OHIO TUITION TRUST AUTHORITY

FRANKLIN COUNTY

REGULAR AUDIT

FOR THE FISCAL YEARS ENDED

JUNE 30, 2025 and 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Governing Board
Ohio Tuition Trust Authority
25 South Front Street, 1st Floor
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Ohio Tuition Trust Authority, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 14, 2026

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INDEPENDENT AUDITOR'S REPORT

Ohio Tuition Trust Authority
25 S. Front Street, 1st Floor
Columbus, OH 43215

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Enterprise Fund and Private Purpose Trust Fund of the Ohio Tuition Trust Authority (the Authority), a department of the State of Ohio, as of and for the year ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Enterprise Fund and Private Purpose Trust Fund of the Authority, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the CollegeAdvantage Direct 529 Savings Plan (The Vanguard Group, Inc.) and the BlackRock CollegeAdvantage 529 plan, which represent 98 and 98 percent of the Private Purpose Trust Fund assets as of June 30, 2025 and 2024, respectively, and total revenues constituting 92 and 93 present of total revenues of the Private Purpose Trust Fund for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Private Purpose Trust Fund, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Authority present only the financial position, changes in financial position, and where applicable, cash flows thereof of the Authority. They do not purport to, and do not, present fairly the financial position of the State of Ohio as of June 30, 2025 and 2024, the changes in financial position, or where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified regarding this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority 's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
September 29, 2025

OHIO TUITION TRUST AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025, 2024 AND 2023

As management of the Ohio Tuition Trust Authority (OTTA), part of the primary government of the State of Ohio, we offer readers of OTTA's financial statements this narrative overview and analysis of OTTA's financial activities for the fiscal years ended June 30, 2025, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with OTTA's financial statements for the years ended June 30, 2025 and 2024, which begin on Page 10 of this report.

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

Overview of the Financial Statements

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

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

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

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

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

OHIO TUITION TRUST AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025, 2024 AND 2023

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

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

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

Condensed Comparative Statements of Net Position for the Enterprise Fund at June 30, 2025, 2024 and 2023:

	2025	2024	2023
Current Assets, Excluding Securities	$ 6,152,219	$ 7,380,589	$ 9,541,769
Unrestricted Securities	22,132,164	21,087,839	20,568,562
Restricted Securities	124,834,891	135,335,608	143,163,696
Other Assets	260,667	165,667	47,219
Total Assets	153,379,941	163,969,703	173,321,246
Deferred Outflows	520,311	1,149,955	1,554,254
Current Liabilities, Excluding Liabilities Related to Tuition Benefits	839,318	742,157	1,234,894
Net Pension and Other Post-Employment Benefits Liability	2,395,413	2,645,790	3,522,832
Tuition Benefits Liability	36,400,000	48,000,000	61,900,000
Other Liabilities	429,529	366,983	352,914
Total Liabilities	40,064,260	51,754,930	67,010,640
Deferred Inflows	92,693	88,538	87,576
Total Net Position	$ 113,743,299	$ 113,276,190	$ 107,777,284

Statement of Revenues, Expenses and Changes in Fund Net Position - Years Ended June 30, 2025, 2024 and 2023:

	2025	2024	2023
Operating Revenue:			
Investment Income	$ 9,499,187	$ 8,684,365	$ 3,410,799
Basis Points Revenue	7,286,807	6,543,365	5,936,328
Total Operating Revenue	16,785,994	15,227,730	9,347,127
Operating Expenses, Excluding Tuition Benefits Expense	10,389,817	9,008,349	9,756,814
Tuition Benefits Expense	17,529,068	14,620,475	16,617,510
Actuarial Tuition Benefits Expense	(11,600,000)	(13,900,000)	(17,400,000)
Total Operating Expenses	16,318,885	9,728,824	8,974,324
Change In Net Position	467,109	5,498,906	372,803
Beginning Net Position	113,276,190	107,777,284	107,404,481
Ending Net Position	$ 113,743,299	$ 113,276,190	$ 107,777,284

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

OTTA’s securities for tuition benefits and administrative expenses decreased $9,456,392 (6.0%) and $7,308,812 (4.5%), while investment returns realized were 6.6% and 6.0% during the years ended June 30, 2025 and 2024, respectively. The securities for tuition benefits and administrative expenses continues to decrease as tuition payouts for the Guaranteed Savings Plan are ongoing as well as administrative expenses for each respective plan, net of investment returns. In addition, the tuition benefits payable decreased $11,600,000 (24.2%) and $13,900,000 (22.5%) during the same time periods. The tuition benefits liability decrease is a result of the continued redemption of units and credits by plan participants, net of actuarial changes.

OTTA’s primary source of operating revenue is investment income and a small administrative fee that was assessed to each credit or unit sold to the CollegeAdvantage participants, while the significant operating expense is tuition benefits expense. For fiscal years ended June 30, 2025 and 2024, OTTA’s net position increased (decreased) $467,109 and $5,498,906, respectively, primarily due to variability in investment returns and actuarial tuition benefit expense.

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

Private Purpose Trust Fund
Financial Summary

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

Condensed Statement of Fiduciary Net Position
At June 30, 2025, 2024 and 2023:

	2025	2024	2023
Total Assets	$ 19,704,628,715	$ 17,718,960,865	$ 15,777,728,524
Total Liabilities	(190,732,429)	(140,195,306)	(125,583,750)
Net Position Held In Trust For Plan Participants	$ 19,513,896,286	$ 17,578,765,559	$ 15,652,144,774

Condensed Statement Of Changes in Fiduciary Net Position
Years Ended June 30, 2025, 2024 and 2023

	2025	2024	2023
Additions:			
Units Sold	$ 1,653,734,497	$ 1,842,360,472	$ 1,483,493,906
Transfers/Exchanges In	2,903,996,211	1,794,148,257	1,297,067,380
Net Investment Earnings	2,017,248,836	2,000,477,690	1,403,434,901
Total Additions	6,574,979,544	5,636,986,419	4,183,996,187
Deductions:			
Units Redeemed	1,735,852,606	1,916,217,377	1,536,062,282
Transfers/Exchanges Out	2,903,996,211	1,794,148,257	1,297,067,380
Total Deductions	4,639,848,817	3,710,365,634	2,833,129,662
Change In Net Position	1,935,130,727	1,926,620,785	1,350,866,525
Beginning Net Position	17,578,765,559	15,652,144,774	14,301,278,249
Ending Net Position	$ 19,513,896,286	$ 17,578,765,559	$ 15,652,144,774

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

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

The benefits available in both plans are as follows:

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

The Direct Plan is, in general, a lower-cost option than the Advisor Plan, since customers are not receiving professional investment advice and are choosing to select their own investment strategy and manage their own accounts. The OTTA administers and has overall program management responsibility for the day-to-day operations of the CollegeAdvantage Direct Plan. As of June 30, 2025, the plan offers 22 low-cost options from The Vanguard Group, Dimensional Fund Advisors and Fifth Third Bank.

The CollegeAdvantage Advisor Plan is for customers working with an investment advisor. The Advisor Plan offers different investment options and fund managers than the Direct Plan. As of June 30, 2025, there are 28 investment options available through the BlackRock CollegeAdvantage Plan.

The assets under management for the Direct and Advisor Plans for the three years ended June 30, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Assets Under Management			
Direct	$ 12,229,231,642	$ 10,838,117,195	$ 9,475,400,619
Advisor	7,283,532,663	6,739,847,089	6,176,090,600
Total	$ 19,512,764,305	$ 17,577,964,284	$ 15,651,491,219

The asset growth (decline) is attributable to investment returns (net of fees) and net contributions (net of withdrawals) in fiscal years ended June 30, 2025, 2024 and 2023 as follows:

	2025	2024	2023
Direct			
Investment Returns	11.5%	12.5%	9.7%
Net Contributions	1.3%	1.8%	2.2%

	2025	2024	2023
Advisor			
Investment Returns	10.9%	13.0%	9.8%
Net Withdrawals	(2.9%)	(3.9%)	(4.0%)

Contacting OTTA's Financial Management

This financial report is designed to provide a general overview of OTTA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Ohio Tuition Trust Authority, 25 South Front Street, 1st Floor, Columbus, Ohio 43215 or call (800) 233-6734 or visit OTTA's website at www.collegeadvantage.com.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF NET POSITION
ENTERPRISE FUND
AS OF JUNE 30, 2025 AND 2024

	2025	2024
ASSETS:		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 4,550,111	$ 6,137,249
Collateral on Loaned Securities	273,851	198,684
Basis Points Receivable	1,328,257	1,044,656
Securities Restricted for Tuition Benefits Payable	6,310,000	10,200,000
TOTAL CURRENT ASSETS	12,462,219	17,580,589
NONCURRENT ASSETS:		
Unrestricted Securities for Administrative Expenses	22,132,164	21,087,839
Restricted Securities:		
Administrative Expenses	88,219,124	73,717,022
Tuition Benefits Payable	30,305,767	51,418,586
Other Assets:		
Fixed Assets	10,795	20,995
Net Pension and Other Post Employment Benefits Asset-Restricted	249,872	144,672
TOTAL NONCURRENT ASSETS	140,917,722	146,389,114
TOTAL ASSETS	$ 153,379,941	$ 163,969,703
DEFERRED OUTFLOW OF RESOURCES	$ 520,311	$ 1,149,955
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 153,900,252	$ 165,119,658
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	$ 303,456	$ 324,691
Accrued Compensation and Compensated Leave	262,011	218,782
Obligation Under Securities Lending	273,851	198,684
Tuition Benefits Payable from Restricted Assets	6,310,000	10,200,000
TOTAL CURRENT LIABILITIES	7,149,318	10,942,157
NONCURRENT LIABILITIES:		
Tuition Benefits Payable from Restricted Assets	30,090,000	37,800,000
Net Pension Liability	2,395,413	2,645,790
Accrued Compensated Leave	429,529	366,983
TOTAL NONCURRENT LIABILITIES	32,914,942	40,812,773
TOTAL LIABILITIES	$ 40,064,260	$ 51,754,930
DEFERRED INFLOW OF RESOURCES	$ 92,693	$ 88,538
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	40,156,953	51,843,468
NET POSITION		
Restricted	$ 88,684,763	$ 87,480,280
Unrestricted	$ 25,058,536	$ 25,795,910
TOTAL NET POSITION	113,743,299	113,276,190

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES:		
Interest and Dividend Income	$ 1,929,230	$ 776,638
Basis Points Revenue	7,286,807	6,543,365
Net Increase in Fair Value of Marketable Securities	7,569,957	7,907,727
TOTAL OPERATING REVENUES	16,785,994	15,227,730
OPERATING EXPENSES:		
Tuition Benefits Expense (payouts)	17,529,068	14,620,475
Actuarial Tuition Benefits Expense	(11,600,000)	(13,900,000)
Payroll and Employee Benefits	3,581,226	2,398,933
Other Operating Expenses	6,808,591	6,609,416
TOTAL OPERATING EXPENSES	16,318,885	9,728,824
NET INCOME (LOSS)	467,109	5,498,906
NET POSITION		
Beginning of Year, July 1	113,276,190	107,777,284
End of Year, June 30	$ 113,743,299	$ 113,276,190

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Payments for Payroll and Employee Benefits	$ (3,197,231)	$ (2,913,360)
Cash Payments for Operating Expenses	(6,819,623)	(7,150,966)
Cash Payments for Tuition Benefits	(17,529,068)	(14,620,475)
Cash Receipts from Basis Points	7,003,206	6,954,090
NET CASH FLOWS USED BY OPERATING ACTIVITIES	(20,542,716)	(17,730,711)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the Sales and Maturities of Securities	39,241,505	41,110,238
Purchase of Securities	(22,206,215)	(25,891,075)
Interest and Dividends Received	1,920,288	774,014
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	18,955,578	15,993,177
NET DECREASE IN CASH & CASH EQUIVALENTS	(1,587,138)	(1,737,534)
CASH AND CASH EQUIVALENTS		
Beginning of Year, July 1	6,137,249	7,874,783
End of Year, June 30	$ 4,550,111	$ 6,137,249
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$ 467,109	$ 5,498,906
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Investment Loss (Income)	(9,499,187)	(8,684,366)
Depreciation	10,200	(7,466)
Decrease (Increase) in Assets:		
Basis Points Receivable	(283,601)	410,726
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Liabilities	(21,233)	(534,084)
Accrued Compensation and Compensated Leave	105,774	68,336
Pension and Other Post Employment Benefits	278,222	(582,763)
Tuition Benefits Payable	(11,600,000)	(13,900,000)
NET CASH FLOWS USED BY OPERATING ACTIVITIES	$ (20,542,716)	$ (17,730,711)

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
AS OF JUNE 30, 2025 AND 2024

	2025	2024
ASSETS:		
Investments in Securities, at Value	$ 19,061,345,547	$ 17,158,484,889
Cash Equivalents	451,698,766	421,143,043
Dividends, Interest, and Other Receivable	5,174,189	10,350,805
Receivable for Units Sold	21,085,122	13,808,234
Receivable for Securities Sold	165,325,091	115,173,894
TOTAL ASSETS	$ 19,704,628,715	$ 17,718,960,865
LIABILITIES:		
Cash Overdraft	$ 878,184	$ 1,698,357
Payable for Securities Purchased	170,240,592	128,403,650
Payable for Units Redeemed	16,124,249	6,076,196
Accrued Management and Administrative Fees	1,922,437	2,501,784
Accrued Sales Fees	1,566,967	1,515,319
TOTAL LIABILITIES	190,732,429	140,195,306
NET POSITION HELD IN TRUST FOR PLAN PARTICIPANTS	$ 19,513,896,286	$ 17,578,765,559

See notes to financial statements.

OHIO TUITION TRUST AUTHORITY

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
ADDITIONS		
Contributions:		
Units Sold	$ 1,653,734,497	$ 1,842,360,472
Exchanges In	2,785,506,211	1,654,153,257
Transfers In	118,490,000	139,995,000
Total Contributions	4,557,730,708	3,636,508,729
Investment Earnings:		
Investment Income	779,600,158	530,397,036
Net Realized/Unrealized Appreciation on Underlying Fund Shares	1,278,331,297	1,507,972,752
Total Investment Earnings	2,057,931,455	2,038,369,788
Less: Investment Expenses	40,682,619	37,892,098
Net Investment Earnings	2,017,248,836	2,000,477,690
TOTAL ADDITIONS	6,574,979,544	5,636,986,419
DEDUCTIONS		
Units Redeemed	1,735,852,606	1,916,217,377
Exchanges Out	2,785,506,211	1,654,153,257
Transfers Out	118,490,000	139,995,000
TOTAL DEDUCTIONS	4,639,848,817	3,710,365,634
CHANGE IN NET POSITION	1,935,130,727	1,926,620,785
NET POSITION		
Held in Trust for Plan Participants - Beginning of Year, July 1	17,578,765,559	15,652,144,774
Held in Trust for Plan Participants - End of Year, June 30	$ 19,513,896,286	$ 17,578,765,559

See notes to financial statements.

NOTE 1 - ORGANIZATION

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

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

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

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

Enterprise Fund

The accompanying enterprise financial statements report the financial position, results of operations and cash flows for the fiscal years ended June 30, 2025 and 2024 of the Enterprise Fund consisting of the Guaranteed Savings Plan and the administrative portion of the Variable Savings plans. These funds are part of the State of Ohio's reporting entity. The accompanying statements are not intended to present all enterprise activities of the State of Ohio. The **State of Ohio Annual Comprehensive Financial Report** provides more extensive disclosures regarding the significant accounting policies of the State as a whole.

NOTE 1 - ORGANIZATION (Continued)

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

Private Purpose Trust Fund

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

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

At June 30, 2025, the Direct Plan offers 22 options from The Vanguard Group, Dimensional Fund Advisors, and Fifth Third Bank, including two age-based/target-date options, five risk-based options and 15 individual options.

Ascensus College Savings Recordkeeping Services, LLC provides recordkeeping and fund accounting services for the Direct Plan. The Ascenus contract was renegotiated July 1, 2025 for five years with no additional option to renew. Fifth Third Bank maintains, on OTTA's behalf, separate records for each account involving Savings Products; these services include recordkeeping and accounting for each individual account.

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

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

NOTE 1 - ORGANIZATION (Continued)

The CollegeAdvantage Advisor Plan is for customers working with an investment advisor. It offers the same 529 tax-saving benefits but has different investment options and fund managers than the Direct Plan. On October 1, 2009, BlackRock Advisors, LLC launched the BlackRock CollegeAdvantage Plan through financial advisors. As of June 30, 2025, there are 28 investment options, including seven target-date options, three target-risk options and 18 single strategy options. The BlackRock contract was renegotiated March 1, 2021 for seven years with an option to renew for a subsequent five-year term.

The Variable Savings Plan is recorded as a Private Purpose Trust Fund in these financial statements, which report the financial position and results of operations for the years ended June 30, 2025 and 2024 of the Fiduciary Fund consisting of the Variable Savings Plan.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Use of Estimates

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

Net Position

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

Reclassifications

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting - Enterprise Fund

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

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

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

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting - Private Purpose Trust Fund

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

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with the State of Ohio and amounts on deposit with financial institutions. OTTA considers cash deposits with a maturity of three months or less when purchased to be cash equivalents, except for STAR Ohio and repurchase agreements. At June 30, 2025, the portion of OTTA's deposits held by the Ohio Treasurer of State was not exposed to custodial credit risk. Of the portion on deposit with a banking institution, $250,000 was FDIC insured and the remainder collateralized with securities held by pledging financial institutions' trust department or agent but not in OTTA's name.

Collateral on Loaned Securities/Obligation under Securities Lending

During fiscal year 2025, the Treasurer of State routinely lent securities from the State's investment portfolio under securities lending agreements. For the State's securities out on loan, the Treasurer received cash collateral from the borrower. The State is obligated to return the cash to the borrower when the security lending agreement terminates. The Treasurer reinvested the collateral in various types of investments, including U.S. government and agency obligations, repurchase agreements, commercial paper, corporate bonds, asset-backed securities, master notes, variable rate notes and money market funds. Also, cash collateral may have been placed with financial institutions. For cash collateral the Treasurer received for securities out on loan as of June 30, 2025, the State reported assets and liabilities arising from the securities lending transactions on the financial statements of the funds that had the risk of loss on the collateral assets.

Securities

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

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

OHIO TUITION TRUST AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

Compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule. Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash.

Changes in compensated absences for the year ended June 30, 2025, are as follows:

	Beginning Balance	Net Additions/Deductions	Ending Balance	Amount Due within One Year
Compensated Absences	$ 477,878	$ 82,307	$ 560,185	130,656

Revenue

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

CollegeAdvantage Direct Plan

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

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

BlackRock CollegeAdvantage Plan

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

Expenses

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Self-Insurance

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

Pensions/Other Postemployment Benefits (OPEB)

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

Deferred Outflows/Inflows of Resources

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

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

Income Taxes

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Pronouncements

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

- GASB 103, Financial Reporting Model Improvements (effective fiscal year 2026)
- GASB 104, Disclosure of Certain Capital Assets (effective fiscal year 2026)

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

NOTE 3 - DEPOSITS

The carrying amount of OTTA's deposits in the Enterprise Fund was approximately $4,550,000 and $6,137,000, and the bank balance was approximately $5,700,000 and $6,954,000 at June 30, 2025 and 2024, respectively.

	2025	2024
State of Ohio's pooled cash and investments held by the Ohio Treasurer of State	$ 1,133,000	$ 945,000
Custodial accounts held by the Ohio Treasurer of State	4,567,000	6,009,000
	$ 5,700,000	$ 6,954,000

NOTE 4 - SECURITIES

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

The Guaranteed Savings Fund also has funds invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), an investment pool managed by the State Treasurer's office that allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*. Investments in STAR Ohio are valued on the basis of the amortized cost valuation technique. The investment objectives of STAR are preserving capital, maintaining liquidity and providing current income. Standard & Poor's has assigned an "AAAm" money market rating (its highest rating) to STAR. By obtaining a triple A rating, STAR Ohio is considered to have a superior capacity to maintain principal ($1.00 per share value) and limit exposure to loss. The rating is based on an analysis of the pool's management, investment guidelines, portfolio holdings and market price exposure. For the year ended June 30, 2025, there were no limitations on any participant withdrawals due to redemption notice periods, liquidity fees or redemption gates.

NOTE 4 - SECURITIES (Continued)

	Balance (Fair Value @ 6/30/25)	Credit Quality Rating AAA	AA	A	BBB	BB	B	Not Rated
U.S. Government Obligations - ◊	$ 92,338,115	$ 92,338,115	-	-	-	-	-	-
U.S. Government Obligations - ɫ	16,769,777	16,769,777	-	-	-	-	-	-
Negotiable Certificates of Deposit - ɫ (at cost)	5,089,294	-	-	-	-	-	-	$ 5,089,294
Total Fixed Maturities	114,197,186	109,107,892	-	-	-	-	-	5,089,294
Equity Mutual Funds - ◊	14,337,930	-	-	-	-	-	-	14,337,930
STAR Ohio - ◊	1,961,643	1,961,643	-	-	-	-	-	-
Restricted Cash - ◊*	2,441,386	-	-	-	-	-	-	2,441,386
Unrestricted Cash - ɫ	273,094	-	-	-	-	-	-	273,094
Repurchase Agreements -◊	13,755,816	-	-	-	-	-	-	13,755,816
	$ 146,967,055	$ 111,069,535	-	-	-	-	-	$ 35,897,520

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

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

* Cash restricted for tuition benefits and administrative expenses

NOTE 4 - SECURITIES (Continued)

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

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

Concentration of Credit Risk - The risk of loss that may be attributed to the magnitude of OTTA's investment in a single issuer. In 2025 and 2024, there is no single issuer comprising 5% or more of the overall portfolio.

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

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

NOTE 4 - SECURITIES (Continued)

	Balance (Fair Value @ 6/30/25)	Securities Maturities (In Years) Less than 1	1-5	6-10	More than 10
U.S. Government Obligations - ◊	$ 92,338,115	$ 34,738,611	$ 53,499,276	$ 4,100,228	-
U.S. Government Obligations - ƫ	16,769,777	2,078,450	14,691,327	-	-
Negotiable Certificates of Deposit - ƫ (at cost)	5,089,294	2,830,073	2,259,221	-	-
Equity Mutual Funds - ◊	14,337,930	14,337,930	-	-	-
Star Ohio - ◊	1,961,643	1,961,643	-	-	-
Restricted Cash - ◊ *	2,441,386	2,441,386	-	-	-
Unrestricted Cash - ƫ	273,094	273,094	-	-	-
Repurchase Agreements - ◊	13,755,816	13,755,816	-	-	-
	$ 146,967,055	$ 72,417,003	$ 70,449,824	$ 4,100,228	$ -

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

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

* Cash restricted for tuition benefits and administrative expenses

OHIO TUITION TRUST AUTHORITY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4 - SECURITIES (Continued)

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

	Balance (Fair Value @ 6/30/25)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Obligations - ◊	$ 92,338,115	-	$ 92,338,115	-
U.S. Government Obligations -ⴕ	16,769,777	-	16,769,777	-
Negotiable Certificates of Deposit - ⴕ (at cost)	5,089,294	-	5,089,294	-
Equity Mutual Funds - ◊	14,337,930	$ 14,337,930	-	-
Star Ohio - ◊	1,961,643	1,961,643	-	-
Restricted Cash - ◊*	2,441,386	2,441,386	-	-
Unrestricted Cash - ⴕ	273,094	273,094	-	-
Repurchase Agreements - ◊	13,755,816	13,755,816	-	-
	$ 146,967,055	$ 32,769,869	$ 114,197,186	-

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

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

* Cash restricted for tuition benefits and administrative expenses

NOTE 5 - PRIVATE PURPOSE TRUST FUND

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

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

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

At June 30, 2025 and 2024, cash equivalents and investments of the Private Purpose Trust Fund options were as follows:

	2025		2024	
	Cash and Cash Equivalents	Investments	Cash and Cash Equivalents	Investments
CollegeAdvantage Advisor Plan	$ 17,266	$ 7,285,372,547	-	$ 6,746,619,889
CollegeAdvantage Direct Plan	451,681,500	11,775,973,000	$ 421,143,043	10,411,865,000
	$ 451,698,766	$ 19,061,345,547	$ 421,143,043	$ 17,158,484,889

NOTE 6 - TUITION BENEFITS PAYABLE

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

	2025	2024
APV of future tuition benefits and expenses payable	$ 36,400,000	$ 48,000,000
Actuarial net position available in Guaranteed Savings Fund	124,800,000	135,300,000

Individual fund net position balances at June 30 were as follows:	2025	2024
Guaranteed Savings Fund:		
Operating Sub Fund	$ (13,268,130)	$ (12,293,547)
Reserve Sub Fund	127,415,562	122,092,496
Trust Sub Fund	(26,367,700)	(23,101,620)
Total Guaranteed Savings Fund	87,779,732	86,697,329
Variable Savings Operating Sub Fund	25,963,567	26,578,861
Total Net Position - Enterprise Fund	$ 113,743,299	$ 113,276,190

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

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

Economic assumptions set by the OTTA Investment Board FY25:
Tuition Inflation Assumption:
Fall 2025: An amount equal to the maximum amount of tuition and mandatory fee increases permitted by the State of Ohio biennial budget, as signed into law by Governor Mike Dewine; and Fall 2026 and thereafter: 4.00%
Rate of return (investment of current and future assets) Fall 2025 and thereafter: 3.70% net of fees.

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

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

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability (Asset)

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

The net pension liability (asset) represents OTTA's proportionate share of the pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension plan's fiduciary net position. 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 OTTA's obligation for this liability to annually required payments. OTTA cannot control benefit terms or the manner in which pensions are financed; however, OTTA does receive the benefit of employees' services in exchange for compensation including pension.

GASB 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 the pension 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 fiscal year would be included in accrued liabilities.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - OTTA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a defined contribution plan. The traditional pension plan also includes members of the legacy combined pension plan, Prior to January 1, 2024, the combined pension plan was a separate pension plan. Effective January 1, 2022, the combined pension plan is no longer available for member selection.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. A death benefit of $500 to $2,500 determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions. For fiscal years 2025 and 2024, employee and employer contributions rates were consistent. The employee contribution rates were 10 percent of covered payroll, and the employer contribution rate was 14 percent of covered payroll.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. OTTA's contractually required pension contributions for fiscal years ended June 30, 2025, 2024 and 2023 were approximately $295,000, 280,000, and $292,000, respectively.

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

As of January 1, 2024, the Combined Plan was consolidated into the Traditional Pension Plan; therefore, the information presented for fiscal year 2025 reflects this consolidation.

At June 30, 2025, OTTA reported a net pension liability of $2,395,413 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024. At December 31, 2024, OTTA's proportionate share was 0.009771 percent of the net pension liability.

At June 30, 2024, OTTA reported a net pension liability of $2,645,790 for its proportionate share of the Traditional Plan's net pension liability and a net pension asset of $44,220 for its proportionate share of the Combined Plan's net pension asset. The net pension liability/asset was measured as of December 31, 2023. At December 31, 2023, OTTA's proportionate share was 0.010106 percent of the Traditional Plan's net pension liability and 0.014387 percent of the Combined Plan's net pension asset.

For the fiscal years ended June 30, 2025 and 2024, OTTA recognized pension expense of $266,896 and negative $301,954, respectively.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

At fiscal year-end, OTTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2025	June 30, 2024
Deferred Outflows of Resources		
Differences between expected and actual experience	$ 45,833	$ 49,651
Net difference between projected and actual earnings on pension plan investments	282,586	685,820
Changes of assumptions	-	1,826
Changes in proportionate share	54,927	184,344
OTTA contributions subsequent to the measurement date	128,488	116,468
Total Deferred Outflows of Resources	$ 511,834	$ 1,038,109
Deferred Inflows of Resources		
Differences between expected and actual experience	$ -	$ 4,866
Changes in proportionate share	41,007	15,577
Total Deferred Inflows of Resources	$ 41,007	$ 20,443

OTTA contributions subsequent to the measurement date of $128,488 are reported as deferred outflows of resources. The contributions will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	Net Deferred Inflows/ (Outflows)
2026	$ 192,780
2027	294,093
2028	(109,027)
2029	(35,507)
Total	$ 342,339

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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. The total pension liability was determined by an actuarial valuation as of December 31, 2024, using the following actuarial assumptions and methods applied to all periods included in the measurement:

Wage Inflation	2.75 percent
Projected Salary Increases	2.75 to 10.75 percent including wage inflation at 2.75 percent
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3% Simple; Post 1/7/13 Retirees: 2.90% Simple for 2025, then 2.05% Simple
Investment Rate of Return	6.90 percent
Actuarial Cost Method	Individual entry age normal

The most recent experience study was for the 5-year period ended December 31, 2020.

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables for males and females. Post-retirement mortality rates are based on 115 percent of the Pub-2010 Retiree Mortality Tables for males and females. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables for males and females. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales for males and females to these tables.

The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2024, these best estimates are summaries in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	2.42 %
Domestic Equities	21.00	5.70
Real Estate	13.00	4.17
Private Equity	15.00	8.40
International Equities	20.00	6.10
Risk Parity	2.00	4.40
Other investments	5.00	2.54
Total	100.00 %	

Sensitivity of OTTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents OTTA's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what OTTA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
OTTA's proportionate share of the net pension liability			
Traditional Plan	$ 3,918,757	$ 2,395,413	$ 1,129,528

NOTE 8 – DEFINED BENEFIT OPEB PLAN

The employees of OTTA are covered by the Ohio Public Employees Retirement System. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Net OPEB Asset

The net OPEB asset reported on the statement of net position represents an asset for employees for other post-employment benefits (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 net OPEB asset represents OTTA's proportionate share of the OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

GASB 75 assumes the asset is solely the right 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 system to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB asset would be effective when the changes are legally enforceable. The retirement system may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of the plan's unfunded benefits is presented as a net OPEB asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the fiscal year would be included in accrued liabilities.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS). OPERS administers two separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan and the member-directed plan is a defined contribution plan. The traditional pension plan OTTA includes members of the legacy combined pension plan. Prior to January 1, 2024, the combined pension plan was a separate pension plan. Effective January 1, 2022, the combined pension plan is no longer available for member selection.

NOTE 8 – DEFINED BENEFIT OPEB PLAN (continued)

The OPERS health care plans are reported as cost-sharing, multiple employer other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014. Health care coverage is neither guaranteed nor statutorily required.

Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Effective January 1, 2022, retirees must generally be at least age 65 with a minimum of 20 years of qualifying service credit, or a minimum of 30 years of qualifying service credit at any age, to qualify for health care benefits.

Beginning 2016 for Medicare retirees enrolled in Medicare A and B, and beginning 2022 for non-Medicare retirees, eligible retirees were able to participate in the OPERS Connector (Connector) in lieu of comprehensive health care coverage. The Connector, a vendor selected by OPERS, assists eligible retirees in the evaluation, selection and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in their health care reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal years 2025 and 2024, OTTA contributed at a rate of 14 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. A portion of each employer contribution may be set aside for the funding of post-employment health care coverage. The portion of employer contributions allocated to health care was zero for fiscal year 2025 and 2024.

NOTE 8 – DEFINED BENEFIT OPEB PLAN (continued)

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

At June 30, 2024, OTTA reported a net OPEB asset of $100,452 for its proportionate share of the Healthcare Plan's net OPEB asset. The net OPEB asset was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023. At December 31, 2023, OTTA's proportion was 0.011130% of the Healthcare Plan's net OPEB asset.

At June 30, 2025, OTTA reported a net OPEB asset of $249,872 for its proportionate share of the Healthcare Plan's net OPEB asset. The net OPEB asset was determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024. At December 31, 2024, OTTA's proportion was 0.010659% of the Healthcare Plan's net OPEB asset.

The net OPEB asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

At June 30, 2025, OTTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2025	June 30, 2024
Deferred Outflows of Resources		
Net difference between projected and actual earnings on pension plan investments	$ 5,145	$ 82,386
Changes of assumptions	-	29,460
Changes in proportionate share	3,332	-
Total Deferred Outflows of Resources	$ 8,477	$ 111,846
Deferred Inflows of Resources		
Differences between expected and actual experience	$ 12,162	$ 15,119
Changes of assumptions	36,054	43,182
Changes in proportionate share	3,470	9,794
Total Deferred Inflows of Resources	$ 51,686	$ 68,095

NOTE 8 – DEFINED BENEFIT OPEB PLAN (continued)

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

Fiscal Year Ending June 30:	Net Deferred Inflows/ (Outflows)
2026	$ (27,051)
2027	24,567
2028	(30,117)
2029	(10,608)
Total	$ (43,209)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between the pension system and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024.

The actuarial valuation used the following key actuarial assumptions and methods applied to all periods included in the measurement:

	December 31, 2024	December 31, 2023
Wage Inflation	2.75 percent	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation at 2.75 percent	2.75 to 10.75 percent including wage inflation at 2.75 percent
Single Discount Rate	6.00 percent	5.70 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	4.08 percent	3.77 percent
Health Care Cost Trend Rate	5.50 percent, initial 3.50 percent, ultimate in 2039	5.50 percent, initial 3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal

NOTE 8 – DEFINED BENEFIT OPEB PLAN (continued)

For 2024 and 2023, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables for males and females. Post-retirement mortality rates are based on 115 percent of PubG-2010 Retiree Mortality Tables for males and females. Post-retirement mortality rates for disables retirees are based on the PubNS-2010 Disables Retiree Mortality Tables for males and females. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying MP-2020 mortality improvement scales for males and females to all of these tables.

A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2024. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). The single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.08 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, the duration of the projected period through which projected health care payments are fully funded.

The allocation of investment assets within the OPERS Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board’s investment consultant.

NOTE 8 – DEFINED BENEFIT OPEB PLAN (continued)

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00 %	2.37 %
Domestic Equities	26.00	5.70
REITs	5.00	5.00
International Equities	26.00	6.10
Risk Parity	3.00	4.40
Other investments	3.00	2.50
Total	100.00 %	

Sensitivity of OTTA's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents OTTA's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, and the expected net OPEB asset if it were calculated using a discount rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
OTTA's proportionate share of the net OPEB asset	$ 124,071	$ 249,872	$ 354,838

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
OTTA's proportionate share of the net OPEB asset	$ 253,684	$ 249,872	$ 245,583

NOTE 8 – DEFINED BENEFIT OPEB PLAN (continued)

Retiree health care valuations use a health care cost-trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2025 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease at a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

NOTE 9 - CONTINGENCIES

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

NOTE 10 – SUBSEQUENT EVENT

After the fiscal year ended June 30, 2025, and prior to the issuance of these financial statements, the Authority was impacted by the enactment of Ohio Revised Code 3333.96 and 3334.11 (G)(3), effective September 30, 2025. This legislation allows funds from the reserve fund to be transferred to the strategic square footage reduction fund. As a result, the Authority transferred securities restricted for administrative expenses to cash. The transfer was made to ensure sufficient liquidity to meet the anticipated obligation related to the new legislation, which will result in a reduction of the Authority's net position/fund balance when complete. Because the legislation was enacted after the fiscal year-end and the obligation did not exist at the balance sheet date, this event is considered a non-adjusting subsequent event. The financial statements do not reflect this transaction; however, its impact is disclosed here for the users' information.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

OHIO TUITION TRUST AUTHORITY

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

	Traditional Pension Plan				
	2024	2023	2022	2021	2020
OTTA's proportion of net pension liability	0.009771%	0.010106%	0.011655%	0.011341%	0.010956%
OTTA's proportionate share of net pension liability	$ 2,395,413	$ 2,645,790	$ 3,442,890	$ 986,700	$ 1,622,300
OTTA's covered payroll	2,001,750	1,663,000	1,737,000	1,639,000	1,538,000
OTTA's proportionate share of net pension liability as a percentage of its covered payroll	120%	159%	198%	60%	105%
Plan fiduciary net position as a percentage of the total pension liability	80.99%	79.0%	75.7%	92.6%	86.9%

	Traditional Pension Plan				
	2019	2018	2017	2016	2015
OTTA's proportion of net pension liability	0.010997%	0.010900%	0.010716%	0.009319%	0.009231%
OTTA's proportionate share of net pension liability	$ 2,173,631	$ 2,985,289	$ 1,681,133	$ 2,116,186	$ 1,478,889
OTTA's covered payroll	1,547,000	1,457,000	1,354,000	1,203,000	1,063,000
OTTA's proportionate share of net pension liability as a percentage of its covered payroll	141%	205%	124%	176%	139%
Plan fiduciary net position as a percentage of the total pension liability	82.2%	74.7%	84.7%	77.3%	81.1%

OHIO TUITION TRUST AUTHORITY

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

	Other Post-Employment Benefits				
	2024	2023	2022	2021	2020
OTTA's proportion of net OPEB liability (asset)	0.010659%	0.011130%	0.012679%	0.012324%	0.011962%
OTTA's proportionate share of net OPEB Liability (asset)	$ (249,872)	$ (100,452)	$ 79,942	$ (386,007)	$ (213,113)
OTTA's covered payroll	2,001,750	1,729,000	1,800,000	1,700,000	1,597,000
OTTA's proportionate share of net OPEB Liability (asset) as a percentage of its covered payroll	-12%	-6%	4%	23%	13%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	121.5%	107.8%	94.8%	128.2%	115.6%

	Other Post-Employment Benefits		
	2019	2018	2017
OTTA's proportion of net OPEB liability (asset)	0.012010%	0.011990%	0.012190%
OTTA's proportionate share of net OPEB Liability (asset)	$ 1,658,892	$ 1,563,213	$ 1,323,744
OTTA's covered payroll	1,606,000	1,525,000	1,455,000
OTTA's proportionate share of net OPEB Liability (asset) as a percentage of its covered payroll	103%	103%	91%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	47.8%	46.3%	54.1%

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

** The Combined Pension Plan is insignificant and no longer included on this schedule.

OHIO TUITION TRUST AUTHORITY

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

	Traditional Pension Plan				
	2025	2024	2023	2022	2021
Contractually required contribution	$ 294,294	$ 237,434	$ 249,780	$ 241,870	$ 213,731
Contributions in relation to the contractually required contribution	(294,294)	(237,434)	(249,780)	(241,870)	(213,731)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	2,102,103	1,695,957	1,784,139	1,727,641	1,526,648
Contributions as a percentage of covered payroll	14%	14%	14%	14%	14%

	Traditional Pension Plan				
	2020	2019	2018	2017	2016
Contractually required contribution	$ 219,236	$ 210,030	$ 180,038	$ 153,393	116,718
Contributions in relation to the contractually required contribution	(219,236)	(210,030)	(180,038)	(153,393)	(116,718)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	1,565,971	1,500,215	1,384,904	1,278,271	972,650
Contributions as a percentage of covered payroll	14%	14%	13%	12%	12%

	Other Post-Employment Benefits				
	2025	2024	2023	2022	2021
Contractually required contribution	-	-	-	-	-
Contributions in relation to the contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	$ 2,102,103	$ 1,763,308	$ 1,849,906	$ 1,791,173	$ 1,584,417
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%

	Other Post-Employment Benefits				
	2020	2019	2018	2017	2016
Contractually required contribution	-	$ -	$ 14,559	$ 26,696	$ 20,424
Contributions in relation to the contractually required contribution	-	-	(14,559)	(26,696)	(20,424)
Contribution deficiency (excess)	-	-	-	-	-
OTTA's covered payroll	$ 1,625,409	1,570,194	1,487,906	1,366,570	1,011,194
Contributions as a percentage of covered payroll	0%	0%	1%	2%	2%

** The Combined Pension Plan is insignificant and no longer included on this schedule.

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

Ohio Tuition Trust Authority
25 S. Front Street, 1st Floor
Columbus, OH 43215

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the of the Enterprise Fund and Private Purpose Trust Fund of the Ohio Tuition Trust Authority (the Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 29, 2025, wherein we noted the financial statements of the Authority present activities that are attributable to only the transactions of the Authority as part of the State of Ohio's reporting entity. Our report includes a reference to other auditors who audited the financial statements of the Private Purpose Trust Fund, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Dublin, Ohio
September 29, 2025

OHIO AUDITOR OF STATE
KEITH FABER

OHIO TUITION TRUST AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 1/27/2026

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