

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

**AUDIT REPORT**

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

***Zupka & Associates***  
**Certified Public Accountants**





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Columbus, Ohio 43215  
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800-282-0370

Members of the Board  
Buckeye Community School - Marion  
366 W Center St  
Marion, OH 43302

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

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

KEITH FABER  
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 31, 2025

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**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**  
**AUDIT REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Buckeye Community School - Marion  
Marion County  
366 West Center St.  
Marion, Ohio 43302

To the Members of the Board:

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Buckeye Community School - Marion, Marion County, Ohio, (the School) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

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

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Emphasis of Matter***

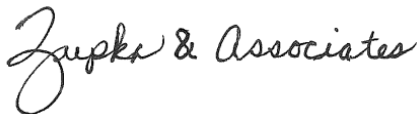
As described in Note 16 to the basic financial statements, the School is experiencing financial difficulties and management has a plan in regard to this matter. The basic financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2025, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Zupka & Associates  
Certified Public Accountants

August 27, 2025

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**BUCKEYE COMMUNITY SCHOOL-MARION  
MARION COUNTY, OHIO**

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

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

**Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- Total assets were \$6,501,300 and deferred outflows of resources were \$1,778,742.
- Total liabilities were \$8,811,233 and deferred inflows of resources were \$349,226.
- Total net position for fiscal year 2024 is a deficit of \$880,417.
- Fiscal year 2024 was the third year of operation for the School with an enrollment of 503 students.

**Using the Basic Financial Statements**

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

**Reporting the School’s Financial Activities**

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

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

These two statements report the School’s *net position* and changes in net position. This change in net position is important because it tells the reader that, for the School as a whole, the *financial position* of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The Statement of Cash Flows provides information about how the School finances and meets the cash flow needs of its operations.

**BUCKEYE COMMUNITY SCHOOL-MARION**  
**MARION COUNTY, OHIO**

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

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***Notes to the Basic Financial Statements***

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

***Required Supplementary Information***

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

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

<b>Net Position</b>		
	<u>2024</u>	<u>2023</u>
<b><u>Assets</u></b>		
Current assets	\$ 2,013,536	\$ 815,483
Net OPEB asset	116,426	127,690
Capital Assets, Net	4,371,338	4,628,475
Total Assets	<u>6,501,300</u>	<u>5,571,648</u>
<b><u>Deferred Outflows</u></b>		
Pension	1,447,171	1,442,865
OPEB	331,571	224,759
Total Deferred Outflows of Resources	<u>1,778,742</u>	<u>1,667,624</u>
<b><u>Liabilities</u></b>		
Current liabilities	2,021,930	824,329
Long-term liabilities:		
Due within one year	166,534	156,064
Net Pension liability	1,924,181	1,564,031
Net OPEB liability	188,334	110,099
Other amounts due in more than one year	4,510,254	4,676,788
Total Liabilities	<u>8,811,233</u>	<u>7,331,311</u>
<b><u>Deferred Inflows</u></b>		
Pension	95,568	122,337
OPEB	253,658	229,215
Total Deferred Inflows of Resources	<u>349,226</u>	<u>351,552</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	(305,450)	(204,377)
Restricted *	116,426	127,690
Unrestricted *	(691,393)	(366,904)
Total Net Position	<u>\$ (880,417)</u>	<u>\$ (443,591)</u>

\* Certain reclassifications have been made

**BUCKEYE COMMUNITY SCHOOL-MARION  
MARION COUNTY, OHIO**

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

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

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

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

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

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

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

**BUCKEYE COMMUNITY SCHOOL-MARION  
MARION COUNTY, OHIO**

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

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

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

At June 30, 2024, the School's net position totaled a deficit of \$880,417. The increase in current assets is due to the increase in cash and cash equivalents and increase in receivables. The increase in current liabilities is due to the increase of intergovernmental payable due to the owing more monies to ODE because of the FTE foundation review. The changes in net OPEB asset, net pension and net OPEB liabilities, and deferred outflows and inflows of resources are attributed to the reporting of GASB 68 and 75 as discussed above.

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**BUCKEYE COMMUNITY SCHOOL-MARION  
MARION COUNTY, OHIO**

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

The table below shows the Change in Net Position for fiscal year 2024 and 2023.

	2024	2023
<b><u>Operating Revenues</u></b>		
State Foundation	\$ 4,020,350	\$ 2,590,279
Other State Aid	658,069	200,119
Other Operating Revenue	1,346	2,548
Total Operating Revenues	<u>4,679,765</u>	<u>2,792,946</u>
<b><u>Operating Expenses</u></b>		
Purchased Services - Management Fees *	6,195,740	3,751,616
Fringe Benefits	721,781	528,926
Purchased Services - Professional Services *	12,045	2,250
Property Services - Rent	-	28,113
Other Purchased Services	-	1,416
Sponsorship Fees	191,224	110,234
Materials and Supplies	-	136,748
Amortization	257,137	257,137
Other operating expenses	448	7,258
Total Operating Expenses	<u>7,378,375</u>	<u>4,823,698</u>
<b><u>Non-operating Revenues (Expenses)</u></b>		
Interest and Fiscal Charges	(163,959)	(171,507)
Federal and State grants	2,425,743	1,731,470
Total Non-operating Revenues (Expenses)	<u>2,261,784</u>	<u>1,559,963</u>
Change in net position	(436,826)	(470,789)
Net Position at the beginning of the year	<u>(443,591)</u>	<u>27,198</u>
Net Position at the end of the year	<u>\$ (880,417)</u>	<u>\$ (443,591)</u>

\* Certain reclassifications have been made

The revenue generated by a community school is almost entirely dependent on per-pupil allotment given by the state foundation and from federal entitlement programs. The increase in foundation revenue is due to an increase of enrollment. The increase in other state aid is due to the increase in facilities funding. The increase in federal and state grants is due to an increase in grant funding.

Fringe benefits expense increased mainly due to the pension adjustment to deferred outflows of resources for the recording of GASB Statement No. 68 as discussed above. All other operating expenses increased due to the increase in enrollment due to the third year of operations.

**BUCKEYE COMMUNITY SCHOOL-MARION  
MARION COUNTY, OHIO**

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

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**Capital Assets**

At June 30, 2024, the School had \$4,371,338 invested in intangible right-to-use leased building, net of accumulated amortization. The School has no other capital assets due to the nature of the full performance contract with New Leaf Organization.

See Note 6 in the notes to the basic financial statements for more detail on the School's capital assets.

**Long-Term Debt**

At June 30, 2024, the School had \$4,676,788 in leases payable with \$166,534 due within one year. The School reports an intangible right to use capital asset and corresponding liability for the future scheduled payments under the lease. See Note 12 in the notes to the basic financial statements for more detail on the School's long-term liabilities.

**Current Financial Related Activities**

The School was formed in fiscal year 2022. The enrollment for fiscal year 2024 was 503, an increase of 175 students from fiscal year 2023. The School relies on the State Foundation Funds and State and Federal Sub-Grants to provide the monies necessary to operate the School.

**Contacting the School's Financial Management**

This financial report is designed to provide our citizens with a general overview of the School's finances and to show the School's accountability for the money it receives. If you have any questions about this report or need additional information, contact Buckeye Community School-Marion, 366 West Center Street, Marion, Ohio 44302.

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

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

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**ASSETS**

**Current Assets:**

Cash and Cash Equivalents	\$ 1,320,092
Receivables:	
Intergovernmental	275,921
Other	417,523

<b>Total Current Assets</b>	<u>2,013,536</u>
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**Noncurrent Assets:**

Net OPEB Asset	116,426
Capital Assets, Net of Amortization	4,371,338

<b>Total Noncurrent Assets</b>	<u>4,487,764</u>
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<b>Total Assets</b>	<u>6,501,300</u>
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension	1,447,171
OPEB	331,571
<b>Total Deferred Outflows of Resources</b>	<u>1,778,742</u>

**LIABILITIES**

**Current Liabilities:**

Accounts Payable	275,921
Intergovernmental Payable	1,732,368
Accrued Interest Payable	13,641
Lease Payable	166,534

<b>Total Current Liabilities</b>	<u>2,188,464</u>
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**Noncurrent Liabilities:**

Lease Payable	4,510,254
Net Pension Liability	1,924,181
Net OPEB Liability	188,334

<b>Total Noncurrent Liabilities</b>	<u>6,622,769</u>
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<b>Total Liabilities</b>	<u>8,811,233</u>
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**DEFERRED INFLOWS OF RESOURCES**

Pension	95,568
OPEB	253,658
<b>Total Deferred Inflows of Resources</b>	<u>349,226</u>

**NET POSITION**

Net Investment in Capital Assets	(305,450)
Restricted for:	
OPEB	116,426
Unrestricted (Deficit)	(691,393)
<b>Total Net Position</b>	<u>\$ (880,417)</u>

See accompanying notes to the basic financial statements

**BUCKEYE COMMUNITY SCHOOL – MARION  
MARION COUNTY, OHIO**

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

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**OPERATING REVENUES**

State Foundation	\$ 4,020,350
Other State Aid	658,069
Other Operating Revenues	<u>1,346</u>
<b>Total Operating Revenues</b>	<u><u>4,679,765</u></u>

**OPERATING EXPENSES**

Purchased Services - Management Fees	6,195,740
Fringe Benefits	721,781
Purchased Services - Professional Services	12,045
Sponsorship Fees	191,224
Amortization	257,137
Other operating expenses	<u>448</u>
<b>Total Operating Expenses</b>	<u><u>7,378,375</u></u>
Operating Loss	<u><u>(2,698,610)</u></u>

**NON-OPERATING REVENUES (EXPENSES)**

Interest and Fiscal Charges	(163,959)
Federal and State grants	<u>2,425,743</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u><u>2,261,784</u></u>
Change in Net Position	(436,826)

Net Position - Beginning of Year	<u>(443,591)</u>
<b>Net Position - End of Year</b>	<u><u>\$ (880,417)</u></u>

See accompanying notes to the basic financial statements

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

**STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received from State Foundation	\$ 5,494,657
Cash Received from Other Operations	659,415
Cash Received from Custodial Activity	717,966
Cash Payments for Fringe Benefits	(385,576)
Cash Payments for Purchased Services	(6,808,852)
Cash Payments for Other Expenses	(235,901)
Cash Payments for Custodial Activity	(717,966)
Net Cash Used in Operating Activities	<u>(1,276,257)</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Federal and State Grants	2,396,877
Net Cash Provided by Noncapital Financing Activities	<u>2,396,877</u>

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

Principal Paid on Leases	(156,064)
Interest Paid on Leases	(164,414)
Net Cash Used in Capital and Related Financing Activities	<u>(320,478)</u>

Net Increase in Cash and Cash Equivalents 800,142

Cash and Cash Equivalents - Beginning of Year	519,950
<b>Cash and Cash Equivalents - End of Year</b>	<b><u>\$ 1,320,092</u></b>

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

Operating Loss	\$ (2,698,610)
Adjustments:	
Amortization	257,137
(Increase) in Assets and Deferred Outflows:	
Intergovernmental Receivable	40,736
Other Receivable	(409,781)
Net OPEB Asset	11,264
Deferred Outflow of Resources - Pensions	(4,306)
Deferred Outflow of Resources - OPEB	(106,812)
Increase in Liabilities and Deferred Inflows:	
Accounts Payable	(235,515)
Intergovernmental Payable	1,433,571
Net Pension Liability	360,150
Net OPEB Liability	78,235
Deferred Inflow of Resources - Pensions	(26,769)
Deferred Inflow of Resources - OPEB	24,443
Net Cash Used in Operating Activities	<b><u>\$ (1,276,257)</u></b>

See accompanying notes to the basic financial statements

## Notes to Basic Financial Statements

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 1: DESCRIPTION OF THE SCHOOL**

The Buckeye Community School - Marion (the "School") has been approved as a tax-exempt status nonprofit corporation under Section 501c(3) of the Internal Revenue Code. It was established pursuant to Ohio Revised Code Chapters 3314 and 1702 to address the needs of students in ninth through twelfth grade. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax exempt status.

The School, which is part of the State's education program, is independent of any school district and is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School. The School contracts with New Leaf Organization, Inc. for most of its functions (See Note 11).

The School began operations at the beginning of the 2021-2022 school year. The School was approved for operation under a contract with St. Aloysius (the Sponsor) for a period of five years commencing in July 2021. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a five-member Board of Directors (The Board). The Board is responsible for carrying out the provisions of the contract with the sponsor which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admissions standards, and qualifications of teachers. The Board of Directors leases the School's one instructional/support facility. See further information in Note 12. The facility is staffed with teaching personnel employed by New Leaf Organization, Inc.

Also, the School is associated with Miami Valley Educational Computer Association (MVECA), which is defined as a jointly governed organization. It is a computer consortium of area schools sharing computer resources (See Note 13).

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus**

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

**C. Basis of Accounting**

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

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

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

Expenses are recognized at the time they are incurred.

**D. Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension plans are explained in Notes 7 and 8.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School, deferred inflows of resources include pension and OPEB. The deferred inflows of resources related to pension and OPEB are explained in Notes 7 and 8.

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

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

**F. Cash Deposits**

Cash received by the School is reflected as “cash” on the statement of net position. Unless otherwise noted, all monies received by the School are pooled and deposited in a central bank account as demand deposits. The School did not have any investments during fiscal year 2024.

**G. Capital Assets**

All capital assets are capitalized at cost or estimated historical cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School has established a capitalization threshold of \$5,000. The School does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

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

**H. Net Position**

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

**I. Concentration of Business and Current Risk**

As of June 30, 2024, funds received from the federal and state of Ohio governments represented 90 percent of the revenues reported by the School. Accordingly, the risk exists that the ability to receive funds from these governments could affect the financial status of the School.

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Estimates**

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

**K. Operating Revenues and Expenses**

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

**L. Intergovernmental Revenues**

The School currently participates in the State Foundation Program, Facilities Funding Grants, various State and Federal Restricted Grants and Nutrition Program. Revenue from the State Foundation Program, casino revenue and facilities funding are recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded for fiscal year 2024 school year, excluding all other State and Federal grants, totaled \$4,678,419.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. State and Federal grants revenue for fiscal year 2024 was \$2,425,743.

**M. Pensions/Other Postemployment Benefits (OPEB)**

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

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

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**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLES**

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

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

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

**NOTE 4: DEPOSITS**

The School maintains its cash balances at financial institutions located in Ohio. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, per qualifying account. At June 30, 2024, the carrying value of all School deposits was \$1,320,092. \$257,258 of the schools bank balance of \$1,322,103 was covered by FDIC.

The School had no investments at June 30, 2024 or during the fiscal year.

**NOTE 5: RECEIVABLES**

Receivables at June 30, 2024, consisted of intergovernmental receivables arising from grants and entitlements and other receivables. All receivables are considered collectable in full. A summary of receivables follows:

<b>Intergovernmental receivables:</b>	<u>Amount</u>
Equity for Each Grant	\$ 11,117
Expanding Opportunities	13,779
21st Century	218,867
Stronger Connections Grant	<u>32,158</u>
Total intergovernmental receivables	275,921
 Sponsor	 51,971
New Leaf Organziation, Inc,	<u>365,552</u>
Total other receivables	<u>417,523</u>
Total receivables	<u><u>\$693,444</u></u>

**NOTE 6: CAPITAL ASSETS**

A summary of the School's capital assets at June 30, 2024, follows:

	<u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
<b>Capital Assets:</b>				
<u>Amortized Capital Assets:</u>				
Intangible Right-to-use Lease - Building	5,099,893	-	-	5,099,893
Total Amortized Capital Assets	<u>5,099,893</u>	<u>-</u>	<u>-</u>	<u>5,099,893</u>
 <u>Less Accumulated Amortization:</u>				
Intangible Right-to-use Lease - Building	(471,418)	(257,137)	-	(728,555)
Total Accumulated Amortization	<u>(471,418)</u>	<u>(257,137)</u>	<u>-</u>	<u>(728,555)</u>
<b>Total Capital Assets, Net</b>	<u><u>\$4,628,475</u></u>	<u><u>\$ (257,137)</u></u>	<u><u>\$ -</u></u>	<u><u>\$4,371,338</u></u>

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

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**NOTE 7: DEFINED BENEFIT PENSION PLAN**

**A. Net Pension Liability**

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

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

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

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

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

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

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

***Funding Policy*** – Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers.

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was the entire 14.0 percent.

The School's contractually required contribution to SERS was \$119,328 for fiscal year 2024.

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

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age. Eligibility changes for DB plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12.0 of the 14.0 percent member rates goes to the DC Plan and the remaining 2.0 percent goes to the DB plan.

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

The School's contractually required contributions to STRS was \$212,266 for fiscal year 2024.

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

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.0086483%	0.00493143%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.0114928%</u>	<u>0.00598630%</u>	
Change in Proportionate Share	<u>0.0028445%</u>	<u>0.00105487%</u>	
Proportionate Share of the Net Pension			
Liability	\$635,036	\$1,289,145	\$ 1,924,181
Pension Expense	\$264,485	\$396,184	\$660,669

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 27,295	\$ 46,999	\$ 74,294
Changes of assumptions	4,497	106,168	110,665
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between School contributions and proportionate share of contributions	269,518	661,100	930,618
School contributions subsequent to the measurement date	<u>119,328</u>	<u>212,266</u>	<u>331,594</u>
Total Deferred Outflows of Resources	<u>\$ 420,638</u>	<u>\$ 1,026,533</u>	<u>\$ 1,447,171</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 2,861	\$ 2,861
Changes of assumptions	-	79,914	79,914
Net difference between projected and actual earnings on pension plan investments	<u>8,928</u>	<u>3,865</u>	<u>12,793</u>
Total Deferred Inflows of Resources	<u>\$ 8,928</u>	<u>\$ 86,640</u>	<u>\$ 95,568</u>

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

\$331,594 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$204,571	\$276,850	\$481,421
2026	17,328	244,860	262,188
2027	70,010	170,438	240,448
2028	473	35,479	35,952
Total	<u>\$292,382</u>	<u>\$727,627</u>	<u>\$1,020,009</u>

**E. Actuarial Assumptions - SERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

**BUCKEYE COMMUNITY SCHOOL - MARION**  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

E. **Actuarial Assumptions - SERS** (Continued)

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

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

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

**BUCKEYE COMMUNITY SCHOOL - MARION**  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

E. **Actuarial Assumptions - SERS** (Continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	\$937,281	\$635,036	\$3,804,527

F. **Actuarial Assumptions – STRS**

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

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

**F. Actuarial Assumptions – STRS** (Continued)

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

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

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

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

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

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

**F. Actuarial Assumptions – STRS** (Continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net pension liability	\$1,982,421	\$1,289,145	\$702,825

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**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 8: DEFINED BENEFIT OPEB PLAN**

**A. Net OPEB Liability/Asset**

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

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

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

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

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

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

***Health Care Plan Description*** - The School contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents.

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

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

Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population.

For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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

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

The surcharge, is the total amount assigned to the Health Care Fund. The School's contractually required contribution to SERS was \$8,207 for fiscal year 2024.

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

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NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/asset			
Prior Measurement Date	0.0078417%	0.00493143%	
Proportion of the Net OPEB Liability/asset			
Current Measurement Date	0.0114319%	0.00598630%	
Change in Proportionate Share	0.0035902%	0.00105487%	
Proportionate Share of the Net OPEB Liability	\$ 188,334	\$ -	\$ 188,334
Proportionate Share of the Net OPEB (Asset)	\$ -	\$ (116,426)	\$ (116,426)
OPEB Expense	\$ 22,654	\$ (7,317)	\$ 15,337

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**MARION COUNTY, OHIO**

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

NOTE 8: **DEFINED BENEFIT OPEB PLAN** (Continued)

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

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 392	\$ 181	\$ 573
Changes of assumptions	63,681	17,153	80,834
Net difference between projected and actual earnings on pension plan investments	1,460	207	1,667
Changes in proportion and difference between School contributions and proportionate share of contributions	240,290	-	240,290
School contributions subsequent to the measurement date	8,207	-	8,207
Total Deferred Outflows of Resources	<u>\$ 314,030</u>	<u>\$ 17,541</u>	<u>\$ 331,571</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 97,134	\$ 17,762	\$ 114,896
Changes of assumptions	53,488	76,817	130,305
Changes in proportion and difference between School contributions and proportionate share of contributions	-	8,457	8,457
Total Deferred Inflows of Resources	<u>\$ 150,622</u>	<u>\$ 103,036</u>	<u>\$ 253,658</u>

\$8,207 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase to the net OPEB asset in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ 6,580	\$ (35,420)	\$ (28,840)
2026	10,386	(16,975)	(6,589)
2027	20,314	(7,264)	13,050
2028	26,284	(9,404)	16,880
2029	29,159	(8,720)	20,439
Thereafter	62,478	(7,712)	54,766
Total	<u>\$ 155,201</u>	<u>\$ (85,495)</u>	<u>\$ 69,706</u>

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

**E. Actuarial Assumptions- SERS**

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

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

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

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

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

**E. Actuarial Assumptions- SERS** (Continued)

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	0.79 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

**E. Actuarial Assumptions- SERS** (Continued)

***Discount Rate*** The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023 was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination for the SEIR for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index rate is 3.86 % at June 30, 2023 and 3.69 % at June 30, 2022.

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School's proportionate share of the net OPEB liability	\$240,745	\$188,334	\$147,006

	1% Decrease (5.75 % decreasing to 3.40%)	Current Trend Rate (6.75 % decreasing to 4.40%)	1% Increase (7.75 % decreasing to 5.40%)
School's proportionate share of the net OPEB liability	\$138,363	\$188,334	\$254,553

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

**F. Actuarial Assumptions- STRS**

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

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

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

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

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

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

**F. Actuarial Assumptions- STRS** (Continued)

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

\* Final Target weights reflected at October 1, 2022

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

***Discount Rate*** The discount rate used to measure the total OPEB asset was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB asset as of June 30, 2023.

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 8: DEFINED BENEFIT OPEB PLAN** (Continued)

**F. Actuarial Assumptions- STRS** (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School's proportionate share of the net OPEB (asset)	(\$98,539)	(\$116,426)	(\$132,003)

	1% Decrease	Current Trend Rate	1% Increase
School's proportionate share of the net OPEB (asset)	(\$132,725)	(\$116,426)	(\$96,792)

***Benefit Term Changes Since the Prior Measurement Date***

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

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**BUCKEYE COMMUNITY SCHOOL - MARION  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**NOTE 9: CONTINGENCIES**

**A. Grants**

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

**B. State Foundation Funding**

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

Under Ohio Rev. Code Section 3314.08, ODEW may also perform a FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance. ODEW has performed such a review on the School for fiscal year 2024, which resulted in an intergovernmental payable due to ODEW from the School.

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

In addition, the School's contracts with their Sponsor and Management Company require payment based on revenues received from the State.

**C. Litigation**

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

**NOTE 10: SPONSOR CONTRACT**

The School contracted with St. Aloysius as its sponsor and oversight services as required by law. Sponsorship fees are calculated as three percent of state funds received by the School from the State of Ohio. The total amount due from the School and paid to the sponsor for fiscal year ending 2024 was \$191,224.

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

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

**NOTE 11: MANAGEMENT CONTRACT**

The School entered into a management contract with New Leaf Organization, Inc. for management consulting services. New Leaf Organization, Inc. is required to provide the following services:

- Personnel & human resources administration
- Program of instruction
- Purchasing & contracts
- Budgeting, financial reporting and audit preparation
- Compliance issues
- Curriculum research and development
- Marketing and publicity
- Equipment and facilities
- Grant preparation and management

**NOTE 12: LONG-TERM LIABILITIES**

As of June 30, 2024, the School had the following long-term liabilities:

	Balance as of 7/1/2023	Additions	Deletions	Balance as of 6/30/2024	Due within One Year
Net Pension Liability:					
SERS	\$ 467,767	\$ 167,269	\$ -	\$ 635,036	\$ -
STRS	1,096,264	192,881	-	1,289,145	-
Total Net Pension Liability	1,564,031	360,150	-	1,924,181	-
Net OPEB Liability:					
SERS	110,099	78,235	-	188,334	-
Lease Payable	4,832,852	-	156,064	4,676,788	166,534
Total Long-Term Obligations	<u>\$ 6,506,982</u>	<u>\$ 438,385</u>	<u>\$ 156,064</u>	<u>\$ 6,789,303</u>	<u>\$ 166,534</u>

There is no repayment schedule for the net pension liability and net OPEB liability. For additional information related to the net pension liability and net OPEB liability see Notes 7 and 8.

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 12: LONG-TERM LIABILITIES** (Continued)

The School entered into a lease agreement commencing September 6, 2021, for a term of ten years with two additional periods of five years as renewal options, with Adena Development, LLC to lease the building and premises for the School. The School shall pay to Adena Development, LLC \$26,496 in monthly base rent payable in advance in monthly installments due on the 1st day of each month of the term. The School made \$317,957 in total payments to 1404 PAW, LLC during fiscal year 2024.

The following is a schedule of future lease payments under the lease agreement:

Fiscal Year Ending	Leases Payable		
	Principal	Interest	Total
2025	\$ 166,534	\$ 161,033	\$ 327,567
2026	177,450	155,030	332,480
2027	188,830	148,638	337,468
2028	200,690	141,840	342,530
2029	213,049	134,619	347,668
2030-2034	1,269,459	548,688	1,818,147
2035-2039	1,665,007	293,652	1,958,659
2040-2041	795,769	29,444	\$ 825,213
Total	<u>\$ 4,676,788</u>	<u>\$ 1,612,944</u>	<u>\$ 6,289,732</u>

**NOTE 13: MIAMI VALLEY EDUCATIONAL COMPUTER ASSOCIATION**

The School is a participant in the Miami Valley Educational Computer Association (MVECA), which is a computer consortium. MVECA is an association of public schools within the boundaries of Clark, Clinton, Fayette, Greene, Highland, Montgomery, Ross and Sandusky Counties and various cities. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts. The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and all three Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. Financial information can be obtained from Thor Sage, who serves as Executive Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

**NOTE 14: RISK MANAGEMENT**

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets' errors and omissions; and natural disasters. As part of its management agreement with New Leaf Organization, Buckeye Community School has contracted with an insurance company for property and general liability insurance pursuant to the Management Agreement.

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

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

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**NOTE 15: MANAGEMENT COMPANY EXPENSES**

For the fiscal year ended June 30, 2024, New Leaf Organization, Inc. incurred the following expenses on behalf of the School:

Salaries & Wages	
Regular Instruction	\$ 634,613
Special Instruction	429,618
Support Services	729,738
Employees' Benefits	
Regular Instruction	289,010
Special Instruction	195,650
Support Services	332,334
Professional and Technical Services	
Regular Instruction	109,174
Special Instruction	38,360
Property Services	
Regular Instruction	57,639
Support Services	18,150
Other Purchased Services	
Regular Instruction	219,900
Special Instruction	80,810
Support Services	16,919
Supplies	
Regular Instruction	618,053
Special Instruction	218,630
Support Services	4,210
Equipment	
Regular Instruction	34,820
Support Services	3,660
Other Direct Costs	9,236
	<u>\$ 4,040,524</u>

Overhead charges of \$207,093 included in direct costs are assigned to the School based on a percentage of FTE students per School. These charges represent the indirect cost of services in the operation of the School. Such services include but are not limited to, facilities management, equipment, operational support services, management and management consulting, board relations, human resources, management, training and orientation financial reporting and compliance, purchasing and procurement, education services, technology support and marketing communications.

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

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

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**NOTE 16: FISCAL DISTRESS**

Several factors have caused the School to experience fiscal distress. The School's cash balance at June 30, 2024 was \$1,320,092, which is due to New Leaf Organization. Additionally, the School has a deficit net position at June 30, 2024 of \$8,934, excluding the effects of GASB 68 and 75 and leases payable and assets. Overcoming this deficit may be difficult without significant increases in student enrollment and related revenues in order to pay off outstanding liabilities and cover ongoing operating costs.

## Required Supplementary Information

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO  
LAST TWO FISCAL YEARS (1)

	2024	2023
School's Proportion of the Net Pension Liability	0.0114928%	0.0086483%
School's Proportionate Share of the Net Pension Liability	\$ 635,036	\$ 467,767
School's Covered Payroll	\$ 455,950	\$ 323,064
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.28%	144.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%

(1) Information prior to 2023 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO  
LAST TWO FISCAL YEARS (1)

	<u>2024</u>	<u>2023</u>
School's Proportion of the Net Pension Liability	0.00598630%	0.00493143%
School's Proportionate Share of the Net Pension Liability	\$ 1,289,145	\$ 1,096,264
School's Covered Payroll	\$ 808,557	\$ 641,107
School's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.44%	171.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%

(1) Information prior to 2023 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL CONTRIBUTIONS - PENSION  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO  
LAST THREE FISCAL YEARS (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 119,328	\$ 63,833	\$ 45,229
Contributions in Relation to the Contractually Required Contribution	<u>(119,328)</u>	<u>(63,833)</u>	<u>(45,229)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered Payroll	\$ 852,343	\$ 455,950	\$ 323,064
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF SCHOOL CONTRIBUTIONS - PENSION  
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO  
LAST THREE FISCAL YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ 212,266	\$ 113,198	\$ 89,755
Contributions in Relation to the Contractually Required Contribution	<u>(212,266)</u>	<u>(113,198)</u>	<u>(89,755)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered Payroll	\$ 1,516,186	\$ 808,557	\$ 641,107
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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

	<u>2024</u>	<u>2023</u>
School's Proportion of the Net OPEB Liability	0.0114319%	0.0078417%
School's Proportionate Share of the Net OPEB Liability	\$ 188,334	\$ 110,099
School's Covered Payroll	\$ 455,950	\$ 323,064
School's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.31%	34.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%

(1) Information prior to 2023 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET OPEB ASSET  
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO  
LAST TWO FISCAL YEARS (1)

	<u>2024</u>	<u>2023</u>
School's Proportion of the Net OPEB Liability/Asset	0.00598630%	0.00493143%
School's Proportionate Share of the Net OPEB Liability/(Asset)	\$ (116,426)	\$ (127,690)
School's Covered Payroll	\$ 808,557	\$ 641,107
School's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-14.40%	-19.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/Asset	168.52%	230.73%

(1) Information prior to 2023 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

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

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF SCHOOL CONTRIBUTIONS - OPEB  
SCHOOL EMPLOYEES' RETIREMENT SYSTEM (SERS) OF OHIO  
LAST THREE FISCAL YEARS (2)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution (1)	\$ 8,207	\$ 6,230	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>(8,207)</u>	<u>(6,230)</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>
School Covered Payroll	\$ 852,343	\$ 455,950	\$ 323,064
OPEB Contributions as a Percentage of Covered Payroll (1)	0.96%	1.37%	0.00%

(1) Includes Surcharge

(2) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF SCHOOL CONTRIBUTIONS - OPEB  
STATE TEACHERS' RETIREMENT SYSTEM (STRS) OF OHIO  
LAST THREE FISCAL YEARS (1)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually Required Contribution	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School Covered Payroll	\$ 1,516,186	\$ 808,557	\$ 641,107
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%

(1) Information prior to 2022 is not available. Schedule is intended to show ten years of information, and additional information will be displayed as it becomes available.

See accompanying notes to the required supplementary information

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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***Net Pension Liability***

***Changes of benefit terms- SERS***

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

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

***Changes in assumptions- SERS***

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

***Changes in benefit terms – STRS***

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

***Changes in assumptions – STRS***

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017, 2019-2021, and 2024. For fiscal year 2018, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) inflation assumption lowered from 2.75% to 2.50%, (b) investment return assumption lowered from 7.75% to 7.45%, (c) total salary increases rates lowered by decreasing the merit component of the individual salary increases, as well as by 0.25% due to lower inflation, (d) payroll growth assumption lowered to 3.00%, (e) updated the healthy and disable mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016, (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) investment return assumption lowered from 7.45% to 7.00%, (b) discount rate of return reduced from 7.45% to 7.00%. For fiscal year 2023, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) projected salary increases changed from, 12.50% at age 20 to 2.50% at age 65, to, varies by service from 2.50% to 8.50% (b) post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

***Net OPEB Liability***

***Changes of benefit terms- SERS***

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

***Changes in Assumptions – SERS***

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

**Municipal Bond Index Rate:**

Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

**Single Equivalent Interest Rate, net of plan investment expense,  
including price inflation**

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Medicare Trend Assumption**

**Medicare**

Fiscal year 2024	6.75 percent decreasing to 4.40 percent
Fiscal year 2023	7.00 percent decreasing to 4.40 percent
Fiscal year 2022	5.125 percent decreasing to 4.40 percent
Fiscal year 2020	5.25 percent decreasing to 4.75 percent

**BUCKEYE COMMUNITY SCHOOL - MARION**  
**MARION COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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Fiscal year 2019	5.375 percent decreasing to 4.75 percent
Fiscal year 2018	5.50 percent decreasing to 5.00 percent
Pre – Medicare	
Fiscal year 2024	7.00 percent decreasing to 4.40 percent
Fiscal year 2023	7.00 percent decreasing to 4.40 percent
Fiscal year 2022	6.75 percent decreasing to 4.40 percent
Fiscal year 2020	7.00 percent decreasing to 4.75 percent
Fiscal year 2019	7.25 percent decreasing to 4.75 percent
Fiscal year 2018	7.50 percent decreasing to 5.00 percent

***Changes in Assumptions – STRS***

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

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

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

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

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

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

***Changes in Benefit Terms – STRS***

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

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

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

**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**

Buckeye Community School - Marion  
Marion County  
366 West Center St.  
Marion, Ohio 43302

To the Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Buckeye Community School - Marion, Marion County, Ohio, (the School) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated August 27, 2025, wherein we noted the School is experiencing financial difficulties and management has a plan in regard to this matter.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses that we considered a significant deficiency as item **2024-002**.

### **Report on Compliance and Other Matters**

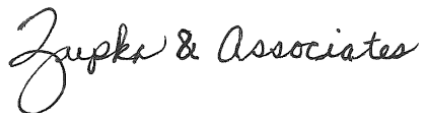
As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described in the accompanying Schedule of Findings and Responses as item **2024-001**.

### **School's Response to Findings**

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

### **Purpose of This Report**

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



Zupka & Associates  
Certified Public Accountants

August 27, 2025

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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**Finding No. 2024-001 - Non-Compliance – Accounting for Management Company Expenses**

Statement of Condition/Criteria

Ohio Revised Code Section 3314.024(A) states “A management company that receives more than twenty percent of the annual gross revenues of a community school shall provide a detailed accounting including the nature and costs of goods and services it provides to the community school. This information shall be reported using the categories and designations set forth in divisions (B) and (C) of this section, as applicable.”

Ohio Revised Code Section 3314.024(C) states "The expenses set forth in division (B) of this section shall be disaggregated according to the following designations, as applicable:

1. Regular instruction;
2. Special instruction;
3. Vocational instruction;
4. Other instruction;
5. Support services;
6. Noninstructional activities.”

In order to meet these requirements, management companies may elect to have the Auditor of State (or contracting IPAs) audit this information at the management company or may provide independently audited financial statements and a statement showing the direct and allocated indirect (e.g., overhead) expenses for each school it manages. The companies should present this statement in a combining or consolidating format (i.e., present a column for each school). If a management company does not have audited financial statements or the audited financial statements do not present combining or consolidating columns for each of its schools, or if the management company’s auditor does not provide opinion-level assurance on the combining or consolidating columns presenting each school, the Auditor of State will accept an agreed upon procedures (AUP) report per AICPA Clarified Attestation Standards Section 215.

Cause/Effect

New Leaf Organization, Inc., the School’s management company, received more than 20 percent of the School’s annual gross revenue for fiscal year 2024. Due to deficiencies in the School’s internal controls over compliance, the School's management company did not provide audited financial statements, presenting combining or consolidating columns for each of its schools, or an agreed-upon procedures (AUP) report. Additionally, a management company note was not presented in the financial statements in accordance with Section (C) above. Without this information, the School cannot gain the necessary assurances regarding the details of the management company expenses related to monies paid to the management company by the School as reported in the notes to the basic financial statements.

Recommendation

We recommend that the School obtain the necessary audit or AUP report.

Management’s Response

The School will request that the management company provide audited financial statements, presenting combined or consolidating columns for each of its schools, or an agreed-upon procedures report, to meet the reporting requirements in future periods.

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(CONTINUED)**

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**Finding No. 2024-002 – Significant Deficiency – Financial Reporting**

**Condition/Criteria**

Financial reporting is the responsibility of the School and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

During our review of the financial statements, the following errors were identified and subsequently corrected in the financial statements:

- Contracted Services revenue and Purchased Services – Management Fees were both overstated by \$768,532.
- Receivables – Other and Accounts Payable were both overstated by \$50,566.

**Cause/Effect**

New Leaf Organization, Inc., the School's management company, provides services to outside entities with meal preparation and staffing. The kitchen utilized for this service is in the school building used by Buckeye Community School - Marion. The revenue associated with this service was reported as contracted services revenue in School's unaudited financial statements; however, all the food is purchased by New Leaf Organization and the services are provided by New Leaf Organization staff. The unaudited statements also reported purchased services expense in the same amount as the contracted services revenue, effectively transferring all of the revenue to New Leaf Organization and resulting in no effect on the School's net position. Offsetting accounts receivable and accounts payable were also reported related to this activity.

**Recommendation**

We recommend that the School implement controls and procedures related to financial reporting that enables management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

**Management's Response**

The School will properly exclude this activity from the financial statements in the future.

**BUCKEYE COMMUNITY SCHOOL - MARION  
MARION COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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The prior audit report for the fiscal year ended June 30, 2023, included a non-compliance finding.

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Status</u>	<u>Additional Information</u>
2023-001	Non-Compliance Finding - Accounting for Management Company Expenses	Not Corrected	Repeated as Finding 2024-001

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# OHIO AUDITOR OF STATE KEITH FABER



**BUCKEYE COMMUNITY SCHOOL - MARION**

**MARION 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 1/13/2026**

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](http://www.ohioauditor.gov)