additions	5,636,986,419	4,183,996,187	5,589,174,856
Deductions:			
Units redeemed	1,916,217,377	1,536,062,282	1,526,715,281
Transfers/Exchanges out	1,794,148,257	1,297,067,380	5,871,075,201
Total Deductions	3,710,365,634	2,833,129,662	7,397,790,482
Change In Net Position	1,926,620,785	1,350,866,525	(1,808,615,626)
Beginning Net Position	15,652,144,774	14,301,278,249	16,109,893,875
Ending Net Position	$ 17,578,765,559	$ 15,652,144,774	$ 14,301,278,249

Analysis of OTTA's Financial Position and Results of Operations
Private Purpose Trust Fund

As noted previously, OTTA offers two variable college savings plans. The variable college savings plans consist of two separate and distinct sales channels: direct and advisor.

The benefits available in both plans are as follows:

- Earnings grow tax-free at both the state and federal level.
- Withdrawals are tax-free when used for Internal Revenue Code 529-qualified education expenses.
- Ohio taxpayers may deduct up to $4,000 a year for contributions, per beneficiary, from their Ohio taxable income. Contributions over $4,000 in a year may be carried over to future tax years until fully deducted.
- Funds can be used at any qualified educational institution in the country (2-4 yr., graduate or technical; schools that are eligible for federal financial aid).
- Effective January 1, 2018, the term "qualified education expense" includes up to $10,000 in annual expenses for tuition in connection with enrollment or attendance at an elementary or secondary public, private or religious school.
- 529 Funds may also be used to pay principal and interest, up to $10,000 lifetime limit, on certain qualified education loans (defined in section 221(d) of the Internal Revenue Code) of the beneficiary of the 529 account or any of the beneficiary's siblings.
- Qualified costs for apprenticeships also now are qualified withdrawals. Account Owners can take a qualified withdrawal for the payment of fees, books, supplies, and equipment (like required trade tools) required for a beneficiary's participation in a qualifying apprenticeship program.
- Effective January 1, 2024, qualified withdrawals include rollovers to Roth IRAs, up to a $35,000 lifetime limit, subject to certain conditions (defined in section 529(c)(3)(E) of the Internal Revenue Code).

The Direct Plan is, in general, a lower-cost option than the Advisor Plan, since customers are not receiving professional investment advice and are choosing to select their own investment strategy and manage their own accounts. The OTTA administers and has overall program management responsibility for the day-to-day operations of the CollegeAdvantage Direct Plan. As of June 30, 2024, the plan offers 22 low-cost options from The Vanguard Group, Dimensional Fund Advisors and Fifth Third Bank.

The CollegeAdvantage Advisor Plan is for customers working with an investment advisor. The Advisor Plan offers different investment options and fund managers than the Direct Plan. As of June 30, 2024, there are 28 investment options available through the BlackRock CollegeAdvantage Plan.

The assets under management for the Direct and Advisor Plans for the three years ended June 30, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Assets under management			
Direct	$ 10,838,117,195	$ 9,475,400,619	$ 8,464,711,056
Advisor	6,739,847,089	6,176,090,600	5,836,844,219
Total	$ 17,577,964,284	$ 15,651,491,219	$ 14,301,555,275

The asset growth (decline) is attributable to investment returns (net of fees) and net contributions (net of withdrawals) in fiscal years ended June 30, 2024, 2023 and 2022 as follows:

	2024	2023	2022
Direct			
Investment returns	12.5%	9.7%	(13.2%)
Net contributions	1.8%	2.2%	4.1%

	2024	2023	2022
Advisor			
Investment returns	13.0%	9.8%	(12.3%)
Net withdrawals	(3.9%)	(4.0%)	(1.8%)

Contacting OTTA's Financial Management

This financial report is designed to provide a general overview of OTTA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Ohio Tuition Trust Authority, 35 East Chestnut St., 8th Floor, Columbus, Ohio 43215 or call (800) 233-6734 or visit OTTA's website at www.collegeadvantage.com.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF NET POSITION
ENTERPRISE FUND
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,137,249	$ 7,874,783
Collateral on loaned securities	198,684	211,604
Basis points receivable	1,044,656	1,455,382
Securities restricted for tuition benefits payable	10,200,000	13,700,000
TOTAL CURRENT ASSETS	17,580,589	23,241,769
NONCURRENT ASSETS:		
Unrestricted securities for administrative expenses	21,087,839	20,568,562
Restricted Securities:		
Administrative expenses	73,717,022	66,297,320
Tuition benefits payable	51,418,586	63,166,376
Other Assets:		
Fixed assets	20,995	13,529
Net pension and other post employment benefits asset	144,672	33,690
TOTAL NONCURRENT ASSETS	146,389,114	150,079,477
TOTAL ASSETS	$ 163,969,703	$ 173,321,246
DEFERRED OUTFLOW OF RESOURCES	$ 1,149,955	$ 1,554,254
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 165,119,658	$ 174,875,500
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 324,691	$ 858,774
Accrued compensation and compensated leave	585,765	517,430
Obligation under securities lending	198,684	211,604
Tuition benefits payable from restricted assets	10,200,000	13,700,000
TOTAL CURRENT LIABILITIES	11,309,140	15,287,808
NONCURRENT LIABILITIES:		
Tuition benefits payable from restricted assets	37,800,000	48,200,000
Net pension and other post employment benefits liability	2,645,790	3,522,832
TOTAL NONCURRENT LIABILITIES	40,445,790	51,722,832
TOTAL LIABILITIES	$ 51,754,930	$ 67,010,640
DEFERRED INFLOW OF RESOURCES	$ 88,538	$ 87,576
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	51,843,468	67,098,216
NET POSITION		
Restricted	$ 87,335,608	$ 81,263,696
Unrestricted	$ 25,940,582	$ 26,513,588
TOTAL NET POSITION	113,276,190	107,777,284

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES:		
Interest and dividend income	$ 776,638	$ 865,603
Basis points revenue	6,543,365	5,936,328
Net increase (decrease) in fair value of marketable securities	7,907,727	2,545,196
TOTAL OPERATING REVENUES	15,227,730	9,347,127
OPERATING EXPENSES:		
Tuition benefits expense (payouts)	14,620,475	16,617,510
Actuarial tuition benefits expense	(13,900,000)	(17,400,000)
Payroll and employee benefits	2,398,933	3,140,217
Other operating expenses	6,609,416	6,616,597
TOTAL OPERATING EXPENSES	9,728,824	8,974,324
NET INCOME (LOSS)	5,498,906	372,803
NET POSITION		
Beginning of year, July 1	107,777,284	107,404,481
End of year, June 30	$ 113,276,190	$ 107,777,284

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash payments for payroll and employee benefits	$ (2,913,360)	$ (2,992,461)
Cash payments for operating expenses	(7,150,966)	(6,240,883)
Cash payments for tuition benefits	(14,620,475)	(16,617,510)
Cash receipts from basis points	6,954,090	5,622,471
NET CASH FLOWS USED BY OPERATING ACTIVITIES	(17,730,711)	(20,228,383)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sales and maturities of securities	41,110,238	34,319,783
Purchase of securities	(25,891,075)	(17,283,956)
Interest and dividends received	774,014	829,843
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	15,993,177	17,865,670
NET DECREASE IN CASH & CASH EQUIVALENTS	(1,737,534)	(2,362,713)
CASH AND CASH EQUIVALENTS		
Beginning of year, July 1	7,874,783	10,237,496
End of year, June 30	$ 6,137,249	$ 7,874,783
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 5,498,906	$ 372,803
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Investment loss (income)	(8,684,366)	(3,410,799)
Depreciation	(7,466)	(1,201)
Decrease (Increase) in Assets:		
Basis points receivable	410,726	(313,856)
Increase (Decrease) in Liabilities:		
Accounts payable and accrued liabilities	(534,084)	376,915
Accrued compensation and compensated leave	68,336	22,726
Pension and other post employment benefits	(582,763)	125,029
Tuition benefits payable	(13,900,000)	(17,400,000)
NET CASH FLOWS USED BY OPERATING ACTIVITIES	$ (17,730,711)	$ (20,228,383)

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
AS OF JUNE 30, 2024 AND 2023

	2024	2023
ASSETS:		
Investments in securities, at value	$ 17,158,484,889	$ 15,308,372,619
Cash equivalents	421,143,043	351,517,071
Dividends, interest, and other receivable	10,350,805	3,834,869
Receivable for units sold	13,808,234	14,474,724
Receivable for securities sold	115,173,894	99,529,241
TOTAL ASSETS	$ 17,718,960,865	$ 15,777,728,524
LIABILITIES:		
Cash overdraft	$ 1,698,357	$ 1,515,797
Payable for securities purchased	128,403,650	113,517,478
Payable for units redeemed	6,076,196	6,105,659
Accrued management and administrative fees	2,501,784	2,872,415
Accrued sales fees	1,515,319	1,572,401
TOTAL LIABILITIES	140,195,306	125,583,750
NET POSITION HELD IN TRUST FOR PLAN PARTICIPANTS	$ 17,578,765,559	$ 15,652,144,774

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
ADDITIONS		
Contributions:		
Units sold	$ 1,842,360,472	$ 1,483,493,906
Exchanges in	1,654,153,257	1,172,377,380
Transfers in	139,995,000	124,690,000
Total Contributions	3,636,508,729	2,780,561,286
Investment earnings:		
Investment income	530,397,036	523,323,219
Net realized/unrealized appreciation on underlying fund shares	1,507,972,752	916,737,539
Total Investment Earnings	2,038,369,788	1,440,060,758
Less: Investment expenses	37,892,098	36,625,857
Net Investment Earnings	2,000,477,690	1,403,434,901
TOTAL ADDITIONS	5,636,986,419	4,183,996,187
DEDUCTIONS		
Units redeemed	1,916,217,377	1,536,062,282
Exchanges out	1,654,153,257	1,172,377,380
Transfers out	139,995,000	124,690,000
TOTAL DEDUCTIONS	3,710,365,634	2,833,129,662
CHANGE IN NET POSITION	1,926,620,785	1,350,866,525
NET POSITION		
Held in trust for plan participants - beginning of year, July 1	15,652,144,774	14,301,278,249
Held in trust for plan participants - end of year, June 30	$ 17,578,765,559	$ 15,652,144,774

See notes to financial statements.

NOTE 1 - ORGANIZATION

The Ohio Tuition Trust Authority (OTTA) was established in 1989 by Chapter 3334 of the Ohio Revised Code and is part of the legal reporting entity of the State of Ohio within the Ohio Department of Higher Education. The governing body consists of an 11-member board, of which no more than six can be from the same political party. This board consists of six members appointed by the Governor with the advice and consent of the Senate. In December 2016, Ohio House Bill 471 passed and required gubernatorial appointees to have “significant experience in finance, accounting or investment management.” The OTTA Investment board, following the passage of Ohio House Bill 471, is collectively now known as the OTTA Investment Board. The speaker of the House of Representatives and the president of the Senate shall appoint four members: one member of the House of Representatives from each political party, and one member of the Senate from each political party. The chancellor of the Ohio Department of Higher Education, or the chancellor’s designee, is an ex officio voting member.

The primary objective of OTTA is to help make higher education affordable by providing tax-advantaged investment opportunities to save in advance for qualified educational expenses. The program consists of two variable college savings plans and maintaining recordkeeping and distributions for the Guaranteed Savings Plan (Guaranteed Plan). Sales of new units of the Guaranteed Plan were suspended on December 31, 2003. All available plans are collectively called CollegeAdvantage.

All funds invested in CollegeAdvantage may be used at any qualified educational institution in the country, with refund and transfer options available. They offer advantages for Ohio residents, including the state income tax deduction on contributions. Since these funds are part of a Section 529 Qualified State Tuition Program, earnings on the funds are federally tax-exempt if the funds are used for qualified educational expenses upon withdrawal.

Except as otherwise specified in Chapter 3334, Ohio Revised Code, OTTA is not required to adhere to the provisions of Chapters 123 *Department of Administrative Services - Public Works* and 4117 *Public Employees’ Collective Bargaining* of the Ohio Revised Code. Effective September 29, 2015, OTTA became subject to Chapter 125 of the Ohio Revised Code, except with respect to investment contracts approved under the powers of the OTTA Investment Board under Section 3334.03 of the Ohio Revised Code. The Department of Administrative Services, upon the request of OTTA, shall act as OTTA’s agent for the purchase of equipment, supplies, insurance and services or the performance of administrative services pursuant to Chapter 125, Ohio Revised Code.

Enterprise Fund

The accompanying enterprise financial statements report the financial position, results of operations and cash flows for the fiscal years ended June 30, 2024 and 2023 of the Enterprise Fund consisting of the Guaranteed Savings Plan and the administrative portion of the Variable Savings plans. These funds are part of the State of Ohio’s reporting entity. The accompanying statements are not intended to present all enterprise activities of the State of Ohio. The **State of Ohio Annual Comprehensive Financial Report** provides more extensive disclosures regarding the significant accounting policies of the State as a whole.

NOTE 1 - ORGANIZATION (Continued)

The Guaranteed Plan is guaranteed by the full faith and credit of the State of Ohio. Either the owner or beneficiary were required to be Ohio residents at the time the account was established. The Guaranteed Plan sold credits from March 1990 to June 1994 and sold units from July 1994 to December 2003. A unit can be redeemed at a value equal to 1% of the weighted average tuition (WAT) of the 13 four-year Ohio public universities, while credit values are equal to 115% of a unit value in the year redeemed. The redemption value changes proportionately in relation to the changes in WAT. The redemption of 100 tuition units generally will provide the beneficiary with one year of in-state, undergraduate tuition at an average-priced Ohio public four-year university, if units are held on account until the beneficiary is 18 or older. The actual number of tuition units needed to cover tuition will vary based on the actual tuition being charged at an individual institution. Additional tuition units are necessary to cover room and board, graduate or professional school, or other educational expenses.

Private Purpose Trust Fund

In June 2000, Governor Bob Taft signed into law Senate Bill 161, creating a variable return college savings option. In October 2000, OTTA launched Ohio's 529 Plan, CollegeAdvantage, offering market-based investment options. The CollegeAdvantage Direct Plan (Direct Plan) and the CollegeAdvantage Advisor Plan (Advisor Plan) coupled with the CollegeAdvantage Guaranteed Plan comprise the CollegeAdvantage Program.

The CollegeAdvantage Direct Plan is for customers who are comfortable selecting and managing their own investments. The Direct Plan is, in general, a lower-cost option, since the customer is not receiving professional investment advice, and customers are choosing to select their own investment strategy and manage their own accounts. The OTTA administers and has overall program management responsibility for the day-to-day operations of the CollegeAdvantage Direct Plan. The Direct Plan is open to investors in Ohio and across the country.

At June 30, 2024, the Direct Plan offers 22 options from The Vanguard Group, Dimensional Fund Advisors, and Fifth Third Bank, including two age-based/target-date options, five risk-based options and 15 individual options.

Ascensus College Savings Recordkeeping Services, LLC provides recordkeeping and fund accounting services for the Direct Plan. The Ascenus contract was renegotiated July 1, 2020 for five years with an option to renew for a subsequent five-year term. Fifth Third Bank maintains, on OTTA's behalf, separate records for each account involving Savings Products; these services include recordkeeping and accounting for each individual account.

Contributions to Vanguard and Dimensional investment options are evidenced through the issuance of units in a particular portfolio. Subject to terms and limitations defined in the participation agreement, contributions are invested in units of the assigned portfolio on the same day the contribution is credited to the participant's account and withdrawals are based on the unit value calculated for such portfolio on the date the withdrawal request is accepted in good order. Unit values are determined daily based on the total value of each portfolio's assets, less its liabilities, divided by the number of its outstanding units.

NOTE 1 - ORGANIZATION (Continued)

Contributions to Fifth Third Bank are evidenced through the establishment of a savings account or certificate of deposit. Subject to the terms and limitations defined in the participation agreement, contributions are invested in the savings account or CD on the same day the contribution is credited to the participant's account and withdrawals are based on the value of the savings account or CD on the date the withdrawal request is accepted. An early withdrawal penalty can be assessed to a CD if it is withdrawn prior to its stated maturity date.

The CollegeAdvantage Advisor Plan is for customers working with an investment advisor. It offers the same 529 tax-saving benefits but has different investment options and fund managers than the Direct Plan. On October 1, 2009, BlackRock Advisors, LLC launched the BlackRock CollegeAdvantage Plan through financial advisors. As of June 30, 2024, there are 28 investment options, including seven target-date options, three target-risk options and 18 single strategy options. The BlackRock contract was renegotiated March 1, 2021 for seven years with an option to renew for a subsequent five-year term.

The Variable Savings Plan is recorded as a Private Purpose Trust Fund in these financial statements, which report the financial position and results of operations for the years ended June 30, 2024 and 2023 of the Fiduciary Fund consisting of the Variable Savings Plan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is reported as restricted when there are external restrictions imposed on their use, either contractually, by debt covenant, or by statute. The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting - Enterprise Fund

Fund accounting uses a self-balancing set of funds to account for all activity. An enterprise fund is part of the proprietary group of funds within a governmental organization. In an enterprise fund, operations are financed and operated in a manner similar to private businesses, where the intent of the governing body is to provide goods or services to the general public on a continuing basis while recovering cost through the sales price. This fund type is accounted for using the full accrual basis of accounting. Accrual accounting attempts to record the financial effects of transactions, events and circumstances in the period in which they occur rather than in the period in which cash is received or paid by the organization. The activities of OTTA are reported as an enterprise fund, since the cost of providing the CollegeAdvantage Program is recovered through revenues of the program. Administrative costs associated with the Variable Savings Plan are recovered through fees charged on customer accounts and revenue sharing agreements between OTTA and some of the investment managers. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are investment income and basis points charged to customers for investments in CollegeAdvantage options. Operating expenses for the enterprise funds include tuition benefits expense, the cost of marketing products and services, and administrative expenses. All revenues and expenses not meeting this definition would be reported as non-operating revenues and expenses.

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20: *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the OTTA follows GASB guidance as applicable to proprietary funds.

OTTA classifies fund resources into four separate sub funds for accounting purposes. These sub funds are authorized by Ohio Revised Code Section 3334.11 and are described below:

Trust Sub Fund - Used to account for the assets and the actuarial liability related to providing tuition payments for participants. This fund is restricted in its use, and can only be used to pay claims pursuant to tuition payment contracts, make refunds, pay investment fees and other costs in administering the Trust Sub Fund. Funds are transferred from the Reserve Sub Fund, as necessary, to fund the obligations of the plan.

Reserve Sub Fund - Used to account for administrative revenues related to the plan, such as enrollment fees and the administrative portion of each tuition unit (approximately $5 for each tuition unit purchased). The Reserve Sub Fund is governed by the same limitations as prescribed for the Trust Sub Fund.

Operating Sub Fund - Used to account for administrative expenses of the Guaranteed Savings Plan. Funds are transferred from the Reserve Sub Fund, as necessary, to fund the obligations of the plan.

Variable Savings Operating Sub Fund - Used to account for the administrative revenues and administrative costs of the Variable Savings Plan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting - Private Purpose Trust Fund

The Private Purpose Trust Fund is used to report the Fiduciary Net Position and Changes in the Fiduciary Net Position of the Variable Savings Plan managed by BlackRock, The Vanguard Group, Dimensional Fund Advisors and Fifth Third Bank. GASB Statement No. 84 recommends the use of a Private Purpose Trust Fund in situations in which principal and income benefit individuals, private corporations or other governments. The Variable Savings Plan is set up for the benefit of its customers and involves no commitment on the part of the State of Ohio.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with the State of Ohio and amounts on deposit with financial institutions. OTTA considers cash deposits with a maturity of three months or less when purchased to be cash equivalents, except for STAR Ohio and repurchase agreements. At June 30, 2024, the portion of OTTA's deposits held by the Ohio Treasurer of State was not exposed to custodial credit risk. Of the portion on deposit with a banking institution, $250,000 was FDIC insured and the remainder collateralized with securities held by pledging financial institutions' trust department or agent but not in OTTA's name.

Collateral on Loaned Securities/Obligation under Securities Lending

During fiscal year 2024, the Treasurer of State routinely lent securities from the State's investment portfolio under securities lending agreements. For the State's securities out on loan, the Treasurer received cash collateral from the borrower. The State is obligated to return the cash to the borrower when the security lending agreement terminates. The Treasurer reinvested the collateral in various types of investments, including U.S. government and agency obligations, repurchase agreements, commercial paper, corporate bonds, asset-backed securities, master notes, variable rate notes and money market funds. Also, cash collateral may have been placed with financial institutions. For cash collateral the Treasurer received for securities out on loan as of June 30, 2024, the State reported assets and liabilities arising from the securities lending transactions on the financial statements of the funds that had the risk of loss on the collateral assets.

Securities

Securities consist of equity and debt securities. OTTA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are valued using prices quoted in active markets for those securities. Level 2 inputs are values using quoted prices for similar assets in active markets and are valued by averaging three bid-side quotes from broker/dealers. Level 3 inputs are valued using the best information available (OTTA does not hold any securities valued using Level 3 inputs).

Net increase in fair value of securities includes both realized and unrealized gains. In accordance with Ohio Revised Code Section 3334.11 certain securities, that the Authority determines to be actuarially necessary, are restricted by statute for payment of obligations of OTTA pursuant to tuition payment contracts are held in the Trust Sub Fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Securities for Administrative Expenses are held in the Reserve and Variable Savings Operating Sub Funds. These are the administrative, operating and payroll expenses that are allocated to the respective programs.

Revenue

Administrative revenue for the Variable Savings Operating Sub Funds is derived from basis points revenue, which is received on assets of the Variable Savings Plan as follows:

CollegeAdvantage Direct Plan

All Direct Plan customers pay two basis points (0.02%) on assets under management invested in options offered through The Vanguard Group and Dimensional Fund Advisors. The amount is calculated daily and payment is received by OTTA monthly.

OTTA receives 15 basis points (0.15%) on all Fifth Third Bank assets under management. This amount, paid by Fifth Third as a revenue share, is calculated daily and payment is received by OTTA monthly.

BlackRock CollegeAdvantage Plan

All Advisor customers pay seven basis points (0.07%). Effective June 1, 2021 OTTA is waiving 0.5 bps that can be discontinued without any advance notice to investors. The amount collected from the customer is calculated daily and payment is received by OTTA monthly.

Expenses

Tuition Benefit Expense (Payouts) is recognized when the Guaranteed Plan units are redeemed. The actuarial tuition benefits expense reflects the amount used to adjust the tuition benefit payable as determined by the actuarial valuation.

The OTTA has conducted internal studies of operating expenses. Based on the results of those studies, the OTTA has determined that certain common expenses should be allocated between the Guaranteed and Variable Savings Plans based on criteria established for the various types of operating expenses. Specific expenses that can be directly attributed to the Guaranteed and Variable Savings Plans are expensed to the respective programs.

Self-Insurance

The State of Ohio serves as the OTTA's primary government and is self-insured for claims covered under its traditional healthcare plan, vehicle liability, public fidelity blanket bonds, property losses and tort liability. Additionally, the State of Ohio participates in a public entity risk pool that covers liabilities associated with claims submitted to the Bureau of Workers' Compensation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. 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 plan reports investments at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For OTTA, deferred outflows of resources are reported on the Statement of Net Position for pension and OPEB. The deferred outflows of resources related to pension and 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 assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. For OTTA, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB plans are reported on the Statement of Net Position for pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 7 and 8.

Income Taxes

Because OTTA is a department of the State, the income of OTTA is not subject to federal or state income tax.

Accounting Pronouncements

The GASB recently issued the following new accounting pronouncement that will be effective in future years and may be relevant to OTTA:

- GASB 101, Compensated Absences (effective fiscal year 2025)
- GASB 102, Certain Risk Disclosures (effective fiscal year 2025)

Management has not yet evaluated the impact that the adoption of this statement will have on its financial statements.

NOTE 3 - DEPOSITS

The carrying amount of OTTA's deposits in the Enterprise Fund was approximately $6,137,000 and $7,875,000, and the bank balance was approximately $6,954,000 and $8,747,000 at June 30, 2024 and 2023, respectively.

	2024	2023
State of Ohio's pooled cash and investments held by the Ohio Treasurer of State	$ 945,000	$ 1,139,000
Custodial accounts held by the Ohio Treasurer of State	6,009,000	7,608,000
	$ 6,954,000	$ 8,747,000

NOTE 4 - SECURITIES

Guaranteed Savings Fund investment managers are authorized to invest in domestic equities, international equities, global fixed income, global balanced strategies, short-term investments and securities lending. Managers of separately managed accounts are not permitted to borrow money; pledge, hypothecate, mortgage or encumber assets; loan money; purchase or sell real estate; purchase or sell commodities; or invest in 144a securities and nonmarketable securities. The Variable Savings Operating Fund investment managers are authorized to invest in laddered certificates of deposit and other FDIC insured products. Other investment strategies may be permitted if approved by the OTTA Investment Board to be a prudent investment decision.

The Guaranteed Savings Fund also has funds invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), an investment pool managed by the State Treasurer's office that allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*. Investments in STAR Ohio are valued on the basis of the amortized cost valuation technique. The investment objectives of STAR are preserving capital, maintaining liquidity and providing current income. Standard & Poor's has assigned an "AAAm" money market rating (its highest rating) to STAR. By obtaining a triple A rating, STAR Ohio is considered to have a superior capacity to maintain principal ($1.00 per share value) and limit exposure to loss. The rating is based on an analysis of the pool's management, investment guidelines, portfolio holdings and market price exposure. For the year ended June 30, 2024, there were no limitations on any participant withdrawals due to redemption notice periods, liquidity fees or redemption gates.

OHIO TUITION TRUST AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 4 - SECURITIES (Continued)

	Balance (Fair Value @ 6/30/24)	Credit Quality Rating						
		AAA	AA	A	BBB	BB	B	Not Rated
U.S. Government Obligations - ◊	$ 104,519,875	$ 104,519,875	-	-	-	-	-	-
U.S. Government Obligations - ȶ	14,271,426	14,271,426	-	-	-	-	-	-
Negotiable certificates of deposit - ȶ (at cost)	6,778,323	-	-	-	-	-	-	$ 6,778,323
Total Fixed Maturities	125,569,624	118,791,301	-	-	-	-	-	6,778,323
Equity mutual funds - ◊	17,525,848	-	-	-	-	-	-	17,525,848
STAR Ohio - ◊	22,656	22,656	-	-	-	-	-	-
Restricted cash - ◊*	4,450,148	-	-	-	-	-	-	4,450,148
Unrestricted cash - ȶ	38,090	-	-	-	-	-	-	38,090
Repurchase agreements -◊	8,817,081	-	-	-	-	-	-	8,817,081
	$ 156,423,447	$ 118,813,957	-	-	-	-	-	$ 37,609,490

	Balance (Fair Value @ 6/30/23)	Credit Quality Rating						
		AAA	AA	A	BBB	BB	B	Not Rated
U.S. Government Obligations - ◊	$ 119,705,381	$ 119,705,381	-	-	-	-	-	-
U.S. Government Obligations - ȶ	10,300,374	10,300,374	-	-	-	-	-	-
Negotiable certificates of deposit - ȶ (at cost)	10,215,120	-	-	-	-	-	-	$ 10,215,120
Total Fixed Maturities	140,220,875	130,005,755	-	-	-	-	-	10,215,120
Equity mutual funds - ◊	17,724,436	-	-	-	-	-	-	17,724,436
STAR Ohio - ◊	54,286	54,286	-	-	-	-	-	-
Restricted cash - ◊*	3,121,924	-	-	-	-	-	-	3,121,924
Unrestricted cash - ȶ	53,070	-	-	-	-	-	-	53,070
Repurchase agreements -◊	2,557,667	-	-	-	-	-	-	2,557,667
	$ 163,732,258	$ 130,060,041	-	-	-	-	-	$ 33,672,217

◊ Securities restricted for the Guaranteed Savings Plan
ȶ Securities designated for the Variable Savings Plan

* Cash restricted for tuition benefits and administrative expenses

NOTE 4 - SECURITIES (Continued)

Custodial Credit Risk - Custodial risk for securities is the risk that, in the event of failure of a counter-party to a transaction, OTTA will not be able to recover the value of the security that is in the possession of an outside party. Ohio law provides that OTTA's assets shall be held in the custody of the Treasurer of State but not comingled with any other state funds. Instruments of title are delivered to the Treasurer's office or to a qualified custodial bank designated by the Treasurer, as provided in Section 135.18 of the Ohio Revised Code.

Credit Risk - Fixed-Income Securities - The risk that an issuer of an investment will not satisfy its obligation. This risk is measured by ratings assigned by a nationally recognized statistical rating organization. OTTA's Investment Policy states that the fixed income portfolio will consist primarily of domestic investment grade bonds. A portion of the domestic fixed income portfolio may be invested in below-investment grade (high-yield) bonds in order to improve overall returns and to provide diversification. Any below-investment grade portfolio shall have the vast majority of its portfolio invested in BB- and B-rated securities, the highest two credit quality tiers of this asset class.

Concentration of Credit Risk - The risk of loss that may be attributed to the magnitude of OTTA's investment in a single issuer. In 2024 and 2023, there is no single issuer comprising 5% or more of the overall portfolio.

Interest Rate Risk - The risk that changes in market interest rates will adversely affect the fair value of an investment. OTTA has established an asset allocation policy designed to obtain investment returns sufficient to allow assets to meet statutory and contractual obligations of the agency and its programs to participants and defray reasonable expenses of administering program operations. The policy requires the fixed income portfolio to be invested with duration characteristics that are within a range consistent with Barclay's Aggregate Index.

Foreign Currency Risk - The securities in the Enterprise Fund portfolio are indirectly exposed to foreign currency risk through underlying investments in mutual funds that hold international securities. These investments involve risks not normally associated with investing in securities of U.S. corporations, such as foreign currency exchange rate fluctuation and adverse political and economic developments in foreign countries.

OHIO TUITION TRUST AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 4 - SECURITIES (Continued)

	Balance (Fair Value @ 6/30/24)	Securities Maturities (In Years) Less than 1	1-5	6-10	More than 10
U.S. Government obligations - ◊	$ 104,519,875	$ 31,372,774	$ 65,551,801	$ 7,595,300	-
U.S. Government obligations - ⱦ	14,271,426	1,496,858	12,774,568	-	-
Negotiable certificates of deposit - ⱦ (at cost)	6,778,323	2,181,039	4,597,284	-	-
Equity mutual funds - ◊	17,525,848	17,525,848	-	-	-
Star Ohio - ◊	22,656	22,656	-	-	-
Restricted cash - ◊ *	4,450,148	4,450,148	-	-	-
Unrestricted cash - ⱦ	38,090	38,090	-	-	-
Repurchase agreements - ◊	8,817,081	8,817,081	-	-	-
	$ 156,423,447	$ 65,904,494	$ 82,923,653	$ 7,595,300	$ -

	Balance (Fair Value @ 6/30/23)	Securities Maturities (In Years) Less than 1	1-5	6-10	More than 10
U.S. Government obligations - ◊	$ 119,705,381	$ 34,352,865	$ 73,218,856	$ 12,133,660	-
U.S. Government obligations - ⱦ	10,300,374	247,628	10,052,746	-	-
Negotiable certificates of deposit - ⱦ (at cost)	10,215,120	4,715,156	5,499,964	-	-
Equity mutual funds - ◊	17,724,436	17,724,436	-	-	-
Star Ohio - ◊	54,286	54,286	-	-	-
Restricted cash - ◊ *	3,121,924	3,121,924	-	-	-
Unrestricted cash - ⱦ	53,070	53,070	-	-	-
Repurchase agreements - ◊	2,557,667	2,557,667	-	-	-
	$ 163,732,258	$ 62,827,032	$ 88,771,566	$ 12,133,660	$ -

◊ Securities restricted for the Guaranteed Savings Plan
ⱦ Securities restricted for the Variable Savings Plan

* Cash restricted for tuition benefits and administrative expenses

NOTE 4 - SECURITIES (Continued)

OTTA's categorization of investments within the fair value hierarchy are as follows:

	Balance (Fair Value @ 6/30/24)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government obligations - ◊	$ 104,519,875	-	$ 104,519,875	-
U.S. Government obligations -ⱦ	14,271,426	-	14,271,426	-
Negotiable certificates of deposit - ⱦ (at cost)	6,778,323	-	6,778,323	-
Equity mutual funds - ◊	17,525,848	$ 17,525,848	-	-
Star Ohio - ◊	22,656	22,656	-	-
Restricted cash - ◊*	4,450,148	4,450,148	-	-
Unrestricted cash - ⱦ	38,090	38,090	-	-
Repurchase agreements - ◊	8,817,081	8,817,081	-	-
	$ 156,423,447	$ 30,853,823	$ 125,569,624	-

	Balance (Fair Value @ 6/30/23)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government obligations - ◊	$ 119,705,381	-	$ 119,705,381	-
U.S. Government obligations -ⱦ	10,300,374	-	10,300,374	-
Negotiable certificates of deposit - ⱦ (at cost)	10,215,120	-	10,215,120	-
Equity mutual funds - ◊	17,724,436	$ 17,724,436	-	-
Star Ohio - ◊	54,286	54,286	-	-
Restricted cash - ◊*	3,121,924	3,121,924	-	-
Unrestricted cash - ⱦ	53,070	53,070	-	-
Repurchase agreements - ◊	2,557,667	2,557,667	-	-
	$ 163,732,258	$ 23,511,383	$ 140,220,875	-

◊ Securities restricted for the Guaranteed Savings Plan
ⱦ Securities restricted for the Variable Savings Plan

* Cash restricted for tuition benefits and administrative expenses

NOTE 5 - PRIVATE PURPOSE TRUST FUND

Investments are reported at fair value and are accounted for accordingly. Investments in the Mutual Fund-Based Options represent units in Private Purpose Trust Fund portfolios, which in turn invest in underlying mutual funds rather than individual securities. Security transactions, normally units of the portfolios of the BlackRock Funds, the Vanguard Funds and Dimensional Fund Advisors, are accounted for on the trade date (date the order to buy or sell is executed). Income and capital gain distributions from the Funds, if any, are recorded on the ex-dividend date.

Investments in the Fifth Third options (Banking Options) are bank deposits; they are accounted for on the date the contribution is accepted by Fifth Third. Interest is compounded continuously and credited monthly on the Fifth Third options, based on the stated rate of interest for the product.

Investments in the Private Purpose Trust Fund are valued in the fair value hierarchy as Level 1 inputs, using quoted prices in active markets for identical assets.

At June 30, 2024 and 2023, cash equivalents and investments of the Private Purpose Trust Fund options were as follows:

	2024		2023	
	Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments
CollegeAdvantage Advisor Plan	-	$ 6,746,619,889	-	$ 6,189,816,619
CollegeAdvantage Direct Plan	$ 421,143,043	10,411,865,000	$ 351,517,071	9,118,556,000
	$ 421,143,043	$ 17,158,484,889	$ 351,517,071	$ 15,308,372,619

NOTE 6 - TUITION BENEFITS PAYABLE

Tuition benefits payable represents the actuarially determined present value (APV) of future tuition obligations of the Guaranteed Savings Plan. This valuation reflects the present value of estimated tuition benefits that will be paid in future years and is adjusted for the effects of projected tuition increases and the termination of OTTA contracts. The results are as follows:

	2024	2023
APV of future tuition benefits and expenses payable	$ 48,000,000	$ 61,900,000
Actuarial net position available in guaranteed savings fund	135,300,000	143,200,000
Assets as a percentage of tuition and expense obligation	282%	231%

Individual fund net position balances at June 30 were as follows:	2024	2023
Guaranteed savings fund:		
Operating sub fund	$ (12,293,547)	$ (11,580,376)
Reserve sub fund	122,092,496	117,873,345
Trust sub fund	(23,101,620)	(25,793,773)
Total Guaranteed Savings Fund	86,697,329	80,499,196
Variable savings operating sub fund	26,578,861	27,278,088
Total Net Position - Enterprise Fund	$ 113,276,190	$ 107,777,284

As mentioned in Note 2, included in the statement of net position of the Enterprise Fund is the Variable Savings Operating Fund.

The following assumptions were used in the actuarial determination of tuition benefits payable as of June 30, as follows:

Economic assumptions set by the OTTA Investment Board FY24:
Tuition Inflation Assumption:
Fall 2024: An amount equal to the maximum amount of tuition and mandatory fee increases permitted by the State of Ohio biennial budget, as signed into law by Governor Mike Dewine; and Fall 2025 and thereafter: 4.00%
Rate of return (investment of current and future assets) Fall 2024 and thereafter: 4.64% net of fees.

Economic assumptions set by the OTTA Investment Board FY23:
Tuition Inflation Assumption:
Fall 2023: An amount equal to the maximum amount of tuition and mandatory fee increases permitted by the State of Ohio biennial budget, as signed into law by Governor Mike Dewine; and Fall 2024 and thereafter: 4.00%
Rate of return (investment of current and future assets) Fall 2023 and thereafter: 4.38% net of fees.

In addition to the assumptions set by the OTTA Investment Board, the actuarial determination includes the assumption that the Consumer Price Index inflation rate will be 2.5%.

NOTE 7 - PENSIONS

General Information about the Pension Plan

Employees of OTTA are provided with pensions through the Ohio Public Employees Retirement System (OPERS), which administers three separate pension plans as described below:

1. The Traditional Pension Plan - a cost-sharing, multiple-employer defined-benefit pension plan.

2. The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan - a cost-sharing, multiple-employer defined-benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a standalone financial report. Interested parties may obtain a copy by visiting https://www.opers.org, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 1-614-222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2024 and 2023, member and employer contribution rates were consistent across all three plans.

The 2024 and 2023 employee contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2024 and 2023 employer contribution rate for state and local employers was 14.0% of covered payroll. Total required employer contributions for all plans are equal to 100% of employer charges.

Required employee and employer contributions to OPERS are established under the Ohio Revised Code and are based on percentages of covered employees' gross salaries, with the contribution rate percentages being calculated annually by the Retirement Board's actuaries. Employer contributions required and made to OPERS for the fiscal years ended June 30, 2024, 2023, and 2022 were approximately $280,000, $292,000, and $282,000, respectively.

NOTE 7 - PENSIONS (Continued)

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

The net pension asset and net pension liability represent OTTA'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 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 this estimate annually.

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

GASB Statement No. 68 assumes the net pension asset solely belongs to the employer and the net pension 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 pension plans to amortize overfunded assets and 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 asset/liability. Resulting adjustments to the net pension asset/liability would be effective when the changes are legally enforceable.

In accordance with GASB 68 and 71, OTTA's statements include the proportionate share of each plan's over/under-funded benefits presented as a long-term net pension asset or long-term net pension liability on the accrual basis of accounting as well as an annual pension expense (income) for its proportionate share of each plan's change in net pension liability or asset.

At June 30, 2024, OTTA reported a net pension liability of $2,645,790 for its proportionate share of the Traditional Plan's net pension liability and a net pension asset of $44,220 for its proportionate share of the Combined Plan's net pension asset. The net pension liability/asset was measured as of December 31, 2023 and represents OTTA's proportionate share of the relevant pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan's fiduciary net position.

At December 31, 2023, OTTA's proportion was 0.010106% of the Traditional Plan's net pension liability and 0.014387% of the Combined Plan's net pension asset.

For the years ended June 30, 2024 and 2023, OTTA recognized pension expense (income) of ($301,954) and $546,661, respectively. OTTA reported deferred outflows of resources and deferred inflows of resources related to the two pension plans from the following sources:

NOTE 7 - PENSIONS (Continued)

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 49,651	$ 4,866	$ 116,453	$ 5,633
Net difference between projected and actual earnings on pension plan investments	685,820	-	1,031,100	-
Assumption changes	1,826	-	37,961	-
Change in proportionate share	184,344	15,577	4,069	53,492
OTTA contributions subsequent to the measurement date	116,468	-	121,919	-
	$ 1,038,109	$ 20,443	$ 1,311,502	$ 59,125

Included in deferred outflows of resources at June 30, 2024 is $116,468 related to pensions resulting from OTTA contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability/asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Net Deferred Inflows/ (Outflows)
2025	$ (290,225)
2026	(278,869)
2027	(408,053)
2028	77,187
2029	(592)
Thereafter	(646)
	$ (901,198)

NOTE 7 - PENSIONS (Continued)

The following table outlines the key assumptions OPERS used in the December 31, 2023 valuation:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	**Traditional Pension Plan**	**Combined Plan**
Measurement and valuation date	December 31, 2023	December 31, 2023
Experience study	5-Year period ended December 31, 2020	5-Year period ended December 31, 2020
Actuarial cost method	Individual entry age	Individual entry age
Actuarial assumptions:		
Investment rate of return	6.90%	6.90%
Wage inflation	2.75%	2.75%
Projected salary increases	2.75% - 10.75% (includes wage inflation at 2.75%)	2.75% - 8.25% (includes wage inflation at 2.75%)
Cost-of-living adjustments	Pre-1/7/2013 retirees: 3.00% simple Post-1/7/2013 retirees: 2.30% simple through 2024, then 2.05% simple	Pre-1/7/2013 retirees: 3.00% simple Post-1/7/2013 retirees: 2.30% simple through 2024, then 2.05% simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2020. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

NOTE 7 - PENSIONS (Continued)

The allocation of investment assets within the Pension Plan portfolio is approved by the OPERS Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plans. The following table displays the OPERS Board-approved asset allocation policy for 2023 and the long-term expected real rates of return.

Asset Class	**Target Allocation for 2023**	**Weighted Average Long-Term Expected Real Rate of Return**
Fixed income	24.0%	2.85%
Domestic equities	21.0	4.27
Real estate	13.0	4.46
Private equity	15.0	7.52
International equities	20.0	5.16
Risk parity	2.0	4.38
Other investments	5.0	3.46
Total	100.0%	

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages, adjusted for inflation.

The discount rate used to measure the total pension liability was 6.9% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension 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 pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table represents OTTA's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.9%, as well as its proportionate share of the net pension liability (asset) if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Sensitivity of Net Pension Liability/ (Asset) to Changes in the Discount Rate			
Employers' net pension liability/(asset)	1% Decrease 5.9%	Current Discount 6.9%	1% Increase 7.9%
Traditional pension plan	$ 4,165,188	$ 2,645,790	$ 1,382,097
Combined pension plan	(26,760)	(44,220)	(57,980)

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information About Post-Employment Benefits

OPERS maintains a cost-sharing, multiple-employer defined-benefit post-employment health care trust, which funds multiple healthcare plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored healthcare coverage. OPERS funds a Retiree Medical Account (RMA); participants can be reimbursed for qualified medical expenses from their vested RMA balance. Healthcare coverage provided by OPERS meets the definition of another post-employment benefit (OPEB) as described in the GASB Statement 45. Please see the Plan Statement in the OPERS 2021 ACFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide healthcare to its eligible benefit recipients. Authority to establish and amend healthcare coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment healthcare benefits. No employer contributions were allocated to health care for the Traditional and Combined Plans in calendar years 2023 and 2022, and it is expected to remain at that level. The employer contribution as a percent of covered payroll deposited for participants in the Member-Directed Plan was 4.0% for calendar years 2023 and 2022. Due to the discretionary nature of healthcare funding and the potential for frequent changes in allocations, including no funding to healthcare for some plans, the calculation of proportionate shares of employers is based on total employer contributions.

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

In accordance with GASB 75, OTTA's statements prepared on an accrual basis of accounting include an annual OPEB expense (income) for its proportionate share of the plan's change in net OPEB liability/(asset). 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.

At June 30, 2024, OTTA reported a net OPEB asset of $100,452 for its proportionate share of the Healthcare Plan's net OPEB asset. The net OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. At December 31, 2023, OTTA's proportion was 0.011130% of the Healthcare Plan's net OPEB liability/(asset). The net OPEB liability/(asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

For the years ended June 30, 2024 and 2023, OTTA recognized OPEB income of $10,800 and $139,939, respectively. OTTA reported deferred outflows of resources and deferred inflows of resources related to the healthcare plan from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	$ 15,119	-	$ 19,882
Net difference between projected and actual earnings on pension plan investments	$ 82,386	-	$ 164,668	-
Assumption changes	29,460	43,182	78,084	6,245
Change in proportionate share	-	9,794	-	2,324
	$ 111,846	$ 68,095	$ 242,752	$ 28,451

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

Year ended June 30:	OPEB Net Deferred Inflows/ (Outflows)
2025	$ 218
2026	(8,012)
2027	(56,327)
2028	20,370
2029	-
Thereafter	-
	$ (43,751)

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information:	
Actuarial valuation date	December 31, 2022
Rolled-forward measurement date	December 31, 2023
Experience study	5-Year period ended December 31, 2020
Actuarial cost method	Individual entry age
Actuarial assumptions:	
Single discount rate	5.70%
Investment rate of return	6.00%
Municipal bond rate	3.77%
Wage inflation	2.75%
Projected salary increases	2.75% - 10.75% (includes wage inflation at 2.75%)
Health care cost trend rate	5.50% initial, 3.50% ultimate in 2038

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The total OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. The actuarial assumptions used were based on the results of an actuarial experience study for the five-year period ended December 31, 2020. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable healthcare program for current future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Healthcare is a discretionary benefit. The following table displays the OPERS Board-approved asset allocation policy for 2023 and the long-term expected real rates of return.

Asset Class	**Target Allocation for 2023**	**Weighted Average Long-Term Expected Real Rate of Return**
Fixed income	37.0%	2.82%
Domestic equities	25.0	4.27
REITs	5.0	4.68
International equities	25.0	5.16
Risk parity	3.0	4.38
Other investments	5.0	2.43
Total	100.0%	

The long-term expected rate of return on healthcare investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages, adjusted for inflation.

A single discount rate of 5.70% was used to measure the OPEB liability/(asset) on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the healthcare fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an actuarial assumed rate of return on the healthcare investment portfolio of 6.00% and a municipal bond rate of 3.77%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the healthcare fiduciary net position and future contributions were sufficient to finance healthcare costs through the year 2070. As a result, the acyuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all healthcare costs after that date.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

The following table represents OTTA's proportionate share of the net OPEB liability or asset as of December 31, 2023, calculated using the current discount rate of 5.70%, as well as its proportionate share of the net OPEB liability or asset if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Sensitivity of Net OPEB Liability/(Asset) to Changes in the Discount Rate			
	1% Decrease 4.70%	Current Discount 5.70%	1% Increase 6.70%
Employers' Net OPEB Liability/(Asset)	$ 55,205	$ (100,452)	$ (229,389)

The following table represents OTTA's proportionate share of the net OPEB liability or asset as of December 31, 2023, calculated using the assumed healthcare cost trend rates, as well as it proportionate share of the net OPEB liability or asset if it were calculated using a rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

Sensitivity of Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rate			
	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Employers' Net OPEB Liability/(Asset)	$ (104,622)	$ (100,452)	$ (95,718)

Retiree healthcare valuations use a healthcare cost-trend assumption with changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for healthcare. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

NOTE 9 - CONTINGENCIES

State agencies and their employees are parties to numerous legal proceedings, which normally occur in governmental operations. Cases resulting in an unfavorable outcome are either absorbed in OTTA's subsequent-year budget or are funded through the General Assembly. There are no legal proceedings that, in the opinion of management, are likely to have a material effect on any of OTTA's funds.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

OHIO TUITION TRUST AUTHORITY

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET POSITION/OPEB LIABILITY (ASSET)
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)
(AMOUNTS PRESENTED DETERMINED AS OF DECEMBER 31)

	Traditional Pension Plan				
	2023	2022	2021	2020	2019
OTTA's proportion of net pension liability	0.010106%	0.011655%	0.011341%	0.010956%	0.010997%
OTTA's proportionate share of net pension liability	$ 2,645,790	$ 3,442,890	$ 986,700	$ 1,622,300	$ 2,173,631
OTTA's covered payroll	1,663,000	1,737,000	1,639,000	1,538,000	1,547,000
OTTA's proportionate share of net pension liability as a percentage of its covered payroll	159%	198%	60%	105%	141%
Plan fiduciary net position as a percentage of the total pension liability	79.0%	75.7%	92.6%	86.9%	82.2%

	Traditional Pension Plan				
	2018	2017	2016	2015	2014
OTTA's proportion of net pension liability	0.010900%	0.010716%	0.009319%	0.009231%	0.009231%
OTTA's proportionate share of net pension liability	$ 2,985,289	$ 1,681,133	$ 2,116,186	$ 1,478,889	$ 1,113,362
OTTA's covered payroll	1,457,000	1,354,000	1,203,000	1,063,000	1,375,000
OTTA's proportionate share of net pension liability as a percentage of its covered payroll	205%	124%	176%	139%	81%
Plan fiduciary net position as a percentage of the total pension liability	74.7%	84.7%	77.3%	81.1%	86.5%

	Combined Pension Plan				
	2023	2022	2021	2020	2019
OTTA's proportion of net pension asset	0.014387%	0.014296%	0.013276%	0.013248%	0.013193%
OTTA's proportionate share of net pension liability (asset)	$ (44,220)	$ (33,690)	$ (52,305)	$ (38,239)	$ (27,509)
OTTA's covered payroll	66,000	64,000	60,000	58,000	59,000
OTTA's proportionate share of net pension asset as a percentage of its covered payroll	67%	53%	87%	66%	47%
Plan fiduciary net position as a percentage of the total pension asset	144.6%	137.1%	169.9%	157.7%	145.1%

	Combined Pension Plan				
	2018	2017	2016	2015	2014
OTTA's proportion of net pension asset	0.016056%	0.025717%	0.021377%	0.011580%	0.023878%
OTTA's proportionate share of net pension liability (asset)	$ (17,952)	$ (35,007)	$ (11,898)	$ (5,635)	$ (9,193)
OTTA's covered payroll	68,000	101,000	83,000	42,000	92,000
OTTA's proportionate share of net pension asset as a percentage of its covered payroll	26%	35%	14%	13%	10%
Plan fiduciary net position as a percentage of the total pension asset	126.7%	137.3%	116.7%	117.0%	114.6%

(OHIO TUITION TRUST AUTHORITY

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET POSITION/OPEB LIABILITY (ASSET)
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)
(AMOUNTS PRESENTED DETERMINED AS OF DECEMBER 31)
(CONTINUED)

	Other Post-Employment Benefits				
	2023	2022	2021	2020	2019
OTTA's proportion of net OPEB liability (asset)	0.011130%	0.012679%	0.012324%	0.011962%	0.012010%
OTTA's proportionate share of net OPEB Liability (asset)	$ (100,452)	$ 79,942	$ (386,007)	$ (213,113)	$ 1,658,892
OTTA's covered payroll	1,729,000	1,800,000	1,700,000	1,597,000	1,606,000
OTTA's proportionate share of net OPEB Liability (asset) as a percentage of its covered payroll	6%	4%	23%	13%	103%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	107.8%	94.8%	128.2%	115.6%	47.8%

	Other Post-Employment Benefits	
	2018	2017
OTTA's proportion of net OPEB liability (asset)	0.011990%	0.012190%
OTTA's proportionate share of net OPEB Liability (asset)	$ 1,563,213	$ 1,323,744
OTTA's covered payroll	1,525,000	1,455,000
OTTA's proportionate share of net OPEB Liability (asset) as a percentage of its covered payroll	103%	91%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	46.3%	54.1%

* This schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, governments are required to only present information for those years for which information is available.

OHIO TUITION TRUST AUTHORITY

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND CONTRIBUTIONS SUBSEQUENT TO MEASUREMENT DATE
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)
(AMOUNTS PRESENTED AS OF JUNE 30)

	Traditional Pension Plan				
	2024	2023	2022	2021	2020
Contractually required contribution	$ 237,434	$ 249,780	$ 241,870	$ 213,731	$ 219,236
Contributions in relation to the contractually required contribution	(237,434)	(249,780)	(241,870)	(213,731)	(219,236)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	1,695,957	1,784,139	1,727,641	1,526,648	1,565,971
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%

	Traditional Pension Plan				
	2019	2018	2017	2016	2015
Contractually required contribution	$ 210,030	$ 180,038	$ 153,393	$ 116,718	128,977
Contributions in relation to the contractually required contribution	(210,030)	(180,038)	(153,393)	(116,718)	(128,977)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	1,500,215	1,384,904	1,278,271	972,650	1,074,809
Contributions as a percentage of covered payroll	14%	13%	12%	12%	12%

	Combined Pension Plan				
	2024	2023	2022	2021	2020
Contractually required contribution	$ 9,429	$ 9,207	$ 8,895	$ 8,088	$ 8,321
Contributions in relation to the contractually required contribution	(9,429)	(9,207)	(8,895)	(8,088)	(8,321)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	67,351	65,767	63,532	57,770	59,438
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%

	Combined Pension Plan				
	2019	2018	2017	2016	2015
Contractually required contribution	$ 9,797	$ 13,390	$ 10,596	$ 4,625	$ 8,598
Contributions in relation to the contractually required contribution	(9,797)	(13,390)	(10,596)	(4,625)	(8,598)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	69,979	103,002	88,299	38,544	71,654
Contributions as a percentage of covered payroll	14%	13%	12%	12%	12%

OHIO TUITION TRUST AUTHORITY

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS AND CONTRIBUTIONS SUBSEQUENT TO MEASUREMENT DATE
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)
(AMOUNTS PRESENTED AS OF JUNE 30)

	Other Post-Employment Benefits				
	2024	2023	2022	2021	2020
Contractually required contribution	-	-	-	-	-
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	$ 1,763,308	$ 1,849,906	$ 1,791,173	$ 1,584,417	$ 1,625,409
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%

	Other Post-Employment Benefits				
	2019	2018	2017	2016	2015
Contractually required contribution	-	$ 14,559	$ 26,696	$ 20,424	$ 22,396
Contributions in relation to the contractually required contribution	-	(14,559)	(26,696)	(20,424)	(22,396)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	$ 1,570,194	1,487,906	1,366,570	1,011,194	1,146,463
Contributions as a percentage of covered payroll	0%	1%	2%	2%	2%

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Ohio Tuition Trust Authority
35 E. Chestnut St., 8th Floor
Columbus, OH 43215

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the of the Enterprise Fund and Private Purpose Trust Fund of the Ohio Tuition Trust Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 26, 2024, wherein we noted the financial statements of the Authority present activities that are attributable to only the transactions of the Authority as part of the State of Ohio's reporting entity. Our report includes a reference to other auditors who audited the financial statements of the Private Purpose Trust Fund, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
September 26, 2024

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OHIO AUDITOR OF STATE
KEITH FABER

OHIO TUITION TRUST AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 11/7/2024

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

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