

The logo for the state of Ohio, featuring the word "Ohio" in a white, sans-serif font with a large, stylized "O" that contains a smaller "O".

Ohio

Mike DeWine, Governor
Jon Husted, Lt. Governor

**Office of Budget
and Management**

Kimberly Murnieks, Director

The background of the cover is a photograph of a paved road that curves through a lush, green forest. The road is flanked by large, dark rock formations. In the foreground, there are several ferns and clusters of small white and purple flowers scattered on the asphalt.

State of Ohio
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2022

ACKNOWLEDGMENTS

Report prepared by the
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Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute accurate, timely financial data for their agencies made this report possible.

STATE OF OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended
June 30, 2022



Office of Budget and Management

Kimberly A. Murnieks
Director

Melvin Striblin
Deputy Director
State Accounting and Reporting

Prepared by OBM State Accounting and Reporting

STATE OF OHIO
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Introductory Section



State House
Columbus, Ohio



**Office of Budget
and Management**

Mike DeWine, Governor
Jon Husted, Lt. Governor

Kimberly Murnieks, Director

December 21, 2022

The Honorable Mike DeWine, Governor of Ohio;
The Honorable Jon Husted, Lieutenant Governor of Ohio;
Members of the General Assembly;
Agencies, Boards, Commissions;
And fellow Ohioans:

It is my privilege to present the State of Ohio's Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022, prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Office of Budget and Management (OBM) prepared this report pursuant to Section 126.21 of the Ohio Revised Code. The report includes the state's basic financial statements, providing an overview of the state's financial position and the management of Ohio's financial operations. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Office of Budget and Management (OBM).

To the best of my knowledge and belief, the information presented is accurate in all material respects and reported in a manner that fairly depicts the financial position and results of operations of the state of Ohio. All disclosures necessary for a reasonable understanding of the state's financial activities have been included.

This letter of transmittal is intended to complement management's discussion and analysis (MD&A) and should be read in conjunction with it. The MD&A provides an overview of the state's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements.

The reporting format for our ACFR is significantly different from the way the State more typically presents its finances on a non-GAAP budgetary basis. The most obvious difference is that the "General Fund" in the ACFR includes more than the state's General Revenue Fund (GRF). The General Fund also includes the reimbursement-supported funds used for activities administered by state agencies for which special revenue or proprietary fund classifications were inappropriate.

The state is responsible for establishing and maintaining internal controls designed to ensure that the state's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that the valuation of cost and benefit requires estimates and judgments by management.

INDEPENDENT AUDIT RESULTS

In compliance with Ohio Revised Code, the Office of the Auditor of State performed an annual financial audit. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Included in the Financial Section of this report is the auditor's unmodified opinion. This opinion indicates there was no limitation on the scope of the auditors' examination and the financial statements were presented fairly, in all material respects, in accordance with GAAP.

Additionally, the state's Single Audit report is audited by the Office of the Auditor of State to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Office of Management and Budget (OMB) Uniform Guidance. The Single Audit report will be issued separately from the state's ACFR.

Noteworthy this year is that Fitch Ratings upgraded Ohio's long-term Issuer Default Rating (IDR) to "AAA" for the first time since they began rating Ohio's credit. Additionally, Moody's Investors Service elevated Ohio's credit outlook to "Positive" and affirmed the state's "Aa1" Issuer rating. Ohio also received Honorable Mention in Results for America's 2022 Invest in What Works State Standard of Excellence. This recognition demonstrates Ohio's strong commitment to using data and evidence to drive budget, policy, and management decisions.

PROFILE OF THE GOVERNMENT

History

Ohio's first constitution was adopted in 1802, and Ohio entered the union in 1803. Ohio's present constitution was modified by a state constitutional convention in 1851 and has since been amended on numerous occasions. The Constitution establishes a state governmental structure like the federal model, with three separate branches of government — executive, legislative, and judicial.

Governmental Structure

The executive branch consists of the Governor and Lieutenant Governor, who are jointly elected, and four additional statewide elected officials: Attorney General, Auditor of State, Secretary of State, and Treasurer of State. Each of these officials are elected to four-year terms.

Approximately 100 agencies, boards, and commissions are part of the executive branch of government and receive appropriations from the legislature, along with several judicial and legislative agencies. An organizational chart of state government can be found on pages x and xi.

The Ohio General Assembly and consists of two separate chambers, the Senate, a 33-member body, and the House of Representatives, a 99-member body. Each member is elected to represent the residents of a geographical district for a specified term. Members of the General Assembly are subject to term-limits; senators are restricted to serving two consecutive four-year terms, and representatives are restricted to serving four consecutive two-year terms. Each chamber has a presiding officer to call the chamber to order and direct the calendar of events. The presiding officer in the Senate is the President of the Senate, and the presiding officer of the House of Representatives is the Speaker of the House. A new General Assembly is convened in January of each odd-numbered year.

Within the Judicial system, the Supreme Court is the court of last resort in Ohio. Most of its cases are appeals from the 12 district courts of appeal. The Chief Justice and six justices are elected to six-year terms.

Reporting Entity and Its Services

For financial reporting purposes, the state's reporting entity consists of (1) the primary government, (2) component units for which the primary government is financially accountable, and (3) other component units for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria set forth in Governmental Accounting Standards Board's (GASB) Statement 14, the Financial Reporting Entity, Statement 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB 14, Statement 61, the Financial Reporting Entity: Omnibus, an amendment of GASB 14 and Statement 80, Blending Requirements for Certain Component Units, an amendment of GASB 14, are used to determine the organizations for which the state is financially accountable. NOTE 1A to the financial statements explains more fully which financial activities are included in the state's reporting entity.

The state provides a wide range of services and support to its citizenry that are accounted for in the following functions or programs: primary, secondary, and other education, higher education support, public assistance and Medicaid, health and human services, justice and public protection, environmental protection and natural resources, transportation, general government, community and economic development, workers' compensation, lottery, unemployment compensation, tuition credits, and other business-type activities.

Retirement Systems

Employees of the primary government or its component units may be eligible to participate in the Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio, State Highway Patrol Retirement System, or an alternative retirement plan. Further information on the state's participation in the different retirement systems can be found in NOTE 9 to the financial statements.

Risk Management

As discussed in NOTE 1R to the financial statements, the state's primary government is selfinsured for claims under its traditional healthcare plan and its vehicle liability plan. Employee and public official fidelity bonding are placed with a private insurer. Tort liability is self-funded; however, several state agencies have also acquired private insurance. State-owned buildings are covered under a catastrophic property policy for both real and personal property losses. All other liability risk to State property is self-funded on a pay-as-you-go basis. The state's primary government and its component units participate in a public entity risk pool, which is accounted for in the Workers' Compensation Enterprise Fund, for the financing of their workers' compensation liability.

Budgetary Control and Accounting System

Ohio's Constitution requires a balanced state budget. The state's biennial operating budget begins on July 1 of odd-numbered years and ends 24 months later, on June 30. The state maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the General Assembly. Budgets are entered into the statewide accounting system once the appropriations bill becomes law. Controls are maintained first at the agency level, with additional control at the fund and appropriation level to ensure that expenditures do not exceed authorized limits.

The state's non-GAAP budgetary schedules are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received, and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority as of June 30, the end of the state fiscal year, are reflected as expenditures on the budgetary basis of accounting.

Budget-to-actual comparisons can be found in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund; Job, Family, and Other Human Services Special Revenue Fund; and the Pandemic Relief Special Revenue Funds; comparisons are presented as part of the required supplementary information. For other budgeted non-major governmental funds with appropriated annual budgets, budget-to-actual comparisons are in the non-major governmental funds section of the ACFR.

Additional discussion of the budgetary and GAAP bases of accounting is provided in NOTE 1 to the financial statements.

The accounting system maintains all non-GAAP budgetary basis transactions and most GAAP basis adjustments. In addition to the information obtained from the accounting system for financial reporting, selected financial information provided by the state's agencies is compiled to complete the GAAP basis financial statements.

Differences between the two bases of accounting (GAAP vs. non-GAAP budgetary) include: 1) entity differences — the GAAP reporting entity may include organizations such as financing authorities and other component units that are not included in the state's budget; 2) basis differences — the GAAP basis results in the reporting of accruals while the non-GAAP budgetary basis results in the reporting of cash transactions; and 3) timing differences — for example, GAAP recognizes expenditures for payables for goods and services received, whereas the non-GAAP budgetary basis considers unliquidated encumbrances as expenditures. Reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in the ACFR as a note to the budgetary section of required supplementary information.

ECONOMIC OVERVIEW AND OUTLOOK

The Economy in 2022

Following the rapid recovery in FY 2021, the U.S. economy experienced more moderated growth in FY 2022. Concerns about the impact of inflation, geopolitical conditions, and the lingering impact of the pandemic mitigation efforts brought continued uncertainty to the country and the state.

According to the Bureau of Economic Analysis, national real gross domestic product (GDP) grew at a seasonally adjusted rate of 2.3 percent in the first quarter of FY 2022. Growth then increased in the second quarter to 6.9 percent before contracting in the third and fourth quarter of the fiscal year, at 1.6 percent and 0.6 percent, respectively. Following the national trend for FY 2022, Ohio experienced growth in the first two quarters of the fiscal year before contracting in the second half of the year. In the third and fourth quarters of the year, Ohio's seasonally adjusted GDP decreased by 1.8 percent and 1.1 percent, respectively. Reductions in production across multiple sectors including manufacturing of nondurable goods, retail trade, and finance and insurance led to the decreases throughout the second half of the fiscal year.

In Ohio and across the country, employers reported difficulties filling vacancies in FY 2022. Ohio's unemployment rate declined throughout FY 2022. According to the Bureau of Labor Statistics, in

July 2021, the seasonally adjusted unemployment rate was 5.1 percent. During the fourth quarter of the fiscal year, Ohio's unemployment rate fell to 3.9 percent, a level touched only two other times in Ohio's history.

Consistent with national trends, Ohio's participation in the labor force remained below January 2020 levels throughout the fiscal year. Over the course of FY 2022, Ohio's labor force participation rate averaged 61.7 percent, just below the national rate of 62.0 percent.

Current employment data and updated economic forecasts by S&P Global (formerly IHS Markit) suggest the labor force participation both nationally and in Ohio may already be in line with demographic trends. A wave of retirements was expected as the baby boomer generation began to leave the workforce. Retirements during the pandemic likely accelerated the decreases in the labor force participation rate both in Ohio and across the country. Current forecasts indicate that the lower participation rates in Ohio represent a new baseline for the state rather than evidence of a lack of post-pandemic job recovery.

As the labor market tightened and supply chain disruptions continued, inflation became an economic concern. In the first month of FY 2022, the Consumer Price Index (CPI) for all urban consumers was increasing at an annual rate of 5.4 percent. Economists and policymakers initially believed this level of inflation was a temporary response to stress on supply chains and geopolitical pressures. Following Russia's invasion of Ukraine in February 2022, energy prices increased and the prices of other commodities, including food, also increased significantly compared to FY 2021.

Wages and salaries grew both nationally and in Ohio throughout FY 2022. However, real disposable personal income decreased nationally in all quarters of FY 2022. The Surveys of Consumers and Consumer Confidence Index, two leading surveys of consumer sentiment, showed decreases in confidence throughout the year as uncertainty over future purchasing power became widespread.

By the end of the fiscal year, CPI increased to 9.1 percent, a rate of inflation not seen since the 1980s in the United States. Economists continue to debate the impact of these price fluctuations on consumers. While inflation erodes the purchasing power of wages, there has been a slight change nationally in consumer behavior. To stabilize prices and reduce the risk of entrenched inflation, the Federal Reserve began increasing the effective borrowing rate in March of 2022. Relative to rates in the last decade, which remained close to zero, these increases were significant.

Ohio's Economic Outlook

Overall, the economy in FY 2022 was resilient in the face of the inflationary conditions and geopolitical stressors on the global supply chain. Decisive monetary policy and continued focus on price stability combined with the strength of the state labor market have positioned Ohio to continue to grow on pace with national trends in FY 2023.

Ohio's outlook for FY 2023 and beyond is bright and built on a strong and increasingly diversified economic foundation. Updates to existing manufacturing hubs and investment in manufacturing of modern technologies will provide opportunities for growth throughout Ohio. Intel's investment in a new semiconductor facility, Ford's electric vehicle production expansion, and Honda's joint venture with LG Energy Solutions to manufacture batteries will create thousands of high-skill jobs in the state during the coming years.

With business costs below both Midwest and national averages, Ohio attracted investments from firms in other sectors as well. Amazon and J.P. Morgan Chase, already significant employers in the state, plan to expand operations in Ohio. With an increasing percentage of the population holding bachelor's degrees or higher, Ohio's labor force is competitive across a broad base of industries. Internationally, uncertainty and inflation have darkened expectations for FY 2023, but Ohio is well-positioned economically to navigate these challenges and move toward a more prosperous future.

FY 2022 State Finances in Review

Ohio General Revenue Fund (GRF) finances in FY 2022 resonated with strong tax revenue performance and deliberately managed spending practices. Even as the economy adjusted to the tapering effects of federal pandemic fiscal relief, FY 2022 witnessed a strengthening labor market that supported wage and personal consumption growth. These forces, as well as income tax collections from non-wage income sources, were prime drivers of the year's revenue gains.

For the fiscal year, GRF tax revenues increased by \$1,685.6 million (6.4%) from FY 2021. Such growth was exceptionally vibrant once a one-time shift of \$719 million in income tax revenue into FY 2021 (from 2020) is considered and the effects of a \$1,053 million tax cut in FY 2022 are considered. Growth rates for all major tax sources during the year ranged from very respectable to highly elevated: relative to the prior year, FY 2022 receipts increased by 5.0 percent, 5.4 percent, 7.5 percent, and 19.7 percent for the auto sales tax, personal income tax, non-auto sales tax, and commercial activity tax, respectively.

FY 2022 GRF tax revenues produced a substantial positive variance from estimate, exceeding anticipated levels by \$2,738.4 million (10.8%). The positive variances for the major tax categories – non-auto sales, auto sales, personal income, and commercial activity – ranged from 4.8 percent for the auto sales tax to 20.8 percent for the personal income tax.

	Actual FY 2022	Estimated FY 2022	Variance	Percent Variance
Non-Auto Sales & Use	\$ 1,080.6	\$ 10,454.7	\$ 625.9	6.0%
Auto Sales & Use	\$ 1,949.0	\$ 1,860.1	\$ 88.9	4.8%
Personal Income	\$ 10,782.2	\$ 8,899.2	\$ 1,853.0	20.8%
Commercial Activity Tax	\$ 1,995.5	\$ 1,799.4	\$ 196.1	10.9%

Total tax and non-tax GRF receipts, including transfers, exceeded the FY 2022 estimate by \$4,062.0 million (11.1%). Federal grant revenue was considerably above estimate for the year, totaling \$1,282.4 million (12.1%). Other non-tax sources were \$41.2 million above the estimate.

FY 2022 revenue performance picked up momentum as the year proceeded. GRF tax revenues exceeded their estimates by a combined \$336.7 million over the first five months of the year. In comparison, the total variance during the four following months (December 2021 through March 2022) was \$1,067.9 million. Finally, April's results far exceeded any month of the year: revenue was \$1,048.8 million above expectations, largely due to historically strong annual tax return receipts.

FY 2022 disbursements ended \$580.4 million above estimates produced at the beginning of the fiscal year. This variance was primarily attributable to two factors: mid-year appropriation adjustments authorized by the General Assembly in Amended Substitute House Bill 169, and the

continuation of the federal public health emergency accompanied by enhanced Federal Medical Assistance Percentage (eFMAP). As a result of these actions, the Department of Medicaid was \$1,123.1 million above estimate.

Revenues continued to exceed expectations through the first quarter of FY 2023. Total GRF tax revenues were \$238.2 million (3.6%) above estimate through September. Income tax accounts for much of the year-to-date performance. The revenue performance demonstrated through the first quarter of FY 2023 and the modest tax revenue growth assumptions across the remainder of the fiscal year provide a solid foundation for attaining anticipated revenue levels during the entire year. That said, OBM continues vigilant monitoring of revenue performance, poised to take actions necessary to ensure a balanced budget.

ACKNOWLEDGEMENTS

In conclusion, I wish to express my appreciation to the Financial Reporting staff of OBM's State Accounting Section and staffs of the various state agencies whose time and dedicated efforts made this report possible. I encourage you to access Ohio's Annual Comprehensive Financial Report at obm.ohio.gov.

Very respectfully yours,



Kimberly A. Murnieks
Director

STATE OF OHIO OFFICIALS

As of June 30, 2022

EXECUTIVE

Mike DeWine
Governor

Jon Husted
Lieutenant Governor

Dave Yost
Attorney General

Keith Faber
Auditor of State

Robert Sprague
Treasurer of State

Frank LaRose
Secretary of State

LEGISLATIVE

Matt Huffman
President of the Senate

Robert Cupp
Speaker of the House

JUDICIAL

Maureen O'Connor
Chief Justice
Supreme Court

STATE OF OHIO ORGANIZATION CHART

FINANCIAL REPORTING ENTITY

PRIMARY GOVERNMENT		
<p style="text-align: center;">LEGISLATIVE</p> <p style="text-align: center;">Senate (33 Members)</p> <p style="text-align: center;">House of Representatives (99 Members)</p>	<p style="text-align: center;">EXECUTIVE</p> <p style="text-align: center;">Governor Lieutenant Governor Attorney General Auditor of State Secretary of State Treasurer of State State Board of Education (11 Elected Members, and 8 At-Large Members)</p>	<p style="text-align: center;">JUDICIAL</p> <p style="text-align: center;">Supreme Court Chief Justice and 6 Justices</p>
<p>Governmental Activities: <i>General Government:</i> Senate House of Representatives Legislative Service Commission Legislative Committees</p>	<p>Governmental Activities: <i>Primary, Secondary and Other Education:</i> Arts Council Broadcast Educational Media Commission Department of Education School for the Blind School for the Deaf State Library Board</p> <p><i>Higher Education Support:</i> Department of Higher Education State Board of Career Colleges and Schools</p> <p><i>Public Assistance and Medicaid:</i> Department of Job and Family Services Department of Medicaid</p> <p><i>Health and Human Services:</i> Commission on Hispanic/Latino Affairs Commission on Minority Health Department of Aging Department of Developmental Disabilities Department of Health Department of Mental Health and Addiction Services Department of Veteran Services Opportunities for Ohioans with Disabilities</p> <p><i>Justice and Public Protection:</i> Adjutant General's Department Board of Tax Appeals Civil Rights Commission Department of Public Safety Department of Rehabilitation and Correction Department of Youth Services Ethics Commission Office of the Attorney General Public Defender Commission</p> <p><i>Environmental Protection and Natural Resources:</i> Department of Natural Resources Environmental Protection Agency Environmental Review Appeals Commission Lake Erie Commission</p> <p><i>Transportation:</i> Department of Transportation</p>	<p>Governmental Activities: <i>Justice and Public Protection:</i> Supreme Court Judicial Conference Judiciary Court of Claims</p>

PRIMARY GOVERNMENT (Continued)

	<p><i>General Government:</i> Capitol Square Review & Advisory Board Consumers' Counsel Department of Administrative Services Department of Commerce Department of Insurance Department of Taxation Office of Budget and Management Office of the Governor Office of the Inspector General Office of the Lieutenant Governor Office of the Secretary of State Office of the Treasurer of State Public Utilities Commission Sinking Fund Commission State Racing Commission Other Boards and Commissions</p> <p><i>Community and Economic Development:</i> Department of Agriculture Department of Development Expositions Commission Public Works Commission</p> <p>Business-Type Activities: Bureau of Workers' Compensation and Industrial Commission Department of Job and Family Services— Unemployment Compensation Program Lottery Commission Office of the Auditor of State Tuition Trust Authority</p>	
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COMPONENT UNITS

<p>Blended Component Units: Buckeye Tobacco Settlement Financing Authority (included as Governmental Activities)</p> <p>Fiduciary Component Unit: State Highway Patrol Retirement System</p> <p>Discretely Presented Component Units: <i>Financing Authorities and Commissions:</i> Ohio Air Quality Development Authority Ohio Capital Fund Ohio Facilities Construction Commission Ohio Turnpike and Infrastructure Commission</p> <p><i>Nonprofit Organizations:</i> Jobs Ohio</p>	<p>Discretely Presented Component Units (continued): <i>State Universities:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Bowling Green State University</td> <td>Ohio University</td> </tr> <tr> <td>Central State University</td> <td>Shawnee State University</td> </tr> <tr> <td>Cleveland State University</td> <td>University of Akron</td> </tr> <tr> <td>Kent State University</td> <td>University of Cincinnati</td> </tr> <tr> <td>Miami University</td> <td>University of Toledo</td> </tr> <tr> <td>Northeast Ohio Medical University</td> <td>Wright State University</td> </tr> <tr> <td>Ohio State University</td> <td>Youngstown State University</td> </tr> </table> <p><i>State Community Colleges:</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Cincinnati State</td> <td>Owens State</td> </tr> <tr> <td>Clark State</td> <td>Southern State</td> </tr> <tr> <td>Columbus State</td> <td>Terra State</td> </tr> <tr> <td>Edison State</td> <td>Washington State</td> </tr> <tr> <td>Northwest State</td> <td></td> </tr> </table>	Bowling Green State University	Ohio University	Central State University	Shawnee State University	Cleveland State University	University of Akron	Kent State University	University of Cincinnati	Miami University	University of Toledo	Northeast Ohio Medical University	Wright State University	Ohio State University	Youngstown State University	Cincinnati State	Owens State	Clark State	Southern State	Columbus State	Terra State	Edison State	Washington State	Northwest State	
Bowling Green State University	Ohio University																								
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Cincinnati State	Owens State																								
Clark State	Southern State																								
Columbus State	Terra State																								
Edison State	Washington State																								
Northwest State																									

FIDUCIARY

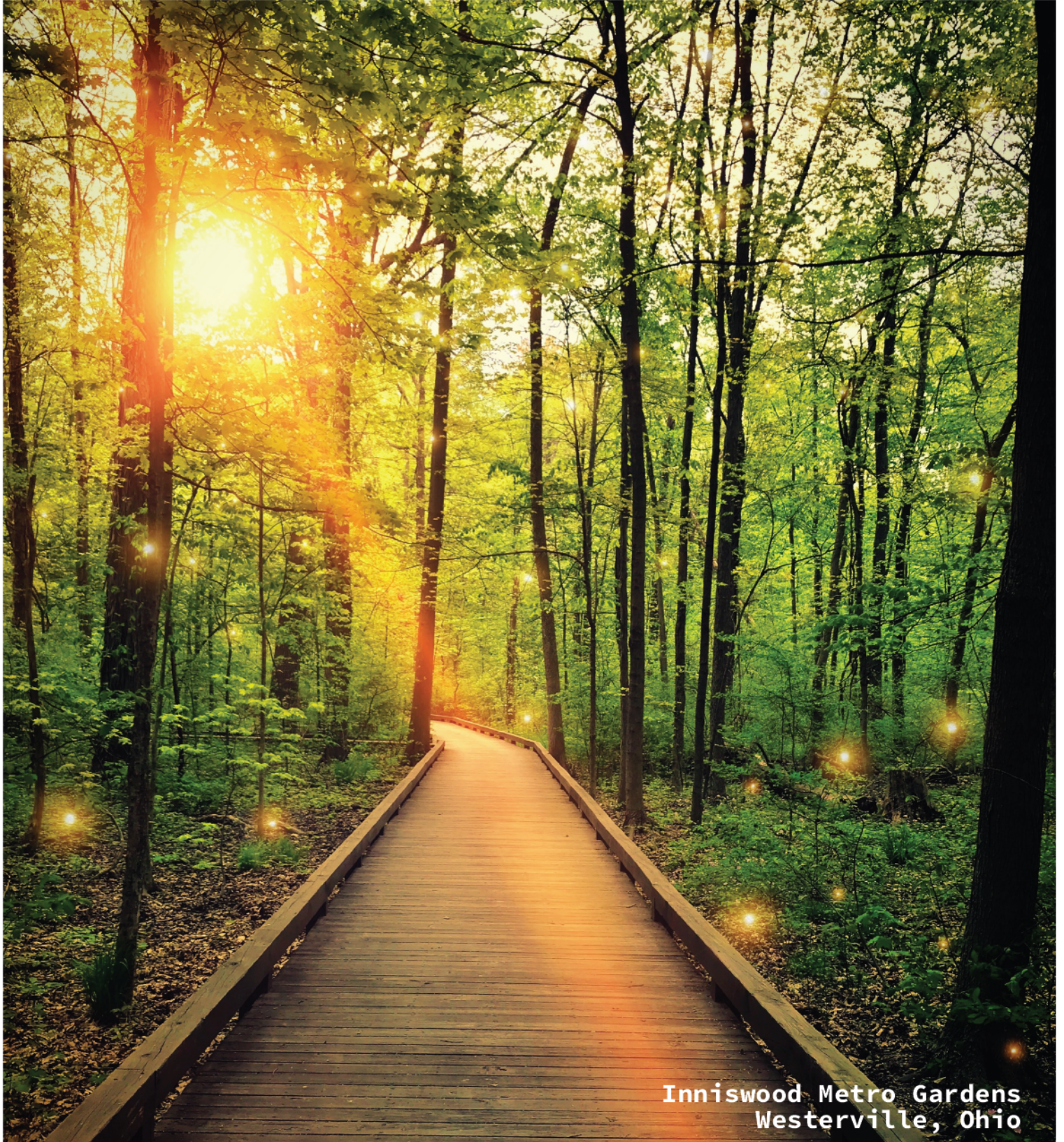
STABLE Program STAR Ohio Variable College Savings Plan Custodial Funds

JOINT VENTURES

RELATED ORGANIZATIONS

Great Lakes Protection Fund Local Community Colleges Technical Colleges	Higher Educational Facility Commission Ohio Housing Finance Agency Ohio Legal Assistance Foundation Ohio Water Development Authority Petroleum Underground Storage Tank Release Compensation Board
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Financial Section



Inniswood Metro Gardens
Westerville, Ohio

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INDEPENDENT AUDITOR’S REPORT

The Honorable Mike DeWine, Governor
State of Ohio
Columbus, Ohio 43215

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Ohio (the State), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the following organizations which represent the percentages of total assets and expenditures/expenses/deductions indicated for the related opinion units as of June 30, 2022 and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended:

Opinion Unit	Organization	Percent of Opinion Unit’s Total	
		Assets	Expenditures/ Expenses/ Deductions
Governmental Activities (GA)	Treasurer of State Lease Revenue Bonds and Buckeye Tobacco Settlement Financing Authority (BTSFA)	2%	1%
Business-Type Activities (BTA)	Ohio Bureau of Workers’ Compensation	90%	34%
GA/BTSFA Revenue Bonds	Buckeye Tobacco Settlement Finance Authority	100%	100%
BTA / Workers’ Compensation	Ohio Bureau of Workers’ Compensation	100%	100%
Aggregate Discretely Presented Component Units	Bowling Green State University; Cleveland State University; Columbus State Community College; JobsOhio; Kent State University; Miami University; Ohio State University; Ohio University; Shawnee State University; University of Akron; University of Cincinnati; University of Toledo; Wright State University; and Youngstown State University	92%	92%
Aggregate Remaining Fund Information	State Highway Patrol Retirement System; State Treasury Asset Reserve of Ohio; and Treasurer of State Lease Revenue Bonds	41%	2%

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Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amount included for these independently audited organizations, are based solely on the reports of 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. 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 State, 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. The financial statements of JobsOhio, which represents five percent of total assets and eleven percent of the total expenses of the aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matters

As discussed in Note 2 to the financial statements, during 2022, the State adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

As discussed in Note 20 to the financial statements, the State reported known fraud and non-fraud Unemployment Compensation overpayments totaling \$2.77 billion to the U.S. Department of Labor (DOL) as of June 30, 2022. Of the total overpayments reported to the DOL, \$598.2 million was fraud and \$2.17 billion was non-fraud. These overpayments were regular unemployment as well as federal pandemic unemployment benefits. The federal government gave discretion to states to waive the need for repayment of pandemic funding related to non-fraud. Due to the nature of these known overpayments along with federal waiver discretion, most of these monies have not been subject to a collection process. Additionally, the State has flagged as possible overpayments, certain claims with one or more fraud identifiers. These flagged claims were both regular unemployment and federal pandemic unemployment benefits with an accumulated amount of \$1.08 billion. Despite being flagged as potential overpayments, until the claims are fully adjudicated, no determination can be made on the outcome. Our opinion is not modified with respect to 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 State'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 State'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 State'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*, *Required budgetary comparison schedules*, *Schedules for infrastructure assets accounted for using the modified approach*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The financial section's combining statements and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial section's combining statements and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State'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 State's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 21, 2022

State of Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022 (Unaudited)

Introduction

This section of the State of Ohio's annual financial report presents management's discussion and analysis of the State's financial performance during the fiscal year ended June 30, 2022. The management's discussion and analysis section should be read in conjunction with the preceding transmittal letter and the State's financial statements, which follow.

Financial Highlights

Government-wide Financial Statements

During fiscal year 2022, net position of the State's primary government increased by \$8.35 billion (after a restatement of beginning balance) and ended fiscal year 2022 with a \$42.97 billion balance. Net position of the State's component units increased by \$551.5 million (after a restatement of beginning balance) and ended fiscal year 2022 with a \$17.37 billion balance. See additional discussion beginning on page 10.

Fund Financial Statements

Governmental funds reported a combined ending fund balance of \$26.35 billion that was comprised of \$250.7 million in nonspendable, \$9.57 billion restricted for specific purposes, \$3.21 billion committed, \$6.44 billion in assigned, and \$6.89 billion in unassigned. See additional discussion beginning on page 14.

As of June 30, 2022, the General Fund's fund balance was approximately \$15.64 billion, including \$37.7 million in nonspendable, \$1.41 billion in restricted, \$863.6 million in committed, \$6.44 billion in assigned, and \$6.89 billion in unassigned. The General Fund's fund balance increased by \$3.58 billion (exclusive of a \$140 thousand decrease in inventories) or 29.6 percent during fiscal year 2022. See additional discussion beginning on page 14.

Proprietary funds reported net position of \$9.24 billion (after a restatement of beginning balance), as of June 30, 2022, an increase of \$438 million or 5 percent over the prior fiscal year. This increase is largely due to the net increase of \$2.21 billion in the Unemployment Compensation Fund. For more information, see additional discussion beginning on page 15.

Capital and Lease Assets

The carrying amount of capital assets for the State's primary government increased to \$30.28 billion at June 30, 2022. The majority of the \$780.8 million increase during fiscal year 2022 was from additions made to the construction in progress. The carrying amount of lease assets for the State's primary government was \$144.5 million, up slightly from the restated beginning balance of \$140.2 million. See additional discussion beginning on page 16.

Long-Term Debt — Bonds and Notes Payable and Certificates of Participation Obligations

Overall, the carrying amount of total long-term debt for the State's primary government decreased \$1 billion or 5.3 percent during fiscal year 2022, for an ending balance of \$17.97 billion. During the year, the State issued a par amount of \$649.5 million dollars in long-term debt of which \$158.5 million was refunding bonds. See additional discussion beginning on page 17.

Overview of the Financial Statements

This annual report consists of three required components: management's discussion and analysis, basic financial statements, including the accompanying notes to the financial statements, and required supplementary information. In addition, this report includes an optional section that contains combining statements and schedules for the non-major governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component unit funds.

The basic financial statements are comprised of the government-wide financial statements and fund financial statements. The table on the following page summarizes the major features of these statements.

Major Features of the State of Ohio's Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's component units	The activities of the State that are not proprietary or fiduciary, such as general government, transportation, justice and public protection, etc.	Activities the State operates similar to private businesses, such as the workers' compensation insurance program, lottery, tuition credit program, etc.	Instances in which the State is the trustee or agent for someone else's resources
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements – Reporting the State as a Whole

The two government-wide financial statements, prepared on a basis and focus similar to those used by private-sector companies, report the State's net position and how it has changed. Net position — the difference between the State's assets/deferred outflows of resources and liabilities/deferred inflows of resources — is one way to measure the State's financial health, or position. Over time, increases or decreases in the State's net position indicate whether its financial health has improved or deteriorated, respectively. However, a reader should consider additional nonfinancial factors, such as changes in the State's economic indicators and the condition of the State's highway system, when assessing the State's overall financial status.

These statements, found on pages 22 through 25 of this report, are divided into three categories as follows.

Governmental Activities — Most of the State's basic services are reported under this category, such as primary, secondary and other education, higher education support, public assistance and Medicaid, and transportation. Taxes, federal grants, and charges for services, fees, fines and forfeitures finance most of these activities.

Business-type Activities — The State charges fees to customers to help cover the costs of certain services it provides. The State reports the following programs and activities as business-type: workers' compensation insurance program, lottery operations, unemployment compensation program, guaranteed college tuition credit program, and the Auditor of State's governmental auditing and accounting services.

Component Units — The State presents the financial activities of the Ohio Facilities Construction Commission, Ohio State University, and other entities as discretely presented component units under a separate column in the government-wide financial statements. The Buckeye Tobacco Settlement Financing Authority is presented as a blended component unit with its activities blended and included under governmental activities. Although legally separate, the State is financially accountable for its component units. For further explanation and a complete list of component units, see NOTE 1A. to the financial statements.

Fund Financial Statements – Reporting more detail about the State’s most significant funds

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. State law and bond covenants mandate the use of some funds. The Ohio General Assembly establishes other funds to control and manage money for particular purposes or to show that the State is properly using certain taxes and grants. The State employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The basic fund financial statements can be found on pages 26 through 45 of this report while the combining fund statements and schedules can be found on pages 183 through 241. The State has three kinds of funds as follows:

Governmental Funds — Most of the State’s basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out (i.e., near-term inflows and outflows of spendable resources) and the balances remaining at year-end that are available for spending (i.e., balances of spendable resources). Consequently, the governmental fund financial statements provide a detailed short-term view that helps the financial statement reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the State’s programs. Because these statements do not encompass the long-term focus of the government-wide statements, a reconciliation schedule, which follows each of the governmental fund financial statements, explains the relationship (or differences) between them.

The State’s governmental funds include the General Fund, Job, Family and Other Human Services Special Revenue Fund, Buckeye Tobacco Settlement Financing Authority Revenue Bonds Debt Service Fund, and Pandemic Relief Funds Special Revenue Fund, all of which are considered major funds. Data from the other governmental funds, which are classified as nonmajor funds, are combined into an aggregated presentation under a single column on the basic governmental fund financial statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

For budgeted governmental funds, the State also presents budgetary comparison schedules in required supplementary information and combining statements to demonstrate compliance with the appropriated budget. The State’s budgetary process is explained further in NOTE 1D. to the financial statements.

Proprietary Funds — Services for which the State charges customers a fee are generally reported in proprietary funds. Financial statements for the proprietary funds, which are classified as enterprise funds, provide both long- and short-term financial information.

Presented under separate columns on the three statements is information for the Workers’ Compensation, Lottery Commission, and Unemployment Compensation enterprise funds, all of which are considered to be major funds. Data from the other enterprise funds, which are classified as nonmajor funds, are combined into an aggregated presentation under a single column on the statements. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The enterprise funds are the same as the State’s business-type activities reported in the government-wide financial statements, but the proprietary fund financial statements provide more detail and additional information, such as information on cash flows.

Fiduciary Funds — The State is the trustee, or fiduciary, for assets that — because of a trust arrangement — can only be used for the trust beneficiaries. The State is also the fiduciary of some custodial funds. The State is responsible for ensuring the assets reported in these funds are used for their intended purposes. The State Highway Patrol Retirement System Pension Trust Fund, Private Purpose Trust Funds, STAR Ohio Investment Trust Fund, and the Custodial Funds are presented on two statements. Fiduciary information is excluded from the government-wide financial statements because the State cannot use these assets to finance its operations. Individual fund data for the Private Purpose Trust Funds and Custodial Funds is provided in the form of combining statements elsewhere in this report.

Discretely Presented Component Unit Statements (Component Unit)

Following the fund financial statements, the State includes statements for its major discretely presented component units within the basic financial statements section. Nonmajor discretely presented component units are also presented in aggregation under a single column in the component unit financial statements and in combining statements elsewhere in this report.

Notes to the Financial Statements

The basic financial statements section includes notes that more fully explain the information in the government-wide and fund financial statements; the notes provide additional detail that is essential to a full understanding of the data presented in the financial statements. The notes can be found on pages 50 through 148 of this report.

Required Supplementary Information

Following the notes is a section of required supplementary information in three parts. The first part discusses the assessed condition and estimated and actual maintenance and preservation costs of the state's highway and bridge infrastructure assets that are reported using the modified approach. Limited in application to a government's infrastructure assets, the modified approach provides an alternative to the traditional recognition of depreciation expense. The second part presents schedules disclosing the following for the various retirement systems in which the State participates: the State's share of pension and other postemployment benefit (OPEB) obligations, required employer contributions for pension/actuarially determined employer contributions for OPEB as compared to employer contributions actually paid, and covered payroll. The final part is the budgetary comparison schedule for the General Fund and major special revenue funds and the accompanying note that explains the GAAP versus budgetary basis. Required supplementary information can be found on pages 149 through 181 of this report.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

During fiscal year 2022, as shown in the table below, the combined net position of the State's primary government increased by \$8.35 billion (after a restatement of beginning balance) or by 24.1 percent. Net position reported for governmental activities increased approximately \$7.91 billion (after restatement) or 30.6 percent, compared to the net position on July 1, 2021, and business-type activities increased \$438 million (after restatement), or 5 percent. Condensed financial information derived from the Statement of Net Position for the primary government is presented in the following table.

	Net Position					
	As of June 30, 2022 and 2021					
	<i>(dollars in thousands)</i>					
	As of June 30, 2022			As of June 30, 2021 (not restated)		
	Governmental Activities	Business- Type Activities	Total Primary Government	Governmental Activities	Business- Type Activities	Total Primary Government
Current and Other Assets	\$ 42,127,256	\$ 24,142,730	\$ 66,269,986	\$ 35,992,871	\$ 25,592,938	\$ 61,585,809
Lease Assets.....	132,420	12,058	144,478	-	-	-
Capital Assets.....	30,200,901	77,843	30,278,744	29,391,217	106,726	29,497,943
Total Assets.....	<u>72,460,577</u>	<u>24,232,631</u>	<u>96,693,208</u>	<u>65,384,088</u>	<u>25,699,664</u>	<u>91,083,752</u>
Deferred Outflows of Resources.....	4,732,822	47,877	4,780,699	4,905,832	30,417	4,936,249
Current and Other Liabilities.....	16,797,571	528,413	17,325,984	15,769,199	2,236,992	18,006,191
Noncurrent Liabilities.....	21,774,424	14,298,867	36,073,291	24,268,507	14,510,132	38,778,639
Total Liabilities.....	<u>38,571,995</u>	<u>14,827,280</u>	<u>53,399,275</u>	<u>40,037,706</u>	<u>16,747,124</u>	<u>56,784,830</u>
Deferred Inflows of Resources.....	4,884,625	217,977	5,102,602	4,425,762	184,556	4,610,318
Net Position:						
Net Investment in Capital Assets.....	26,177,771	77,842	26,255,613	25,297,331	91,810	25,389,141
Restricted.....	6,694,549	8,917,103	15,611,652	5,905,280	9,480,977	15,386,257
Unrestricted.....	864,459	240,306	1,104,765	(5,376,159)	(774,386)	(6,150,545)
Total Net Position.....	<u>\$ 33,736,779</u>	<u>\$ 9,235,251</u>	<u>\$ 42,972,030</u>	<u>\$ 25,826,452</u>	<u>\$ 8,798,401</u>	<u>\$ 34,624,853</u>

As of June 30, 2022, the primary government's Net Investment in Capital Assets (e.g., land, buildings, infrastructure, and construction-in-progress) was \$26.26 billion. Restricted net position was approximately \$15.61 billion, resulting in an unrestricted \$1.1 billion balance. Net position is restricted when constraints placed on their use are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) legally imposed through constitutional or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." The State's Budget Stabilization Fund balance of approximately \$2.71 billion at June 30, 2022, is included within unrestricted net position.

The government-wide Statement of Net Position reflects a \$864.5 million balance for unrestricted governmental activities, a significant increase from the \$5.38 billion deficit reported at June 30, 2021. The increase in unrestricted and total net position is primarily attributable to increases in federal funding and income and sales tax receipts, as well as several debt refundings made in the last few years which resulted in favorable debt terms and lower interest rates. The unrestricted net position, which makes up 2.6 percent of total net position for fiscal year 2022, is heavily influenced by the following three factors:

1) The State of Ohio, like many other state governments, issues general and special obligation debt, the proceeds of which benefit local governments and component units. The proceeds are used to build facilities for public-assisted colleges and universities and local school districts and finance infrastructure improvements for local governments. The policy of selling general obligation and special obligation bonds for these purposes has been the

practice for many years. Of the \$11.29 billion of outstanding general obligation and special obligation debt at June 30, 2022, \$7.75 billion is attributable to debt issued for state assistance to component units (Ohio Facilities Construction Commission and the colleges and universities) and local governments. The balance sheets of component unit and local government recipients reflect ownership of the related constructed capital assets without the burden of recording the debt. Unspent proceeds related to these bond issuances are included on the Statement of Net Position as restricted net position. By issuing such debt, the State is left to reflect significant liabilities without the benefit of recording the capital assets constructed with the proceeds from the debt issuances.

2) The State reported liabilities of \$2.07 billion as of June 30, 2022, for its proportionate share of the net pension liability of the associated pension plans that provide benefits to State employees. This liability was a 39.4 percent decrease from fiscal year 2021.

3) The State reported net OPEB liabilities of \$380.7 million as of June 30, 2022. This liability was a 39.9 percent decrease from fiscal year 2021.

For more information related to pensions and OPEB see NOTES 9, 14, 15, and 18.

Condensed financial information derived from the Statement of Activities, which reports how the net position of the State's primary government changed during fiscal years 2022 and 2021 follows.

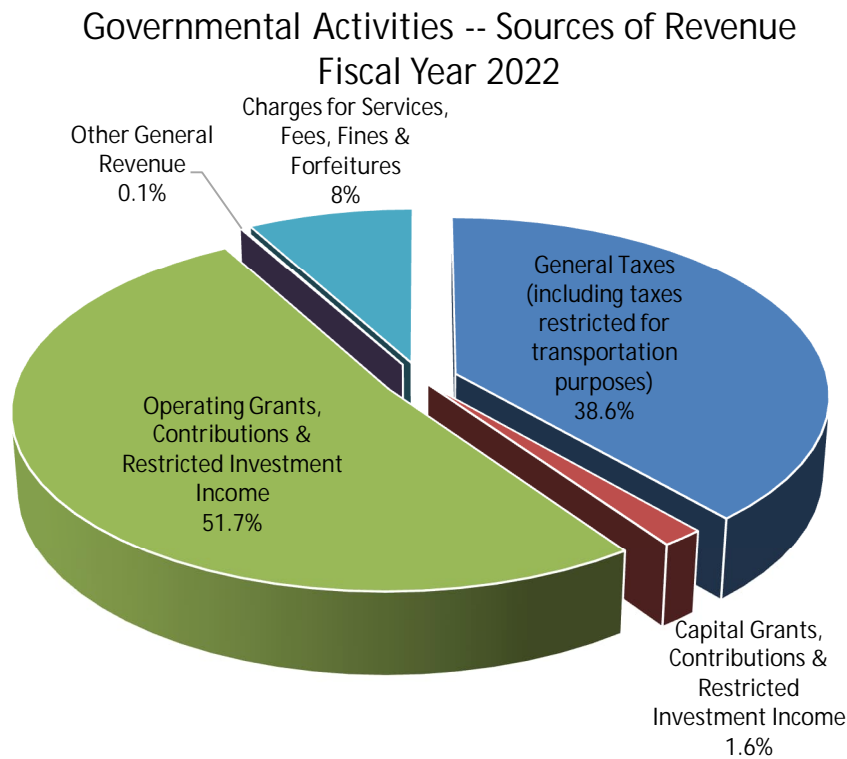
Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021
(dollars in thousands)

	Fiscal Year 2022			Fiscal Year 2021 (not restated)		
	Govern- mental Activities	Business- Type Activities	Total Primary Government	Govern- mental Activities	Business- Type Activities	Total Primary Government
Program Revenue:						
Charges for Services, Fees,						
Fines and Forfeitures	\$ 6,831,160	\$ 8,258,378	\$ 15,089,538	\$ 6,509,382	\$ 8,008,488	\$ 14,517,870
Operating Grants, Contributions and Restricted Investment Income/ (loss)...	43,901,582	(385,607)	43,515,975	36,859,973	16,042,228	52,902,201
Capital Grants, Contributions and Restricted Investment Income/ (loss)...	1,391,676	-	1,391,676	1,485,791	-	1,485,791
Total Program Revenues.....	<u>52,124,418</u>	<u>7,872,771</u>	<u>59,997,189</u>	<u>44,855,146</u>	<u>24,050,716</u>	<u>68,905,862</u>
General Revenues:						
General Taxes.....	30,070,477	-	30,070,477	27,422,768	-	27,422,768
Taxes Restricted for Transportation.....	2,669,589	-	2,669,589	2,547,613	-	2,547,613
Tobacco Settlement.....	337,502	-	337,502	362,378	-	362,378
Escheat Property.....	234,764	-	234,764	230,265	-	230,265
Unrestricted Investment Income.....	(569,669)	5	(569,664)	(22,994)	7	(22,987)
Other.....	756	-	756	723	552	1,275
Total General Revenues.....	<u>32,743,419</u>	<u>5</u>	<u>32,743,424</u>	<u>30,540,753</u>	<u>559</u>	<u>30,541,312</u>
Total Revenue.....	<u>84,867,837</u>	<u>7,872,776</u>	<u>92,740,613</u>	<u>75,395,899</u>	<u>24,051,275</u>	<u>99,447,174</u>
Expenses:						
Primary, Secondary and Other Education	16,400,029	-	16,400,029	14,679,666	-	14,679,666
Higher Education Support.....	2,788,935	-	2,788,935	3,008,618	-	3,008,618
Public Assistance and Medicaid.....	42,082,978	-	42,082,978	37,646,142	-	37,646,142
Health and Human Services.....	2,546,325	-	2,546,325	1,898,068	-	1,898,068
Justice and Public Protection.....	3,790,026	-	3,790,026	3,303,035	-	3,303,035
Environmental Protection and Natural Resources.....	540,237	-	540,237	457,657	-	457,657
Transportation.....	2,221,820	-	2,221,820	2,565,694	-	2,565,694
General Government.....	1,668,268	-	1,668,268	2,085,214	-	2,085,214
Community and Economic Development..	4,747,009	-	4,747,009	4,003,838	-	4,003,838
Interest on Long term Debt (excludes interest charged as program expense).....	85,327	-	85,327	91,499	-	91,499
Workers' Compensation.....	-	1,541,747	1,541,747	-	6,845,396	6,845,396
Lottery Commission.....	-	4,121,684	4,121,684	-	4,091,517	4,091,517
Unemployment Compensation.....	-	1,756,889	1,756,889	-	14,539,576	14,539,576
Tuition Trust Authority.....	-	34,934	34,934	-	31,902	31,902
Office of Auditor of State.....	-	65,508	65,508	-	41,946	41,946
Total Expenses.....	<u>76,870,954</u>	<u>7,520,762</u>	<u>84,391,716</u>	<u>69,739,431</u>	<u>25,550,337</u>	<u>95,289,768</u>
Surplus/ (Deficiency) Before Gains (Losses) and Transfers.....						
Gain (Loss) on Extinguishment of Debt.....	(500)	25	(475)	-	111	111
Transfers - Internal Activities.....	(85,997)	85,997	-	1,342,535	(1,342,535)	-
Change in Net Position.....	7,910,386	438,036	8,348,422	6,999,003	(2,841,486)	4,157,517
Net Position, July 1 (as restated).....	<u>25,826,393</u>	<u>8,797,215</u>	<u>34,623,608</u>	<u>18,827,449</u>	<u>11,639,887</u>	<u>30,467,336</u>
Net Position, June 30.....	<u>\$ 33,736,779</u>	<u>\$ 9,235,251</u>	<u>\$ 42,972,030</u>	<u>\$ 25,826,452</u>	<u>\$ 8,798,401</u>	<u>\$ 34,624,853</u>

Governmental Activities

Revenues exceeded expenses during fiscal year 2022 for governmental activities. Revenues of \$84.87 billion for fiscal year 2022 were \$9.47 billion higher than those reported for fiscal year 2021. General Taxes (including taxes restricted for transportation purposes) comprised 38.6 percent of fiscal year 2022 total revenues, and reflects an increase of 9.2 percent over the prior fiscal year. Operating Grants, Contributions, and Restricted Investment Income, making up 51.7 percent of total revenues, increased by 19.1 percent compared to fiscal year 2021. Expenses for fiscal year 2022 increased \$7.13 billion or 10.2 percent from the prior fiscal year primarily in the Public Assistance and Medicaid and Primary, Secondary and Other Education functions. During fiscal year 2022, net transfers-out totaled \$86 million, shifting from net transfers-in of \$1.34 billion in fiscal year 2021. The shift was largely due to a transfer-out of \$1.47 billion from the Pandemic Relief Funds to the Unemployment Compensation Fund for repayment of the outstanding federal repayable advances (loans).

The following chart illustrates revenues by source of governmental activities as percentages of total reported for the fiscal year ended June 30, 2022.



Total FY 2022 Revenue for Governmental Activities = \$84.87 Billion

The following table presents the total expenses and net cost of each of the State's governmental programs for the fiscal year ended June 30, 2022, with comparative numbers from June 30, 2021. The net cost (total program expenses less revenues generated by the program) represents the financial burden that was placed on the State's taxpayers by each of these programs. This cost is essentially funded with the State's general revenues from taxes, Tobacco Settlement, Escheat Property, and Unrestricted Investment Income.

Program Expenses and Net Costs of Governmental Activities by Program
For the Fiscal Years Ended June 30, 2022 and 2021 (FY 2021 not restated)
(dollars in thousands)

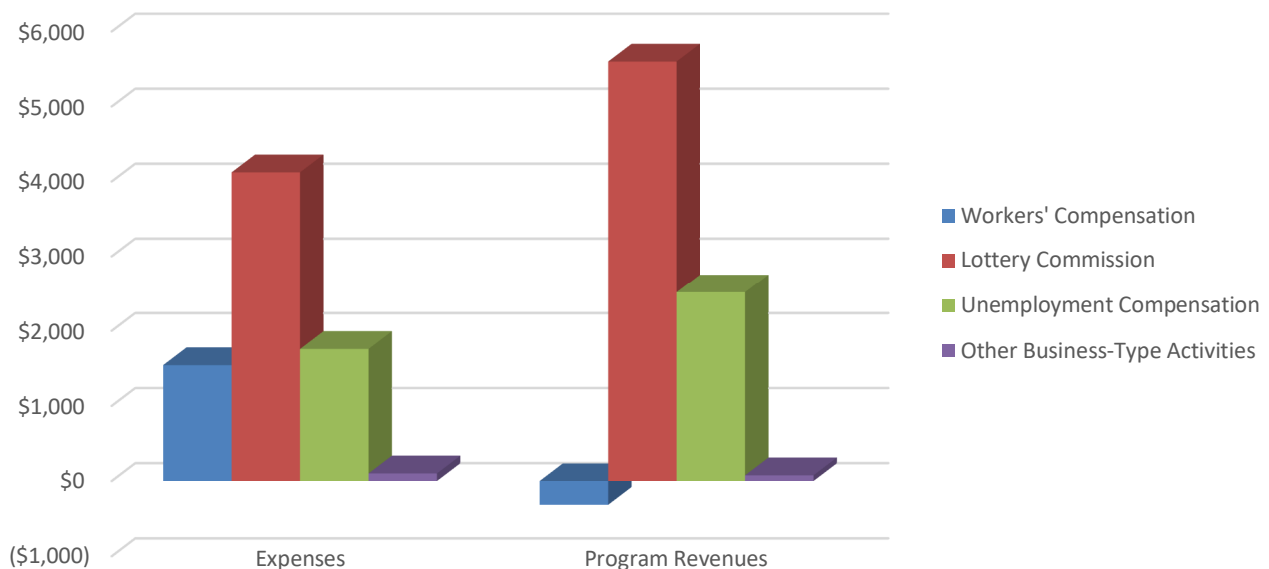
Program	Program Expenses 2022	Percent of Total Expense 2022	Net Cost of Program		Net Cost as Percentage of Total Expenses for Program		Net Cost as Percentage of Total Expenses — All Programs	
			2022	2021	2022	2021	2022	2021
Primary, Secondary and Other Education.....	\$ 16,400,029	21.3%	\$ 12,030,682	\$ 11,832,061	73.4%	80.6%	15.7%	17.0%
Higher Education Support.....	2,788,935	3.6%	2,761,658	2,672,008	99.0%	88.8%	3.6%	3.8%
Public Assistance and Medicaid...	42,082,978	54.8%	5,029,004	5,345,039	12.0%	14.2%	6.5%	7.7%
Health and Human Services.....	2,546,325	3.3%	55,748	204,528	2.2%	10.8%	0.1%	0.3%
Justice and Public Protection.....	3,790,026	4.9%	2,109,700	1,502,929	55.7%	45.5%	2.7%	2.2%
Environmental Protection and Natural Resources.....	540,237	0.7%	77,050	79,068	14.3%	17.3%	0.1%	0.1%
Transportation.....	2,221,820	2.9%	527,806	485,726	23.8%	18.9%	0.7%	0.7%
General Government.....	1,668,268	2.2%	(460,310)	(233,875)	-27.6%	-11.2%	-0.6%	-0.3%
Community and Economic Development.....	4,747,009	6.2%	2,529,871	2,905,302	53.3%	72.6%	3.3%	4.2%
Interest on Long-Term Debt.....	85,327	0.1%	85,327	91,499	100.0%	100.0%	0.1%	0.1%
Total Governmental Activities.....	\$ 76,870,954	100.0%	\$ 24,746,536	\$ 24,884,285	32.2%	35.7%	32.2%	35.6%

Business-Type Activities

The State's enterprise funds reported net position of \$9.24 billion (after a restatement of beginning balance), as of June 30, 2022, compared to \$8.8 billion, as of June 30, 2021, an increase of \$438 million, or 5 percent. The Unemployment Compensation Fund reported a \$2.21 billion increase in net position over the prior year, primarily due to lower unemployment rates and claims associated with pandemic recovery. The Workers' Compensation Fund reported a \$1.86 billion decrease in net position during fiscal year 2022 primarily due to significant investment income losses.

The chart below compares program expenses and program revenues for business-type activities. Additional analysis of the Business-Type Activities' revenues, expenses, and other changes in net position is included with the discussion of the Proprietary Funds beginning on page 15.

Business-Type Activities — Expenses and Program Revenues
Fiscal Year 2022
(dollars in millions)



FINANCIAL ANALYSIS OF THE STATE'S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds reported the following results, as of and for the fiscal years ended June 30, 2022, and June 30, 2021 (dollars in thousands).

	As of and for the Fiscal Year Ended June 30, 2022			
	General Fund	Other Major Funds	Nonmajor	Total
			Governmental Funds	Governmental Funds
Unassigned Fund Balance (Deficit).....	\$ 6,893,958	\$ -	\$ (674)	\$ 6,893,284
Total Fund Balance.....	15,642,901	5,403,298	5,306,504	26,352,703
Total Revenues.....	44,323,336	26,589,916	13,828,427	84,741,679
Total Expenditures.....	38,810,884	24,647,202	17,087,879	80,545,965

	As of and for the Fiscal Year Ended June 30, 2021 (not restated)			
	General Fund	Other Major Funds	Nonmajor	Total
			Governmental Funds	Governmental Funds
Unassigned Fund Balance (Deficit).....	\$ 5,717,927	\$ (6,674)	\$ -	\$ 5,711,253
Total Fund Balance.....	12,063,898	5,030,070	4,615,946	21,709,914
Total Revenues.....	42,950,405	20,509,247	11,887,437	75,347,089
Total Expenditures.....	38,782,210	20,280,569	14,671,242	73,734,021

General Fund

The main operating fund of the State is the General Fund. During fiscal year 2022, General Fund revenue increased by \$1.37 billion, largely due to increases in income tax and sales tax revenues of \$1.36 billion and \$910.7 million, respectively. The increase in income tax revenue is primarily due to the continued pandemic recovery and employees returning to work with the growing job market. The correlating rise in sales tax revenue is primarily due to increased disposable income and increased consumer spending. Federal grant revenue decreased by \$680 million or 5.5 percent. Although total expenditures increased a modest \$28.7 million over the prior year, Public Assistance and Medicaid expenditures decreased \$853.4 million largely due to non-enrollment related payments, many delayed to fiscal year 2023, and lower managed care spending due to lower rates. Total fund balance at June 30, 2022, increased by \$3.58 billion or 29.6 percent (exclusive of a \$140 thousand decrease in inventories). The State's Budget Stabilization Fund closed fiscal year 2022 with a record-high balance of approximately \$2.71 billion, which is included in unassigned fund balance.

General Fund Budgetary Highlights

The State ended the first year of its 2022-23 biennial budget on June 30, 2022, with a General Fund budgetary fund balance (cash less encumbrances) of \$13.4 billion. Total budgetary sources for the General Fund (including \$3.17 billion in transfers from other funds) in the amount of \$51.33 billion were above final estimates by \$3.81 billion or 8 percent during fiscal year 2022. Total tax receipts were above final estimates by \$2.74 billion or 9.7 percent due to higher-than-expected income and sales tax receipts.

Total budgetary uses for the General Fund (including \$3.95 billion in transfers to other funds) in the amount of \$48.95 billion were below final estimates by \$4.51 billion or 8.4 percent for fiscal year 2022. The majority of lower than appropriated spending came from Medicaid and economic development programs. There was no budget stabilization designation at June 30, 2021, for use in balancing the final fiscal year 2022 budget.

The main appropriations act (Act) for the 2022-23 biennium for the General Revenue Fund (GRF), the largest, non-GAAP, budgetary-basis operating fund included in the State's General Fund, was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2021. Reflecting a goal of making wise investments to positively impact Ohio's future, the budget targeted resources to children and families, as well as to Ohio's educational system. The Act provided for GRF appropriations of approximately \$34.9 billion in fiscal year 2022, a 2 percent decrease from fiscal year 2021 expenditures, and approximately \$39.3 billion in fiscal year 2023, a 12.6 percent increase from fiscal year 2022 appropriations.

GRF appropriations for major program categories in fiscal year 2022, relative to 2021 actual spending, and 2023, relative to 2022 appropriations, reflect the following changes: 11.7 percent decrease in Medicaid in fiscal year 2022 and 26.1 percent increase in fiscal year 2023; increases of 5.8 percent in fiscal year 2022 and 2 percent in fiscal year 2023, which include transfers from the GRF in support of student wellness and success, for primary and secondary education; and increases of 2.7 percent in fiscal year 2022 and 0.1 percent in fiscal year 2023 for higher education.

The Act reflected tax law changes that were projected to result in a net GRF revenue decrease of \$1 billion in fiscal year 2022 and \$977 million in fiscal year 2023. These items included an across-the-board three percent reduction in State personal income tax rates on non-business income, except for consolidating the top two income brackets and setting the new top rate at 3.99 percent; increased the threshold for zero tax liability, in which filers with taxable incomes below \$25,000 are not subject to Ohio personal income tax; repealed sales and use tax on employment services; and established new non-refundable tax credits for home-schooling expenses, tuition to non-chartered private schools, and contributions to non-profit scholarship granting organizations. The 2022-23 Act also revised the school funding formula to consider resident income levels in addition to property tax values and authorized the Budget Stabilization Fund to retain interest earnings.

The Ohio Constitution prohibits the State from borrowing money to fund operating expenditures in the GRF. Therefore, by law, the GRF's budget must be balanced so that appropriations do not exceed available cash receipts and cash balances for the current fiscal year.

The State ended fiscal year 2022 with a GRF cash balance of \$6.55 billion and a GRF budgetary fund balance of \$5.66 billion. The State continues to meet its statutory target to maintain an ending fund balance reflecting one-half of one percent of fiscal year 2022 GRF revenues.

Other Major Governmental Funds

The *Job, Family and Other Human Services Fund* had a fund balance of \$1.32 billion at June 30, 2022, an increase of \$576.4 million, or 77.6 percent, compared to fiscal year 2021. Contributing in part to the increase in fund balance was a \$374.8 million increase in Licenses, Permits and Fees revenue, primarily related to hospital assessments. During fiscal year 2022, Federal Government revenue increased \$5.42 billion with a corresponding increase in Public Assistance and Medicaid expenditures of \$5.45 billion. The increased expenditures related to Food Assistance Programs and Medicaid spending, partly due to continuing COVID-19 pandemic effects.

The fund balance for the *Buckeye Tobacco Settlement Financing Authority Revenue Bonds Fund*, as of June 30, 2022, totaled approximately \$4.05 billion dollars, a decrease of \$129.8 million or 3.1 percent over the prior fiscal year. Debt Service expenditures increased by \$7 million during fiscal year 2022 due to scheduled principal and interest payments on outstanding bonds. Overall expenditures exceeded revenues resulting in a net decrease in fund balance.

Fund balance for the *Pandemic Relief Funds* was \$29.9 million at June 30, 2022, a net decrease of \$73.4 million (including a \$73.4 million decrease in inventories), or 71.1 percent since June 30, 2021. The fund was created in late fiscal year 2020 to receive federal funding for emergency expenditures related to the COVID-19 pandemic. During fiscal year 2022, Federal Government revenue recognition increased \$408.3 million. Fiscal year total expenditures were \$1.64 billion, a decrease of \$1.06 billion, or 39.2 percent over the prior year, due to continued pandemic recovery. General Government expenditures declined 37.9 percent, with \$881.7 million expended during the fiscal year for allowable distributions to local governments to cover expenses incurred due to the public health emergency. In general, expenditures declined across all functions apart from Community and Economic Development expenditures of \$578.2 million for community emergency rental assistance. A \$1.47 billion transfer-out to the Unemployment Compensation Fund resulted in full repayment of the \$1.47 billion balance of federal repayable advances (loans). The balance of funding received but not expended as of June 30, 2022, is reported as a \$4.22 billion Unearned Revenue liability.

Proprietary Funds

Major Proprietary Funds

The State's proprietary fund financial statements report the same type of information found in the business-type activities portion of the government-wide financial statements, but in a slightly different format.

The *Workers' Compensation Fund's* fiscal year 2022 net position decreased by \$1.86 billion (after a restatement of beginning balance) or 19.9 percent, to \$7.5 billion, as compared to the prior year. Although partly offset by a \$6.2 billion drop in premium rebate expense, the \$5 billion drop in investment income and an increase in Benefit and Claims expenses resulted in the significant decrease in net position over the prior year.

For fiscal year 2022, the *Lottery Commission Fund* reported \$1.48 billion in net income before transfers of approximately \$1.41 billion to the Lottery Profits Education Fund. Net position at June 30, 2022, in the amount of \$367.3 million, increased 23.6 percent from fiscal year 2021.

The Unemployment Compensation Fund ended fiscal year 2022 with a net position of \$1.3 billion. The \$2.21 billion net position increase in the Unemployment Compensation Fund over the prior year is due to pandemic and associated recovery. The unemployment rate decreased from an average of 6.1 percent in the prior year to 4.3 percent

in fiscal year 2022. Benefit and Claims expense decreased \$12.78 billion, while Federal Government revenue decreased \$11.38 billion due to normalizing after several years of pandemic activity. A transfer-in of \$1.47 billion from the Pandemic Relief Funds repaid the federal government in full for the \$1.47 billion balance of repayable advances (loans).

Capital/Lease Asset and Debt Administration

Capital and Lease Assets

As of June 30, 2022, and June 30, 2021, the State's primary government had invested \$30.28 billion and \$29.5 billion, respectively, net of accumulated depreciation of \$5.33 billion and \$5.21 billion, respectively, in a broad range of capital assets, as detailed in the following table.

The total increase in the State's net capital assets for the current fiscal year was 2.7 percent (a 2.8 percent increase for governmental activities and a 27.1 percent decrease for business-type activities). Depreciation expense increased 29.4 percent for governmental activities and decreased 56.7 percent for business-type activities.

The State completed construction on a variety of infrastructure, facilities, and software projects during fiscal year 2022 totaling approximately \$339.2 million, as compared with \$397.5 million in the previous fiscal year. As further detailed in the notes to the financial statements (NOTE 20E), the State had \$543.1 million in major construction commitments (unrelated to infrastructure), as of June 30, 2022, compared to \$527.6 million for the prior year.

Capital Assets, Net of Accumulated Depreciation						
As of June 30, 2022 and 2021						
<i>(dollars in thousands)</i>						
	As of June 30, 2022			As of June 30, 2021		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 2,658,835	\$ 9,466	\$ 2,668,301	\$ 2,622,710	\$ 9,466	\$ 2,632,176
Buildings	1,741,320	6,402	1,747,722	1,695,070	7,181	1,702,251
Land Improvements	184,671	-	184,671	168,402	-	168,402
Machinery and Equipment	628,440	60,939	689,379	520,118	88,684	608,802
Vehicles	165,524	1,036	166,560	197,831	1,395	199,226
Infrastructure:						
Highway Network:						
General Subsystem	9,124,726	-	9,124,726	9,097,505	-	9,097,505
Priority Subsystem	9,307,147	-	9,307,147	9,210,434	-	9,210,434
Bridge Network	2,950,890	-	2,950,890	2,994,689	-	2,994,689
Parks, Recreation, and Natural Resources System .	278,437	-	278,437	218,230	-	218,230
	<u>27,039,990</u>	<u>77,843</u>	<u>27,117,833</u>	<u>26,724,989</u>	<u>106,726</u>	<u>26,831,715</u>
Construction-in-Progress	3,160,911	-	3,160,911	2,666,228	-	2,666,228
Total Capital Assets, Net	<u>\$ 30,200,901</u>	<u>\$ 77,843</u>	<u>\$ 30,278,744</u>	<u>\$ 29,391,217</u>	<u>\$ 106,726</u>	<u>\$ 29,497,943</u>

Governmental Accounting Standards Board (GASB) Statement 87, *Leases*, requires the reporting of certain lease assets and lease liabilities and was effective for fiscal year 2022. As of June 30, 2022, and July 1, 2021 (at implementation of GASB 87), the State's primary government had \$144.5 million and \$140.2 million, respectively, net of accumulated amortization, in lease assets including real estate, machinery and equipment, and land.

Modified Approach

For reporting its highway and bridge infrastructure assets, the State has adopted the use of the modified approach. To use this approach, a government must maintain an asset management system and demonstrate that the infrastructure is being preserved approximately at or above an established condition level. Under this approach, infrastructure is not depreciated, and maintenance and preservation costs are expensed. Infrastructure assets accounted for using the modified approach include approximately 43,432 lane miles of highway and approximately 108.6 million square feet of deck area that comprises 14,185 bridges for which the State has the responsibility for ongoing maintenance.

Ohio accounts for its pavement network in two subsystems: Priority and General. It is the State's goal to allow no more than 25 percent of the total lane-miles reported for each of the priority and general subsystems to be classified with a "poor" condition rating. The most recent condition assessment, completed by the Ohio Department of Transportation (ODOT) for fiscal year 2022, indicates that 3.5 percent and 2 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating. Comparatively, 3.2 percent and 1.8 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating in fiscal year 2021.

For the bridge network, it is the State's intention to allow no more than 15 percent of the total number of square feet of deck area to be in "fair" or "poor" condition. The most recent condition assessment, completed by ODOT for fiscal year 2022, indicates that only 2.3 percent of the number of square feet of bridge deck area was considered to be in "fair" or "poor" conditions, a 0.7 percent increase over the prior year.

Fiscal year 2022 total actual maintenance and preservation costs for the pavement network were \$870 million, compared to estimated costs of \$753.6 million, while total actual maintenance and preservation costs for the bridge network were \$335.6 million, \$8 million above estimate. In the previous fiscal year, total actual maintenance and preservation costs for the pavement network were \$834.4 million, compared to estimated costs of \$707.1 million, while total actual maintenance and preservation costs for the bridge network were \$397 million, \$27.5 million above estimate. Overall, the State's costs for actual maintenance and preservation for highway infrastructure assets have exceeded estimates over the past two years due to steadily increasing underlying costs for the materials and labor associated with infrastructure projects.

More detailed information on the State's capital and lease assets can be found in NOTE 8 to the financial statements and in the Required Supplementary Information Infrastructure section of this report.

Debt — Bonds and Notes Payable and Certificates of Participation Obligations

The State's general obligation bonds are backed by its full faith and credit. Revenue bonds and notes are secured with revenues pledged for the retirement of debt principal and the payment of interest. Special obligation bonds are supported with lease payments from tenants of facilities constructed with the proceeds from the bonds. Under certificate of participation (COPs) financing arrangements, the State is required to pay base rent (subject to appropriation) that approximates interest and principal payments made by trustees to certificate holders.

During fiscal year 2022, the State issued a par amount of \$411 million in general obligation bonds, \$217.2 million in special obligation bonds, and \$21.4 million in certificates of participation. Of the general and special obligation bonds issued, \$148 million and \$10.4, respectively, were refunding bonds. The total decrease in the State's debt for the current fiscal year, based on carrying amount, was 5.3 percent, all in governmental activities.

As of June 30, 2022, and June 30, 2021, the State had total debt, all in governmental activities, of approximately \$17.97 billion and \$18.97 billion, respectively, as shown in the following chart.

Bonds and Notes Payable and Certificates of Participation
As of June 30, 2022 and 2021
(dollars in thousands)



Credit Ratings

Both the State’s general and special obligation bonds carry a “positive” credit outlook from Fitch Inc. and a “stable” credit outlook from Moody’s Investor Services, Inc. and S & P Global Ratings Services. The Highway Capital Improvements General Obligations Bonds also carry a “stable” credit outlook from Kroll Bond Rating Agency. A credit outlook is an indication of the pressure on the rating over the near-to-intermediate term and should not be viewed as a precursor to a rating change. On September 8, 2022, Fitch upgraded Ohio’s long-term Issuer Default Rating *IDR” from “AA+” to “AAA,” the highest credit rating possible. This is the highest rating for Ohio’s IDR in 43 years. Another validation that Ohio is financially sound and well managed came In October 2022 when Moody’s raised Ohio’s credit outlook to “Positive” and affirmed the State’s “Aa1” Issuer rating. In addition, Buckeye Tobacco Settlement Financing Authority’s 2032 A-2 maturity (CUSIP 118217CN6) was upgraded from A- to A on November 6, 2022.

The ratings and rating outlooks in effect from time to time reflect only the views of the particular rating organization. An explanation of its view of the meaning and significance of its rating or outlook may be obtained from the respective rating agency. Generally, the rating agencies base their rating on submitted information and on their own investigations, studies, and assumptions. There can be no assurance that the ratings or outlooks assigned will continue for any given time. Rating agencies may lower or withdraw a rating at any time, if in its judgment circumstances so warrant.

The State’s bonds and notes are rated as follows:

Credit Ratings							
As of June 30, 2022							
Bonds and Notes	Issuer	Fitch Inc.	Kroll Bond Rating Agency	Moody's Investor Services, Inc.	S & P Global Ratings	Security and Source of Funds	
General Obligations Bonds:							
Common Schools Capital Facilities ...	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Higher Education Capital Facilities	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Highw ay Capital Improvements	Treasurer of State	AA+	AAA	Aa1	AAA	Highw ay User Receipts	
Infrastructure Improvements	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Coal Research and Development	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Natural Resources Capital Facilities .	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Conservation Projects	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Third Frontier Research and Development	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Site Development	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Veterans' Compensation	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Revenue Bonds:							
Major New State Infrastructure.....	Treasurer of State	N/A	N/A	Aa2	AA	Federal Transportation Grants	
Tobacco Settlement Asset-Backed...	Buckeye Tobacco Settlement Financing Authority	N/A	N/A	N/A	BBB+ to A*	Pledged Receipts from the Tobacco Master Settlement Agreement	
*The Class 2 Senior Current Interest Bonds and the Class 2 Turbo Capital Appreciation Bonds are Non-Rated. The 2031 A-2 maturity (CUSIP 118217CM8) was upgraded from A- to A on September 30, 2021.							
Special Obligation Bonds:							
Mental Health Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Parks and Recreation Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Cultural and Sports Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Adult Correctional Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Administrative Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Juvenile Correctional Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Transportation Building Projects.....	Treasurer of State	AA	N/A	Aa1	AA	Highw ay User Receipts	
Highw ay Safety Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	Highw ay User Receipts	

Limitations on Debt

Section 17 of Article VIII of the Ohio Constitution, approved by Ohio voters in November 1999, establishes an annual debt service "cap" applicable to future issuances of direct obligations payable from the GRF or net state lottery proceeds. Generally, new obligations may not be issued if debt service for any future fiscal year on those new and the then outstanding bonds of those categories would exceed five percent of the total of estimated GRF revenues plus net state lottery proceeds for the fiscal year of issuance.

Those direct obligations of the State include general obligation and special obligation bonds that are paid from the State's GRF but exclude general obligation debt for Third Frontier Research and Development, development of sites and facilities, and veterans' compensation, and general obligation bonds payable from non-GRF funds (such as highway bonds that are paid from highway user receipts). Pursuant to the implementing legislation, the Governor has designated the Director of the Ohio Office of Budget and Management as the State official responsible for making the five percent determinations and certifications. Application of the five percent cap may be waived in a particular instance by a three-fifths vote of each house of the Ohio General Assembly and may be changed by future constitutional amendments.

The State met the requirements of Section 17 of Article VIII of the Ohio Constitution. More detailed information on the State's long-term debt, including changes during the year, can be found in NOTES 10 through 13 and NOTE 15 to the financial statements.

Conditions Expected to Affect Future Operations

Economic Factors

Through October 2022, the economy continues to recover from the decrease in economic activity due to the COVID-19 pandemic and disruptions in the supply chain. Ohio's unemployment rate decreased from 5.1 percent in October 2021 to 4.2 percent in October 2022. Forecasters anticipate a short and mild recession will occur nationally starting in early 2023. In October 2022, Ohio's nonagricultural payroll employment increased by over 127 thousand jobs from October 2021.

Nationally, real gross domestic product (GDP) expanded in the third quarter at an annualized rate of 2.6 percent. The increase in GDP for the third quarter comes after decreases in growth for the two previous quarters. Small growths in net exports and personal and government spending accounted for the increase in GDP. There have also been small improvements in the supply chain disruptions experienced during the COVID-19 pandemic.

The national labor market outlook strengthened further in October 2022, as the level of nonfarm payroll employment increased by 261 thousand jobs. Employment was just slightly below February 2020's pre-pandemic levels by 1.2 percentage points. The U.S. unemployment rate for October 2022 was 3.7 percent, down from 4.6 percent in October 2021.

General Revenue Fund

For fiscal year 2023, total fiscal year-to-date GRF receipts collected through October 2022 are \$977.3 million above estimates and \$2.87 billion more than collections through October of the prior fiscal year. Total fiscal year-to-date GRF disbursements through October 2022 are \$310 million above estimates for the first four months of fiscal year 2023 and \$960.2 million more than expenditures for the first four months of the prior fiscal year. As of October 2022, receipts were 6.7 percent above budget estimates and disbursements were 1.9 percent above budget estimates for fiscal year 2023. Fiscal year 2023 receipts are 22.8 percent above receipts for the first four months of fiscal year 2022, due largely to a significant amount of pandemic related federal grant funding for Medicaid received in fiscal year 2023. Disbursements for fiscal year 2023 are 6.2 percent above disbursements for the same time period of fiscal year 2022.

Budget Stabilization Fund

The Budget Stabilization Fund (BSF) is Ohio's rainy day savings account, a reserve balance set aside in good economic times to protect the State's budget from cyclical changes in revenues and expenditures should the economy become weakened unexpectedly. By law, the target balance for the BSF can be up to 8.5 percent of the prior fiscal year's GRF revenues. The BSF reported a record-high balance of approximately \$2.71 billion at the end of fiscal year 2022.

Workers' Compensation Fund

As part of the Ohio Bureau of Workers' Compensation (BWC) commitment to keep costs down for Ohio businesses, base rates will decrease an average of 10 percent for private employers for the July 1, 2022, policy year. BWC continues to monitor trends that might affect its investment portfolio and maintain a stable financial position.

Contacting the Ohio Office of Budget and Management

This financial report is designed to provide the State's citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Ohio Office of Budget and Management, Financial Reporting Section, 30 East Broad Street, 34th Floor, Columbus, Ohio 43215-3457 or through the OBM Website at [Contact Us | Office of Budget and Management \(ohio.gov\)](#).

Financial Section

Basic Financial Statements



John A. Roebling Bridge
Cincinnati, Ohio

STATE OF OHIO
STATEMENT OF NET POSITION
JUNE 30, 2022
(dollars in thousands)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
ASSETS:				
Cash Equity with Treasurer.....	\$ 26,775,020	\$ 190,332	\$ 26,965,352	\$ 188,583
Cash and Cash Equivalents.....	218,409	885,669	1,104,078	1,636,013
Deposit with Federal Government.....	—	1,174,133	1,174,133	—
Investments.....	2,080,332	19,946,268	22,026,600	17,703,175
Collateral on Lent Securities.....	4,986,899	34,653	5,021,552	34,084
Taxes Receivable.....	1,979,923	—	1,979,923	—
Intergovernmental Receivable.....	1,243,485	6,698	1,250,183	66,482
Premiums and Assessments Receivable.....	—	513,457	513,457	—
Investment Trade Receivable.....	—	187,039	187,039	—
Loans Receivable, Net.....	1,487,972	—	1,487,972	242,177
Receivable from Primary Government.....	—	—	—	21,578
Receivable from Component Units.....	6,262	—	6,262	—
Other Receivables.....	1,287,478	557,351	1,844,829	1,868,480
Inventories.....	232,643	—	232,643	234,694
Other Assets.....	694,048	56,105	750,153	2,537,501
Restricted Assets:				
Cash Equity with Treasurer.....	—	154	154	—
Cash and Cash Equivalents.....	35	736	771	340,706
Investments.....	366,759	502,347	869,106	3,046,164
Collateral on Lent Securities.....	—	87,784	87,784	—
Other Receivables.....	767,991	4	767,995	—
Lease Assets, Net.....	132,420	12,058	144,478	630,077
Capital Assets Being Depreciated, Net.....	2,931,642	68,377	3,000,019	14,585,734
Capital Assets Not Being Depreciated.....	27,269,259	9,466	27,278,725	3,176,760
TOTAL ASSETS.....	72,460,577	24,232,631	96,693,208	46,312,208
DEFERRED OUTFLOWS OF RESOURCES.....	4,732,822	47,877	4,780,699	1,446,169
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	77,193,399	24,280,508	101,473,907	47,758,377
LIABILITIES:				
Accounts Payable.....	1,329,373	29,290	1,358,663	912,753
Accrued Liabilities.....	485,264	3,530	488,794	1,036,893
Medicaid Claims Payable.....	731,117	—	731,117	—
Obligations Under Securities Lending.....	4,986,899	122,437	5,109,336	34,084
Investment Trade Payable.....	—	414,528	414,528	—
Intergovernmental Payable.....	1,939,906	57	1,939,963	3,626
Internal Balances.....	495,505	(495,505)	—	—
Payable to Primary Government.....	—	—	—	9,227
Payable to Component Units.....	21,578	—	21,578	—
Unearned Revenue.....	5,296,115	375,276	5,671,391	777,221
Benefits Payable.....	—	1,016	1,016	—
Refund and Other Liabilities.....	1,511,814	77,784	1,589,598	333,028
Noncurrent Liabilities:				
Bonds and Notes Payable:				
Due in One Year.....	1,464,335	—	1,464,335	682,224
Due in More Than One Year.....	16,242,538	—	16,242,538	11,315,380
Certificates of Participation:				
Due in One Year.....	36,493	—	36,493	—
Due in More Than One Year.....	226,658	—	226,658	—
Other Noncurrent Liabilities:				
Due in One Year.....	242,065	2,080,517	2,322,582	584,067
Due in More Than One Year.....	3,562,335	12,218,350	15,780,685	6,348,367
TOTAL LIABILITIES.....	38,571,995	14,827,280	53,399,275	22,036,870
DEFERRED INFLOWS OF RESOURCES.....	4,884,625	217,977	5,102,602	8,355,570
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	43,456,620	15,045,257	58,501,877	30,392,440

The notes to the financial statements are an integral part of this statement.

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
NET POSITION (DEFICITS):				
Net Investment in Capital Assets.....	26,177,771	77,842	26,255,613	9,646,742
Restricted for:				
Primary, Secondary and Other Education.....	86,776	—	86,776	—
Higher Education Support.....	339,108	—	339,108	—
Public Assistance and Medicaid.....	494,579	—	494,579	—
Health and Human Services.....	320,599	—	320,599	—
Justice and Public Protection.....	95,377	—	95,377	—
Environmental Protection and Natural Resources.....	622,140	—	622,140	—
Transportation.....	3,180,287	—	3,180,287	216,577
General Government.....	217,773	—	217,773	—
Community and Economic Development.....	1,337,910	—	1,337,910	32,565
Lottery Prizes.....	—	84,147	84,147	—
Workers Compensation.....	—	7,426,828	7,426,828	—
Unemployment Compensation.....	—	1,298,737	1,298,737	—
Tuition Trust Authority.....	—	107,391	107,391	—
Nonexpendable for				
Colleges and Universities.....	—	—	—	4,918,871
Expendable for				
Colleges and Universities.....	—	—	—	3,798,873
Unrestricted.....	864,459	240,306	1,104,765	(1,247,691)
TOTAL NET POSITION (DEFICITS).....	\$ 33,736,779	\$ 9,235,251	\$ 42,972,030	\$ 17,365,937

STATE OF OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES				NET (EXPENSE) REVENUE
		CHARGES FOR SERVICES, FEES, FINES AND FORFEITURES	OPERATING GRANTS, CONTRIBUTIONS AND RESTRICTED INVESTMENT INCOME/(LOSS)	CAPITAL GRANTS, CONTRIBUTIONS AND RESTRICTED INVESTMENT INCOME/(LOSS)		
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
Primary, Secondary						
and Other Education.....	\$ 16,400,029	\$ 15,943	\$ 4,353,404	\$ —	\$ (12,030,682)	
Higher Education Support	2,788,935	2,513	24,764	—	(2,761,658)	
Public Assistance and Medicaid	42,082,978	3,650,826	33,403,145	3	(5,029,004)	
Health and Human Services	2,546,325	170,433	2,320,144	—	(55,748)	
Justice and Public Protection	3,790,026	1,257,009	423,297	20	(2,109,700)	
Environmental Protection						
and Natural Resources.....	540,237	348,346	114,841	—	(77,050)	
Transportation	2,221,820	230,252	92,316	1,371,446	(527,806)	
General Government	1,668,268	773,768	1,354,787	23	460,310	
Community and Economic						
Development.....	4,747,009	382,070	1,814,884	20,184	(2,529,871)	
Interest on Long-Term Debt						
(excludes interest charged as						
program expense).....	85,327	—	—	—	(85,327)	
TOTAL GOVERNMENTAL ACTIVITIES.....	76,870,954	6,831,160	43,901,582	1,391,676	(24,746,536)	
BUSINESS-TYPE ACTIVITIES:						
Workers' Compensation.....	1,541,747	1,253,126	(1,570,004)	—	(1,858,625)	
Lottery Commission.....	4,121,684	5,624,131	(25,072)	—	1,477,375	
Unemployment Compensation.....	1,756,889	1,327,301	1,187,789	—	758,201	
Tuition Trust Authority.....	34,934	6,412	21,680	—	(6,842)	
Office of Auditor of State.....	65,508	47,408	—	—	(18,100)	
TOTAL BUSINESS-TYPE ACTIVITIES.....	7,520,762	8,258,378	(385,607)	—	352,009	
TOTAL PRIMARY GOVERNMENT.....	\$ 84,391,716	\$ 15,089,538	\$ 43,515,975	\$ 1,391,676	\$ (24,394,527)	
COMPONENT UNITS:						
Ohio Facilities Construction Commission.....	\$ 507,194	\$ 6,244	\$ 1,783	\$ —	\$ (499,167)	
Ohio State University.....	7,578,281	6,496,242	888,530	44,112	(149,397)	
Other Component Units.....	8,844,628	6,100,679	1,010,166	30,024	(1,703,759)	
TOTAL COMPONENT UNITS.....	\$ 16,930,103	\$ 12,603,165	\$ 1,900,479	\$ 74,136	\$ (2,352,323)	

The notes to the financial statements are an integral part of this statement.

PRIMARY GOVERNMENT

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
CHANGES IN NET POSITION:				
Net (Expense) Revenue.....	\$ (24,746,536)	\$ 352,009	\$ (24,394,527)	\$ (2,352,323)
General Revenues:				
Taxes:				
Income.....	11,235,422	—	11,235,422	—
Sales.....	13,249,466	—	13,249,466	—
Corporate and Public Utility	3,498,582	—	3,498,582	—
Cigarette.....	883,080	—	883,080	—
Other.....	1,203,927	—	1,203,927	—
Restricted for Transportation Purposes:				
Motor Vehicle Fuel Taxes.....	2,669,589	—	2,669,589	—
Total Taxes.....	32,740,066	—	32,740,066	—
Tobacco Settlement.....	337,502	—	337,502	—
Escheat Property.....	234,764	—	234,764	—
Unrestricted Investment Income.....	(569,669)	5	(569,664)	(892,629)
State Assistance	—	—	—	2,290,518
Other.....	756	—	756	1,386,823
Gain (Loss) on Extinguishment of Debt.....	(500)	25	(475)	—
Additions to Endowments				
and Permanent Fund Principal.....	—	—	—	119,149
Transfers-Internal Activities.....	(85,997)	85,997	—	—
TOTAL GENERAL REVENUES, GAINS (LOSSES), CONTRIBUTIONS, SPECIAL ITEMS AND TRANSFERS.....				
	32,656,922	86,027	32,742,949	2,903,861
CHANGE IN NET POSITION.....	7,910,386	438,036	8,348,422	551,538
NET POSITION (DEFICITS), JULY 1 (as restated)...	25,826,393	8,797,215	34,623,608	16,814,399
NET POSITION (DEFICITS), JUNE 30.....	\$ 33,736,779	\$ 9,235,251	\$ 42,972,030	\$ 17,365,937

STATE OF OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
(dollars in thousands)

	MAJOR FUNDS		
	GENERAL	JOB, FAMILY AND OTHER HUMAN SERVICES	BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY REVENUE BONDS
ASSETS:			
Cash Equity with Treasurer.....	\$ 15,239,937	\$ 1,510,787	\$ —
Cash and Cash Equivalents.....	157,310	3,430	190
Investments.....	2,025,742	—	366,759
Collateral on Lent Securities.....	2,886,732	275,066	—
Taxes Receivable	1,799,427	—	—
Intergovernmental Receivable.....	356,593	226,368	—
Loans Receivable, Net	1,269,338	—	—
Receivable from Component Units.....	—	—	—
Other Receivables	376,364	899,870	767,991
Inventories	19,575	—	—
Other Assets	41	—	—
TOTAL ASSETS	24,131,059	2,915,521	1,134,940
DEFERRED OUTFLOWS OF RESOURCES.....	—	—	3,687,263
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	\$ 24,131,059	\$ 2,915,521	\$ 4,822,203
LIABILITIES:			
Accounts Payable	\$ 284,175	\$ 154,107	\$ —
Accrued Liabilities.....	229,872	31,938	—
Medicaid Claims Payable.....	474,970	—	—
Obligations Under Securities Lending.....	2,886,732	275,066	—
Intergovernmental Payable.....	1,454,277	124,590	—
Interfund Payable.....	400,606	9,344	—
Payable to Component Units.....	16,278	2,114	—
Unearned Revenue.....	—	917,229	—
Refund and Other Liabilities.....	1,508,476	3,338	—
Liability for Escheat Property.....	325,270	—	—
TOTAL LIABILITIES.....	7,580,656	1,517,726	—
DEFERRED INFLOWS OF RESOURCES.....	907,502	78,562	767,992
FUND BALANCES (DEFICITS):			
Nonspendable.....	37,680	—	—
Restricted.....	1,410,363	142,063	4,054,056
Committed.....	863,606	1,177,170	—
Assigned.....	6,437,294	—	155
Unassigned.....	6,893,958	—	—
TOTAL FUND BALANCES (DEFICITS)	15,642,901	1,319,233	4,054,211
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 24,131,059	\$ 2,915,521	\$ 4,822,203

The notes to the financial statements are an integral part of this statement.

PANDEMIC RELIEF FUNDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 4,672,915	\$ 5,351,381	\$ 26,775,020
—	57,514	218,444
—	54,590	2,447,091
850,788	974,313	4,986,899
—	180,496	1,979,923
—	660,524	1,243,485
—	218,634	1,487,972
—	6,262	6,262
—	11,244	2,055,469
29,854	183,214	232,643
—	—	41
<u>5,553,557</u>	<u>7,698,172</u>	<u>41,433,249</u>
—	—	3,687,263
<u>\$ 5,553,557</u>	<u>\$ 7,698,172</u>	<u>\$ 45,120,512</u>
\$ 448,417	\$ 442,674	\$ 1,329,373
394	85,804	348,008
—	256,147	731,117
850,788	974,313	4,986,899
—	361,039	1,939,906
754	84,801	495,505
—	3,186	21,578
4,223,350	155,536	5,296,115
—	—	1,511,814
—	—	325,270
<u>5,523,703</u>	<u>2,363,500</u>	<u>16,985,585</u>
—	28,168	1,782,224
29,854	183,214	250,748
—	3,959,379	9,565,861
—	1,164,585	3,205,361
—	—	6,437,449
—	(674)	6,893,284
<u>29,854</u>	<u>5,306,504</u>	<u>26,352,703</u>
<u>\$ 5,553,557</u>	<u>\$ 7,698,172</u>	<u>\$ 45,120,512</u>

STATE OF OHIO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022
(dollars in thousands)

Total Fund Balances for Governmental Funds..... **\$ 26,352,703**

Total net position reported for governmental activities in the Statement of Net Position is different because:

Net Pension Assets Reported for Governmental Activities are not Financing Resources and therefore are not Reported in the Funds..... 694,007

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:

Land.....	2,658,835	
Buildings and Improvements, net of \$2,804,965 accumulated depreciation.....	1,741,320	
Land Improvements, net of \$415,938 accumulated depreciation.....	184,671	
Machinery and Equipment, net of \$1,361,042 accumulated depreciation.....	628,440	
Vehicles, net of \$371,352 accumulated depreciation.....	165,524	
Infrastructure, net of \$74,653 accumulated depreciation.....	21,661,200	
Construction-in-Progress.....	3,160,911	
Total Capital Assets.....		<u>30,200,901</u>
Lease Assets, net of \$29,738 amortization, not reported in the funds.....		<u>132,420</u>

The following Deferred Outflows of Resources are not related to the current period and therefore, are not reported in the funds.

Hedging Derivative Instruments.....	2,044	
Loss on Debt Refundings.....	179,477	
Net Pension and OPEB Liability/Asset.....	864,038	
Total Deferred Outflows of Resources.....		<u>1,045,559</u>

The following liabilities are not due and payable in the current period, and therefore, are not reported in the funds.

Accrued Liabilities:		
Interest Payable.....	(137,256)	
Bonds and Notes Payable:		
General Obligation Bonds.....	(8,690,205)	
Revenue Bonds and Notes.....	(6,418,245)	
Special Obligation Bonds.....	(2,598,423)	
Certificates of Participation.....	(263,151)	
Other Noncurrent Liabilities:		
Compensated Absences.....	(575,588)	
Net Pension Liability.....	(2,070,390)	
Net OPEB Liability.....	(380,714)	
Lease Liability.....	(132,420)	
Financed Purchases Obligations.....	(18,116)	
Derivative Instruments.....	(2,831)	
Pollution Remediation.....	(1,770)	
Infrastructure Liabilities.....	(297,301)	
Total Liabilities.....		<u>(21,586,410)</u>

The following Deferred Inflows of Resources are not related to the current period and therefore, are not reported in the funds.

Resources from the Sale of Future Revenues.....	(912,252)	
Net Pension and OPEB Liability/Asset.....	(3,254,404)	
Debt Refundings.....	(33,243)	
Less Unavailable Resources Reported in the Funds:		
Taxes Receivable.....	152,385	
Intergovernmental Receivable.....	88,093	
Other Receivables.....	857,020	
	1,097,498	
Total Deferred Inflows of Resources.....		<u>(3,102,401)</u>

Total Net Position of Governmental Activities..... **\$ 33,736,779**

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	MAJOR FUNDS		
	GENERAL	JOB, FAMILY AND OTHER HUMAN SERVICES	BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY REVENUE BONDS
REVENUES:			
Income Taxes.....	\$ 11,204,590	\$ —	\$ —
Sales Taxes.....	13,249,466	—	—
Corporate and Public Utility Taxes.....	3,414,271	—	—
Motor Vehicle Fuel Taxes.....	1,484,728	—	—
Cigarette Taxes.....	883,080	—	—
Other Taxes.....	806,270	1,281	—
Licenses, Permits and Fees.....	1,384,825	3,017,515	—
Sales, Services and Charges.....	137,033	—	—
Federal Government.....	11,592,484	19,808,650	—
Tobacco Settlement.....	1,896	—	307,935
Escheat Property.....	234,764	—	—
Investment Income.....	(570,453)	5,349	785
Other.....	500,382	325,972	9
TOTAL REVENUES.....	44,323,336	23,158,767	308,729
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education.....	10,306,136	—	101,520
Higher Education Support.....	2,636,233	—	—
Public Assistance and Medicaid.....	17,418,844	22,222,570	—
Health and Human Services.....	780,983	292,967	—
Justice and Public Protection.....	3,705,620	59,541	—
Environmental Protection and Natural Resources.....	128,195	—	—
Transportation.....	60,252	—	—
General Government.....	569,426	3,609	569
Community and Economic Development.....	3,205,195	—	—
CAPITAL OUTLAY.....	—	9,834	—
DEBT SERVICE.....	—	—	313,494
TOTAL EXPENDITURES.....	38,810,884	22,588,521	415,583
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	5,512,452	570,246	(106,854)
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....	237,945	—	—
Refunding Bonds and COPs Issued.....	—	—	—
Payment to Refunded Bond and COPs Escrow Agents.....	—	—	—
Premiums/Discounts.....	57,055	—	—
Leases and Financed Purchases.....	24,365	—	—
Transfers-in.....	232,722	13,344	224
Transfers-out.....	(2,488,874)	(7,205)	(23,151)
TOTAL OTHER FINANCING SOURCES (USES).....	(1,936,787)	6,139	(22,927)
NET CHANGE IN FUND BALANCES.....	3,575,665	576,385	(129,781)
FUND BALANCES (DEFICITS), July 1 (as restated).....	12,067,376	742,848	4,183,992
Increase (Decrease) for Changes in Inventories.....	(140)	—	—
FUND BALANCES (DEFICITS), JUNE 30.....	\$ 15,642,901	\$ 1,319,233	\$ 4,054,211

The notes to the financial statements are an integral part of this statement.

<u>PAIDEMIC RELIEF FUNDS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
\$ —	\$ —	\$ 11,204,590
—	—	13,249,466
—	84,311	3,498,582
—	1,184,861	2,669,589
—	—	883,080
—	396,376	1,203,927
—	805,826	5,208,166
—	29,936	166,969
3,104,653	10,367,984	44,873,771
—	—	309,831
—	—	234,764
15,021	16,667	(532,631)
2,746	942,466	1,771,575
3,122,420	13,828,427	84,741,679
13,096	5,752,095	16,172,847
—	45,104	2,681,337
12,000	2,639,788	42,293,202
127,155	1,354,853	2,555,958
24,446	450,877	4,240,484
6,489	446,834	581,518
—	2,786,595	2,846,847
881,724	432,941	1,888,269
578,188	905,428	4,688,811
—	489,629	499,463
—	1,783,735	2,097,229
1,643,098	17,087,879	80,545,965
1,479,322	(3,259,452)	4,195,714
—	253,145	491,090
—	158,455	158,455
—	(199,411)	(199,411)
—	75,766	132,821
—	—	24,365
19	4,094,234	4,340,543
(1,479,341)	(427,969)	(4,426,540)
(1,479,322)	3,954,220	521,323
—	694,768	4,717,037
103,230	4,612,107	21,709,553
(73,376)	(371)	(73,887)
\$ 29,854	\$ 5,306,504	\$ 26,352,703

STATE OF OHIO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**
(dollars in thousands)

Net Change in Fund Balances -- Total Governmental Funds.....	\$ 4,717,037
Change in Inventories.....	<u>(73,887)</u>
	4,643,150
Dissolution of Southern Ohio Agricultural and Community Economic Development Foundation.....	(302)

The change in net position reported for governmental activities in the Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay Expenditures.....	1,177,025
Depreciation Expense.....	<u>(367,341)</u>
Excess of Capital Outlay Over Depreciation Expense.....	<u>809,684</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from:

General Obligation Bonds.....	(262,920)
Special Obligation Bonds.....	(206,785)
Refunding Bonds, including Bond Premium/Discount, Net.....	(200,383)
Certificates of Participation.....	(21,385)
Premiums and Discounts, Net:	
General Obligation Bonds.....	(55,669)
Special Obligation Bonds.....	(30,613)
Certificates of Participation.....	<u>(4,611)</u>
Total Debt Proceeds.....	<u>(782,366)</u>

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

Debt Principal Retirement and Defeasements:	
General Obligation Bonds.....	1,112,086
Revenue Bonds and Notes.....	189,745
Special Obligation Bonds.....	233,589
Certificates of Participation.....	<u>30,935</u>
Total Long-Term Debt Repayment.....	<u>1,566,355</u>

The notes to the financial statements are an integral part of this statement.

Some revenues and expenses reported in the Statement of Activities are not reported as revenue and expenditures in the governmental funds. Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses, liabilities, and deferred resources are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the changes in the following balances:

<i>Increase in Other Assets</i>	282,354	
<i>Decrease in Lease Assets</i>	(5,374)	
<i>Decrease in Financed Purchase Obligation</i>	9,278	
<i>Decrease in Accrued Interest and Other Accrued Liabilities</i>	5,274	
<i>Decrease in Accounts Payable</i>	23	
<i>Amortization of Bond Premiums/Accretion of Bond Discount, Net</i>	216,292	
<i>Decrease in Refunding Loss Included in Deferred Outflows of Resources</i>	(23,837)	
<i>Decrease in Pension/OPEB Related Balances Included in Deferred Outflows of Resources</i>	(18,150)	
<i>Increase in Compensated Absences</i>	(2,854)	
<i>Decrease in Derivative Instrument Liabilities (Excluding Hedging Derivative Instruments)</i>	2,573	
<i>Decrease in Pollution Remediation</i>	59	
<i>Decrease in Infrastructure Liability</i>	22,632	
<i>Decrease in Net Pension Liability</i>	1,346,558	
<i>Decrease in OPEB Liability</i>	252,699	
<i>Decrease in Lease Liability</i>	5,374	
<i>Increase in Deferred Inflow of Resources</i>	<u>(419,036)</u>	
 <i>Total Additional Revenues and Expenditures</i>		<u>1,673,865</u>
 <i>Change in Net Position of Governmental Activities</i>.....		<u>\$ 7,910,386</u>

STATE OF OHIO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS -- ENTERPRISE
JUNE 30, 2022
(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer.....	\$ 13,464	\$ 144,070	\$ —
Cash and Cash Equivalents.....	621,899	252,729	1,739
Deposit with Federal Government.....	—	—	1,174,133
Collateral on Lent Securities.....	2,452	26,230	—
Restricted Assets:			
Cash Equity with Treasurer.....	—	154	—
Investments.....	—	38,183	—
Collateral on Lent Securities.....	—	87,784	—
Other Receivables.....	—	4	—
Intergovernmental Receivable.....	—	—	1,339
Premiums and Assessments Receivable.....	—	—	27,519
Investment Trade Receivable.....	187,039	—	—
Interfund Receivable.....	49,615	—	—
Other Receivables.....	392,115	66,702	97,392
Other Assets.....	—	4,654	9
TOTAL CURRENT ASSETS.....	1,266,584	620,510	1,302,131
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents.....	736	—	—
Investments.....	—	285,977	—
Investments.....	19,946,268	—	—
Premiums and Assessments Receivable.....	485,938	—	—
Interfund Receivable.....	445,721	—	—
Other Assets.....	32,032	5,844	—
Lease Assets, Net.....	10,491	28	—
Capital Assets Being Depreciated, Net.....	60,310	6,610	—
Capital Assets Not Being Depreciated.....	9,466	—	—
TOTAL NONCURRENT ASSETS.....	20,990,962	298,459	—
TOTAL ASSETS.....	22,257,546	918,969	1,302,131
DEFERRED OUTFLOWS OF RESOURCES.....	32,401	4,390	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	22,289,947	923,359	1,302,131
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable.....	9,700	18,930	—
Accrued Liabilities.....	—	—	—
Obligations Under Securities Lending.....	2,452	114,014	—
Investment Trade Payable.....	414,528	—	—
Intergovernmental Payable.....	—	—	57
Prize Awards Payable.....	—	38,342	—
Interfund Payable.....	—	120	—
Unearned Revenue.....	372,042	1,987	—
Benefits Payable.....	1,340,799	—	1,016
Refund and Other Liabilities.....	706,435	49,743	2,321
TOTAL CURRENT LIABILITIES.....	2,845,956	223,136	3,394
NONCURRENT LIABILITIES:			
Prize Awards Payable.....	—	290,561	—
Interfund Payable.....	—	824	—
Benefits Payable.....	10,399,094	—	—
Refund and Other Liabilities.....	1,405,203	18,839	—
TOTAL NONCURRENT LIABILITIES.....	11,804,297	310,224	—
TOTAL LIABILITIES.....	14,650,253	533,360	3,394
DEFERRED INFLOWS OF RESOURCES.....	143,090	22,700	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	14,793,343	556,060	3,394
NET POSITION (DEFICITS):			
Net Investment in Capital Assets.....	69,776	6,609	—
Restricted for Lottery Prizes.....	—	84,147	—
Unrestricted.....	7,426,828	276,543	1,298,737
TOTAL NET POSITION (DEFICITS).....	\$ 7,496,604	\$ 367,299	\$ 1,298,737

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS		TOTAL	
\$	32,798	\$	190,332
	9,302		885,669
	—		1,174,133
	5,971		34,653
	—		154
	17,700		55,883
	—		87,784
	—		4
	5,359		6,698
	—		27,519
	—		187,039
	1,113		50,728
	1,142		557,351
	—		4,663
	<u>73,385</u>		<u>3,262,610</u>
	—		736
	160,487		446,464
	—		19,946,268
	—		485,938
	—		445,721
	13,566		51,442
	1,539		12,058
	1,457		68,377
	—		9,466
	<u>177,049</u>		<u>21,466,470</u>
	<u>250,434</u>		<u>24,729,080</u>
	<u>11,086</u>		<u>47,877</u>
	<u>261,520</u>		<u>24,776,957</u>
	660		29,290
	3,530		3,530
	5,971		122,437
	—		414,528
	—		57
	—		38,342
	—		120
	1,247		375,276
	17,700		1,359,515
	2,961		761,460
	<u>32,069</u>		<u>3,104,555</u>
	—		290,561
	—		824
	61,600		10,460,694
	43,053		1,467,095
	<u>104,653</u>		<u>12,219,174</u>
	<u>136,722</u>		<u>15,323,729</u>
	<u>52,187</u>		<u>217,977</u>
	<u>188,909</u>		<u>15,541,706</u>
	1,457		77,842
	—		84,147
	71,154		9,073,262
\$	<u>72,611</u>	\$	<u>9,235,251</u>

STATE OF OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS – ENTERPRISE FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
OPERATING REVENUES:			
Charges for Sales and Services.....	\$ —	\$ 5,624,131	\$ 13,446
Premium and Assessment Income.....	1,245,461	—	1,162,498
Federal Government.....	—	—	1,185,026
Investment Income.....	—	—	—
Other.....	7,665	—	147,046
TOTAL OPERATING REVENUES.....	1,253,126	5,624,131	2,508,016
OPERATING EXPENSES:			
Costs of Sales and Services.....	—	—	—
Administration.....	44,657	147,046	—
Bonuses and Commissions.....	—	1,167,420	—
Prizes.....	—	2,791,674	—
Benefits and Claims.....	1,405,889	—	1,756,889
Depreciation.....	17,041	3,912	—
Other.....	74,160	—	—
TOTAL OPERATING EXPENSES.....	1,541,747	4,110,052	1,756,889
OPERATING INCOME (LOSS).....	(288,621)	1,514,079	751,127
NONOPERATING REVENUES (EXPENSES):			
Investment Income.....	(1,570,004)	(25,072)	7,074
Interest Expense.....	—	(180)	—
Other.....	—	(11,452)	—
TOTAL NONOPERATING REVENUES (EXPENSES).....	(1,570,004)	(36,704)	7,074
INCOME (LOSS) BEFORE GAIN (LOSS) AND TRANSFERS.....	(1,858,625)	1,477,375	758,201
Gain on Extinguishment of Debt.....	—	—	25
Transfers-in.....	7,575	—	1,471,766
Transfers-out.....	(10,078)	(1,407,273)	(18,824)
TOTAL GAIN (LOSS) AND TRANSFERS.....	(2,503)	(1,407,273)	1,452,967
NET INCOME (LOSS).....	(1,861,128)	70,102	2,211,168
NET POSITION (DEFICITS), JULY 1 (as restated).....	9,357,732	297,197	(912,431)
NET POSITION (DEFICITS), JUNE 30.....	\$ 7,496,604	\$ 367,299	\$ 1,298,737

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS	TOTAL
\$ 53,803	\$ 5,691,380
—	2,407,959
—	1,185,026
(7,920)	(7,920)
29,617	184,328
75,500	9,460,773
61,238	61,238
11,441	203,144
—	1,167,420
—	2,791,674
26,418	3,189,196
1,320	22,273
—	74,160
100,417	7,509,105
(24,917)	1,951,668
5	(1,587,997)
(25)	(205)
—	(11,452)
(20)	(1,599,654)
(24,937)	352,014
—	25
42,831	1,522,172
—	(1,436,175)
42,831	86,022
17,894	438,036
54,717	8,797,215
\$ 72,611	\$ 9,235,251

STATE OF OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS – ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ —	\$ 5,616,985	\$ —
Cash Received from Multi-State Lottery for Grand Prize Winner.....	—	13,205	—
Cash Received from Premiums and Assessments.....	1,497,909	—	1,170,346
Cash Received from Interfund Services Provided.....	47,960	—	—
Other Operating Cash Receipts.....	27,155	(4,856)	1,314,350
Cash Payments to Suppliers for Goods and Services.....	(67,374)	(108,366)	—
Cash Payments to Employees for Services.....	(201,799)	(41,829)	—
Cash Payments for Benefits and Claims.....	(1,492,329)	—	(1,624,879)
Cash Payments for Lottery Prizes.....	—	(2,806,081)	—
Cash Payments for Bonuses and Commissions.....	—	(1,167,420)	—
Cash Payments for Premium Reductions and Refunds.....	(196,872)	—	—
Cash Payments for Interfund Services Used.....	(39,800)	(9,782)	—
Other Operating Cash Payments.....	—	(8,289)	(159,630)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....	(425,150)	1,483,567	700,187
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Federal Advance (Loan) Repayment.....	—	—	(1,471,766)
Transfers-in	7,575	—	1,471,766
Transfers-out	(10,078)	(1,407,273)	(18,824)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES.....	(2,503)	(1,407,273)	(18,824)
CASH FLOWS FROM CAPITAL, LEASE, AND RELATED FINANCING ACTIVITIES:			
Payments on Leases.....	—	(22)	—
Interest Paid	—	(2)	—
Acquisition and Construction of Capital Assets	(329)	—	—
Proceeds from Sales of Capital Assets	188	(2,529)	—
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES.....	(141)	(2,553)	—
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(11,350,135)	(47,701)	—
Proceeds from the Sales and Maturities of Investments	11,286,586	61,147	—
Investment Income Received	568,468	1,824	7,074
Borrower Rebates and Agent Fees.....	(59,175)	(229)	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES.....	445,744	15,041	7,074
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	17,950	88,782	688,437
CASH AND CASH EQUIVALENTS, JULY 1	618,149	308,171	487,435
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 636,099	\$ 396,953	\$ 1,175,872

The notes to the financial statements are an integral part of this statement.

NONMAJOR PROPRIETARY FUNDS		TOTAL	
\$	37,089	\$	5,654,074
	—		13,205
	—		2,668,255
	10,611		58,571
	6,564		1,343,213
	(4,056)		(179,796)
	(90,072)		(333,700)
	—		(3,117,208)
	—		(2,806,081)
	—		(1,167,420)
	—		(196,872)
	(5,276)		(54,858)
	(26,418)		(194,337)
	(71,558)		1,687,046
	—		(1,471,766)
	43,707		1,523,048
	—		(1,436,175)
	43,707		(1,384,893)
	(1,052)		(1,074)
	(25)		(27)
	(1,069)		(1,398)
	—		(2,341)
	(2,146)		(4,840)
	(23,713)		(11,421,549)
	51,012		11,398,745
	253		577,619
	—		(59,404)
	27,552		495,411
	(2,445)		792,724
	44,545		1,458,300
\$	42,100	\$	2,251,024

(continued)

STATE OF OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS – ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)
(continued)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ (288,621)	\$ 1,514,079	\$ 751,127
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income.....	—	—	—
Depreciation	17,041	3,912	—
Provision for Uncollectible Accounts.....	22,563	—	—
Intergovernmental Receivable.....	—	—	(526)
Premiums and Assessments Receivable.....	72,295	—	(899)
Interfund Receivable.....	(10,385)	—	—
Other Receivables	(11,260)	(12,632)	(30,634)
Other Assets	600	(1,702)	11
Increase (Decrease) in Liabilities:			
Accounts Payable	(14,722)	(8,214)	—
Accrued Liabilities.....	—	—	—
Intergovernmental Payable.....	—	—	(718)
Prize Awards Payable.....	—	(12,782)	—
Interfund Payable.....	—	78	—
Unearned Revenue	(4,704)	630	—
Benefits Payable.....	(148,719)	—	(12,430)
Refund and Other Liabilities.....	(59,238)	198	(5,744)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ (425,150)	\$ 1,483,567	\$ 700,187
NONCASH INVESTING, CAPITAL, LEASE, AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments.....	\$ 2,049,566	\$ 1,590	\$ —
Gain on Extinguishment of Debt.....	—	—	25
Acquiring an Asset through a Lease.....	—	—	—

The notes to the financial statements are an integral part of this statement.

<u>NONMAJOR PROPRIETARY FUNDS</u>	<u>TOTAL</u>
\$ (24,917)	\$ 1,951,668
7,920	7,920
1,320	22,273
—	22,563
15,765	15,239
—	71,396
876	(9,509)
(245)	(54,771)
—	(1,091)
(40,876)	(63,812)
(2,676)	(2,676)
—	(718)
—	(12,782)
—	78
144	(3,930)
(29,600)	(190,749)
731	(64,053)
<u>\$ (71,558)</u>	<u>\$ 1,687,046</u>

\$ —	\$ 2,051,156
—	25
140	140

STATE OF OHIO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022
(dollars in thousands)

	PENSION TRUST - STATE HIGHWAY PATROL RETIREMENT SYSTEM (as of 12/31/21)	PRIVATE- PURPOSE TRUST FUNDS	INVESTMENT TRUST - STAR OHIO
ASSETS:			
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —
Cash and Cash Equivalents.....	44,358	289,801	267,219
Investments (at fair value):			
U.S. Government and Agency Obligations.....	27,046	—	271,605
Common and Preferred Stock.....	22,038	—	—
Corporate Bonds and Notes.....	33,746	—	354,163
Foreign Stocks and Bonds.....	2,554	—	—
Commercial Paper.....	—	—	6,287,886
Repurchase Agreements.....	—	—	1,825,199
Mutual Funds.....	587,968	14,272,639	2,181,547
Real Estate.....	70,281	—	—
Negotiable Certificates of Deposit.....	—	—	3,763,966
Partnership and Hedge Funds.....	347,279	—	—
State Treasury Asset Reserve of Ohio (STAR Ohio).....	—	—	—
Collateral on Lent Securities.....	—	—	—
Employer Contributions Receivable.....	574	—	—
Employee Contributions Receivable.....	1,602	—	—
Other Receivables.....	4,504	55,820	11,160
Other Assets.....	193	—	25
TOTAL ASSETS.....	1,142,143	14,618,260	14,962,770
DEFERRED OUTFLOWS OF RESOURCES.....	174	—	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	1,142,317	14,618,260	14,962,770
LIABILITIES:			
Accounts Payable.....	353	—	—
Accrued Liabilities.....	10,304	4,328	479
Obligations Under Securities Lending.....	—	—	—
Intergovernmental Payable.....	—	—	—
Refund and Other Liabilities.....	591	54,053	716
TOTAL LIABILITIES.....	11,248	58,381	1,195
DEFERRED INFLOWS OF RESOURCES.....	625	—	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	11,873	58,381	1,195
NET POSITION (DEFICITS):			
Restricted for:			
Employees' Pension Benefits.....	1,000,316	—	—
Employees' Postemployment Healthcare Benefits.....	130,128	—	—
Individuals, Organizations and Other Governments.....	—	14,559,879	—
Pool Participants.....	—	—	14,961,575
TOTAL NET POSITION (DEFICITS).....	\$ 1,130,444	\$ 14,559,879	\$ 14,961,575

The notes to the financial statements are an integral part of this statement.

CUSTODIAL FUNDS

\$	291,261
	92,054
	14,941
	—
	—
	—
	—
	—
	—
	—
	13,108
	53,029
	—
	—
	—
	—
	<u>464,393</u>
	—
	<u>464,393</u>
	—
	—
	53,029
	286,802
	72,216
	<u>412,047</u>
	—
	<u>412,047</u>
	—
	—
	52,346
	—
\$	<u>52,346</u>

STATE OF OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	PENSION TRUST - STATE HIGHWAY PATROL RETIREMENT SYSTEM (as of 12/31/21)	PRIVATE- PURPOSE TRUST FUNDS	INVESTMENT TRUST - STAR OHIO
ADDITIONS:			
Contributions from:			
Employer.....	\$ 30,090	\$ —	\$ —
Employees.....	15,896	—	—
Plan Participants.....	—	7,701,408	—
Other.....	10,658	—	—
Total Contributions.....	56,644	7,701,408	—
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments.....	128,649	(2,823,860)	—
Interest, Dividends and Other.....	34,887	849,522	44,782
Total Investment Income.....	163,536	(1,974,338)	44,782
Less: Investment Expense.....	8,944	41,245	5,817
Net Investment Income.....	154,592	(2,015,583)	38,965
Capital Share and Individual Account Transactions:			
Shares Sold.....	—	—	28,535,354
Reinvested Distributions.....	—	—	46,109
Shares Redeemed.....	—	—	(28,575,510)
Net Capital Share and Individual Account Transactions.....	—	—	5,953
Tax Collections for Local Governments.....	—	—	—
Child Support Collections.....	—	—	—
Detainee / Resident Home Personal Accounts.....	—	—	—
Other Organizations' Accounts.....	—	—	—
Miscellaneous.....	—	—	—
TOTAL ADDITIONS.....	211,236	5,685,825	44,918
DEDUCTIONS:			
Pension Benefits Paid to Participants or Beneficiaries.....	85,884	—	—
Healthcare Benefits Paid to Participants or Beneficiaries.....	16,181	—	—
Refunds of Employee Contributions.....	3,598	—	—
Administrative Expense.....	1,097	—	—
Transfers to Other Retirement Systems.....	46	—	—
Distributions to Shareholders, Plans, Participants.....	—	7,443,772	38,965
Tax Distributions to Local Governments.....	—	—	—
Child Support Payments.....	—	—	—
Detainee / Resident Home Personal Accounts.....	—	—	—
Other Organizations' Accounts.....	—	—	—
Miscellaneous.....	—	—	—
TOTAL DEDUCTIONS.....	106,806	7,443,772	38,965
CHANGE IN NET POSITION RESTRICTED FOR:			
Employees' Pension Benefits.....	92,924	—	—
Employees' Postemployment Healthcare Benefits.....	11,506	—	—
Individuals, Organizations and Other Governments.....	—	(1,757,947)	—
Pool Participants.....	—	—	5,953
TOTAL CHANGE IN NET POSITION.....	104,430	(1,757,947)	5,953
NET POSITION (DEFICITS), JULY 1.....	1,026,014	16,317,826	14,955,622
NET POSITION (DEFICITS), JUNE 30.....	\$ 1,130,444	\$ 14,559,879	\$ 14,961,575

The notes to the financial statements are an integral part of this statement.

CUSTODIAL FUNDS

\$ —
1,473,788
—
—

1,473,788

—

39
39
—

39

22,617
—

(29,309)

(6,692)
4,446,494
1,889,981
100,692
108,373
985

8,013,660

—
—
—
—
—
1,473,788
4,446,494
1,889,981
105,930
108,096
1,405

8,025,694

—
—

(12,034)
—

(12,034)
64,380

\$ 52,346

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022
(dollars in thousands)

	MAJOR COMPONENT UNITS		
	OHIO FACILITIES CONSTRUCTION COMMISSION	OHIO STATE UNIVERSITY	NONMAJOR COMPONENT UNITS
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer.....	\$ 187,204	\$ —	\$ 1,379
Cash and Cash Equivalents.....	—	479,601	1,156,412
Investments.....	3,740	3,512,045	3,909,941
Collateral on Lent Securities.....	34,084	—	—
Restricted Assets:			
Cash and Cash Equivalents.....	—	—	272,518
Investments.....	—	—	70,884
Intergovernmental Receivable.....	—	4,390	62,092
Loans Receivable, Net.....	—	25,231	23,602
Receivable from Primary Government.....	—	854	20,724
Other Receivables.....	—	928,020	545,802
Inventories.....	—	97,196	137,498
Other Assets.....	—	49,205	93,593
TOTAL CURRENT ASSETS.....	225,028	5,096,542	6,294,445
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents.....	—	—	68,188
Investments.....	—	—	2,975,280
Investments.....	—	7,262,637	3,014,812
Loans Receivable, Net.....	—	19,213	174,131
Other Receivables.....	—	171,502	223,156
Other Assets.....	—	670,034	1,724,669
Lease Assets, Net.....	—	268,536	361,541
Capital Assets Being Depreciated, Net.....	11	5,206,438	9,379,285
Capital Assets Not Being Depreciated.....	—	2,108,173	1,068,587
TOTAL NONCURRENT ASSETS.....	11	15,706,533	18,989,649
TOTAL ASSETS.....	225,039	20,803,075	25,284,094
DEFERRED OUTFLOWS OF RESOURCES.....	—	618,414	827,755
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	225,039	21,421,489	26,111,849
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable.....	2,007	534,452	376,294
Accrued Liabilities.....	299	248,748	787,846
Obligations Under Securities Lending.....	34,084	—	—
Intergovernmental Payable.....	194,632	—	3,626
Unearned Revenue.....	—	529,716	283,548
Refund and Other Liabilities.....	3,914	357,710	324,795
Payable to Primary Government.....	—	—	9,227
Bonds and Notes Payable.....	—	371,546	310,678
TOTAL CURRENT LIABILITIES.....	234,936	2,042,172	2,096,014
NONCURRENT LIABILITIES:			
Intergovernmental Payable.....	438,990	—	16,248
Unearned Revenue.....	—	—	11,356
Refund and Other Liabilities.....	1,323	3,277,661	2,602,790
Bonds and Notes Payable.....	—	3,672,043	7,643,337
TOTAL NONCURRENT LIABILITIES.....	440,313	6,949,704	10,273,731
TOTAL LIABILITIES.....	675,249	8,991,876	12,369,745
DEFERRED INFLOWS OF RESOURCES.....	3,002,538	2,831,957	2,521,075
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	3,677,787	11,823,833	14,890,820
NET POSITION (DEFICITS):			
Net Investment in Capital Assets.....	—	3,805,407	5,841,335
Restricted for:			
Transportation.....	—	—	216,577
Community and Economic Development.....	31,641	—	924
Nonexpendable:			
Scholarships and Fellowships.....	—	—	509,503
Research.....	—	—	96,943
Endowments and Quasi-Endowments.....	—	1,870,686	1,864,669
Loans, Grants and Other College and University Purposes.....	—	—	577,070
Expendable:			
Scholarships and Fellowships.....	—	—	441,123
Research.....	—	—	197,004
Instructional Department Uses.....	—	—	196,612
Student and Public Services.....	—	—	143,922
Academic Support.....	—	—	207,912
Debt Service.....	—	—	23,166
Capital Purposes.....	—	2,006	134,421
Endowments and Quasi-Endowments.....	—	748,845	309,118
Current Operations.....	—	809,959	39,135
Loans, Grants and Other College and University Purposes.....	—	—	545,650
Unrestricted.....	(3,484,389)	2,360,753	(124,055)
TOTAL NET POSITION (DEFICITS).....	\$ (3,452,748)	\$ 9,597,656	\$ 11,221,029

The notes to the financial statements are an integral part of this statement.

TOTAL

\$ 188,583
1,636,013
7,425,726
34,084

272,518
70,884
66,482
48,833
21,578
1,473,822
234,694
142,798

11,616,015

68,188
2,975,280
10,277,449
193,344
394,658
2,394,703
630,077
14,585,734
3,176,760

34,696,193

46,312,208

1,446,169

47,758,377

912,753
1,036,893
34,084
198,258
813,264
686,419
9,227
682,224

4,373,122

455,238
11,356
5,881,774
11,315,380

17,663,748

22,036,870

8,355,570

30,392,440

9,646,742

216,577
32,565

509,503
96,943
3,735,355
577,070

441,123
197,004
196,612
143,922
207,912
23,166
136,427
1,057,963
849,094
545,650
(1,247,691)

\$ 17,365,937

STATE OF OHIO

COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	MAJOR COMPONENT UNITS		
	OHIO FACILITIES CONSTRUCTION COMMISSION	OHIO STATE UNIVERSITY	NONMAJOR COMPONENT UNITS
EXPENSES:			
Primary, Secondary and Other Education.....	\$ 461,604	\$ —	\$ —
Transportation.....	—	—	210,497
Community and Economic Development.....	45,588	—	1,752,655
Education and General:			
Instruction and Departmental Research.....	—	1,035,793	1,865,995
Separately Budgeted Research.....	—	525,244	383,058
Public Service.....	—	157,850	252,153
Academic Support.....	—	235,370	499,781
Student Services.....	—	86,345	363,288
Institutional Support.....	—	287,500	686,298
Operation and Maintenance of Plant.....	—	128,325	355,749
Scholarships and Fellowships.....	—	164,093	512,698
Auxiliary Enterprises.....	—	351,554	637,046
Hospitals.....	—	3,918,545	441,197
Interest on Long-Term Debt.....	—	163,957	319,142
Depreciation.....	2	517,945	708,138
Other.....	—	5,760	(143,067)
TOTAL EXPENSES.....	507,194	7,578,281	8,844,628
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures.....	6,244	6,496,242	6,100,679
Operating Grants, Contributions and Restricted Investment Income.....	1,783	888,530	1,010,166
Capital Grants, Contributions and Restricted Investment Income.....	—	44,112	30,024
TOTAL PROGRAM REVENUES.....	8,027	7,428,884	7,140,869
NET PROGRAM (EXPENSE) REVENUE	(499,167)	(149,397)	(1,703,759)
GENERAL REVENUES:			
Unrestricted Investment Income.....	—	(300,714)	(591,915)
State Assistance.....	171,520	546,134	1,572,864
Other.....	—	525,188	861,635
TOTAL GENERAL REVENUES.....	171,520	770,608	1,842,584
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....	—	77,206	41,943
CHANGE IN NET POSITION.....	(327,647)	698,417	180,768
NET POSITION (DEFICITS), JULY 1 (as restated).....	(3,125,101)	8,899,239	11,040,261
NET POSITION (DEFICITS), JUNE 30.....	\$ (3,452,748)	\$ 9,597,656	\$ 11,221,029

The notes to the financial statements are an integral part of this statement.

TOTAL

\$	461,604
	210,497
	1,798,243
	2,901,788
	908,302
	410,003
	735,151
	449,633
	973,798
	484,074
	676,791
	988,600
	4,359,742
	483,099
	1,226,085
	(137,307)
	16,930,103
	12,603,165
	1,900,479
	74,136
	14,577,780
	(2,352,323)
	(892,629)
	2,290,518
	1,386,823
	2,784,712
	119,149
	551,538
	16,814,399
\$	17,365,937



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio, as of June 30, 2022, and for the year then ended, conform with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are included in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. The State's significant accounting policies are as follows.

A. Financial Reporting Entity

The State of Ohio's primary government includes all funds, elected officials, departments and agencies, bureaus, boards, commissions, and authorities that make up the State's legal entity. Component units, legally separate organizations for which the State's elected officials are financially accountable, also comprise, in part, the State's reporting entity. Additionally, other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete should be included in a government's financial reporting entity.

GASB 14, *The Financial Reporting Entity*, as amended by GASB 39, *Determining Whether Certain Organizations are Component Units*, GASB 61, *The Financial Reporting Entity: Omnibus*, and GASB 80, *Blending Requirements for Certain Component Units*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
- an organization is fiscally dependent on the primary government and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

1. Blended Component Units

The Buckeye Tobacco Settlement Financing Authority (BTSFA) is a legally separate organization for which the State has financial accountability through voting majority and the State has the potential to receive a financial benefit. The BTSFA provides services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, for the benefit of the State. Therefore, the State reports this organization's balances and transactions as though they were part of the primary government using the blending method.

2. Fiduciary Component Units

The State Highway Patrol Retirement System is a legally separate organization that provides services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, for the benefit of the State. Therefore, the State reports this organization's balances and transactions separately in the fiduciary fund financial statements.

3. Discretely Presented Component Units

The component units' columns in the basic financial statements include the financial data of another 28 organizations. The separate discrete column labeled, "Component Units," emphasizes these organizations' separateness from the State's primary government. Officials of the primary government appoint a voting majority of each organization's governing board.

The primary government can impose its will on the following organizations by modifying or approving their respective budgets, through policy modification authority, or by modifying or approving rate or fee changes.

Ohio Facilities Construction Commission
Ohio Air Quality Development Authority
Ohio Capital Fund
JobsOhio

The Ohio Turnpike and Infrastructure Commission has the potential to provide a financial benefit to the primary government.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following organizations impose or potentially impose financial burdens on the primary government:

- Ohio State University
- University of Cincinnati
- Ohio University
- Miami University
- University of Akron
- Bowling Green State University
- Kent State University
- University of Toledo
- Cleveland State University
- Youngstown State University
- Wright State University
- Shawnee State University
- Northeast Ohio Medical University
- Central State University
- Terra State Community College
- Columbus State Community College
- Clark State Community College
- Edison State Community College
- Southern State Community College
- Washington State Community College
- Cincinnati State Community College
- Northwest State Community College
- Owens State Community College

The Ohio Facilities Construction Commission, a governmental component unit, does not issue separately audited financial reports.

Information on how to obtain financial statements for the State's component units that do issue their own separately audited financial reports is available from the Ohio Office of Budget and Management.

4. Joint Ventures and Related Organizations

As discussed in more detail in NOTE 19, the State participates in several joint ventures and has related organizations. The State does not include the financial activities of these organizations in its financial statements, in conformity with GASB 14, as amended by GASB 39, GASB 61 and GASB 80.

B. Basis of Presentation

Government-wide Statements — The Statement of Net Position and the Statement of Activities display information about the primary government (the State) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities.

Fiduciary funds of the primary government and component units that are fiduciary in nature are reported only in the statements of fiduciary net position and changes in fiduciary net position.

For the government-wide financial statements, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the State. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole, or in part, by fees charged to external parties for goods or services.

The Statement of Net Position reports all financial and capital resources using the economic resources measurement focus and the accrual basis of accounting. The State presents the statement in a format that displays *assets and deferred outflows of resources less liabilities and deferred inflows of resources equal net position*. The *net position* section is displayed in three components:



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The *Net Investment in Capital Assets* component consists of 1) capital assets, net of accumulated depreciation, and deferred outflows of resources that are attributable to the acquisition, construction, or improvements of those assets or related debt less 2) outstanding balances of any bonds or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt. The portion of debt and deferred inflows of resources attributable to significant unspent related debt proceeds at year-end is not included in the calculation of this net position component.
- The *Restricted Net Position* component represents the net position with constraints placed on its use that are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation. For component units with permanent endowments, restricted net position is displayed in two additional components — nonexpendable and expendable. Nonexpendable net position is for those endowments that are required to be retained in perpetuity.
- The *Unrestricted Net Position* component consists of the net position that does not meet the definition of the preceding two components.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the State's governmental activities and for the different business-type activities of the State. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Centralized expenses have been included in direct expenses. Indirect expenses have not been allocated to the programs or functions reported in the Statement of Activities.

Program revenues include licenses, permits and other fees, fines, forfeitures, charges paid by the recipients of goods or services offered by the programs, and grants, contributions, and investment earnings that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all tax, tobacco settlement, escheat property revenues, unrestricted investment income, and state assistance, are presented as general revenues.

Fund Financial Statements — The fund financial statements provide information about the State's funds, including the fiduciary funds and blended component units. Separate statements for each fund category — governmental, proprietary, and fiduciary — are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Governmental fund types include the General, special revenue, debt service, and capital projects funds. The proprietary funds consist of enterprise funds. Fiduciary fund types include pension trust, private-purpose trust, investment trust, and custodial funds.

Operating revenues for the State's proprietary funds mainly consist of charges for sales and services and premium and assessment income since these revenues result from exchange transactions associated with the principal activity of the respective enterprise fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Revenue from the federal government for the underfunded regular and extended unemployment benefits is also reported as operating revenues for the Unemployment Compensation Fund since this source provides significant funding for the payment of unemployment benefits — the fund's principal activity. Investment income for the Tuition Trust Authority Fund is also reported as operating revenue since this source provides significant funding for the payment of tuition benefits. Nonoperating revenues for the proprietary funds result from nonexchange transactions or ancillary activities; nonoperating revenues are primarily comprised of investment income and federal operating grants.

Proprietary fund operating expenses principally consist of expenses for the cost of sales and services, administration, bonuses and commissions, prizes, benefits and claims, and depreciation. Nonoperating expenses principally consist of interest expense on debt and the amortization of discount on lottery prize liabilities, which is reported under "Other" nonoperating expenses.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State reports the following major governmental funds:

General — The General Fund, the State's primary operating fund, accounts for resources of the general government, except those required to be accounted for in another fund.

Job, Family and Other Human Services Special Revenue Fund — This fund accounts for public assistance programs primarily administered by the Ohio Department of Job and Family Services, which provides financial assistance, services, and job training to those individuals and families who do not have sufficient resources to meet their basic needs. The primary sources of revenue for this fund are licenses, permits and fees and the federal government.

Buckeye Tobacco Settlement Financing Authority Revenue Bonds Debt Service Fund — This fund accounts for the payment of principal and interest on the revenue bonds issued to fund long-lived capital projects at State-supported institutions of higher education and to pay the State's share of the cost of rebuilding elementary and secondary school facilities across the State.

Pandemic Relief Funds — This fund accounts for federal pandemic funds to provide relief to the State for necessary expenditures incurred due to the novel coronavirus (COVID-19) pandemic.

The State reports the following major proprietary funds:

Workers' Compensation Enterprise Fund — This fund accounts for the operations of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio, which provide workers' compensation insurance services.

Lottery Commission Enterprise Fund — This fund accounts for the State's lottery operations.

Unemployment Compensation Enterprise Fund — This fund, which is administered by the Ohio Department of Job and Family Services, accounts for unemployment compensation benefit claims.

The State reports the following fiduciary fund types:

Pension Trust Fund — The State Highway Patrol Retirement System Pension Trust Fund accounts for resources that are required to be held in trust for members and beneficiaries of the defined benefit plan. The financial statements for the State Highway Patrol Retirement System Pension Trust Fund are presented for the fiscal year ended December 31, 2021.

Private-Purpose Trust Fund — The Private-Purpose Trust Fund accounts for trust arrangements under which principal and income benefit participants in the Variable College Savings Plan, which is administered by the Tuition Trust Authority and the STABLE Program, which is administered by the Treasurer of State's Office.

Investment Trust Fund — The STAR Ohio Investment Trust Fund accounts for the state-sponsored external investment pool, which the Treasurer of State administers for local government participants.

Custodial Funds — These funds account for the receipt, deposit, temporary investment, and remittance of fiduciary resources held on behalf of individuals, private organizations, and other governments.

The State reports the following major discretely presented component unit funds:

The *Ohio Facilities Construction Commission Fund* primarily accounts for grants that provide assistance to local entities for the construction of school buildings. The fund also provides construction services for arts and sports facilities.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The *Ohio State University Fund* is a business-type activity that uses proprietary fund reporting. It reports the university's operations, including the University's health system, supercomputer center, agricultural research and development center, and other legally separate entities subject to the control of the university's board.

C. Measurement Focus and Basis of Accounting

Government-wide, Enterprise Fund, and Fiduciary Fund Financial Statements — The State reports the government-wide financial statements and the proprietary fund and fiduciary fund financial statements using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The State recognizes revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions when the exchange takes place. When resources are received in advance of the exchange, the State reports the unearned revenue as a liability.

Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include derived taxes, grants, and entitlements. The revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB 33, *Accounting and Financial Reporting for Nonexchange Transactions* and GASB 65, *Items Previously Reported as Assets and Liabilities*.

Under the accrual basis, the State recognizes assets from derived tax revenues (e.g., personal income, sales, and motor vehicle fuel taxes) in the fiscal year when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. The State recognizes derived tax revenues, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred.

Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Resources transmitted in advance of the State meeting eligibility requirements are reported as unearned revenue.

Investment income includes the net increase (decrease) in the fair value of investments.

Governmental Fund Financial Statements — The State reports governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The State considers revenues reported in the governmental funds to be available when the revenues are collectible within 60 days after year-end or soon enough thereafter to be used to pay liabilities of the current period.

Significant revenue sources susceptible to accrual under the modified accrual basis of accounting include:

- Personal income taxes
- Sales and use taxes
- Motor vehicle fuel taxes
- Charges for goods and services
- Federal government grants
- Tobacco settlement
- Investment income

The State recognizes assets from derived tax revenues (e.g., personal income, sales, and motor vehicle fuel taxes) in the fiscal year when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. The State recognizes derived tax revenues, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred, and the revenues are collected during the availability period.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For revenue arising from exchange transactions (e.g., charges for goods and services), the State recognizes deferred inflows of resources when resources earned from the exchange are not received during the availability period and reports unearned revenue when resources are received in advance of exchange.

The governmental funds recognize federal government revenue in the period when all applicable eligibility requirements have been met and resources are available. Resources transmitted in advance of the State meeting eligibility requirements are reported as unearned revenue. The State recognizes deferred inflows of resources for reimbursement-type grant programs if the reimbursement is not received during the availability period.

Licenses, permits, fees, and certain other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. The “Other” revenue account is comprised of refunds, reimbursements, recoveries, and other miscellaneous income.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, lease and financed purchase obligations, compensated absences, and claims and judgments. The governmental funds recognize expenditures for these liabilities to the extent they have matured or will be liquidated with expendable, available financial resources.

Capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from long-term debt issuances, including refunding bond proceeds, premiums, acquisitions under financed purchase arrangements, and lease additions, are reported as other financing sources while discounts and payments to refunded bond escrow agents are reported as other financing uses.

D. Budgetary Process

As the Ohio Revised Code requires, the Governor submits biennial operating and capital budgets to the General Assembly.

The General Assembly approves operating appropriations in annual amounts and capital appropriations in two-year amounts.

The General Assembly enacts the budget through passage of specific departmental line-item appropriations, the legal level of budgetary control. Line-item appropriations are established within funds by program or major object of expenditure. The Governor may veto any item in an appropriation bill. Such vetoes are subject to legislative override.

The State’s Controlling Board can transfer or increase a line-item appropriation within the limitations set under Sections 127.14 and 131.35, Ohio Revised Code.

All governmental funds are budgeted except the following activities within the debt service and capital projects fund types:

- Improvements General Obligations
- Highway Improvements General Obligations
- Development General Obligations
- Highway General Obligations
- Public Improvements General Obligations
- Vietnam Conflict Compensation General Obligations
- Infrastructure Bank Revenue Bonds
- Buckeye Tobacco Settlement Financing Authority Revenue Bonds
- Lease Rental Special Obligations
- Certificates of Participation as follows:
 - MARCS Certificates of Participation
 - OAKS Certificates of Participation
 - STARS Certificates of Participation
 - TMS Certificates of Participation
 - EDCS Certificates of Participation



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BCIRS Certificates of Participation
VSA Certificates of Participation
UIS Certificates of Participation
DCS Certificates of Participation
MARCS Project
OAKS Project
STARS Project
TMS Project
EDCS Project
BCIRS Project
UIS Project
DCS Project

For budgeted funds, the State's Ohio Administrative Knowledge System (OAKS) controls expenditures by appropriation line-item, so at no time can expenditures exceed appropriations and financial-related legal compliance is assured. The State uses the modified cash basis of accounting for budgetary purposes.

The *Detailed Appropriation Summary by Fund Report* is available for public inspection at the Ohio Office of Budget and Management and on its web site at <https://obm.ohio.gov/wps/portal/gov/obm/areas-of-interest/state-accounting/financial-reporting/dasf>. This Summary provides a more comprehensive accounting of activity on the budgetary basis at the legal level of budgetary control.

In the *Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — General Fund and Major Special Revenue Funds*, the State reports estimated revenues and other financing sources and uses for the General Fund only; the State does not estimate revenue and other financing sources and uses for the major special revenue funds or its budgeted nonmajor governmental funds.

Additionally, in the non-GAAP budgetary basis schedules, "actual" budgetary expenditures include cash disbursements and outstanding encumbrances, as of June 30.

The State Highway Patrol Retirement System Pension Trust Fund, the Variable College Savings Plan and STABLE Program Private-Purpose Trust Funds, and the STAR Ohio Investment Trust Fund are not legally required to adopt budgets. The State is not legally required to report budgetary data and comparisons for the budgeted proprietary funds. Also, the State does not present budgetary data for its discretely presented component units.

Because the State budgets on a modified cash basis of accounting, which differs from GAAP, the budgetary required supplementary information notes present a reconciliation of the differences between the GAAP basis and non-GAAP budgetary basis of reporting.

E. Cash Equity with Treasurer and Cash and Cash Equivalents

Cash equity with Treasurer consists of pooled demand deposits and investments carried at fair value. The State's cash pool under the Treasurer of State's administration has the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, within certain budgetary limitations, without prior notice or penalty.

Cash and cash equivalents include amounts on deposit with financial institutions and cash on hand. The cash and cash equivalents account also includes investments with original maturities of three months or less from the date of acquisition for the Workers' Compensation Enterprise Fund.

The Unemployment Compensation Enterprise Fund Trust Account has the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, without prior notice or penalty. The balance in the account at fiscal year-end is reported by the State as "Deposit with Federal Government" and is considered a cash equivalent for cash flow purposes.

Cash equity with Treasurer and cash and cash equivalents, including the portions reported under "Restricted Assets" and the Deposit with Federal Government are considered to be cash equivalents, as defined in GASB Statement No. 9, for purposes of the Statement of Cash Flows.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additional disclosures on the State's deposits can be found in NOTE 4.

F. Investments

Investments include long-term investments that may be restricted by law or other legal instruments. With the exception of certain money market investments, which have remaining maturities at the time of purchase of one year or less and are carried at amortized cost, and holdings in the State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool, the State primarily reports investments at fair value. STAR Ohio reports investments at amortized cost, which approximates fair value.

The colleges and universities report investments received as gifts at their fair value on the donation date.

The primary government does not manage or provide investment services for investments reported in the Fiduciary Custodial Funds that are owned by other entities that are not part of the State of Ohio's reporting entity.

Additional disclosures on the State's investments can be found in NOTE 4.

G. Taxes Receivable

Taxes receivable represent amounts due to the State at June 30, which will be collected sometime in the future. In the government-wide financial statements, revenue has been recognized for the receivable. In the fund financial statements, only the portion of the receivable collected during the 60-day availability period has been recognized as revenue while the remainder is recorded as deferred inflows of resources. Additional disclosures on taxes receivable can be found in NOTE 5.

H. Intergovernmental Receivable

The intergovernmental receivable balance is primarily comprised of amounts due from the federal government for reimbursement-type grant programs. Advances of resources to recipient local governments before eligibility requirements have been met under government-mandated and voluntary nonexchange programs and amounts due for exchanges of State goods and services with other governments are also reported as intergovernmental receivables. Additional details on the intergovernmental receivable balance can be found in NOTE 5.

I. Inventories

Inventories are valued at cost. Principal inventory cost methods applied include first-in/first-out, average cost, moving-average, and retail.

In the governmental fund financial statements, the State recognizes the costs of material inventories as expenditures when purchased. Inventories do not reflect current appropriable resources in the governmental fund financial statements. Therefore, the State reports an equivalent portion of fund balance as nonspendable.

J. Restricted Assets

The primary government reports assets restricted primarily for the payment of lottery prize awards payable, revenue bonds, and tuition benefits.

Generally, the component unit funds hold assets in trust under bond covenants or other financing arrangements that legally restrict the use of these assets.

K. Capital Assets

Primary Government

The State reports capital assets purchased with governmental fund resources in the government-wide financial statements at historical cost, or at estimated historical cost when no historical records exist. Donated capital assets are reported at acquisition value as of the donation date. The State does not report capital assets purchased with governmental fund resources in the fund financial statements. Governmental capital assets are reported net of accumulated depreciation, except for land, construction-in-progress, transportation infrastructure assets, and individual works of art and historical treasures, including historical land improvements and buildings. Transportation infrastructure assets are reported using the "modified approach," as discussed below, and therefore are not depreciable. Individual works of art and historical treasures, including historical land improvements and buildings, are considered to be inexhaustible, and therefore, are not depreciable.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State reports capital assets purchased with enterprise fund resources and fiduciary fund resources in the government-wide and the fund financial statements at historical cost, or at estimated historical cost when no historical records exist. Donated capital assets are reported at acquisition value as of the donation date. Capital assets, except for land and construction-in-progress, are reported net of accumulated depreciation.

The State has elected to capitalize its transportation infrastructure assets, defined as bridges, general highways, and priority highways, using the modified approach. Under this approach, the infrastructure assets are not depreciated because the State has committed itself to maintaining the assets at a condition level that the Ohio Department of Transportation (ODOT) has determined to be adequate to meet the needs of the citizenry. Costs of maintaining the bridge and highway infrastructure are not capitalized. New construction that represents additional lane-miles of highway or additional square-footage of bridge deck area and improvements that add to the capacity or efficiency of an asset are capitalized.

ODOT maintains an inventory of its transportation infrastructure capital assets and conducts annual condition assessments to establish that the condition level that the State has committed itself to maintaining is, in fact, being achieved. ODOT also estimates the amount that must be spent annually to maintain the assets at the desired condition level.

For its other types of capital assets, the State does not capitalize the costs of normal maintenance and repairs that do not add to an asset’s value or materially extend its useful life. Costs of major improvements are capitalized. Interest costs associated with the acquisition of capital assets purchased using governmental fund resources are not capitalized, while those associated with acquisitions purchased using enterprise and fiduciary fund resources are capitalized.

The State does not capitalize collections of works of art or historical treasures that can be found at the Governor’s residence, Malabar Farm (i.e., Louis Bromfield estate), which the Ohio Department of Natural Resources operates, the Ohio Arts Council, the State Library of Ohio, and the Capitol Square Review and Advisory Board for the following reasons:

- The collection is held for public exhibition, education, or research in furtherance of public service rather than for financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

The State has established the following capitalization thresholds:

Buildings	\$ 15,000
Building Improvements	100,000
Land, including easements	All, regardless of cost
Land Improvements	15,000
Machinery and Equipment.....	15,000
Vehicles	15,000
Infrastructure:	
Highway Network.....	500,000
Bridge Network	500,000
Park and Natural Resources Network.	All, regardless of cost

For depreciable assets, the State applies the straight-line method over the following estimated useful lives:

Buildings.....	20-45 Years
Land Improvements	10-30 Years
Machinery and Equipment	3-15 Years
Vehicles	7-15 Years
Park and Natural Resources	
Infrastructure Network	10-50 Years

NOTE 8 contains additional disclosures about the primary government’s capital assets.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Unit Funds

The discretely presented component unit funds value capital assets at cost and donated capital assets at acquisition value on the donation date. They apply the straight-line method to depreciable capital assets. Additional disclosures about the discretely presented component unit funds' capital assets can be found in NOTE 8.

L. Lease Assets

Primary Government

The State leases office space, machinery and equipment, and land from entities outside of the State's primary government. GASB 87, *Leases*, requires the reporting of certain lease assets due to the standard interpretation that leases are the right to use another entity's underlying asset. The State reports lease assets where payments are made with governmental fund resources in the government-wide financial statements and where payments are made with enterprise funds, in the government-wide and fund financial statements. The lease asset is reported at the present value of payments to be made over the probable total lease term, plus any additional payments made at the inception of the lease. Lease assets are reported net of accumulated amortization. The State has established a threshold of \$75 thousand for reporting lease assets. Amortization expense will be applied to the assets in proportion to lease payments to be made over the lease term.

Discretely Presented Component Unit Funds

Discretely presented component unit funds report lease assets based on the present value of payments expected to be made over the lease term.

NOTE 8 contains additional disclosures about the lease assets.

M. Medicaid Claims Payable

The Medicaid claims liability, which has an average maturity of one year or less, includes an estimate for incurred, but not reported claims.

N. Noncurrent Liabilities

Government-wide Financial Statements — Liabilities whose average maturities are greater than one year are reported in two components — the amount due in one year and the amount due in more than one year. Additional disclosures as to the specific liabilities included in noncurrent liabilities can be found in NOTES 10 through 15.

Fund Financial Statements — Governmental funds recognize noncurrent liabilities to the extent they have matured or will be liquidated with expendable, available financial resources.

The proprietary funds and discretely presented component unit funds report noncurrent liabilities expected to be financed from their operations.

O. Compensated Absences

Employees of the State's primary government earn vacation leave, sick leave, and personal leave at various rates within limits specified under collective bargaining agreements or under law. Generally, employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first four years of employment, up to a maximum rate of 9.2 hours every two weeks after 24 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or retirement, the State pays employees, at their full rate, 100 percent of unused vacation leave, personal leave, and, in certain cases, compensatory time and 50 to 55 percent of unused sick leave.

Such leave is liquidated in cash, under certain restrictions, either annually in December, or at the time of termination from employment.

For the governmental funds, the State reports the matured compensated absences liability as a fund liability (included in the "Accrued Liabilities" account as a component of wages payable) to the extent it will be liquidated with expendable, available financial resources. For the primary government's proprietary funds and its discretely presented component unit funds, the State reports the compensated absences liability as a fund liability included in the "Refund and Other Liabilities" account.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State's primary government accrues vacation, compensatory time, and personal leaves as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as at termination or retirement.

Sick leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met a minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

The State's primary government accrues sick leave using the vesting method. Under this method, the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

Included in the compensated absences liability is an amount accrued for salary-related payments directly and incrementally associated with the payment of compensated absences upon termination. Such payments include the primary government's share of Medicare taxes.

For the colleges and universities, vacation and sick leave policies vary by institution.

P. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and net OPEB liabilities/(assets), Deferred Outflows of Resources, Deferred Inflows of Resources, and pension and OPEB expense, information about the fiduciary net position and additions to/deductions from each fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, pension benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Health care benefits are also recognized when due and payable, net of certain health care receipts, in accordance with benefit terms. The pension systems report investments at fair value. Additional disclosures on the pension systems can be found in NOTE 9.

Q. Fund Balance Classification; Budget Stabilization Fund; Net Position/Fund Balance Spending Order

Fund balance reported in the governmental fund financial statements is classified as follows:

Nonspendable

The *nonspendable* fund balance classification includes amounts that cannot be spent because they are either 1) not in spendable form, such as prepaids and inventories or 2) legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

Restricted

Fund balance amounts should be *restricted* when constraints placed on the use of resources are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted

Committed

Amounts constrained for specific purposes by formal action (i.e., legislation) of the government's highest level of decision-making authority (i.e., General Assembly) should be reported as *committed* fund balance. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the constraints.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assigned

Amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as *assigned* fund balance, except for stabilization arrangements. The intent should be conveyed by the governing body itself or through delegation to a body or official authorized on behalf of the government to assign amounts to be used for specific purposes. The Controlling Board created under Chapter 127, Ohio Revised Code, is an example of a body delegated by the government to make assignments. The Director of the Office of Budget and Management is an example of an authorized official granted assignment authority through legislative language, including enacted budget bills. While both the committed and assigned fund balance classifications include amounts constrained for specific use by actions taken by the government itself, the authority for making an assignment is not required to be the government's highest level of decision-making authority. Amounts should not be reported as assigned if the assignment would result in a deficit in unassigned fund balance.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents spendable fund balance that has not been otherwise restricted, committed or assigned to specific purposes within the General Fund. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance due to overspending amounts that are restricted or committed.

Fund balance in the State's Budget Stabilization Fund, as discussed in Sections 131.43 and 131.44, Ohio Revised Code, does not meet the criteria to be classified as restricted or committed and is, therefore, reported as unassigned in the General Fund.

For reporting purposes, restricted amounts are generally considered to have been spent first, followed by unrestricted amounts. Within the unrestricted fund balance amounts, the spending order is generally committed, followed by assigned, and then unassigned when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

R. Risk Management

The State's primary government is self-insured for claims under its traditional healthcare plan and for vehicle liability while it has placed employee and public official fidelity bonding with a private insurer. The State self-funds tort liability although several agencies also choose to participate in private insurance programs. All State-owned buildings are covered under a catastrophic property policy that covers both real and personal property losses. All other liability risk to State property is self-funded on a pay-as-you-go basis.

While not the predominant participants, the State's primary government and its discretely presented component units participate in a public entity risk pool, which is accounted for in the Workers' Compensation Enterprise Fund, for the financing of their respective workers' compensation liabilities. These liabilities are reported in the governmental and proprietary funds under the "Interfund Payable" account. (See NOTE 7).

S. Interfund Balances and Activities

Interfund transactions and balances have been eliminated from the government-wide financial statements to the extent that they occur within either the governmental or business-type activities. Balances between governmental and business-type activities are presented as internal balances and are eliminated in the total column. Revenues and expenses associated with reciprocal transactions within governmental or within business-type activities have not been eliminated.

In the fund financial statements, interfund activity within and among the three fund categories (governmental, proprietary, and fiduciary) is classified and reported as follows:

Reciprocal interfund activity is the internal counterpart to exchange and exchange-like transactions. This activity includes:

Interfund Loans — Amounts provided with a requirement for repayment, which are reported as interfund receivables in lender funds and interfund payables in borrower funds. When interfund loan repayments are not expected within a reasonable time, the interfund balances are reduced and the amount that is not expected to be repaid is reported as a transfer from the fund that made the loan to the fund that received the loan.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Services Provided and Used — Sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and as expenditures or expenses in purchaser funds. Unpaid amounts are reported as interfund receivables and payables in the fund balance sheets or fund statements of net position.

Nonreciprocal interfund activity is the internal counterpart to nonexchange transactions. This activity includes:

Interfund Transfers – Flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Interfund Reimbursements — Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are not displayed in the financial statements.

Details on interfund balances and transfers are disclosed in NOTE 7.

T. Intra-Entity Balances and Activities

Balances due between the primary government and its discretely presented component units are reported as receivables from component units or primary government and payables to component units or primary government. For the discretely presented component units, the nature and amount of significant transactions with the primary government are disclosed in NOTE 7.

Resource flows between the primary government and its discretely presented component units are reported like external transactions (i.e., revenues and expenses).

U. Derivative Instruments

The State's derivative instruments include investment derivative instruments and interest rate swaps. Interest rate swaps that are ineffective hedging derivative instruments are reported within the investment derivative instruments classification.

The State reports its derivative instruments at fair value in the Statement of Net Position. Changes in fair value for investment derivative instruments are recorded as investment income in the Statement of Activities. Changes in fair value for effective hedging derivative instruments are reported as deferred outflows/inflows of resources in the Statement of Net Position and disclosed in NOTE 18.

Additional disclosures on the State's investment derivative instruments and its hedging derivative instruments can be found in NOTE 4 and NOTE 10, respectively.

V. Use of Estimates

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

NOTE 2 RESTATEMENTS, CHANGES IN ACCOUNTING PRINCIPLES, EXTINGUISHMENTS OF DEBT AND SPECIAL ITEMS

A. Restatements

Restatements of fund balance/net position, as of June 30, 2021, for governmental, business-type and discretely presented component units are presented in the following table (dollars in thousands):



**NOTE 2 RESTATEMENTS, CHANGES IN ACCOUNTING PRINCIPLES,
EXTINGUISHMENTS OF DEBT AND SPECIAL ITEMS (Continued)**

Government-Wide Financial Statements:

	Governmental Activities	Business-Type Activities	Total Primary Government	Total Discretely Presented Component Units
Net Position, as of June 30, 2021, As Previously Reported	\$ 25,826,452	\$ 8,798,401	\$ 34,624,853	\$ 16,806,793
<i>Implementation of a New Accounting Standard:</i>				
GASB Statement No. 87, Leases.....	-	(1,186)	(1,186)	34,337
<i>Change in Reporting Entity:</i>				
Dissolution of the Southern Ohio Agricultural and Community Economic Development Foundation.....	(59)	-	(59)	-
<i>Correction of an Error:</i>				
Terra State Community College.....	-	-	-	218
<i>Prior Period Adjustment:</i>				
Central State University-reporting as of June 30, 2021, Unaudited-same beginning balance as the prior year	-	-	-	(26,949)
Total Changes in Net Position.....	(59)	(1,186)	(1,245)	7,606
Net Position, July 1, 2021, As Restated	\$ 25,826,393	\$ 8,797,215	\$ 34,623,608	\$ 16,814,399

Governmental Fund Financial Statements:

	Major Governmental- General Fund	Natural Resources Special Revenue Fund	Tobacco Settlement Special Revenue Fund	Total Nonmajor Governmental Funds
Fund Balance, as of June 30, 2021, As Previously Reported ..	\$ 12,063,898	\$ 472,509	\$ 3,843	\$ 4,615,946
<i>Change in Reporting Entity:</i>				
Dissolution of the Southern Ohio Agricultural and Community Economic Development Foundation.....	3,478	4	(3,843)	(3,839)
Total Changes in Fund Balance.....	3,478	4	(3,843)	(3,839)
Fund Balance, July 1, 2021, As Restated	\$ 12,067,376	\$ 472,513	\$ -	\$ 4,612,107

B. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

For the fiscal year ended June 30, 2022, the State implemented the provisions of:

GASB 87, *Leases*, improves usefulness for financial statement users by recognition of certain lease assets along with lease liabilities. The statement provides a single model to follow for lease accounting. The implementation of this statement had no effect on governmental activities net position as of June 30, 2021, as both lease assets and liabilities increased by the same amount.

GASB 89, *Accounting for Interest Cost Incurred Before The End of a Construction Period*, establishes accounting requirements regarding interest costs acquired prior to the end of a construction period. There was no material impact to the primary government.

GASB 92, *Omnibus 2020*, establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. Effective dates for specific topics vary over several fiscal years. There was no material impact to the primary government.

GASB 93, *Replacement of Interbank Offered Rates*, addresses implications to accounting and financial reporting resulting from the replacement of the London Interbank Offered Rate (LIBOR). There was no material impact to the primary government.



**NOTE 2 RESTATEMENTS, CHANGES IN ACCOUNTING PRINCIPLES,
EXTINGUISHMENTS OF DEBT AND SPECIAL ITEMS (Continued)**

GASB 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, primarily requires that an IRC Section 457 plan should be classified as either a pension plan or other employee benefit plan, if applicable, and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. There was no material impact to the primary government.

GASB 99, *Omnibus 2022*, addresses extension of LIBOR, SNAP distributions, nonmonetary transactions disclosures, pledges of future revenues and some clarifications and terminology updates for FY22. Effective dates for specific topics vary over several fiscal years. There was no material impact to the primary government.

C. New GASB Pronouncements for Fiscal Year 2023 Implementation Consideration

GASB 91, *Conduit Debt Obligations*, primarily provides a single method of reporting conduit debt obligations by issuers thereby eliminating diversity in practice.

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements (PPPs) as well as provides guidance for accounting and reporting for availability payment arrangements (APAs).

GASB 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and reporting for subscription-based information technology arrangements (SBITAs) for governments. A SBITA contract that conveys control of the right to use another party' information technology software should generally recognize a right-to-use subscription asset and corresponding subscription liability.

GASB 99, *Omnibus 2022*, addresses requirements related to leases, public-public partnerships (PPPs) and subscription-based information technology arrangements (SBITAs).

Management is assessing the impact the new GASB pronouncements will have on the State's financial statements.

D. Extinguishments of Debt – Major Funds

As of June 30, 2022, the State had no material extinguishments of debt to report.

NOTE 3 TAX ABATEMENTS

As of June 30, 2022, the State offers the following tax abatement programs – Job Creation Credit, Sales of Qualified Property Used in an Eligible Computer Data Center (Computer Data Center), Job Retention Credit, Historic Preservation Tax Credit, Motion Picture Tax Credit, New Markets Tax Credit and Rural Business Growth Tax Credit. The programs are described below:

Job Creation Credit

As established in Ohio Revised Code 122.17, a taxpayer proposing a project to create new jobs in the state may be granted a refundable tax credit through an agreement with the Ohio Tax Credit Authority. This tax credit applies to non-retail projects or the non-retail portion of a project only. The credit equals an agreed upon percentage of the taxpayer's "excess payroll", which is the taxpayer's "Ohio employee payroll" less "baseline payroll." "Ohio employee payroll" is compensation paid by an employer that is subject to Ohio income tax withholding requirements. "Baseline payroll" is "Ohio employee payroll," for the 12 months immediately preceding the agreement. The Ohio Tax Credit Authority must determine that the project will increase payroll; is economically sound, will provide increasing opportunities for employment, and will strengthen the economy; and the tax credit was a major factor in the decision to go forward with the project. The taxpayer is required to maintain operations at the project location for at least the greater of seven years or the term of the credit plus three years. The types of taxes to be abated are insurance, financial institutions, foreign insurance, petroleum activity, income, and commercial activity.



NOTE 3 TAX ABATEMENTS (Continued)

The tax abatements are subject to recapture if the taxpayer fails to maintain operations at the project location, or has failed to meet its commitments, which information should be included in annual reports the taxpayer is required to file.

The computer data center tax abatement, established in Ohio Revised Code 122.175, also requires job creation and is included in the job creation credit category on the following tax abatement table. Sales, storage, use or other consumption of computer data center equipment used or to be used at an eligible computer data center are exempt from the sales and use tax. To be eligible for this tax exemption, the Ohio Tax Credit Authority must determine: that the computer data center will increase payroll and the corresponding taxes withheld; the applicant is economically sound, can affect the completion of the capital investment project, and intends to maintain operations at the project site for the term of agreement; and the exemption was a major factor in the applicant's decision to be part of the capital investment project. The taxpayer operating a computer data center at the project site will in the aggregate pay annual compensation that is subject to the withholding obligation of at least \$1.5 million to employees at the eligible computer data center. If it is determined that a taxpayer who received the exemption no longer meets eligibility criteria, and/or is no longer in compliance with the agreement, the agreement may be terminated, or the taxpayer may have to pay to the state all or a portion of the taxes the taxpayer would have owed.

Job Retention Credit

The job retention credit, established in Ohio Revised Code 122.171, allows an eligible business to be granted a nonrefundable tax credit through an agreement with the Ohio Tax Credit Authority. The credit is equal to a designated percentage of the taxpayer's Ohio employee payroll. The taxpayer is required to maintain operations at the project location for at least the greater of seven years or the term of the credit plus three years. The taxpayer must also retain at least 500 full-time equivalent employees at the project site and within this state for the entire term of the credit, maintain an annual Ohio employee payroll of at least \$35 million dollars for the entire term of the credit, or remain located in a foreign trade zone for the entire term of the credit. The types of taxes to be abated are insurance, financial institutions, foreign insurance, petroleum activity, income, and commercial activity.

The tax abatements are subject to recapture if the taxpayer fails to maintain operations at the project location, or has failed to meet its commitments, which information should be included in annual reports the taxpayer is required to file.

Historic Preservation Tax Credit

Ohio Revised Code section 149.311 establishes the historic preservation tax credit. The program provides a tax credit to leverage the private redevelopment of historically designated buildings. The State uses a cost-benefit analysis to determine whether rehabilitation of the historic building will result in a net revenue gain in state taxes once the building is placed into use. The analysis must be completed prior to eligibility approval. The credit shall equal 25 percent of the taxpayer's qualified rehabilitation expenditures. The credit claimed shall not exceed \$5 million for any calendar or tax year. Tax credits received by the applicant shall be deemed to be an unpaid tax assessment subject to collection if all required criteria are not met. The tax credit can be applied to the financial institution tax, foreign and domestic insurance taxes and individual income tax.

Motion Picture Tax Credit

The motion picture tax credit is established by Ohio Revised Code 122.85. A refundable tax credit may be claimed for Ohio production expenditures by eligible motion picture or Broadway theatrical productions. The credit equals 30 percent of eligible expenditures. The credit is based on the lesser of initially budgeted production expenditures or actual production expenditures. No credits will be issued until a minimum of \$300 thousand in eligible expenditures have been made. The total amount of issued credits may not exceed \$40 million per fiscal year. The abated tax types are insurance, financial institutions, foreign insurance, and income tax.

No tax credits may be taken until the production is complete and a report has been filed showing the expenses that were incurred, which provides the basis for determining the amount of the tax credit. The Department of Taxation has the authority, under Ohio Revised Code 122.85(C)(3), to examine the claimed expenses for validity.



NOTE 3 TAX ABATEMENTS (Continued)

New Markets Tax Credit

Ohio Revised Code sections 5725.33, 5726.54, and 5729.16 establish the new markets tax credit. Taxpayers with an equity investment in a qualified community development entity may claim a nonrefundable tax credit equal to a designated percentage of the adjusted purchase price of qualified low-income community investments. The credit percentage is zero percent in the first two years of the investment, seven percent in the third year of the investment, and eight percent in the following four years. The taxes abated are insurance, financial institutions, and foreign insurance.

Rural Business Growth Tax Credit

Ohio Revised Code sections 122.151, 122.152, 5725.98, 5729.98 establish the rural business growth fund. An individual that has put forth a significant investment in operating companies located in rural areas may apply for certification as a rural business growth fund. The applicant must show that the investment will provide economic benefit to the state over a ten-year period. Approved applicants will receive a non-refundable credit on insurance premium taxes.

The foregone revenue through tax abatements for fiscal year 2022 is presented in the following table (dollars in thousands):

Abatement Program	Amount of Taxes Abated
Job Creation Credit	\$ 264,421
Job Retention Credit.....	33,814
Historic Preservation Tax Credit	65,950
Motion Picture Tax Credit	13,713
New Markets Tax Credit	9,247
Rural Business Growth Funds.....	10,250
Total of Tax Abatements	<u>\$ 397,395</u>

NOTE 4 DEPOSITS AND INVESTMENTS

A. Legal Requirements

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires state moneys to be maintained in one of the following three classifications:

Active Deposits – Moneys required to be kept in cash or near cash status to meet current demands. Such moneys must be maintained either as cash in the State’s treasury or in any of the following: a commercial account that is payable or about to be withdrawn, in whole or in part, on demand, a negotiable order of withdrawal account, a money market deposit account or a designated warrant clearance account.

Inactive Deposits – Those moneys not required for use within the current two-year period of designation of depositories. Inactive moneys may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits – Those moneys not required for immediate use but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- US Treasury bills, notes, bonds or other obligations or securities issued by or guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

- Bonds and other direct obligations of the State of Ohio issued by the Treasurer of State and of the Ohio Public Facilities Commission, the Ohio Housing Finance Agency, the Ohio Water Development Authority, and the Ohio Turnpike and Infrastructure Commission;
- Commercial paper issued by any corporation that is incorporated under the laws of the United States or a state;
- Written repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, or any registered U.S. government securities dealer;
- No-load money market mutual funds;
- Securities lending agreements with any eligible financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank, or any recognized U.S. government securities dealer;
- Bankers' acceptances of any domestic bank or federally chartered domestic branch office of a foreign bank;
- Certificates of deposit in the eligible institutions applying for interim moneys as provided in section 135.08 of the Ohio Revised Code, including linked deposits, as authorized under Sections 135.61 to 135.67, Ohio Revised Code, agricultural linked deposits, as authorized under Sections 135.71 to 135.76, Ohio Revised Code, business linked deposits as authorized under Sections 135.77 to 135.774, Ohio Revised Code, adoption linked deposits as authorized under Sections 135.79 to 135.796, Ohio Revised Code, and housing linked deposits, as authorized under Sections 135.81 to 135.87, Ohio Revised Code;
- Negotiable certificates of deposit denominated in U.S. dollars, issued by a nationally or state-chartered bank, a savings association, a state or federal credit union, or a federally licensed branch of a foreign bank as authorized under Section 135.143(A)(9), Ohio Revised Code;
- The Treasurer of State's investment pool, as authorized under section 135.45, Ohio Revised Code;
- Debt interests, other than commercial paper as described above, of corporations incorporated under the laws of the United States or a state, or foreign nations diplomatically recognized by the United States, or any instrument based on, derived from, or related to such interests that are denominated and payable in U.S. funds;
- Bonds, notes, and other obligations of any state or political subdivision thereof;
- Obligations of a board of education, as authorized under Section 133.10, Ohio Revised Code; and
- Obligations of a political subdivision issued under Chapter 133, Ohio Revised Code.

The reporting entity's deposits must be held in insured depositories approved by the State Board of Deposit or appropriate governing authority and generally must be fully collateralized. However, financial institutions that are part of the Ohio Pooled Collateral System may apply to the Treasurer of State to be approved for a reduced collateral floor, at a level as low as 50 percent. The Treasurer of State then conducts an analysis to determine if the financial institution is eligible for a reduced collateral floor. The financial institution will then notify the Treasurer of State of each account holder's contractual collateral floor.

Deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol Retirement System Pension Trust Fund, the Tuition Trust Authority Enterprise Fund, the Workers' Compensation Enterprise Fund, and the higher education institutions may also invest in common and preferred stocks, domestic and foreign corporate and government bonds and notes, mortgage loans, limited partnerships, venture capital, real estate, and other investments.

B. State-Sponsored Investment Pool

The Treasurer of State is the investment advisor and administrator of the State Treasury Asset Reserve of Ohio (STAR Ohio), a statewide external investment pool authorized under Section 135.45, Ohio Revised Code. STAR Ohio issues a stand-alone financial report, copies of which may be obtained by making a written request to: Director of Investments, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215, by calling 1-800-648-7827, or by accessing the Treasurer of State's website at www.tos.ohio.gov.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

C. Deposit and Investment Risks

Although exposure to risks is minimized by complying with the legal requirements explained above and internal policies adopted by the Treasurer of State and the investment departments at the various state agencies, the State's deposits and investments are exposed to risks that may lead to losses of value.

The following risk disclosures report investments by type. The "U.S. Agency Obligations" category includes securities issued by federal government agencies and instrumentalities, including government sponsored enterprises.

1. Custodial Credit Risk

Custodial credit risk for deposits exists when a government is unable to recover deposits or recover collateral securities that are in the possession of an outside party in the event of a failure of a depository financial institution.

Deposits of the primary government and its component units are exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

In Ohio, legal requirements for depositor-governments are met when uninsured deposits are collateralized in one of two methods. The Treasurer's office administers the Ohio Pooled Collateral System (OPCS) that allows eligible financial institutions to pool collateral to secure Ohio's public deposits. The total market value of pledged securities is 102 percent of all uninsured public deposits or at a percentage determined by the Treasurer's rules. Another option is for the financial institutions outside of OPCS to pledge 105 percent of the uninsured public deposits. In both methods, a qualified trustee must hold the eligible securities in an account indicating the public depositor's security interest in the eligible securities. The State's reporting entity has not established specific policies for managing custodial credit risk exposure for deposits.

The table below reports the carrying amount of deposits, as of June 30, 2022, held by the primary government, including fiduciary activities, and its major discretely presented component unit and the extent of exposure to custodial credit risk.

Primary Government (including Fiduciary Activities) and Major Discretely Presented Component Unit					
Deposits—Custodial Credit Risk					
As of June 30, 2022					
<i>(dollars in thousands)</i>					
			Uninsured Portion of Reported Bank Balance		
	Carrying Amount	Bank Balance	Uncollateralized	Collateralized with Securities Held by the Pledging Institution's Trust Department or Agent but not in the Depositor- Government's Name	Collateralized with Securities Held by the Pledging Institution
<i>Primary Government</i>	\$ 1,697,056	\$1,758,715	\$ 142,267	\$ 58,933	\$ -
<i>Major Discretely Presented Component Unit:</i>					
Ohio State University	440,989	498,552	-	-	492,901



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Custodial credit risk for investments exists when a government is unable to recover the value of investments or collateral securities that are in the possession of an outside party in the event of a failure of a counterparty to a transaction.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department but not in the government's name.

The State's reporting entity has not established specific policies for managing custodial credit risk exposure for investments.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The following table reports the fair value, as of June 30, 2022, of investments by type for the primary government, including fiduciary activities, and the extent of exposure to custodial credit risk:

Primary Government (including Fiduciary Activities)		
Investments - Fair Value and Custodial Credit Risk		
As of June 30, 2022		
<i>(dollars in thousands)</i>		
	Fair Value	Uninsured, Unregistered, and Held by the Counterparty's Trust Department or Agent but not in the State's Name
<i>Investments Subject to Custodial Credit Risk Exposure:</i>		
U.S. Government Obligations.....	\$ 5,618,892	\$ 779,470
U.S. Government Obligations - strips.....	654,557	350,162
U.S. Agency Obligations.....	6,097,067	-
U.S. Agency Obligations-strips.....	30,751	-
Common and Preferred Stock.....	3,108,142	-
Corporate Bonds and Notes.....	5,437,557	-
Municipal Obligations.....	374,651	-
Negotiable Certificates of Deposit.....	10,173,423	-
Commercial Paper.....	14,370,693	-
Repurchase Agreements.....	2,516,285	-
Mortgage and Asset-Backed Securities.....	574,066	-
International Investments:		
Foreign Stocks.....	2,554	-
Foreign Bonds.....	1,015,305	-
Securities Lending Collateral:		
Corporate Bonds and Notes.....	18,599	-
Commercial Paper.....	403,481	-
Repurchase Agreements.....	4,531,412	-
Variable Rate Notes.....	214,749	-
		<u>\$ 1,129,632</u>
<i>Investments Not Subject to Custodial Credit Risk Exposure:</i>		
Investments Held by Broker-Dealers under Securities Loans with Cash Collateral:		
U.S. Government Obligations.....	4,852,450	
U.S. Government Obligations-strips.....	86,730	
U.S. Agency Obligations.....	2,774	
Corporate Bonds and Notes.....	177,226	
International Investments:		
Commingled Equity Funds.....	1,919,545	
Equity Mutual Funds.....	15,006,953	
Bond Mutual Funds.....	5,307,362	
Real Estate.....	4,086,366	
Partnerships and Hedge Funds.....	347,278	
Deposit with Federal Government.....	1,174,133	
Component Units' Equity in State Treasurer's Cash and Investment Pool.....	(222,667)	
Component Units' Equity in the State Treasury Asset Reserve of Ohio.....	(940,460)	
Total Investments — Primary Government.....	<u>\$ 86,939,874</u>	



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The following table reports investments with custodial credit risk exposure for the major discretely presented component unit. The Ohio Facilities Construction Commission Component Unit also participates in the State Treasurer’s Cash and Investment Pool. Risks associated with the Ohio Facilities Construction Commission’s share of the pool are included in the disclosures for the Primary Government. The Ohio State University’s policy is to hold investments in custodial accounts with the securities registered solely in the name of the university.

**Major Discretely Presented Component Unit
Investments - Fair Value and Custodial Credit Risk
As of June 30, 2022
(dollars in thousands)**

	Fair Value	Uninsured, Unregistered, and Held by the Counterparty
<i>Ohio State University:</i>		
U.S. Government Obligations.....	\$ 544,784	\$ 544,784
U.S. Agency Obligations.....	135,984	135,984
Common and Preferred Stock.....	1,084,105	1,084,105
Corporate Bonds and Notes.....	1,872,140	1,872,140
Municipal Obligations.....	37,208	37,208
Negotiable Certificates of Deposit.....	679,871	679,871
Commercial Paper.....	146,685	146,685
International Investments:		
Foreign Stocks.....	227,665	227,665
Foreign Bonds.....	53,861	53,861
Securities Lending Collateral:		
Repurchase Agreements.....	51,173	51,173
Total Ohio State University.....	<u>\$ 4,833,476</u>	<u>\$ 4,833,476</u>

2. Credit Risk

The risk that an investment’s issuer or counterparty will not satisfy its obligation is called credit risk. The exposure to this risk has been minimized through the laws and policies adopted by the State.

For investments that are included in the treasury’s cash and investment pool and reported as “Cash Equity with Treasurer” and other investment securities managed by the Treasurer of State’s Office, Chapter 135, Ohio Revised Code, requires such investments to carry certain credit ratings at the time of purchase as follows:

- Commercial paper must carry ratings in the two highest categories by two nationally recognized rating agencies;
- Debt interests (other than commercial paper) must carry ratings in the three highest categories by two nationally recognized rating agencies. This requirement is met when either the debt interest or the issuer of the debt interest carries this rating;
- No-load money market mutual funds must carry a rating of the highest category by one nationally recognized rating agency; and
- Bonds and notes of any other State or political subdivision thereof must be rated in the three highest categories by one nationally recognized rating agency.

Investment policies of the Treasurer of State’s Office further define required credit ratings as follows:

- Commercial paper and Negotiable Certificates of Deposit must have a short-term debt rating in the two highest categories by two or more of the nationally recognized statistical rating organizations (NRSROs);
- Bonds and notes of any other State or political subdivision thereof must be rated in the three highest categories by at least one NRSRO;



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

- Corporate bonds and notes must be rated in the three highest categories by two nationally recognized rating agencies;
- Banker acceptances must carry a minimum of “A+” for long-term debt (“AAA” for foreign issuers) by a majority of the nationally recognized rating agencies rating the issuer. For short-term debt, the rating must be at least “A-1” or equivalent by at least two nationally recognized rating agencies;
- Foreign debt, or the implicit rating of the issuer of the debt, must be rated in one of the three highest categories by at least two nationally recognized rating agencies;
- Repurchase agreements must, in the case when issued by a counterparty that is not either: an Ohio financial institution that is a member of the Federal Reserve System, or a Federal Home Loan Bank, or a recognized government securities dealer, then such counterparty must have a short-term debt rating in the two highest categories by one or more of the NRSROs, if the counterparty is not explicitly rated in such a category, the counterparty must possess a guarantee from an NRSRO-rated parent company; and
- Registered investment companies open-end, no-load money market mutual funds must be rated in the highest category from one or more of the NRSROs.

Investment policies regarding credit risk that are in addition to Ohio Revised Code requirements and are specific to the following significant entities reported in the State’s reporting entity are as follows:

Workers’ Compensation Enterprise Fund

The Fund requires investment-grade ratings by at least two of the following nationally recognized bond rating services: Moody’s, Fitch or Standard & Poor’s, for fixed income securities. If only one of the rating services rates a security, the rating must be investment grade.

Variable College Savings Plan Private-Purpose Trust Fund

The fixed income portfolio should consist primarily of domestic investment grade bonds and may be partially invested in below investment grade bonds. Any portion of the portfolio in below-investment grade securities should be mostly invested in “BB” and “B” rated securities.

STAR Ohio Investment Trust Fund

Investment policies governing the STAR Ohio external investment pool generally require that all securities must be rated the equivalent of “A-1+” or “A-1” by Standard & Poor’s rating agency. Exceptions to the general policy are: mutual funds must be rated “AAA” or “AAAm” by Standard and Poor’s, while commercial paper, corporate bonds and notes, and bankers’ acceptances must have a second equivalent rating from another nationally recognized rating agency, and municipal obligations must be rated in the three highest categories by Standard & Poor’s.

The Ohio Facilities Construction Commission Component Unit also participates in the State Treasurer’s Cash and Investment Pool. Risks associated with the Ohio Facilities Construction Commission’s share of the pool are included in the disclosures for the Primary Government.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

All investments, as categorized by credit ratings in the tables below and on the following page, meet the requirements of the State's laws and policies, when applicable.

**Primary Government (including Fiduciary Activities)
Investment Credit Ratings
As of June 30, 2022
(dollars in thousands)**

Investment Type	Credit Rating					
	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
U.S. Agency Obligations.....	\$ 49,881	\$ 6,017,851	\$ 1,521	\$ 1,982	\$ 11,099	\$ 1,034
U.S. Agency Obligations-strips.....	1,430	29,321	-	-	-	-
Corporate Bonds and Notes.....	213,827	796,291	2,660,430	1,722,990	157,888	59,591
Municipal Obligations.....	33,240	297,453	30,751	12,496	-	-
Negotiable Certificates of Deposit.....	5,514,688	2,040,000	2,600,000	-	-	-
Commercial Paper.....	6,247,092	324,461	3,356,224	-	-	-
Repurchase Agreements.....	266,088	-	-	-	-	-
Mortgage and Asset-Backed Securities.....	295,606	33,328	61,650	115,978	40,589	4,510
Bond Mutual Funds.....	3,503,894	1,045,277	581,035	14,046	58,949	30,797
International Investments:						
Foreign Bonds.....	911	37,694	357,874	521,529	75,562	17,389
Securities Lending Collateral:						
Corporate Bonds and Notes.....	-	-	18,599	-	-	-
Commercial Paper.....	-	-	403,481	-	-	-
Repurchase Agreements.....	-	-	2,495,000	2,036,412	-	-
Variable Rate Notes.....	-	-	214,749	-	-	-
Bond Mutual Funds.....	31,317	-	-	-	-	-
Total Primary Government.....	\$16,157,974	\$10,621,676	\$12,781,314	\$4,425,433	\$ 344,087	\$ 113,321

Investment Type	Credit Rating					
	CCC/Caa	CC/Ca	C	D	Unrated	Total
U.S. Agency Obligations.....	\$ -	\$ -	\$ -	\$ -	\$ 16,473	\$ 6,099,841
U.S. Agency Obligations-strips.....	-	-	-	-	-	30,751
Corporate Bonds and Notes.....	3,026	255	61	424	-	5,614,783
Municipal Obligations.....	-	-	-	-	711	374,651
Negotiable Certificates of Deposit.....	-	-	-	-	18,735	10,173,423
Commercial Paper.....	-	-	-	-	4,442,916	14,370,693
Repurchase Agreements.....	-	-	-	-	2,250,197	2,516,285
Mortgage and Asset-Backed Securities.....	17,506	4,899	-	-	-	574,066
Bond Mutual Funds.....	4,180	-	-	133	37,734	5,276,045
International Investments:						
Foreign Bonds.....	3,697	-	649	-	-	1,015,305
Securities Lending Collateral:						
Corporate Bonds and Notes.....	-	-	-	-	-	18,599
Commercial Paper.....	-	-	-	-	-	403,481
Repurchase Agreements.....	-	-	-	-	-	4,531,412
Variable Rate Notes.....	-	-	-	-	-	214,749
Bond Mutual Funds.....	-	-	-	-	-	31,317
Total Primary Government.....	\$ 28,409	\$ 5,154	\$ 710	\$ 557	\$6,766,766	\$ 51,245,401



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Major Discretely Presented Component Unit

Investment Credit Ratings

As of June 30, 2022

(dollars in thousands)

Ohio State University: Investment Type	Credit Rating					
	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
U.S. Agency Obligations.....	\$ 3,048	\$ 49,919	\$ 77,257	\$ 2,572	\$ -	\$ -
Corporate Bonds and Notes.....	168,948	129,707	586,314	645,280	29,977	7,080
Municipal Obligations.....	5,647	15,140	12,065	346	-	-
Negotiable Certificates of Deposit.....	36,182	-	107,740	-	-	-
Commercial Paper.....	-	7,949	87,040	-	-	-
Bond Mutual Funds.....	139,542	80,257	118,857	147,063	24,940	26,343
International Investments:						
Foreign Bonds.....	23,364	-	7,190	11,712	-	-
Securities Lending Collateral:						
Repurchase Agreements.....	-	-	-	-	-	-
Total Ohio State University.....	<u>\$ 376,731</u>	<u>\$ 282,972</u>	<u>\$ 996,463</u>	<u>\$806,973</u>	<u>\$54,917</u>	<u>\$ 33,423</u>

Ohio State University (continued): Investment Type	Credit Rating		
	CCC/Caa	Unrated	Total
U.S. Agency Obligations.....	\$ -	\$ 3,188	\$ 135,984
Corporate Bonds and Notes.....	-	304,834	1,872,140
Municipal Obligations.....	-	4,010	37,208
Negotiable Certificates of Deposit.....	-	535,949	679,871
Commercial Paper.....	-	51,696	146,685
Bond Mutual Funds.....	47,030	115,525	699,557
International Investments:			
Foreign Bonds.....	-	11,595	53,861
Securities Lending Collateral:			
Repurchase Agreements.....	-	51,173	51,173
Total Ohio State University.....	<u>\$ 47,030</u>	<u>\$1,077,970</u>	<u>\$3,676,479</u>

At June 30, 2022, the Ohio Facilities Construction Commission had \$3.7million invested in Bond Mutual Funds with a credit rating of AAA.

Descriptions of the investment credit ratings shown in the tables are as follows:

Rating	General Description of Credit Rating
AAA/Aaa	Extremely strong
AA/Aa	Very strong
A/A-1	Strong
BBB/Baa	Adequate
BB/Ba	Less vulnerable
B	More vulnerable
CCC/Caa	Currently vulnerable to nonpayment
CC/Ca	Currently highly vulnerable to nonpayment
C	Currently highly vulnerable to nonpayment due to certain conditions (e.g., filing of bankruptcy petition or similar action by issuer)
D	Currently highly vulnerable to nonpayment for failure to pay by due date



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

3. Concentration of Credit Risk

The potential for loss of value increases when investments are not diversified. The State has imposed limits on the types of authorized investments to prevent this type of loss.

For investments that are included in the treasury’s cash and investment pool, and reported as “Cash Equity with Treasurer” and other investment securities managed by the Treasurer of State’s Office, Chapter 135, Ohio Revised Code, requires the following:

- Investments in commercial paper may not exceed 40 percent of the State’s total average portfolio;
- Bankers’ acceptances cannot exceed ten percent of the State’s total average portfolio;
- Debt interest (other than commercial paper) shall not exceed 25 percent of the State’s total average portfolio, and when combined with commercial paper, the amount of a single issuer may not exceed five percent of the total average portfolio; and
- Debt interests in foreign nations may not exceed two percent of the State’s portfolio.

Investment policies of the Treasurer of State further restrict concentrations of investments. Maximum concentrations are as follows:

Investment Type	Maximum % of Total Average Portfolio
U.S. Treasury	100
Federal Agency (fixed rate)	100
Federal Agency (callable)	55
Federal Agency (variable rate)	10
Repurchase Agreements	50
Bankers’ Acceptances	10
Commercial Paper	40
Corporate Notes	25
Foreign Notes	2
Certificates of Deposit	20
Municipal Obligations	20
STAR Ohio	25
Mutual Funds	100

The investment policies of the Treasurer of State’s Office also specify that:

- Commercial paper and Negotiable Certificates of Deposit, when combined with investments in other corporate obligations of a single issuer, are further limited to no more than five percent of the book value of the portfolio;
- Bankers’ Acceptances are further limited to no more than five percent of the book value of the portfolio in any single issuer;
- Mutual funds are limited in that the Treasurer’s holdings in a single mutual fund cannot be more than ten percent of the total assets of that mutual fund, nor more than ten percent of the book value of the portfolio;
- Repurchase Agreements are limited in that any one counterparty may not exceed ten percent of the book value of the portfolio; and
- Municipal obligations are limited to no more than 2.5 percent of the book value of the portfolio in any single issuer.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Investment policies regarding concentration of investments that are in addition to Ohio Revised Code requirements and are specific to the following significant entities reported in the State’s reporting entity are as follows:

Lottery Commission Enterprise Fund

No more than two percent of the total average portfolio may be invested in the securities of any single issuer with the following exceptions: U.S. government obligations, 100 percent maximum; repurchase agreements, limited at the lesser of five percent or \$250 million; and mutual funds, 10 percent maximum.

State Highway Patrol Retirement System Pension Trust Fund

Policy prohibits the investment of more than ten percent of its fixed income portfolio in securities of any one issuer except for U.S. government securities, or the investment of more than five percent of the Fund’s total investments in any one issue except for U.S. government securities.

STAR Ohio Investment Trust Fund

Investments in a single issuer are limited to no more than five percent of the net assets except as follows:

- U.S. Treasury obligations, limited at 100 percent;
- U.S. Agency obligations, limited to 100 percent with no single U.S. Agency exceeding 33 percent unless maturing in 30 days or less and rated “AA-“ or higher;
- Repurchase agreements with terms to maturity of 5 days or less, limited at 100 percent; investments with any one counterparty limited at a maximum of 5 percent for “A-2” rated counterparties, a maximum of 25 percent for “A-1” rated counterparties, and at a maximum of 50 percent for “A-1+” rated counterparties, with further limitations based on the maturity of the investment;
- Mutual funds, limited at 100 percent; with no more than 10 percent of the total average portfolio invested in any single mutual fund and limited to STAR Ohio representing no more than 10 percent of the total assets under management of any single mutual fund;
- Corporate obligations, limited to 25 percent, and when added to investments in commercial paper, no more than five percent invested with any single issuer;
- Municipal bonds, limited at 10 percent and limited to no more than 2.5 percent with any single issuer;
- Commercial paper, limited to 40 percent, and when added to investments in other corporate obligations, no more than 5 percent invested with any single issuer; and
- Bankers’ acceptances, limited at 10 percent, with no more than 5 percent invested with any single issuer.

As of June 30, 2022, all investments meet the requirements of the State’s law and policies, when applicable. However, investments in certain issuers are at least five percent of investment balances, as follows (dollars in thousands):

Issuer	Amount	Percentage of Investment Balance
<i>Custodial Funds:</i>		
Federal Home Loan Bank	\$ 28,378	9%
Federal Home Loan Mortgage Corporation	17,787	5%
<i>Ohio Facilities Construction Commission Component Unit Fund:</i>		
Federal Home Loan Bank	14,061	7%

4. Interest Rate Risk

Certain of the State’s investments are exposed to interest rate risk. This risk exists when changes to interest rates will negatively impact the fair value of an investment. The State has adopted laws and policies to mitigate this risk.

For investments that are included in the treasury’s cash and investment pool and reported as “Cash Equity with Treasurer” and other investment securities managed by the Treasurer of State’s Office, Chapter 135, Ohio Revised Code, requires that Bankers Acceptances must mature in 270 days or less.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Investment policies governing the treasury's cash and investment pool, which is reported as "Cash Equity with Treasurer" and is managed by the Treasurer of State's Office, limit maturities of short-term investments to no more than 18 months with a weighted average maturity not to exceed 90 days. For long-term investments, maturities are limited to five years or less, except for those that are matched to a specific obligation or debt of the State. A duration target of three years or less has been established for long-term investments. Policy also limits maturities for specific investment types as follows:

- Corporate notes - five years;
- Commercial paper and Negotiable Certificates of Deposit - 397 days;
- Repurchase agreements - 90 days; and
- Foreign debt - five years.

Investment policies regarding investment maturities that are in addition to Ohio Revised Code requirements and are specific to the following significant entities reported in the State's reporting entity are as follows:

Workers' Compensation Enterprise Fund

Policy requires each fixed-income portfolio to be invested with duration characteristics that are within a range consistent with Bloomberg Barclay's Fixed Income Index ranges.

Lottery Commission Enterprise Fund

Investments are required to have maturities of 30 years or less. In no case may the maturity of an investment exceed the expected date of disbursement of those funds.

Variable College Savings Plan Private-Purpose Trust Fund

Policy requires the fixed-income portfolio to be invested with duration characteristics that are within a range consistent with Barclay's Aggregate Index ranges.

STAR Ohio Investment Trust Fund

Investment policies limit maturities of investments to a final stated maturity of 397 days or less, with a 762-day limit for floating rate U.S. Treasury and U.S. Agency obligations. Repurchase agreements are limited to maturities of 30 days and both commercial paper and bankers' acceptances are limited to maturities of 270 days.

As of June 30, 2022, investments reported as "Cash Equity with Treasurer" have terms that make their fair values highly sensitive to interest rate changes. The U.S. agency obligations investment type includes \$4.84 billion with call dates from fiscal years 2023 through 2024, and maturity dates from fiscal years 2023 through 2027. The Corporate Bonds and Notes investment type has \$1.41 billion with call dates and maturity dates from fiscal years 2023 through 2027.

Additionally, several investments reported as "Investments" have terms that make their fair values highly sensitive to interest rate changes. U.S. agency obligations of \$73 million have call dates in fiscal year 2023, and maturity dates from fiscal years 2023 through 2026. Corporate bonds in the amount of \$189 million have call dates and maturity dates in fiscal year 2023.

The tables that follow list the investment maturities of the investments for the primary government, including fiduciary activities, and its major discretely presented component units. All investments at June 30, 2022, meet the requirements of the State's laws and policies, when applicable. The Ohio Facilities Construction Commission Component Unit Fund also participates in the State Treasurer's Cash and Investment Pool. Risks associated with the Ohio Facilities Construction Commission's share of the pool are included in the disclosures for the Primary Government.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Primary Government (including Fiduciary Activities)					
Investments Subject to Interest Rate Risk					
As of June 30, 2022					
<i>(dollars in thousands)</i>					
Investment Type	Investment Maturities (in years)				Total
	< 1	1 - 5	6 - 10	> 10	
U.S. Government Obligations.....	\$ 2,232,166	\$ 6,424,397	\$1,125,224	\$ 689,555	\$10,471,342
U.S. Government Obligations - strips.....	162,000	306,921	90,352	182,014	741,287
U.S. Agency Obligations.....	608,377	5,074,062	33,469	383,933	6,099,841
U.S. Agency Obligations-strips.....	4,568	18,907	7,276	-	30,751
Corporate Bonds and Notes.....	605,950	2,042,757	416,117	2,549,959	5,614,783
Municipal Obligations.....	7,419	16,619	7,292	343,321	374,651
Negotiable Certificates of Deposit.....	9,811,421	362,002	-	-	10,173,423
Commercial Paper.....	14,370,693	-	-	-	14,370,693
Repurchase Agreements.....	2,516,285	-	-	-	2,516,285
Mortgage and Asset-Backed Securities..	183,428	60,605	46,948	283,085	574,066
Bond Mutual Funds.....	3,502,955	119,574	1,073,865	579,651	5,276,045
International Investments:					
Foreign Bonds.....	61,261	269,166	172,079	512,799	1,015,305
Securities Lending Collateral:					
Corporate Bonds and Notes.....	18,599	-	-	-	18,599
Commercial Paper.....	403,481	-	-	-	403,481
Repurchase Agreements.....	4,531,412	-	-	-	4,531,412
Variable Rate Notes.....	214,749	-	-	-	214,749
Bond Mutual Funds.....	31,317	-	-	-	31,317
Total Primary Government.....	<u>\$39,266,081</u>	<u>\$14,695,010</u>	<u>\$ 2,972,622</u>	<u>\$5,524,317</u>	<u>\$ 62,458,030</u>

Major Discretely Presented Component Unit

Investments Subject to Interest Rate Risk

As of June 30, 2022

(dollars in thousands)

Ohio State University:					
Investment Type	Investment Maturities (in years)				Total
	< 1	1 - 5	6 - 10	> 10	
U.S. Government Obligations.....	\$ 152,178	\$ 348,610	\$ 3,705	\$ 40,291	\$ 544,784
U.S. Agency Obligations.....	12	40,676	9,462	85,834	135,984
Corporate Bonds and Notes.....	449,966	1,144,527	147,445	130,202	1,872,140
Municipal Obligations.....	16,601	20,429	178	-	37,208
Negotiable Certificates of Deposit.....	679,871	-	-	-	679,871
Commercial Paper.....	146,685	-	-	-	146,685
Bond Mutual Funds.....	184,604	243,577	118,538	152,838	699,557
International Investments:					
Foreign Bonds.....	5,250	20,890	8,215	19,506	53,861
Securities Lending Collateral:					
Repurchase Agreements.....	51,173	-	-	-	51,173
Total Ohio State University.....	<u>\$1,686,340</u>	<u>\$1,818,709</u>	<u>\$ 287,543</u>	<u>\$428,671</u>	<u>\$4,221,263</u>

At June 30, 2022, the Ohio Facilities Construction Commission had \$3.7 million invested in Bond Mutual Funds with a maturity of less than one year.

5. Foreign Currency Risk

Investments in stocks and bonds denominated in foreign currencies are affected by foreign currency risk which arises from changes in currency exchange rates.

As of June 30, 2022, investments denominated in the currency of foreign nations, as detailed in the following tables for the primary government, including fiduciary activities, and the Ohio State University, a major discretely presented component unit, meet the requirements of the State's laws and policies, when applicable.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

**Primary Government (including Fiduciary Activities)
International Investments—Foreign Currency Risk
As of June 30, 2022
(dollars in thousands)**

Currency	Commingled International Equity	Total
Australian Dollar.....	\$ 88,219	\$ 88,219
Bermudian Dollar.....	502	502
Brazilian Real.....	26,624	26,624
British Pound.....	175,831	175,831
Canadian Dollar.....	148,368	148,368
Caymanian Dollar.....	449	449
Chilean Peso.....	2,798	2,798
Chinese Renminbi.....	182,400	182,400
Colombian Peso.....	811	811
Czech Koruna.....	882	882
Danish Krone.....	31,494	31,494
Egyptian Pound.....	325	325
Euro.....	356,816	356,816
Hong Kong Dollar.....	49,596	49,596
Hungarian Forint.....	919	919
Indian Rupee.....	69,819	69,819
Indonesian Rupiah.....	9,998	9,998
Israeli Shekel.....	8,658	8,658
Japanese Yen.....	254,368	254,368
Kuw aiti Dinar.....	4,515	4,515
Macau Pataca.....	496	496
Malaysian Ringgit.....	8,022	8,022
Manx Pound.....	964	964
Mexican Peso.....	11,556	11,556
New Zealand Dollar.....	2,632	2,632
Norwegian Krone.....	9,081	9,081
Peruvian New Sol.....	855	855
Philippines Peso.....	4,005	4,005
Polish Zloty.....	3,135	3,135
Qatari Rial.....	5,697	5,697
Russian Ruble.....	2	2
Saudi Riyal.....	23,460	23,460
Singapore Dollar.....	16,976	16,976
South African Rand.....	18,972	18,972
South Korean Won.....	61,942	61,942
Sw edish Krona.....	36,721	36,721
Sw iss Franc.....	126,409	126,409
Taiw an Dollar.....	78,491	78,491
Thailand Baht.....	10,433	10,433
Turkish Lira.....	1,520	1,520
United Arab Emirates Dirham.....	6,916	6,916
Investments Held in Foreign Currency.....	<u>\$ 1,841,677</u>	<u>1,841,677</u>
Foreign Investments Held in U.S. Dollars.....		<u>1,095,727</u>
Total Foreign Investments - Primary Government, including Fiduciary Activities.....		<u>\$2,937,404</u>



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Major Discretely Presented Component Unit
International Investments—Foreign Currency Risk
As of June 30, 2022
(dollars in thousands)

Ohio State University:	Commingled International			
Currency	Stocks	Bonds	Equity	Total
Australian Dollar.....	\$ 9,027	\$ 17,401	\$ -	\$ 26,428
British Pound.....	13,475	18,300	215,642	247,417
Canadian Dollar.....	9,592	7,540	-	17,132
Chilean Peso.....	42	-	-	42
Chinese Renminbi.....	66,822	-	-	66,822
Danish Krone.....	1,693	-	-	1,693
Euro.....	47,273	9,421	207,978	264,672
Hong Kong Dollar.....	10,589	-	-	10,589
Israeli Shekel.....	-	1,199	-	1,199
Japanese Yen.....	58,087	-	-	58,087
Mexican Peso.....	439	-	-	439
Norwegian Krone.....	332	-	-	332
South Korean Won.....	822	-	-	822
Swedish Krona.....	410	-	-	410
Swiss Franc.....	8,302	-	27,782	36,084
Taiwan Dollar.....	760	-	-	760
Total Foreign Currency Investments - Ohio State University.....	<u>\$ 227,665</u>	<u>\$ 53,861</u>	<u>\$ 451,402</u>	<u>\$ 732,928</u>

The State's laws and investment policies include provisions to limit the exposure to this type of risk. According to Chapter 135, Ohio Revised Code, investments managed by the Treasurer of State's Office, and reported as "Cash Equity with Treasurer", are limited to the debt of nations diplomatically recognized by the United States and that are backed by the full faith and credit of that foreign nation, and provided that all denomination of principal and interest be in U.S. dollars.

D. Securities Lending Transactions

The Treasurer of State participates in the securities lending programs for securities included in the "Cash Equity with Treasurer" and "Investments" accounts. Each lending program is administered by a custodial agent bank, whereby certain securities are transferred to an independent broker-dealer (borrower) in exchange for collateral.

At the time of the loan, the Treasurer of State requires its custodial agents to ensure that the State's lent securities are collateralized at no less than 102 percent of fair value, with the exception of U.S. Treasury Bills, which are purchased at a discount and are collateralized at par. At no point in time can the value of the collateral be less than 100 percent of the underlying securities.

Consequently, as of June 30, 2022, the State had no credit exposure since the amount the State owed to the borrowers at least equaled or exceeded the amount borrowers owed to the State.

The State invests cash collateral in short-term obligations, which have a weighted average maturity of 13 days while the weighted average maturity of securities loans is five days.

According to the lending contracts the Treasurer of State executes for the State's cash and investment pool and for the Ohio Lottery Commission Enterprise Fund, the securities lending agent is to indemnify the Treasurer of State for any losses resulting from the insolvency default of the lending counterparty.

During fiscal year 2022, the State had not experienced any losses due to credit or market risk on securities lending activities.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

In fiscal year 2022, the Treasurer of State lent U.S. government and agency obligations and corporate notes in exchange for cash collateral.

E. Investment Derivative Instruments

As of June 30, 2022, the State reports the following investment derivative instruments in its financial statements:

Investment Derivative Instruments					
As of June 30, 2022					
<i>(dollars in thousands)</i>					
	Notional	Fair Value at 6/30/2022		Increase (Decrease) in Fair Value	
		Amount	Reported as	Amount	Reported as
<i>Governmental Activities:</i>					
Investment Derivative Instruments:					
				Operating Restricted Investment Gain - Primary, Secondary and Other Education	
Pay-Fixed Interest Rate Swaps	\$ 37,670	\$ (786)	Other Noncurrent Liability	\$2,574	Function

For governmental activities, the pay-fixed swaps included in the table above do not meet the criteria for hedging derivative instruments as of June 30, 2022, and are reported as investment derivative instruments. The increase in fair value for fiscal year 2022 of \$2.6 million is reported as operating restricted investment gains for the primary, secondary, and other education function in the Statement of Activities.

The credit quality ratings of JPMorgan Chase, the counterparty, are “Aa2/A+/AA” as of June 30, 2022. The State was not exposed to credit risk because these swaps had negative fair values at June 30, 2022. However, should interest rates change and the fair values of the swaps become positive, the State would be exposed to credit risk in the amount of the derivative instrument’s positive fair value.

Each swap counterparty is required to post collateral to a third party when their respective credit rating, as determined by specified nationally recognized credit rating agencies, falls below the trigger level defined in the swap agreement and based on the fair value of the swap. This arrangement protects the State by mitigating the credit risk, and therefore termination risk, inherent in the swap. Collateral on all swaps must be in the form of cash or U.S. government securities held by a third-party custodian. Net payments are made on the same date, as specified in the agreements.

These swaps, maturing March 15, 2025, are associated with Common Schools Bonds, Series 2005A and Series 2005B. The underlying index is a variable rate based on SIFMA. The combination of the variable-rate bonds and a floating-to-fixed swap creates a low-cost, long-term synthetic fixed-rate debt that protects the State from rising interest rates.

F. Fair Value Disclosures

The State categorizes fair value measurements of its investments within the fair value hierarchy shown in the following tables:



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Primary Government (including Fiduciary Activities)

Investments - Fair Value Disclosures

As of June 30, 2022

(dollars in thousands)

	Fair Value	Amount of Fair Value Measured Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Investments Measured by Fair Value Level:</i>				
U.S. Government Obligations.....	\$ 10,471,342	\$ 4,090,139	\$ 6,381,203	\$ -
U.S. Government Obligations - strips.....	741,287	472,156	269,131	-
U.S. Agency Obligations.....	6,099,574	3,747	6,095,827	-
U.S. Agency Obligations-strips.....	30,751	-	30,751	-
Common and Preferred Stock.....	3,108,142	3,107,970	-	172
Corporate Bonds and Notes.....	5,350,831	-	5,343,209	7,622
Corporate Bonds and Notes - Strips.....	262,289	-	262,289	-
Municipal Obligations.....	374,651	-	374,651	-
Negotiable Certificates of Deposit.....	4,935,868	-	4,935,868	-
Commercial Paper.....	8,109,815	-	8,109,815	-
Repurchase Agreements.....	2,266,285	16,285	2,250,000	-
Mortgage and Asset-Backed Securities.....	574,066	-	484,488	89,578
Equity Mutual Funds.....	14,379,888	14,379,698	190	-
Bond Mutual Funds.....	3,558,620	3,484,375	74,245	-
International Investments:				
Foreign Stocks.....	2,554	2,554	-	-
Foreign Bonds.....	1,015,305	-	822,805	192,500
Commingled Equity Funds.....	24,496	24,496	-	-
Securities Lending Collateral:				
U.S. Agency Obligations.....	100	-	100	-
Corporate Bonds and Notes.....	18,599	-	18,599	-
Variable Rate Notes.....	214,749	-	214,749	-
Bond Mutual Funds.....	31,317	31,317	-	-
	<u>\$ 61,570,529</u>	<u>\$ 25,612,737</u>	<u>\$35,667,920</u>	<u>\$ 289,872</u>
<i>Investment Derivative Instruments:</i>				
Pay-Fixed Interest Rate Sw aps.....	\$ (786)	\$ -	\$ (786)	\$ -
	<u>\$ (786)</u>	<u>\$ -</u>	<u>\$ (786)</u>	<u>\$ -</u>

Primary Government (including Fiduciary Activities)

Investments - Fair Value Disclosures

As of June 30, 2022

(dollars in thousands)

	Net Asset Value
<i>Investments Measured at Net Asset Value:</i>	
Equity Mutual Funds.....	\$ 669,427
Bond Mutual Funds.....	1,696,694
Real Estate.....	4,086,366
Partnerships and Hedge Funds.....	347,278
International Investments:	
Commingled Equity Funds.....	1,852,011
	<u>\$ 8,651,776</u>



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

For investments held by the Treasurer of State, \$34.2 million classified in Level 1 were valued using inputs based on published share price. Level 2 classifications in the amount of \$14.27 billion were valued using either matrix pricing, or, in the case of variable rate notes, were valued by discounting the current and future coupons using a yield calculation or scale based on the characteristics of the security. For matrix pricing, inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications were used. Interactive Data pricing used by the Treasurer's office also monitors market indicators, and industry and economic events. The Ohio Lottery Commission's structured investments are included in the Treasurer of State's Level 2 investments noted above. Investments in the amount of \$193 million, classified in Level 3, were bonds for which there is no secondary market, and were therefore, valued at the original principal.

For investments held by the STAR Ohio investment pool, \$2.69 billion in open-end investment companies, including money market funds, were classified in Level 1 and were valued using the daily redemption value as reported by the underlying fund, while the \$15.39 billion in short-term investments classified in Level 2 was valued using market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids and offers. Market indicators and industry and economic events were also monitored to see if further market data was needed.

Investments held by the Department of Commerce in the amount of \$1.13 billion for escheat property classified in Level 1, were valued using quoted prices for identical securities in an active market. Investments held by other state agencies in the amount \$32.6 million classified in Level 1, were valued using quoted prices in a large and active market.

For investments held by independently audited organizations of the primary government, more information regarding investment valuations can be found in the organizations' stand-alone financial reports. The stand-alone financial reports for the independently audited organizations included in the table above may be found as follows:

- STAR Ohio investment pool at the Treasurer of State's Office, at <http://www.tos.ohio.gov/>;
- Development-Office of Loan Administration, at <https://development.ohio.gov/>;
- Buckeye Tobacco Settlement Financing Authority, [Issuers | Office of Budget and Management \(ohio.gov\)](https://www.btsfa.com/);
- Bureau of Workers' Compensation/Industrial Commission of Ohio, at <https://www.bwc.ohio.gov/>;
- Tuition Trust Authority, at <https://www.collegeadvantage.com/>;
- STABLE, contact the Ohio Treasurer of State's office at (800) 228-1102 to request a copy of the report.
- State Highway Patrol Retirement System, at <https://www.ohprs.org/ohprs/>;



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The fair value investment hierarchy for the Ohio State University, a major discretely presented component unit, is reported in the table below:

Major Discretely Presented Component Unit				
Investments - Fair Value Disclosures				
As of June 30, 2022				
<i>(dollars in thousands)</i>				
	Fair Value	Amount of Fair Value Measured Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Ohio State University:</i>				
<i>Investments Measured by Fair Value Level:</i>				
U.S. Government Obligations.....	\$ 544,784	\$ (740)	\$ 545,524	\$ -
U.S. Agency Obligations.....	135,984	-	135,984	-
Common and Preferred Stock.....	1,084,105	1,084,105	-	-
Corporate Bonds and Notes.....	1,872,140	-	1,872,140	-
Municipal Obligations.....	37,208	-	37,208	-
Negotiable Certificates of Deposit.....	679,871	515,995	163,876	-
Commercial Paper.....	146,685	-	146,685	-
Equity Mutual Funds.....	274,838	274,838	-	-
Bond Mutual Funds.....	556,167	556,167	-	-
Real Estate.....	139,543	123,734	-	15,809
Partnerships and Hedge Funds.....	61,453	-	-	61,453
Life Insurance.....	24,056	20,168	-	3,888
<i>International Investments:</i>				
Foreign Stocks.....	227,665	227,665	-	-
Foreign Bonds.....	53,861	-	53,861	-
Commingled Equity Funds.....	40,101	-	-	40,101
<i>Securities Lending Collateral:</i>				
Repurchase Agreements.....	51,173	-	51,173	-
	<u>\$ 5,929,634</u>	<u>\$ 2,801,932</u>	<u>\$ 3,006,451</u>	<u>\$ 121,251</u>
<i>Ohio State University:</i>				
<i>Investments Measured at Net Asset Value:</i>				
Equity Mutual Funds.....	\$ 974,100			
Bond Mutual Funds.....	143,390			
Real Estate.....	16			
Partnerships and Hedge Funds.....	3,349,655			
<i>International Investments:</i>				
Commingled Equity Funds.....	411,301			
	<u>\$ 4,878,462</u>			

More information on Ohio State University's fair value investment valuations can be found in its audited stand-alone financial report at <https://www.osu.edu/>.

The Ohio Facilities Construction Commission's investments in the amount of \$3.7 million were classified in Level 1 based on their valuation using the market approach.



NOTE 5 RECEIVABLES

A. Taxes Receivable – Primary Government

Current taxes receivable is expected to be collected in the next fiscal year while noncurrent taxes receivable is not expected to be collected until more than one year from the balance sheet date. As of June 30, 2022, approximately \$152.4 million of the net taxes receivable balance is also reported as Deferred Inflows of Resources on the governmental funds' balance sheet, all of which is reported in the General Fund.

Refund liabilities for income taxes, totaling approximately \$1.31 billion are reported as "Refund and Other Liabilities" for governmental activities on the Statement of Net Position and in the General Fund on the governmental funds' Balance Sheet.

The following table summarizes taxes receivable for the primary government (dollars in thousands):

	Governmental Activities		
	General	Nonmajor	
		Governmental Funds	Total Primary Government
Current-Due Within One Year:			
Income Taxes	\$ 406,895	\$ -	\$ 406,895
Sales Taxes	560,023	-	560,023
Motor Vehicle Fuel Taxes	148,263	155,210	303,473
Commercial Activity Taxes	559,029	22,176	581,205
Public Utility Taxes	99,800	-	99,800
Casino Taxes	-	3,110	3,110
	<u>1,774,010</u>	<u>180,496</u>	<u>1,954,506</u>
Noncurrent-Due in More Than One Year:			
Income Taxes	25,417	-	25,417
Taxes Receivable, Net	<u>\$ 1,799,427</u>	<u>\$ 180,496</u>	<u>\$ 1,979,923</u>

B. Intergovernmental Receivable – Primary Government

The intergovernmental receivable balance reported for the primary government, all of which is expected to be collected within the next fiscal year, consists of the following, as of June 30, 2022 (dollars in thousands):

	From Nonexchange Programs		From Sales of Goods and Services		Total Primary Government
	Federal Government	Local Government	Other State Governments	Local Government	
	Governmental Activities:				
Major Governmental Funds:					
General	\$ 356,593	\$ -	\$ -	\$ -	\$ 356,593
Job, Family and Other Human Services	207,483	18,885	-	-	226,368
Nonmajor Governmental Funds	590,020	56,275	-	14,229	660,524
Total Governmental Activities	<u>1,154,096</u>	<u>75,160</u>	<u>-</u>	<u>14,229</u>	<u>1,243,485</u>
Business-Type Activities:					
Major Proprietary Funds:					
Unemployment Compensation	-	-	1,339	-	1,339
Nonmajor Proprietary Funds	-	-	-	5,359	5,359
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>1,339</u>	<u>5,359</u>	<u>6,698</u>
Intergovernmental Receivable	<u>\$1,154,096</u>	<u>\$ 75,160</u>	<u>\$ 1,339</u>	<u>\$ 19,588</u>	<u>\$ 1,250,183</u>



NOTE 5 RECEIVABLES (Continued)

C. Loans Receivable

Loans receivable for the primary government, as of June 30, 2022, are detailed in the following table (dollars in thousands):

Loan Program	Primary Government - Loans Receivable		
	Governmental Activities		
	General	Nonmajor Governmental Funds	Total Primary Government
Economic Development Office of Loan Administration.....	\$ 245,487	\$ -	\$ 245,487
Local Infrastructure Improvements	644,898	-	644,898
Housing Finance	378,953	-	378,953
Highway, Transit, & Aviation Infrastructure Bank.....	-	133,072	133,072
Third Frontier Program Loans.....	-	85,562	85,562
Loans Receivable, Net	<u>\$ 1,269,338</u>	<u>\$ 218,634</u>	<u>\$ 1,487,972</u>
Current-Due Within One Year	\$ 102,652	\$ 23,790	\$ 126,442
Noncurrent-Due in More Than One Year	1,166,686	194,844	1,361,530
Loans Receivable, Net	<u>\$ 1,269,338</u>	<u>\$ 218,634</u>	<u>\$ 1,487,972</u>

The "Loans Receivable" balance reported in the major discretely presented component units, as of June 30, 2022, is comprised of student loans and other miscellaneous loans.



NOTE 5 RECEIVABLES (Continued)

D. Other Receivables

The other receivables balances reported for the primary government, as of June 30, 2022, consists of the following (dollars in thousands):

Primary Government - Other Receivables					
Governmental Activities					
Major Governmental Funds					
Types of Receivables	General	Job, Family & Other Human Services	Buckeye Tobacco Settlement Financing Authority Revenue Bonds	Nonmajor Governmental Funds	Total
Manufacturers' Rebates	\$ 294,512	\$ 698,114	\$ -	\$ 33	\$ 992,659
Tobacco Settlement	-	-	767,991	-	767,991
Health Facility Bed Assessments	-	104,301	-	-	104,301
Managed Care Franchise Fees.....	-	77,938	-	-	77,938
Interest	49,731	-	-	-	49,731
Accounts	13,555	19,517	-	11,211	44,283
Miscellaneous	18,566	-	-	-	18,566
Other Receivables, Net.....	<u>\$ 376,364</u>	<u>\$ 899,870</u>	<u>\$ 767,991</u>	<u>\$ 11,244</u>	<u>\$ 2,055,469</u>
Current-Due Within One Year	\$ 376,364	\$ 899,870	\$ -	\$ 11,244	\$ 1,287,478
Noncurrent-Due in More Than One Year.....	-	-	767,991	-	767,991
Other Receivables, Net.....	<u>\$ 376,364</u>	<u>\$ 899,870</u>	<u>\$ 767,991</u>	<u>\$ 11,244</u>	<u>\$ 2,055,469</u>
Business-Type Activities					
Major Proprietary Funds					
Types of Receivables	Workers' Compensation	Lottery Commission	Unemployment Compensation	Nonmajor Proprietary Funds	Total
Accounts.....	\$ 307,005	\$ -	\$ 172,879	\$ -	\$ 479,884
Interest and Dividends (including restricted portion)..	86,389	4	-	1,142	87,535
Lottery Sales Agents.....	-	67,341	-	-	67,341
Other Receivables, Gross.....	393,394	67,345	172,879	1,142	634,760
Estimated Uncollectible.....	(1,279)	(639)	(75,487)	-	(77,405)
Other Receivables, Net-Due Within One Year.....	<u>\$ 392,115</u>	<u>\$ 66,706</u>	<u>\$ 97,392</u>	<u>\$ 1,142</u>	<u>\$ 557,355</u>
Total Primary Government.....					<u>\$ 2,612,824</u>

The "Other Receivables" balance reported in the fiduciary funds as of June 30, 2022, is comprised of interest due of \$13.6 million, investment trade receivables of \$56.3 million, and health care receivables of \$1.6 million.

In the major discretely presented component units, the "Other Receivables" balance reported, as of June 30, 2022, is primarily comprised of accounts receivable, interest receivable, pledges receivable, unbilled charges receivable, grants receivable, and other miscellaneous receivables.



NOTE 6 PAYABLES

A. Accrued Liabilities

Details on accrued liabilities for the primary government and fiduciary activities, as of June 30, 2022, follow (dollars in thousands):

Primary Government and Fiduciary Activities - Accrued Liabilities				
	Wages and Employee Benefits	Accrued Interest	Total Accrued Liabilities	
Governmental Activities:				
Major Governmental Funds:				
General.....	\$ 229,872	\$ -	\$ 229,872	
Job, Family and Other Human Services.....	31,938	-	31,938	
Pandemic Relief Funds.....	394	-	394	
Nonmajor Governmental Funds.....	85,804	-	85,804	
	348,008	-	348,008	
Reconciliation of fund level statements to government- wide statements due to basis differences.....	-	137,256	137,256	
Total Governmental Activities.....	348,008	137,256	485,264	
Business-Type Activities:				
Nonmajor Proprietary Funds.....	3,530	-	3,530	
Total Primary Government.....	<u>\$ 351,538</u>	<u>\$ 137,256</u>	<u>\$ 488,794</u>	
	Wages and Employee Benefits	Health Benefit Claims	Management and Administrative Expenses	Total Accrued Liabilities
Fiduciary Activities:				
State Highway Patrol Retirement System				
Pension Trust (12/31/2021).....	\$ 9,306	\$ 998	\$ -	\$ 10,304
Private-Purpose Trust:				
Variable College Savings Plan.....	-	-	4,086	4,086
STABLE Program.....	-	-	242	242
STAR Ohio Investment Trust.....	-	-	479	479
Total Fiduciary Activities.....	<u>\$ 9,306</u>	<u>\$ 998</u>	<u>\$ 4,807</u>	<u>\$ 15,111</u>

The "Accrued Liabilities" balance reported in the major discretely presented component units, as of June 30, 2022, is comprised largely of payables similar to those of the primary government, such as wages and employee benefits, self-insurance, and accrued interest.



NOTE 6 PAYABLES (Continued)

B. Intergovernmental Payable

The intergovernmental payable balances for the primary government and fiduciary activities, as of June 30, 2022, are comprised of the following (dollars in thousands):

Primary Government and Fiduciary Activities - Intergovernmental Payable				
	Local Government			
	Shared			
	Revenue and			
	Local			
	Permissive	Subsidies	Federal	
	Taxes	and Other	Government	Total
Governmental Activities:				
Major Governmental Funds:				
General	\$ 1,323,161	\$ 82,809	\$ 48,307	\$ 1,454,277
Job, Family and Other Human Services	-	124,590	-	124,590
Nonmajor Governmental Funds	109,997	251,042	-	361,039
Total Governmental Activities	<u>\$ 1,433,158</u>	<u>\$ 458,441</u>	<u>\$ 48,307</u>	<u>\$ 1,939,906</u>
Business-Type Activities:				
Major Proprietary Funds:				
Unemployment Compensation	\$ -	\$ 12	\$ 45	\$ 57
Total Business-Type Activities	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 45</u>	<u>\$ 57</u>
Total Primary Government.....				<u>\$ 1,939,963</u>
Fiduciary Activities:				
Custodial Funds.....	\$ 286,802	\$ -	\$ -	\$ 286,802
Total Fiduciary Activities	<u>\$ 286,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 286,802</u>

As of June 30, 2022, the Ohio Facilities Construction Commission, a major discretely presented component unit, reported an intergovernmental payable balance totaling approximately \$633.6 million for long-term funding contracts the Commission has with local school districts. In the government-wide Statement of Net Position, the intergovernmental payable balance for the Commission is included with "Other Noncurrent Liabilities." The contracts commit the State to cover the costs of construction of facilities of the school districts once the districts have met certain eligibility requirements.



NOTE 6 PAYABLES (Continued)

C. Refund and Other Liabilities

Refund and other liabilities for the primary government and fiduciary activities, as of June 30, 2022, consist of the balances, as follows (dollars in thousands):

Primary Government and Fiduciary Activities - Refund and Other Liabilities						
			Personal Income Tax Estimated Refund Claims	Payroll Withholding and Health Care Benefits	Other	Total
Governmental Activities:						
Major Governmental Funds:						
General			\$ 1,308,772	\$ 194,950	\$ 4,754	\$ 1,508,476
Job, Family and Other Human Services			-	-	3,338	3,338
Total Governmental Activities			<u>\$ 1,308,772</u>	<u>\$ 194,950</u>	<u>\$ 8,092</u>	<u>\$ 1,511,814</u>
	Reserve for Compensation Adjustment	Net Pension / OPEB Liability	Refund and Security Deposits	Compensated Absences	Other	Total
Business-Type Activities:						
Major Proprietary Funds:						
Workers' Compensation	\$ 1,633,300	\$ 83,541	\$ -	\$ 33,675	\$ 361,122	\$ 2,111,638
Lottery Commission	-	14,140	46,606	5,414	2,422	68,582
Unemployment Compensation	-	-	2,321	-	-	2,321
Nonmajor Proprietary Funds	-	32,463	-	12,013	1,538	46,014
	1,633,300	130,144	48,927	51,102	365,082	2,228,555
Reconciliation of balances included in the "Other Noncurrent Liabilities" balance in the government-wide financial statements	(1,633,300)	(130,144)	-	(51,102)	(336,225)	(2,150,771)
Total Business-Type Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,927</u>	<u>\$ -</u>	<u>\$ 28,857</u>	<u>\$ 77,784</u>
Total Primary Government						<u>\$ 1,589,598</u>
				Child Support Collections	Other	Total
Fiduciary Activities:						
State Highway Patrol Retirement System Pension Trust (12/31/2021)						
				\$ -	\$ 591	\$ 591
Private Purpose Trust Funds:						
Variable College Savings Plan				-	53,688	53,688
STABLE Program				-	365	365
STAR Ohio Investment Trust				-	716	716
Custodial Funds				65,423	6,793	72,216
Total Fiduciary Activities				<u>\$ 65,423</u>	<u>\$ 62,153</u>	<u>\$ 127,576</u>

In the major discretely presented component units, the "Refunds and Other Liabilities" balance reported, as of June 30, 2022, is comprised largely of payables similar to the primary government, such as refund and security deposits, compensated absences, leases, and other miscellaneous payables.



NOTE 7 INTERFUND BALANCES AND TRANSFERS AND SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS

A. Interfund Balances

Interfund balances, as of June 30, 2022, consist of the following (dollars in thousands):

Due from	Due To		Total
	Workers' Compensation	Nonmajor Proprietary Funds	
General	\$ 399,493	\$ 1,113	\$ 400,606
Job, Family and Other Human Services	9,344	-	9,344
Pandemic Relief Funds	754	-	754
Nonmajor Governmental Funds	84,801	-	84,801
Lottery Commission	944	-	944
Total.....	<u>\$ 495,336</u>	<u>\$ 1,113</u>	<u>\$ 496,449</u>

Interfund balances result from the time lag between dates that 1) interfund goods and services are provided or reimbursable expenditures/expenses occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The State's primary government is permitted to pay its workers' compensation liability on a terminal-funding (pay-as-you-go) basis. As a result, the Workers' Compensation Enterprise Fund recognized \$495.3 million as an interfund receivable for the unbilled premium due for the primary government's share of the Bureau's actuarially determined liability for compensation. In the Statement of Net Position, the State includes the liability in the internal balance reported for governmental activities.

B. Interfund Transfers

Interfund transfers, for the fiscal year ended of June 30, 2022, consist of the following (dollars in thousands):

Transferred from	Transferred to					Total
	General	Job, Family & Other Human Services	Other Major Governmental Funds	Nonmajor Governmental Funds	Proprietary Funds	
General	\$ -	\$ 2,346	\$ 243	\$ 2,443,454	\$ 42,831	\$ 2,488,874
Job, Family and Other Human Services ..	1,501	-	-	5,704	-	7,205
Buckeye Tobacco Settlement						
Financing Authority Revenue Bonds....	23,151	-	-	-	-	23,151
Pandemic Relief Funds.....	-	-	-	-	1,479,341	1,479,341
Nonmajor Governmental Funds	188,112	139	-	239,718	-	427,969
Workers' Compensation	10,078	-	-	-	-	10,078
Lottery Commission	1,915	-	-	1,405,358	-	1,407,273
Unemployment Compensation	7,965	10,859	-	-	-	18,824
Total.....	<u>\$ 232,722</u>	<u>\$ 13,344</u>	<u>\$ 243</u>	<u>\$ 4,094,234</u>	<u>\$ 1,522,172</u>	<u>\$ 5,862,715</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts, to the debt service fund as the debt service payments become due, and 3) utilize unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budget authorizations.



NOTE 7 INTERFUND BALANCES AND TRANSFERS AND SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS (Continued)

C. Discretely Presented Component Units

For fiscal year 2022, the discretely presented component units reported \$2.29 billion in state assistance revenue from the primary government in the Statement of Activities.

Included in “Primary, Secondary, and Other Education” expenses reported for the governmental activities, is the funding that the primary government provided to the Ohio Facilities Construction Commission for capital construction at local school districts. The primary government also transferred bond proceeds to the Ohio Facilities Construction Commission to pay the State’s share of the cost of rebuilding elementary and secondary school facilities across the State.

Additionally, the primary government provided financial support to the colleges and universities in the form of state appropriations for instructional and non-instructional purposes and capital appropriations for construction. This assistance is included in “Higher Education Support” expenses reported for governmental activities.

Details of balances and activity reported in the government-wide financial statements between the primary government and its discretely presented component units are summarized below:

Primary Government <i>(dollars in thousands)</i>						
Program Expenses for State Assistance to Component Units						
	Receivable from the Component Units	Payable to the Component Units	Primary, Secondary, and Other Education Function	Higher Education Support Function	Transportation Function	Total State Assistance to the Component Units
Major Governmental Funds:						
General	\$ -	\$ 16,278	\$ 171,520	\$ 2,115,620	\$ 3,378	\$ 2,290,518
Job, Family and Other Human Services ...	-	2,114	-	-	-	-
Nonmajor Governmental Funds	6,262	3,186	-	-	-	-
Total Primary Government.....	<u>\$ 6,262</u>	<u>\$ 21,578</u>	<u>\$ 171,520</u>	<u>\$ 2,115,620</u>	<u>\$ 3,378</u>	<u>\$ 2,290,518</u>

Discretely Presented Component Units <i>(dollars in thousands)</i>			
	Receivable from the Primary Government	Payable to the Primary Government	Total State Assistance from the Primary Government
Major Discretely Presented Component Units:			
Ohio Facilities Construction Commission.....	\$ -	\$ -	\$ 171,520
Ohio State University	854	-	546,134
Nonmajor Discretely Presented Component Units	20,724	9,227	1,572,864
Total Discretely Presented Component Units	<u>\$ 21,578</u>	<u>\$ 9,227</u>	<u>\$ 2,290,518</u>



NOTE 8 CAPITAL AND LEASE ASSETS

A. Primary Government

Capital asset activity, for the year ended June 30, 2022, reported for the primary government was as follows (dollars in thousands):

	Primary Government			
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 2,622,710	\$ 38,089	\$ (1,964)	\$ 2,658,835
Buildings	65,311	-	-	65,311
Land Improvements	1,439	-	-	1,439
Construction-in-Progress	2,666,228	833,840	(339,157)	3,160,911
Infrastructure:				
Highway Network:				
General Subsystem	9,097,505	27,221	-	9,124,726
Priority Subsystem	9,210,434	96,713	-	9,307,147
Bridge Network	2,994,689	32,064	(75,863)	2,950,890
Total Capital Assets Not Being Depreciated.....	<u>26,658,316</u>	<u>1,027,927</u>	<u>(416,984)</u>	<u>27,269,259</u>
Other Capital Assets:				
Buildings	4,341,216	165,924	(26,166)	4,480,974
Land Improvements	566,967	36,770	(4,567)	599,170
Machinery and Equipment	1,802,541	302,745	(115,804)	1,989,482
Vehicles	545,530	18,885	(27,539)	536,876
Infrastructure:				
Parks, Recreation and Natural Resources Network.....	284,442	68,648	-	353,090
Total Other Capital Assets at Historical Cost.....	<u>7,540,696</u>	<u>592,972</u>	<u>(174,076)</u>	<u>7,959,592</u>
Less Accumulated Depreciation for:				
Buildings	2,711,457	116,575	(23,067)	2,804,965
Land Improvements	400,004	19,349	(3,415)	415,938
Machinery and Equipment	1,282,423	175,540	(96,921)	1,361,042
Vehicles	347,699	47,436	(23,783)	371,352
Infrastructure:				
Parks, Recreation and Natural Resources Network.....	66,212	8,441	-	74,653
Total Accumulated Depreciation	<u>4,807,795</u>	<u>367,341</u>	<u>(147,186)</u>	<u>5,027,950</u>
Other Capital Assets, Net	<u>2,732,901</u>	<u>225,631</u>	<u>(26,890)</u>	<u>2,931,642</u>
Governmental Activities - Capital Assets, Net.....	<u>\$ 29,391,217</u>	<u>\$ 1,253,558</u>	<u>\$ (443,874)</u>	<u>\$ 30,200,901</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 9,466	\$ -	\$ -	\$ 9,466
Total Capital Assets Not Being Depreciated.....	<u>9,466</u>	<u>-</u>	<u>-</u>	<u>9,466</u>
Other Capital Assets:				
Buildings	209,439	-	-	209,439
Machinery and Equipment	285,421	4,403	(130,006)	159,818
Vehicles	3,623	-	(116)	3,507
Total Other Capital Assets at Historical Cost.....	<u>498,483</u>	<u>4,403</u>	<u>(130,122)</u>	<u>372,764</u>
Less Accumulated Depreciation for:				
Buildings	202,258	779	-	203,037
Machinery and Equipment	196,737	8,934	(106,792)	98,879
Vehicles	2,228	343	(100)	2,471
Total Accumulated Depreciation	<u>401,223</u>	<u>10,056</u>	<u>(106,892)</u>	<u>304,387</u>
Other Capital Assets, Net	<u>97,260</u>	<u>(5,653)</u>	<u>(23,230)</u>	<u>68,377</u>
Business-Type Activities - Capital Assets, Net.....	<u>\$ 106,726</u>	<u>\$ (5,653)</u>	<u>\$ (23,230)</u>	<u>\$ 77,843</u>



NOTE 8 CAPITAL AND LEASE ASSETS (Continued)

Lease asset activity, for the year ended June 30, 2022, reported for the primary government was as follows (dollars in thousands):

	Primary Government			
	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
	Restated			
Governmental Activities:				
Lease Assets:				
Machinery and Equipment	\$ 3,411	\$ 203	\$ -	\$ 3,614
Land.....	2,627	-	-	2,627
Real Estate.....	131,756	24,161	-	155,917
Total Lease Assets.....	137,794	24,364	-	162,158
Less Amortization for:				
Machinery and Equipment	-	434	-	434
Land.....	-	209	-	209
Real Estate.....	-	29,095	-	29,095
Total Amortization.....	-	29,738	-	29,738
Governmental Activities - Leases, Net.....	\$ 137,794	\$ (5,374)	\$ -	\$ 132,420
Business-Type Activities:				
Lease Assets:				
Machinery and Equipment	\$ -	\$ 51	\$ -	\$ 51
Real Estate.....	2,450	21,944	(45)	24,349
Total Lease Assets.....	2,450	21,995	(45)	24,400
Less Amortization for:				
Machinery and Equipment.....	-	23	-	23
Real Estate.....	-	12,364	(45)	12,319
Total Amortization	-	12,387	(45)	12,342
Business-Type Activities - Leases, Net.....	\$ 2,450	\$ 9,608	\$ -	\$ 12,058

For fiscal year 2022, the State charged depreciation expense relating to capital assets and amortization expense relating to lease assets to the following functions (dollars in thousands):

	Depreciation/ Amortization Expense
Governmental Activities:	
Primary, Secondary and Other Education.....	\$ 2,013
Public Assistance and Medicaid.....	64,172
Health and Human Services.....	14,794
Justice and Public Protection.....	61,879
Environmental Protection and Natural Resources.....	33,209
Transportation.....	79,757
General Government.....	130,317
Community and Economic Development.....	7,167
Total Depreciation/Amortization Expense for Governmental Activities.....	393,308
Gains (Losses) on Capital Asset Disposals Included in Depreciation.....	3,771
Fiscal year 2022 Increase to Accumulated Depreciation/Amortization.....	\$ 397,079
Business-Type Activities:	
Workers' Compensation.....	\$ 17,041
Lottery Commission.....	3,912
Tuition Trust Authority.....	8
Office of Auditor of State.....	1,312
Total Depreciation/Amortization Expense for Business-Type Activities.....	22,273
Gains (Losses) on Capital Asset Disposals Included in Depreciation.....	170
Fiscal year 2022 Increase to Accumulated Depreciation/Amortization.....	\$ 22,443



NOTE 8 CAPITAL AND LEASE ASSETS (Continued)

As of June 30, 2022, the State considered the following governmental capital asset balances as being impaired and removed from service (dollars in thousands):

Governmental Activities:	<u>Net Book Value</u>
Permanently Impaired Assets Removed from Service:	
Buildings.....	\$ 4,198
Land Improvements	225
Total.....	<u>\$ 4,423</u>

B. Major Discretely Presented Component Unit

Capital asset activity, for the year ended June 30, 2022, reported for major discretely presented component unit funds with significant capital asset balances was as follows (dollars in thousands):

	<u>Major Discretely Presented Component Unit</u>			
	Balance July 1, 2021 Restated	Increases	Decreases	Balance June 30, 2022
Ohio State University:				
Capital Assets Not Being Depreciated:				
Land	\$ 141,668	\$ 28,107	\$ -	\$ 169,775
Construction-in-Progress	1,071,971	1,125,511	(277,549)	1,919,933
Patents and Trademarks.....	18,465	-	-	18,465
Total Capital Assets Not Being Depreciated.....	<u>1,232,104</u>	<u>1,153,618</u>	<u>(277,549)</u>	<u>2,108,173</u>
Other Capital Assets:				
Buildings	7,599,774	248,080	(10,265)	7,837,589
Land Improvements	1,009,246	29,469	(7,748)	1,030,967
Machinery, Equipment and Vehicles	2,024,896	181,480	(104,221)	2,102,155
Library Books and Publications	200,191	2,710	-	202,901
Total Other Capital Assets at Historical Cost.....	<u>10,834,107</u>	<u>461,739</u>	<u>(122,234)</u>	<u>11,173,612</u>
Less Accumulated Depreciation for:				
Buildings	3,542,310	255,804	(3,250)	3,794,864
Land Improvements	450,270	51,127	(2,549)	498,848
Machinery, Equipment and Vehicles	1,401,323	176,299	(85,442)	1,492,180
Library Books and Publications	176,939	4,343	-	181,282
Total Accumulated Depreciation	<u>5,570,842</u>	<u>487,573</u>	<u>(91,241)</u>	<u>5,967,174</u>
Other Capital Assets, Net	<u>5,263,265</u>	<u>(25,834)</u>	<u>(30,993)</u>	<u>5,206,438</u>
Total Capital Assets, Net	<u>\$ 6,495,369</u>	<u>\$ 1,127,784</u>	<u>\$ (308,542)</u>	<u>\$ 7,314,611</u>

Lease activity, for the year ended June 30, 2022, reported for major discretely presented component unit funds with significant lease balances was as follows (dollars in thousands):

	<u>Major Discretely Presented Component Units</u>			
	Balance July 1, 2021 Restated	Increases	Decreases	Balance June 30, 2022
Ohio State University:				
Lease Assets:				
Real Estate.....	\$ 251,963	\$ 34,728	\$ (1,610)	\$ 285,081
Equipment.....	44,626	5,897	-	50,523
Total Lease Assets.....	<u>296,589</u>	<u>40,625</u>	<u>(1,610)</u>	<u>335,604</u>
Less Accumulated Amortization:				
Real Estate	15,371	19,922	(1,619)	33,674
Equipment.....	9,820	10,451	-	20,271
Total Accumulated Amortization	<u>25,191</u>	<u>30,373</u>	<u>(1,619)</u>	<u>53,945</u>
Total Lease Assets, Net	<u>\$ 271,398</u>	<u>\$ 10,252</u>	<u>\$ 9</u>	<u>\$ 281,659</u>
Less: Lease Assets netted against deferred inflows for lease-leaseback.....				<u>13,123</u>
				<u>\$ 268,536</u>



NOTE 8 CAPITAL AND LEASE ASSETS (Continued)

For fiscal year 2022, Ohio State University reported approximately \$517.9 million in depreciation/amortization expense.

NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

All part-time and full-time employees and elected officials of the State, including its component units (unless otherwise excluded in Ohio Revised Code), are eligible to be covered by one of the following retirement plans:

- Ohio Public Employees Retirement System
- State Teachers Retirement System of Ohio
- State Highway Patrol Retirement System
- Alternative Retirement Plan

GASB 68 and 75 require employers participating in cost-sharing multiple-employer retirement plans to recognize a proportionate share of net pension and OPEB assets/liabilities, expenses, and deferrals. For the year ended June 30, 2022, the State recognized total pension expense for all retirement plans of \$(232.8) million, net pension liabilities of \$2.2 billion, net pension assets of \$78.8 million, deferred outflows of \$680.2 million, and deferred inflows of \$2.55 billion. The State also recognized total OPEB expense of \$(652.5) million, net OPEB liabilities of \$380.7 million, net OPEB assets of \$666.7 million, deferred outflows of \$229.3 million, and deferred inflows of \$920.3 million.

A. Ohio Public Employees Retirement System (OPERS)

Pension Benefits

OPERS is a cost-sharing, multiple-employer public employee retirement system that administers three separate pension plans – the Traditional Pension Plan (Traditional Plan) which is a defined benefit plan, the Member-Directed Plan which is a defined contribution plan, and the Combined Plan with features of both the defined benefit plan and the defined contribution plan. Effective January 1, 2022, the Combined Plan is no longer available for new member selection and current members in other plans will no longer be able to make a plan change to the Combined Plan. Existing members in the Combined Plan will retain all current plan design features and experience no changes. The plan will be administered as it is today.

OPERS issues a stand-alone financial report, which may be obtained by visiting <https://www.opers.org> or by making a written request to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or calling (800) 222-7377.

As established under Chapter 145, Ohio Revised Code, OPERS provides retirement and disability benefits, annual cost-of-living adjustments, and survivor and death benefits to plan members and beneficiaries enrolled in the defined benefit and combined plans.

New employees hired on or after January 1, 2003, are eligible to select one of the OPERS retirement plans, as listed above, in which they wish to participate. Members not eligible to select a plan include law enforcement officers, who must participate in the defined benefit plan, college and university employees who choose to participate in one of the university's alternative retirement plans (see NOTE 9D), and re-employed OPERS retirees.

Senate Bill 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. Members eligible to retire under the law in effect prior to Senate Bill 343 or who will be eligible to retire no later than five years after January 7, 2013, comprise Transition Group A. Members with 20 years of service credit prior to January 7, 2013, or who will be eligible to retire no later than 10 years after January 7, 2013, are included in Transition Group B. Those members who are not in Group A or B or were hired after January 7, 2013, are in Transition Group C.

The age and service requirements for State and Law Enforcement employees in all transition groups are shown in the table below:



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Unreduced Benefit	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State	Any	30	52	31	55	32
	N/A	N/A	Any	32	N/A	N/A
	65	5	66	5	67	5
Law Enforcement	48	25	50	25	52	25
	62	15	64	15	64	15

Reduced Benefit	Group A		Group B		Group C	
	Age	Service	Age	Service	Age	Service
State	55	25	55	25	57	25
	60	5	60	5	62	5
Law Enforcement	52	15	52	15	56	15
	N/A	N/A	48	25	48	25

The retirement allowance for the Traditional Plan (defined benefit) is calculated based on age, years of credited service, and the final average salary. The annual allowance for regular employees for members in Transition Groups A and B is determined by multiplying the final average salary by 2.2 percent for each year of Ohio contributing service up to 30 years and by 2.5 percent for all other years in excess of 30 years of credited service. The annual allowance for regular employees for members in Transition Group C is determined by multiplying the final average salary by 2.2 percent for each year of Ohio contributing service up to 35 years and by 2.5 percent for all other years in excess of 35 years of credited service. The annual allowance for law enforcement employees is determined by multiplying the final average salary by 2.5 percent for the first 25 years of Ohio contributing service, and by 2.1 percent for each year of service over 25 years. Retirement benefits increase three percent annually of the original base amount regardless of changes in the Consumer Price Index for those who retired prior to January 7, 2013. For those retiring after January 7, 2013, beginning in calendar year 2019, the increase will be based on the average increase in the Consumer Price Index, capped at three percent.

The retirement allowance for the Combined Plan (defined benefit portion) is calculated based on age, years of credited service, and the final average salary. The annual allowance for regular employees for members in Transition Groups A and B is determined by multiplying the final average salary by one percent for each year of Ohio contributing service up to 30 years and by 1.25 percent for all other years in excess of 30 years of credited service. The annual allowance for regular employees for members in Transition Group C is determined by multiplying the final average salary by one percent for each year of Ohio contributing service up to 35 years and by 1.25 percent for all other years in excess of 35 years of credited service. Retirement benefits for the defined benefit portion of the plan increase three percent annually of the original base amount regardless of changes in the Consumer Price Index, for those who retired prior to January 7, 2013. For those retiring after January 7, 2013, the increase will be based on the average increase in the Consumer Price Index, capped at three percent. Additionally, retirees receive the proceeds of their individual retirement plans in a manner similar to retirees in the defined contribution plan, as discussed below.

Certain retirees and benefit recipients may also choose to take part of their retirement benefit in a Partial Lump-Sum Option Plan (PLOP) (subject to limitations).

Regular employees who participate in the Member-Directed Plan (defined contribution) may retire after they reach the age of 55. The retirement allowance for the defined contribution plan is based entirely on the total member and vested employer contributions to the plan, plus or minus any investment gains or losses. Employer contributions vest at a rate of 20 percent per year over a five-year vesting period. Retirees may choose from various payment options including monthly annuities, a PLOP, rollovers to another eligible retirement plan, or made payable to the member, or various combinations of these options. Participants direct the investment of their accounts by selecting from professionally managed OPERS investment options.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Employer and employee required contributions to OPERS are established by the Retirement Board and are within the limits authorized by the Ohio Revised Code. The contribution rates are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuaries. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for regular employees and 18.1 percent of covered payroll for law enforcement employees.

Contribution rates for fiscal year 2022, which are the same for the defined benefit, defined contribution, and combined plans, were as follows:

	Contribution Rates	
	Employee Share	Employer Share
<u>Regular Employees:</u>		
July 1, 2021 through June 30, 2022.....	10.00%	14.00%
<u>Law Enforcement Employees:</u>		
July 1, 2021 through June 30, 2022.....	13.00%	18.10%

In the Combined Plan, the employer's share finances the defined benefit portion of the plan, while the employee's share finances the defined contribution portion of the plan. In the Member Directed defined contribution plan, both the employee and employer share of the costs are used to finance the plan.

At June 30, 2022, the State reports a liability of \$1.84 billion for its proportionate share of the net pension liability for the Traditional Plan and an asset for its proportionate share of the net pension asset of \$78.8 million for the Combined Plan. Ohio State University discretely presented component unit reports liabilities of \$859.2 million for its proportionate share of the net pension liability for the Traditional Plan. The net pension liability/asset was measured as of December 31, 2021. The Plan's total pension liability used to calculate the Plan's net pension liability/asset was determined by an actuarial valuation as of December 31, 2021. The State's proportion of the net pension liability/asset is determined by a measure of the State's proportionate relationship of employer contributions made to OPERS to the total contributions made to OPERS by all employers and non-employer contributing entities to the Plan. At December 31, 2021, the State's proportion was 21.14 percent for the Traditional Plan based on employer contributions of \$431.5 million, as compared to the December 31, 2020, proportion of 21.37 percent. For the Combined Plan, the State's proportion at December 31, 2021, was 20 percent based on employer contributions of \$12.29 million, as compared to the December 31, 2020, proportion of 19.85 percent. The proportion for the Traditional Plan for Ohio State University discretely presented component unit was 10.4 percent based on employer contributions totaling \$247.4 million, the percentage remaining the same as the previous fiscal year. For purposes of measuring the net pension liability/asset, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the system and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, deductions are recorded when the liability is incurred, and revenues are recognized when earned. Refunds are payable two months after termination of the member's employment. All investments are reported at fair value.

For the year ended June 30, 2022, the State recognized pension expense of \$(231.5) million for the Traditional Plan and \$(2.9) million for the Combined Plan. Ohio State University discretely presented component unit, recognized \$(310.4) million in pension expense for the OPERS and STRS plans combined.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

At June 30, 2022, the State reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources (dollars in thousands):

	Pension	
	Primary Government	Ohio State University
Traditional Plan		
Deferred Outflow of Resources:		
Differences Between Expected and Actual Experience	\$ 93,783	\$ 49,339
Changes of Assumptions	230,132	117,455
Change in Employers' Proportionate Share	60,728	2,254
Contributions Subsequent to the Measurement Date	187,584	125,132
Total	<u>\$ 572,227</u>	<u>\$ 294,180</u>
Deferred Inflow of Resources:		
Net Difference Between Projected and Actual Earnings		
on Pension Plan Investments	\$ (2,189,798)	\$ (1,100,745)
Change in Employers' Proportionate Share	(37,966)	(70)
Differences Between Expected and Actual Experience	(40,693)	(26,144)
Total	<u>\$ (2,268,457)</u>	<u>\$ (1,126,959)</u>
Combined Plan		
Deferred Outflow of Resources:		
Differences Between Expected and Actual Experience	\$ 475	
Change in Employers' Proportionate Share	224	
Change in Assumptions	3,845	
Contributions Subsequent to the Measurement Date	5,413	
Total	<u>\$ 9,957</u>	
Deferred Inflow of Resources:		
Change in Employers' Proportionate Share	\$ (991)	
Net Difference Between Projected and Actual Earnings		
on Pension Plan Investments	(16,400)	
Differences Between Expected and Actual Experience	(8,556)	
Total	<u>\$ (25,947)</u>	

Deferred Outflows of Resources of \$187.6 million related to pensions resulting from State contributions subsequent to the measurement date for the Traditional Plan will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Deferred Outflows of Resources of \$5.4 million resulting from State contributions subsequent to the measurement period for the Combined Plan will be recognized as an increase to the net pension asset in the year ended June 30, 2023. Ohio State University, a discretely presented component unit, will recognize \$125.1 million resulting from contributions subsequent to the measurement period as a reduction of its net pension liability in the following year.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows (dollars in thousands):



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Traditional Plan	Pension	
	Primary Government	Ohio State University
Year Ended June 30:		
2023.....	\$ (267,013)	\$ (150,384)
2024.....	(737,509)	(373,497)
2025.....	(523,057)	(258,778)
2026.....	(356,237)	(175,669)
2027.....	(6)	(63)
Thereafter.....	8	480

Combined Plan	Primary Government
Year Ended June 30:	
2023.....	\$ (5,176)
2024.....	(7,099)
2025.....	(4,720)
2026.....	(3,546)
2027.....	(562)
Thereafter.....	(300)

OPEB Benefits

In addition to the pension plan, OPERS maintains a cost-sharing, multiple-employer postemployment health care plan for the Traditional Plan and Combined Plan. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage, but qualify for a Retiree Medical Account.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible recipients, with one exception. Ohio law currently requires OPERS to provide a Medicare Part A equivalent coverage or reimbursement for members and eligible dependents. Authority to establish and amend OPEB benefits is provided in Chapter 145 of the Ohio Revised Code as well.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and eligible dependents in efforts to decrease costs and increase the solvency of the health care plan. Eligible non-Medicare retirees may receive a monthly Health Reimbursement Arrangement (HRA) allowance for reimbursement of health care coverage premiums and qualified medical expenses. Non-Medicare retirees will have access to the OPERS non-Medicare Connector to help determine if the OPERS HRA allowance or the Premium Tax Credit provided through the Affordable Care Act (if eligible) would be most beneficial. The non-Medicare Connector will also assist them with enrolling in a medical plan. The non-Medicare retiree monthly base allowance will be \$1,200 and the retiree will receive a percentage (ranging between 51 to 90 percent) of the base allowance determined by their age and qualified years of service at retirement. Retirees will no longer receive an additional allowance for eligible dependent children, regardless of age, ability, or mental capacity. The retiree will be able to use their HRA to reimburse any qualified medical expenses incurred by their eligible dependents. A one-time HRA deposit of \$1,200 was provided to non-Medicare retirees who enrolled in the OPERS group plan effective December 1, 2021, to assist in the transition to the individual marketplace. Medicare retirees HRA allowance will decrease from \$450 per month to \$350 per month. Retirees who retired prior to January 1, 2015, were granted an allowance of 75 percent, will have their allowance determined based on their age and years of service at entry into the health care plan. Their allowance percentage will be between 51 to 74 percent of the base allowance.

Effective January 1, 2022, to qualify for postemployment health care coverage, age-and-service retirees under the Traditional and Combined plans must have a minimum of 20 years of qualifying Ohio service credit with a minimum age of 60 for Medicare Retirees. Non-Medicare Retirees qualify for coverage based on the following age-and-service criteria. Members in Group A are eligible at any age with 30 or more years of service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible with 32 years of qualifying service and a minimum age of 55. A retiree from groups A, B, or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 with at least 20 years of qualifying health care service credit.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

The Member Directed Plan participants can use vested retiree medical account funds upon retirement for reimbursement of qualified medical expenses. Currently, an employee's interest in the medical account for qualifying health care expenses vests based on length of service, with 100 percent vesting attained after five years of credited service for employees hired prior to July 1, 2015. Members who elect the Member-Directed Plan after July 1, 2015, will vest at 15 years of service at a rate of 10 percent each year starting with the sixth year of participation.

Retirees may choose to become re-employed in an OPERS covered job, but it may affect continuing receipt of age and service retirement benefits. Contributions must begin from the first day of re-employment. Members re-employed within the first two months after their effective retirement benefit date will forfeit their retirement benefit during this two-month period. OPERS health coverage is not available during the two-month forfeiture period. During re-employment, the retiree participates in the Money Purchase Plan. Upon termination of re-employment, retirees under age 65 may receive a refund of their Money Purchase account consisting of their member contributions made during the period of re-employment, plus interest. Retirees age 65 and older may receive an annuity benefit or lump sum payment based on the amount of their member contributions during the period of re-employment, plus interest, and an amount from the employer's contributions established by the Board.

The Ohio Revised Code provides the statutory authority which allows public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS may be set aside for the funding of post-retirement health care benefits. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The OPEB contribution rates for regular and law enforcement employees for 2021 and 2022 was zero percent for the Traditional and Combined Plans. The employer contribution to the Member Directed Plan participants health care accounts for 2021 was four percent. Employers make no further contributions to a member's health care account after retirement, nor do employers have any further obligation to provide postemployment health care benefits.

At June 30, 2022, the State reports an asset of \$659 million for its proportionate share of the net OPEB asset compared to an asset of \$378.6 million at June 30, 2021. Ohio State University discretely presented component unit reports assets of \$335.8 million for its proportionate share of the net OPEB asset, as compared to \$189.8 million as of June 30, 2021. The net OPEB asset was measured as of December 31, 2021. The Plan's total OPEB liability used to calculate the Plan's net OPEB asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. The State's proportion of the net OPEB asset is determined by a measure of the State's proportionate relationship of employer contributions made to OPERS to the total contributions made to OPERS by all employers. At December 31, 2021, the State's proportion was 21.04 percent based on total employer contributions to OPERS of \$459.3 million, as compared to the December 31, 2020, proportion of 21.25 percent. The proportion for the Ohio State University discretely presented component unit was 10.7 percent based on employer contributions totaling \$247.4 million, the percentage remaining the same as the previous fiscal year. For purposes of measuring the net OPEB asset, Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB, and OPEB expense, information about the fiduciary net position of the system and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, deductions are recorded when the liability is incurred, and revenues are recognized when earned.

For the year ended June 30, 2022, the State recognized OPEB expense of \$(543) million. Ohio State University discretely presented component unit, recognized \$(770.3) million in OPEB expense for the OPERS and STRS plans combined. At June 30, 2022, the State reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (dollars in thousands):



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

	OPEB	
	Primary Government	Ohio State University
Deferred Outflow of Resources:		
Change in Employers' Proportionate Share	\$ 32,547	\$ 974
Total	<u>\$ 32,547</u>	<u>\$ 974</u>
Deferred Inflow of Resources:		
Differences Between Expected and Actual Experience	\$ (100,135)	\$ (50,642)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	(314,369)	(159,719)
Changes of Assumptions	(267,217)	(135,156)
Change in Employers' Proportionate Share	(4,550)	-
Total	<u>\$ (686,271)</u>	<u>\$ (345,517)</u>

There were no State contributions related to OPEB subsequent to the measurement date and therefore, there will be no increase of the net OPEB asset resulting from state contributions subsequent to the measurement date recognized in the year ended June 30, 2023.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

	OPEB	
	Primary Government	Ohio State University
Year Ending June 30:		
2023.....	\$ (401,288)	\$ (213,312)
2024.....	(138,070)	(73,337)
2025.....	(69,248)	(34,902)
2026.....	(45,118)	(22,992)

Actuarial Assumptions for Pension and OPEB Liabilities

The total pension and OPEB liabilities were determined using the following actuarial assumptions listed in the individual tables below, applied to all periods included in the measurement:

	Pension	
	Traditional Plan	Combined Plan
Wage Inflation	2.75%	2.75%
Salary Increases (including wage inflation)	2.75-10.75%	2.75-8.25%
Investment Rate of Return	6.90%	6.90%
COLA or Ad Hoc COLA *	3.00%	3.00%
Actuarial Cost Method	Individual Entry Age (Both Plans)	

*The COLA, for both the Traditional and Combined Plans, for retirees prior to January 7, 2013, is three percent simple. For retirees after that date, the COLA is 3.00 percent simple through 2022, and then becomes 2.05 percent simple.

	OPEB
Wage Inflation	2.75%
Salary Increases (including wage inflation)	2.75%-10.75%
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	1.84%
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

An experience study was conducted for the period from 2016 through 2020, comparing assumptions to actual results. The experience study determined the appropriate set of assumptions to keep the plan on a path toward full funding. Information from the study led to changes in both demographic and economic assumptions, the most notable reductions being in the actuarially assumed rate of return from 7.2 percent to 6.9 percent and on the wage inflation rate from 3.25 percent to 2.75 percent. The cost-of-living adjustments rate assumption for pensions for post January 7, 2013, retirees changed since the prior measurement date from 0.5 percent simple through 2021 to 3 percent through 2022. 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 assumes that employer and employee contributions will be made at statutory contribution rates. Based on the projection, the plan's fiduciary net position would be available to make all projected benefit payments for all current plan members. Therefore, the long-term expected rate of return of 6.9 percent was applied to all periods of projected benefit payments to determine the total liability.

A single discount rate of 6 percent was used to measure the OPEB asset on the measurement date of December 31, 2021, unchanged from the prior year. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects a long-term expected rate of return on OPEB plan investments and tax-exempt municipal bond rates based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. This single discount rate was based on an expected rate of return on the health care investment portfolio of 6 percent and a municipal bond rate of 1.84 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at the actuarially determined rate; therefore, the contributions were sufficient for health care costs to 2121. The health care investment rate was applied to projected costs to 2121, the duration through which projected health care payments are fully funded.

For both tables, mortality rates are based on the RP-2014 Employees mortality table. For disabled retirees, mortality rates are based on the RP-2014 Disabled mortality table. The Healthy Annuitant Mortality tables were adjusted for mortality improvements back to the observation period base year of 2006, and then established the base year as 2010 for females, and 2015 for males.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of an actuarial experience study covering a five-year period between 2016 through 2020. The pension and health care valuation results are valued and presented as of December 31, 2021, and December 31, 2020, respectively.

An estimate range for investment return assumption for pension and OPEB is developed and based on the target allocation adopted by the OPERS Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Pension		OPEB	
	Target Allocation	Weighted, Average Long-Term Expected Real Rate of Return*	Target Allocation	Weighted, Average Long-Term Expected Real Rate of Return*
Fixed Income	24%	1.03%	34%	0.91%
Domestic Equity	21%	3.78%	25%	3.78%
Real Estate	11%	3.66%	7%	3.71%
Private Equity	12%	7.43%	0%	0.00%
International Equities	23%	4.88%	25%	4.88%
Risk Parity	5%	2.92%	2%	2.92%
Other Investments	4%	2.85%	7%	1.93%
Total Fund	100%	4.21%	100%	3.45%

*Geometric



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Sensitivity of the State's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate – The following table represents the net pension liability/(asset) as of December 31, 2021, calculated using the current period discount rate assumption of 6.9 percent. Also shown is what the net pension liability/(asset) 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 assumption (dollars in thousands):

	Pension		
	1% Decrease 5.9%	Current Discount Rate 6.9%	1% Increase 7.9%
<u>Traditional Plan</u>			
Net Pension Liability/(Asset):			
Primary Government	\$ 4,849,614	\$ 1,839,383	\$ (665,530)
Ohio State University	2,345,870	859,188	(377,346)
<u>Combined Plan</u>			
Net Pension (Asset):			
Primary Government	\$ (58,795)	\$ (78,793)	\$ (94,391)

The table below represents sensitivity of the State's proportionate share of the net OPEB liability/(asset) to changes in the current period single discount rate assumption of 6 percent, as of December 31, 2021. The table below shows the expected net OPEB liability/(asset) if it were calculated using a discount rate that is one percentage point lower (5 percent) or one percentage point higher (7 percent) than the current single discount rate (dollars in thousands):

	OPEB		
	1% Decrease 5.00%	Current Single Discount Rate 6.00%	1% Increase 7.00%
Net OPEB Liability/(Asset):			
Primary Government	\$ (387,545)	\$ (658,986)	\$ (884,286)
Ohio State University	(197,503)	(335,820)	(450,655)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/(asset) . Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.5 percent. The actuaries project premium rate decreases to a level at, or near, wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5 percent in the most recent valuation. The following table represents the net OPEB liability/(asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage point higher than the current health care cost trend rate assumption (dollars in thousands):

	OPEB		
	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Net OPEB Liability/(Asset):			
Primary Government	\$ (666,108)	\$ (658,986)	\$ (650,537)
Ohio State University	(339,466)	(335,820)	(331,531)



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Early Retirement Incentives (ERI)

State agencies, or departments within agencies, may offer voluntary ERI under Section 145.297, Ohio Revised Code. Through the ERI Program, the State can offer to purchase up to a maximum of five years' worth of service credit from OPERS on behalf of employees who would then meet the age and service requirements to qualify for retirement. The ERI plan must remain in effect for at least one year and the employees must be given at least thirty days' notice before terminating the plan.

State agencies are also required under Section 145.298, Ohio Revised Code, to offer a generally similar ERI when the terminations equal or exceed the lesser of 350 employees or 40 percent of the agency's workforce, as a result of a closure of the agency or a lay-off within a six-month period. Under these circumstances, qualifying employees must decide whether to accept the offer in the time between the announcement of the layoffs and the effective date. The amount of service credit offered cannot exceed five years or 20 percent of the total service credited to any participant. The ERI agreements establish an obligation to pay specific amounts on fixed dates.

As of June 30, 2022, the State had no significant liabilities relative to existing ERI agreements with state employees covered by OPERS. During fiscal year 2022, the State did not incur any significant expenditures/expenses related to ERI agreements.

B. State Teachers Retirement System of Ohio (STRS)

Pension Benefits

STRS is a cost-sharing, multiple-employer public employee retirement system that administers three separate pension plans – the Defined Benefit Plan, the Defined Contribution Plan, and the Combined Plan with features of both the defined benefit plan and the defined contribution plan. STRS benefits are established under Chapter 3307, Ohio Revised Code.

STRS also provides death, survivor, and disability benefits to members in the Defined Benefit and Combined Plans.

STRS issues a stand-alone financial report, copies of which may be obtained by making a written request to State Teachers Retirement System of Ohio, Attention: Chief Financial Officer, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877 or by visiting the STRS Website at <https://www.strsoh.org>.

For retirement dates between August 1, 2021, and July 1, 2023, participants in the Defined Benefit Plan may retire with an unreduced benefit after 34 years of credited service regardless of age, or age 65 with five years of credited service. Effective between August 1, 2021, and July 1, 2023, any member may retire with reduced benefit amounts at any age with 30 years of service, or at age 55 with 29 years of credited service, or at age 60 with 5 years of credited service. Eligibility changes will continue to be phased in through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Retirement eligibility for reduced benefits will be five years of service credit and age 60; or 30 years of service credit regardless of age. Benefits are based on the final average salary based on the five highest years of earnings, and by multiplying 2.2 percent times the number of years of service credit. Retirees are entitled to a maximum annual retirement benefit, payable in monthly installments for life, equal to the "formula benefit" calculation

For members who were eligible to retire on July 1, 2015, or later, the annual benefit amount will be the greater of either the benefit amount calculated under the current benefit formula as described above, or the benefit amount calculated as of July 1, 2015, under the previous benefit formula, as described below.

The previous benefit formula was based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance is determined by multiplying the final average salary by 2.2 percent for the first 30 years of credited service. Each year over 30 years is incrementally increased by 0.1 percent, starting at 2.5 percent for the 31st year of contributing service up to a maximum allowance of 100 percent of final average salary. Upon reaching 35 years of Ohio service, the first 31 years of Ohio contributing service are multiplied by 2.5 percent, and each year over 31 years is incrementally increased by 0.1 percent starting at 2.6 percent for the 32nd year.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Retirees choose from one of four payment options, including annuity options and a “partial lump-sum” option. Under the partial lump-sum option, retirees may take a lump-sum payment that equals from six to 36 times their monthly service retirement benefit. Subsequent monthly benefits are reduced proportionally.

Employees hired after July 1, 2001, may choose to participate in the Combined Plan or the Defined Contribution Plan, in lieu of participation in the Defined Benefit Plan.

Employer and employee required contributions to STRS are established by the Board and limited under the Ohio Revised Code to employer and employee rates of 14 percent and are based on percentages of covered employees’ gross salaries, which are calculated annually by the retirement system’s actuary.

Contribution rates for fiscal year 2022 were 14 percent for employers and 14 percent for employees for the Defined Benefit, Defined Contribution, and Combined Plans.

Participants in the Defined Contribution Plan are eligible to retire at age 50. All employee contributions and 9.53 percent of earned compensation is placed into individual member accounts (the remaining 4.47 percent of earned compensation is allocated to the defined benefit unfunded liability), and members direct the investment of their accounts by selecting from various professionally managed investment options. Members vest 20 percent per year in employer contributions, including associated gains and losses on those contributions. Employee contributions vest immediately. Retirees may select from various annuity payment plans or a lump-sum payment option.

Participants in the Combined Plan may start to collect the unreduced defined benefit portion of the plan at age 60 with five years of service, or participants may collect a reduced defined benefit portion of the plan before age 60 with five years of service. Of employee contributions, 12 percent of earned compensation is deposited into the defined contribution portion of the plan, while the remaining two percent is deposited into the defined benefit portion of the plan. Employee contributions are allocated among investment choices by the member, and employer contributions are used to fund a defined benefits payment. The annual allowance for the defined benefit portion of the Plan is determined by multiplying the final average salary for the five highest paid years by one percent for each year of Ohio contributing service credit. Participants in the Combined Plan may also participate in the partial lump-sum option plan, as described previously, for the portion of their retirement benefit that is provided through the defined benefit portion of the plan. The defined contribution portion of the Plan may be taken as a lump sum if the member withdraws at or after the age of 50, or the defined benefit can be left on account for a benefit payable at the age of 60. The member may withdraw the defined benefit portion only if they also withdraw the defined contribution account.

A retiree of STRS or any other Ohio public retirement system is eligible for re-employment as a teacher after two months from the date of retirement. Members and the employer make contributions during the period of re-employment. Upon termination or the retiree reaches the age of 65, whichever comes later, the retiree is eligible for an annuity benefit or a lump-sum payment in addition to the original retirement allowance. Alternatively, the retiree may receive a refund of member contributions with interest before age 65 once employment is terminated.

At June 30, 2022, the State reports a liability of \$47 million for its proportionate share of the net pension liability, as compared to \$88 million at June 30, 2021. Ohio State University discretely presented component unit reports a net pension liability of \$638.6 million for its proportionate share, as compared to \$1.18 billion at June 30, 2021. The net pension liability was measured as of June 30, 2021. The Plan’s total pension liability was used to calculate the net pension liability, as determined by an actuarial valuation as of June 30, 2021. The State’s proportion of the net pension liability is determined by a measure of the State’s proportionate relationship of employer contributions made to STRS to the total contributions made to STRS by all employers and non-employer contributing entities to the plan. At June 30, 2022, the State’s proportion of .36 percent, remained the same as the prior year, based on employer contributions totaling \$6.3 million. Ohio State University’s proportionate share was 5 percent based on employer contributions of \$88.3 million, as compared to 4.9 percent for June 30, 2021.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

For purposes of measuring the net pension liability, and related deferred inflows and outflows of resources and pension expenses, information about the fiduciary net position of the system and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by STRS. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

For the year ended June 30, 2022, the State recognized pension expense of \$(1.1) million.

At June 30, 2022, the State and Ohio State University reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources (dollars in thousands):

	Pension	
	Primary Government	Ohio State University
Deferred Outflows of Resources:		
Differences Between Expected and Actual Experience	\$ 1,437	\$ 19,730
Changes of Assumptions	12,902	177,160
Change in Employer Proportionate Share	141	2,429
Employer Contributions Subsequent to the Measurement Date	6,485	90,864
Total	<u>\$ 20,965</u>	<u>\$ 290,183</u>
Deferred Inflows of Resources:		
Differences Between Expected and Actual Experience	\$ (291)	\$ (4,003)
Change in Employer Proportionate Share	(955)	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	(40,080)	(550,355)
Total	<u>\$ (41,326)</u>	<u>\$ (554,358)</u>

Deferred Outflows of Resources of \$6.5 million related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Ohio State University discretely presented component unit will recognize \$90.9 million as a reduction of its net pension liability.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows (dollars in thousands):

Year Ended June 30:	Pension	
	Primary Government	Ohio State University
2023.....	\$ (7,198)	\$ (88,300)
2024.....	(5,750)	(76,240)
2025.....	(5,955)	(82,238)
2026.....	(7,943)	(108,261)

OPEB Benefits

Additionally, STRS offers a cost-sharing, multiple employer health care plan which provides access to health care to eligible retirees who participate in the Defined Benefit Plan or Combined Plan. Benefits include hospitalization, physician's fees, prescription drugs and reimbursement of a portion of the monthly Medicare Part B premiums. Retirees enrolled in the Defined Contribution Plan receive no postemployment health care benefits.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Ohio Revised Code Chapter 3307 gives the STRS board discretionary authority over how much, if any, of associated health care costs are absorbed by the health care plan. All benefit recipients of the health care plan, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Medicare Part D allows STRS Ohio to recover part of the health care cost for providing prescription coverage through its health care plans which include creditable prescription drug coverage. For the Defined Benefit and Combined Plans, all employer contributions are used to fund pension obligations, and none was allocable to postemployment health care benefits for 2022. Under Ohio law, funding for the postemployment health care may be deducted from employer contributions. This action will reduce the amortization period for the pension fund. The Board has authority to direct part of the employer contribution back to the Health Care Fund in the future.

At June 30, 2022, the State reports a net OPEB asset of \$7.7 million for its proportionate share, as compared to \$6.4 million at June 30, 2021. Ohio State University discretely presented component unit reports a net OPEB asset of \$105.3 million for its proportionate share, as compared to \$85.4 million as of June 30, 2021. The net OPEB asset was measured as of June 30, 2021. The Plan's total OPEB liability was used to calculate the net OPEB asset determined by an actuarial valuation as of June 30, 2021. The State's proportion of the net OPEB asset is determined by a measure of the State's proportionate relationship of employer contributions made to STRS to the total contributions made to STRS by all employers to the plan. At June 30, 2022, the State's proportion of 0.36 percent, remained the same as the prior year, based on employer contributions totaling \$6.3 million. Ohio State University's proportionate share was 5 percent based on employer contributions of \$88.3 million, as compared to 4.9 percent at June 30, 2021.

For purposes of measuring the net OPEB asset, related deferred inflows and outflows of resources and expenses, information about the fiduciary net position of the system and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by STRS. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

For the year ended June 30, 2022, the State recognized OPEB expense of \$(600.3) thousand.

At June 30, 2022, the State and Ohio State University reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (dollars in thousands):

	OPEB	
	Primary Government	Ohio State University
Deferred Outflows of Resources:		
Differences Between Expected and Actual Experience	\$ 273	\$ 3,750
Changes of Assumptions	490	6,727
Change in Employer Proportionate Share	23	94
Total	<u>\$ 786</u>	<u>\$ 10,571</u>
Deferred Inflows of Resources:		
Differences Between Expected and Actual Experience	\$ (1,405)	\$ (19,294)
Changes of Assumptions	(4,575)	(62,823)
Change in Employer Proportionate Share	(224)	-
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	(2,126)	(29,189)
Total	<u>\$ (8,330)</u>	<u>\$ (111,306)</u>

There were no State contributions to OPEB subsequent to the measurement date and therefore, there will be no increase of the net OPEB asset resulting from subsequent contributions recognized in the year ended June 30, 2023.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

Year Ending June 30:	OPEB	
	Primary	Ohio
	Government	State University
2023.....	\$ (2,159)	\$ (28,266)
2024.....	(2,106)	(27,561)
2025.....	(2,084)	(27,140)
2026.....	(899)	(12,914)
2027.....	(302)	(4,664)
Thereafter.....	6	(190)

Actuarial Assumptions for Pension and OPEB Liabilities

The total pension and OPEB liabilities in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions, respectively, applied to all periods included in the measurement:

	Pension	
Actuarial Cost Method	Entry Age Normal	
Inflation	2.50	percent
Salary Increases	12.50	percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00	percent, net of pension plan investment expenses, including inflation
Discount Rate	7.00	percent
COLA or Ad Hoc COLA	0	percent

	OPEB	
Actuarial Cost Method	Entry Age Normal	
Salary Increases	12.50	percent at age 20 to 2.50 percent at age 65
Payroll Increases	3.00	percent
Municipal Bond Yield	2.16	percent as of June 30, 2020
Discount Rate	7.00	percent, based on a blend of 2.16% municipal bond yield/expected return
COLA or Ad Hoc COLA	0	percent
Health Care Cost Trends	-16.18-29.98	percent initial; 4 percent ultimate

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

The pension and OPEB actuarial assumptions used in this valuation for fiscal year 2021 are the same as those recommended for the prior actuary. The total pension liability for 2021 was determined by an actuarial valuation as of June 30, 2021, using actuarial assumptions related to inflation of 2.5 percent, investments rate of return of 7.00 percent, and zero percent for COLA. Projected salary increases range from 2.5 percent at age 65 to 12.5 percent at age 20.

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



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Asset Class	Pension and OPEB	
	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity	28%	7.35%
International Equity	23%	7.55%
Alternatives	17%	7.09%
Fixed Income	21%	3.00%
Real Estate	10%	6.00%
Liquidity Reserves	1%	2.25%
Total Fund	100%	

*10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and does not include investment expenses.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at statutory contribution rates. Only employer contributions that are intended to fund benefits of current plan members and beneficiaries are included. Therefore, the long-term expected rate of return of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table represents the net pension liability as of the June 30, 2021, measurement date, calculated using the current period discount rate assumption of 7.00 percent. Also shown in the table below is what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption (dollars in thousands):

	Pension		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability:			
Primary Government	\$ 87,091	\$ 46,507	\$ 12,214
Ohio State University	1,195,868	638,605	167,719

The projection of cash flows used to determine the net OPEB liability/(asset) discount rates assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2021. Shown in the table below is what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption (dollars in thousands):

	OPEB		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB Liability/(Asset):			
Primary Government	\$ (6,472)	\$ (7,669)	\$ (8,670)
Ohio State University	(88,863)	(105,307)	(119,044)



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Sensitivity of the net OPEB liability/(asset) to changes in the health care cost trend rates calculated using the assumed trend rates as well as what the plan's net OPEB liability/(asset) would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher is presented below (dollars in thousands):

	OPEB		
	Current Health Care Cost Trend Rate		
	1% Decrease	Assumption	1% Increase
Net OPEB Liability/(Asset):			
Primary Government	\$ (8,629)	\$ (7,669)	\$ (6,482)
Ohio State University	(118,487)	(105,307)	(89,009)

Economic assumption changes since the last valuation include 2021 healthcare trends updated to reflect the fiscal year end 2022 projected Medicare rates. Medicare premium and contribution trends were updated as a result of a change in methodology regarding adjustments. The change in methodology resulted in lower premium and retiree contribution. Retiree subsidies paid out to Non-Medicare retirees, Medicare retirees, and Medicare Part B premiums are accounted for as well. A weighted average total cost across medical plans is used as the STRS Ohio subsidy.

**C. State Highway Patrol Retirement System (SHPRS)
Pension Benefits**

SHPRS, a component unit of the State, was established in 1941 by the General Assembly as a single-employer, defined benefit pension plan and is administered by the State. The plan covers employees of the State Highway Patrol, including officers with arrest authority, cadets in training, and members with the radio division.

The plan issues a stand-alone financial report that includes financial statements and required supplementary information, and the State reports the plan as a pension trust fund. Copies of the financial report may be obtained by writing to the Ohio State Highway Patrol Retirement System, 1900 Polaris Parkway, Suite 201, Columbus, Ohio 43240-4037, or by calling (614) 431-0781 or (800) 860-2268. SHPRS's Comprehensive Annual Financial Report for the year ended December 31, 2021, may also be found at <https://www.ohprs.org>.

SHPRS is authorized under Chapter 5505, Ohio Revised Code, to provide retirement and disability benefits to retired members and survivor benefits to qualified dependents of deceased members of the Ohio State Highway Patrol.

Chapter 5505, Ohio Revised Code, requires contributions by active members and the Ohio State Highway Patrol. The employer and employee contribution rates are established by the General Assembly, and any change in the rates requires legislative action. By law, the employer rate may not exceed three times the employee contribution rate, nor be less than the employee rate paid by contributing members.

SHPRS' investments are reported at fair value. Fair value is the amount that the plan can reasonably expect to receive for an investment in a current sale, between a willing buyer and a willing seller – that is, other than in a forced or liquidation sale.

Securities traded on a national exchange are valued at the last reported sales price at the current exchange rate. The fair value of real estate and private equity investments are based on information provided by the Fund's managers or by independent appraisals. For actuarial purposes, assets are valued with a method that amortizes the difference between actual and assumed return over a closed, four-year period.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

Employees are eligible for pension and health care benefits upon reaching both an age and service requirement. Employees with at least 20 years of service credit, but less than 25 years of service credit may retire at age 52 with unreduced benefits, or age 48 with reduced benefits. Employees with more than 25 years of service may retire at age 48 with unreduced benefits. The pension benefit is a percentage of the member’s final average salary, which is the average of the member’s five highest salary years. For members with 20 or more years of service credit, the percentage is determined by multiplying 2.5 percent for the first 20 years of service, plus 2.25 percent for the next five years of service, plus two percent for each year in excess of 25 years of service. A member’s pension may not exceed 79.25 percent of the final average salary. All members must retire upon attaining age 60.

Employees who left SHPRS prior to meeting the requirements for receiving an age and service pension, but who have at least 15 years of service credit but less than 20 years, are eligible for a deferred pension. Such employees may collect a pension at age 55, at a percentage of their final average salary determined by multiplying 1.5 percent times the number of years of service credit. These employees are not eligible for health care benefits.

Membership data for SHPRS is presented in the table below:

Membership Data as of December 31, 2021

Active Members	1,454
Retirees Receiving Benefits	1,807
Retirees not Receiving Benefits	35
	3,296

The SHPRS Board sets employee contribution rates and cost-of-living adjustment rates. Employee contribution rates may range between 10 and 14 percent and cost-of-living adjustments range between zero and three percent. The Board may set the cost-of-living adjustments annually, but in no case shall it exceed three percent. The cost-of-living adjustment eligibility is 60 years of age, or age 53 for members retired prior to January 7, 2013.

The employer and employee contribution rates, as of December 31, 2021, were 26.5 percent and 14 percent, respectively. During calendar year 2021, none of the employers’ contributions funded postemployment health care. The employees’ contributions funded pension benefits only.

The State’s net pension liability was determined by an actuarial valuation as of December 31, 2020, using key actuarial assumptions, methods, and other inputs as of December 31, 2021. Detailed information about SHPRS’ pension plan fiduciary net position and the OPEB plan fiduciary net position is available in the separately issued SHPRS financial report. SHPRS uses the accrual basis of accounting, under which expenses are recorded when incurred and revenues are recorded when earned and measurable. Member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded at the trade date.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

The Schedule of Changes in Net Pension Liability is presented below (dollars in thousands):

Fiscal year ending December 31, 2021	Pension
Total Pension Liability:	
Service Cost	\$ 19,853
Interest on the Total Pension Liability	92,395
Difference Between Expected and Actual Experience	(7,143)
Benefit Payments	(89,406)
Net Change in Total Pension Liability	15,699
Total Pension Liability - Beginning	1,299,260
Total Pension Liability - Ending (a)	<u>\$1,314,959</u>
Plan Fiduciary Net Position:	
Employer Contributions	\$ 30,090
Employee Contributions	16,489
Pension Plan Net Investment Income	136,722
Benefit Payments	(89,406)
Pension Plan Administrative Expense	(971)
Net Change in Plan Fiduciary Net Position	92,924
Plan Fiduciary Net Position - Beginning	907,392
Plan Fiduciary Net Position - Ending (b)	<u>\$1,000,316</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 314,643</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.07%
Covered Payroll*	\$ 111,621
Net Pension Liability as a Percentage of Covered Payroll	281.89%
Notes to Schedule:	N/A

*Includes members of the DROP.

For the year ended June 30, 2022, the State recognized pension expense of \$2.7 million. The amount of employer contributions from the State for the calendar year ended December 31, 2021, totaled \$30.1 million for pension. At June 30, 2022, the State reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources (dollars in thousands):

	Pension
Deferred Outflows of Resources:	
Differences Between Expected and Actual Experience	\$ 4,437
Changes of Assumptions	57,390
Contributions Subsequent to Measurement Date	15,180
Total	<u>\$ 77,007</u>
Deferred Inflows of Resources:	
Difference Between Expected and Actual Experience	\$ (8,676)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	(107,934)
Changes of Assumptions	(96,541)
Total	<u>\$ (213,151)</u>

Deferred Outflows of Resources of \$15.2 million related to pensions resulting from State contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows (dollars in thousands):



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

	Pension
Year Ending June 30:	
2023.....	\$ (22,740)
2024.....	(85,289)
2025.....	(27,362)
2026.....	(15,933)

OPEB Benefits

In addition to providing pension benefits, SHPRS, a single employer plan, is authorized by Chapter 5505, Ohio Revised Code, to provide a postemployment health care plan which includes medical, hospitalization and prescription drug coverage. Health care benefits are not guaranteed and are subject to change at any time, as determined by the Board and certified by the Office of Budget and Management. For actuarial purposes, assets are valued with a method that amortizes the difference between actual and assumed return over a closed, four-year period. Qualifications for postemployment health care coverage are described along with pension qualifications under the Pension Plan section.

During calendar year 2021, the employer’s contribution rate for postemployment health care benefits was zero percent of payroll. None of the employees’ contributions funded postemployment health care. The cost of retiree health care benefits is recognized as claims are incurred and premiums are paid.

The pension and OPEB plans’ fiduciary net position has been determined on the same basis used by the pension plan.

The Schedule of Changes in Net OPEB Liability is presented as follows (dollars in thousands):

Fiscal year ending December 31, 2021	OPEB
Total OPEB Liability:	
Service Cost	\$ 29,981
Interest on the Total OPEB Liability	15,920
Benefit Changes	(142,052)
Difference Between Expected and Actual Experience	5,301
Assumption Changes	(144,182)
Benefit Payments	(6,161)
Net Change in Total OPEB Liability	(241,193)
Total OPEB Liability - Beginning	752,036
Total OPEB Liability - Ending (a)	<u>\$ 510,843</u>
Plan Fiduciary Net Position:	
Net Investment Income	\$ 17,794
Benefit Payments (includes refunds of employee contributions)	(6,161)
OPEB Plan Administrative Expense	(126)
Net Change in Plan Fiduciary Net Position	11,507
Plan Fiduciary Net Position - Beginning	118,622
Plan Fiduciary Net Position - Ending (b)	<u>\$ 130,129</u>
Net OPEB Liability - Ending (a) - (b)	\$ 380,714
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	25.47%
Covered Payroll*	\$ 111,621
Net OPEB Liability as a Percentage of Covered Payroll	341.08%
Notes to Schedule:	N/A

*Includes members of the DROP.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

For the year ended June 30, 2022, the State recognized OPEB expense of \$(109) million. At June 30, 2022, the State reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources (dollars in thousands):

	OPEB
Deferred Outflows of Resources:	
Difference Between Expected and Actual Experience	\$ 4,417
Changes of Assumptions	191,502
Total	\$ 195,919
 Deferred Inflows of Resources:	
Difference Between Expected and Actual Experience	\$ (63,581)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	(14,076)
Changes of Assumptions	(148,040)
Total	\$ (225,697)

There were no State contributions to OPEB subsequent to the measurement date and therefore, there will be no reduction of the net OPEB liability resulting from subsequent state contributions recognized in the year ending June 30, 2023.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

	OPEB
Year Ending June 30:	
2023.....	\$ (3,206)
2024.....	(9,429)
2025.....	(4,935)
2026.....	10,939
2027.....	(23,147)

Actuarial Assumptions for Pension and OPEB Liabilities

The pension and OPEB actuarial assumptions are the same as those recommended for the prior actuary. The total pension and OPEB liabilities at December 31, 2021, were determined using the following actuarial assumptions applied to all periods included in the measurement: an investment rate of return of 7.25 percent compounded annually, projected salary increase of 3 percent attributable to inflation and additional projected salary increases ranging from 3.8 percent to 13.5 percent attributable to seniority and merit, and price inflation of 2.5 percent annually. The actuarial assumptions were based off a December 31, 2020, actuarial valuation date for funding purposes and a December 31, 2021, actuarial valuation date for financial reporting purposes. These assumptions have been adopted effective for the year ended December 31, 2020, following a five-year experience study covering the five-year period ending December 31, 2018.

Mortality rates were based on the PubS-2010 total healthy public safety employee amount weighted mortality rates with a static projection of mortality improvements from 2010-2025 using Scale MP-2020 for pension, and mortality improvements from 2010-2025 using Scale MP-2021 for OPEB. Static projected mortality rates for male and female contingent survivors have been adjusted to reflect 105% of gender-specific table rates at each age for both pension and OPEB.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

An estimated range for investment return assumptions is developed and based on the target allocation adopted by the SHPRS' Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Pension and OPEB	
	Target Allocation	Long-Term Expected Real Rate of Return*
Cash	3%	0.00%
Domestic Equity	20%	4.80%
Global Equity	24%	7.10%
Non-US Equity	6%	4.80%
Opportunistic Fixed Income	9%	3.90%
Core Fixed Income	6%	0.00%
Real Estate	8%	7.90%
Private Equity	14%	8.60%
Absolute Return	6%	3.10%
Real Assets	4%	4.90%
Total Fund	100%	

*Long-Term expected rates of return as shown were calculated arithmetically.

The single discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and the municipal bond rate of 2.25 percent. The projection of cash flows used to determine the discount rate assumes employer contribution rates allocated to pensions will be 26.5 percent for each year, and employee contribution rates of 14 percent in each year. Based on these assumptions, the pension plan's fiduciary net position and future contributions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.25 percent on investments and 2.25 percent on municipal bonds, was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2021.

Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of December 31, 2021, calculated using the current period discount rate assumption of 7.25 percent. Also shown is what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current assumption (dollars in thousands):

Pension		
	Current Single	
1% Decrease	Discount Rate	1% Increase
6.25%	7.25%	8.25%
\$ 463,509	\$ 314,643	\$ 189,830

Net OPEB Liability uses a single discount rate of 2.49 percent as compared to a single discount rate of 2.03 percent as of measurement date December 31, 2020. This Single Discount Rate was based on an expected rate of return on OPEB plan investments of 7.25 percent and a municipal bond rate of 2.25 percent. The municipal bond rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index. The projection of cash flows used to determine this Single Discount Rate assumed no contributions and total payroll for the initial projection year consists of the payroll of the active membership as of the valuation date who are expected to be actively employed on the measurement date. Based on these assumptions, the net position and contributions were sufficient through 2033. Therefore, the long-term expected rate of return was applied through 2033 and the municipal rate was applied thereafter. Shown in the table below is what the net OPEB liability would be if it were calculated using a single discount rate that is one percentage point lower (1.49 percent) or one percentage point higher (3.49 percent) than the current assumption (dollars in thousands):



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

OPEB		
	Current Single	
1% Decrease	Discount Rate	1% Increase
1.49%	2.49%	3.49%
\$ 486,836	\$ 380,714	\$ 299,513

It is assumed health care cost will increase between 4 percent and 8.25 percent per year until 2028, ultimately declining to 3.5 percent for future years. The sensitivity of the net OPEB liability to changes in the health care cost trend rates calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher is presented below (dollars in thousands):

OPEB		
	Current Health	
1% Decrease	Care Cost Trend	1% Increase
	Rate Assumption	
\$ 288,014	\$ 380,714	\$ 505,294

**D. Alternative Retirement Plan (ARP)
Pension Benefits**

The ARP is a defined contribution retirement plan that is authorized under Section 3305.02, Ohio Revised Code. The ARP provides at least four or more alternative retirement plans for academic and administrative employees of Ohio's institutions of higher education, who otherwise would be covered by OPERS or STRS. Unclassified civil service employees hired on or after August 1, 2005, are also eligible to participate in the ARP.

The Board of Trustees of each public institution of higher education enters into contracts with each approved retirement plan provider. Once established, full-time faculty and unclassified employees who are hired subsequent to the establishment of the ARP, or who had less than five years of service credit under the existing retirement plans, may choose to enroll in the ARP. The choice is irrevocable for as long as the employee remains continuously employed in a position for which the ARP is available. For those employees that choose to join the ARP, any prior employee contributions that had been made to OPERS or STRS would be transferred to the ARP. The Ohio Department of Higher Education has designated the companies that are eligible to serve as plan providers for the ARP.

Ohio law requires that employee contributions be made to the ARP in an amount equal to those that would otherwise have been required by the retirement system that applies to the employee's position. For the fiscal year ended June 30, 2022, these contribution rates are 10 percent for OPERS and 14 percent for STRS. Employees may also voluntarily make additional contributions to the ARP.

For the year ended June 30, 2022, each public institution of higher education was required to contribute 2.44 percent of a participating employee's salary to OPERS in cases when the employee would have otherwise been enrolled in OPERS.

Ohio law also requires each public institution of higher education to contribute 4.47 percent of a participating employee's gross salary, for the year ended June 30, 2022, to STRS in cases when the employee would have otherwise been enrolled in STRS.



**NOTE 9 PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS
(Continued)**

The employer contribution amount is subject to actuarial review every fifth year to determine if the rate needs to be adjusted to mitigate any negative financial impact that the loss of contributions may have on OPERS and STRS. The Board of Trustees of each public institution of higher education may also make additional payments to the ARP based on the gross salaries of employees multiplied by a percentage the respective Board of Trustees approves.

The ARP vesting of all contributions made on behalf of participants is based on the employer’s vesting requirements. The contributions are directed to one of the investment management companies as chosen by the participants. The ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits, or death benefits. Benefits are entirely dependent on the sum of the contributions and related investment income generated by each participant’s choice of investment options.

For the State’s major discretely presented component unit, employer and employee contributions required and made for the year ended June 30, 2022, for the ARP follow (dollars in thousands):

<u>Major Component Unit:</u>	<u>OPERS</u>	<u>STRS</u>
Ohio State University:		
Employer Contributions	\$ 33,041	\$ 40,546
Employee Contributions	28,582	59,563

NOTE 10 GENERAL OBLIGATION BONDS

At various times since 1921, Ohio voters, by 20 constitutional amendments (the last adopted May 2014 for a ten-year extension of the local government infrastructure program adopted in 2005), have authorized the incurrence of general obligation debt for the construction and improvement of common school and higher education facilities, highways, local infrastructure improvements, research and development of coal technology, natural resources, research and development support for high-tech business, business site development, and veterans compensation. Issuances for highway capital improvements, natural resources, and conservation are, in part, used for acquisition, construction or improvement of capital assets. In practice, general obligation bonds are retired over periods of 10 to 25 years. The State’s general obligation bonds are described below.

A 1999 constitutional amendment provided for the issuance of Common School Capital Facilities Bonds and Higher Education Capital Facilities Bonds. As of June 30, 2022, the General Assembly had authorized the issuance of \$6.05 billion in Common Schools Capital Facilities Bonds, of which \$5.61 billion has been issued. As of June 30, 2022, the General Assembly had also authorized the issuance of \$4.85 billion in Higher Education Capital Facilities Bonds, of which \$4.37 billion has been issued.

Through the approval of the November 1995 amendment, voters authorized the issuance of Highway Capital Improvements Bonds in amounts up to \$220 million in any fiscal year (plus any prior fiscal years’ principal amounts not issued under the new authorization), with no more than \$1.2 billion outstanding at any time. As of June 30, 2022, the General Assembly has authorized the issuance of approximately \$3.8 billion in Highway Capital Improvements Bonds, of which \$3.46 billion has been issued.

Constitutional amendments in 1995, 2005, and 2014 allowed for the issuance of \$5.63 billion of general obligation bonds for infrastructure improvements (Infrastructure Bonds). Not more than \$175 million of Infrastructure Bonds may be issued in each fiscal year beginning in 2018 through fiscal year 2022 and \$200 million in each fiscal year beginning in fiscal year 2023 through fiscal year 2027, plus any obligations unissued from previous fiscal years. As of June 30, 2022, the General Assembly had authorized \$4.9 billion of these bonds to be sold (excluding any amounts for unaccreted discount on capital appreciation bonds at issuance), of which \$4.52 billion has been issued (net of \$214 million in unaccreted discounts at issuance).



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Coal Research and Development Bonds and Parks, Recreation, and Natural Resources Bonds may be issued as long as the outstanding principal amounts do not exceed \$100 and \$200 million, respectively. Not more than \$50 million of Natural Resources Bonds may be issued in any fiscal year. As of June 30, 2022, the General Assembly had authorized the issuance of \$262 million in Coal Research and Development Bonds, of which \$254 million has been issued. Legislative authorizations for the issuance of Natural Resources Capital Facilities Bonds totaled \$512 million, as of June 30, 2022, of which \$484.6 million has been issued.

Constitutional amendments in 2000 and 2008 allowed for outstanding Conservation Projects Bonds of up to \$400 million. No more than \$50 million may be issued during a fiscal year (plus any obligations unissued from previous fiscal years). As of June 30, 2022, the General Assembly had authorized the issuance of \$800 million in Conservation Projects Bonds of which \$682.6 million has been issued.

Through approval of the November 2005 and May 2010 amendments, voters authorized the issuance of \$1.2 billion of Third Frontier Research and Development Bonds. Obligations that may be issued are limited to \$175 million in any fiscal year (plus any obligations unissued from previous fiscal years). As of June 30, 2022, the General Assembly had authorized the issuance of \$1.2 billion in Third Frontier Research and Development Bonds, of which \$971 million has been issued.

A November 2005 amendment authorized the issuance of \$150 million of Site Development Bonds. As of fiscal year 2014, all \$150 million had been issued.

A 2009 constitutional amendment provided for the issuance of up to \$200 million in Veterans Compensation Bonds. No obligations may be issued after December 31, 2013. The General Assembly authorized all \$200 million in Veterans' Compensation Bonds, of which \$83.9 million had been issued.

General obligation bonds outstanding and future general obligation debt service requirements, as of June 30, 2022, are presented in the table below. For the variable-rate bonds, using the assumption that current interest rates remain the same over their term, the interest and net swap payment amounts are based on rates as of June 30, 2022. As rates vary, variable-rate bond interest payments and net swap payments vary.



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

**Primary Government-Governmental Activities
Summary of General Obligation Bonds
and Future Funding Requirements
As of June 30, 2022
(dollars in thousands)**

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Common Schools Capital Facilities	2004-22	1.3%-5.0%	2041	\$2,610,057	\$ 433,800
Higher Education Capital Facilities	2011-21	0.9%-5.3%	2041	2,290,581	478,555
Highway Capital Improvements	2010-22	3.0%-5.0%	2037	965,346	334,240
Infrastructure Improvements	2004-22	1.3%-5.5%	2041	2,056,893	382,064
Coal Research and Development	2015-20	4.0%-5.0%	2030	25,206	8,000
Natural Resources Capital Facilities	2010-20	2.0%-5.0%	2035	131,910	27,380
Conservation Projects	2010-22	2.0%-5.0%	2035	360,715	117,375
Third Frontier Research and Development	2014-20	1.9%-5.0%	2029	229,773	229,000
Site Development	2014	4.0%	2023	4,539	-
Veterans' Compensation	2020	1.8%-2.1%	2026	15,185	116,090
Total General Obligation Bonds				<u>\$8,690,205</u>	<u>\$2,126,504</u>

Future Funding of Fixed-Rate Bonds:

Year Ending June 30,	Principal	Interest	Total
2023.....	\$ 817,295	\$ 338,388	\$ 1,155,683
2024.....	783,510	301,738	1,085,248
2025.....	747,815	265,503	1,013,318
2026.....	617,720	232,799	850,519
2027.....	544,420	205,830	750,250
2028-2032.....	2,372,665	685,505	3,058,170
2033-2037.....	1,448,785	254,966	1,703,751
2038-2042.....	357,515	31,314	388,829
Total Fixed-Rate Bonds	<u>\$ 7,689,725</u>	<u>\$ 2,316,043</u>	<u>\$10,005,768</u>

Future Funding of Variable-Rate Bonds:

Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
2023.....	\$ 46,560	\$ 4,174	\$ 452	\$ 51,186
2024.....	39,315	2,648	248	42,211
2025.....	26,060	1,330	110	27,500
2026.....	13,620	409	56	14,085
Total Variable-Rate Bonds.....	<u>\$ 125,555</u>	<u>\$ 8,561</u>	<u>\$ 866</u>	<u>\$ 134,982</u>

Total General Obligation Bonds	\$7,815,280
Unamortized Premium/(Discount), Net.....	874,925
Total.....	<u>\$8,690,205</u>

For the year ended June 30, 2022, NOTE 15 summarizes changes in general obligation bonds.

Hedging Derivative Instruments

As of June 30, 2022, approximately \$87.9 million of Infrastructure Improvement Bonds and Common Schools Bonds have associated cash flow hedges with a fair value of (\$2) million. The value of these bonds is reported as part of the Bonds and Notes Payable section and the negative fair value of the cash flow hedges is reported in the Other Noncurrent Liabilities section on the Statement of Net Position. The fair value increased \$6.4 million during fiscal year 2022. This increase is reported on the Statement of Net Position as part of Deferred Outflows of Resources. Fair value of the cash flow hedges is determined using the zero-coupon method. For information on the State's Deferred Outflows of Resources and Deferred Inflows of Resources, see NOTE 18.



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Terms and objectives of the State's hedging derivative instruments are provided in the following table:

Hedging Derivative Instruments							
As of June 30, 2022							
<i>(dollars in thousands)</i>							
Issue	Type of Cash Flow Hedge	Notional Amount	Underlying Index	Counterparty's Sw ap Rate at 06/30/2022	State's Sw ap Rate at 06/30/2022	Effective Date	Termination (Maturity) Date
Infrastructure Improvements, Refunding Series 2004A	Pay-fixed interest rate sw ap	\$8,580	LIBOR (See terms below)	0.87%	3.51%	3/3/2004	2/1/2023
Objective: Convert Series 2004A variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty: Aa2/A+/AA- Wells Fargo							
Terms: 63% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2003D	Pay-fixed interest rate sw ap	\$28,025	LIBOR (see terms below)	0.87%	3.41%	9/14/2007	3/15/2024
Objective: Convert Series 2003D variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty: 50% Aa2/A+/AA JPMorgan Chase; 50% Aa2/A+/AA- Wells Fargo							
Terms: 65% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2006B	Pay-fixed interest rate sw ap	\$25,640	LIBOR (see terms below)	0.90%	3.20%	11/21/2014	6/15/2026
Objective: Convert Series 2006B variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty: A1/A+/AA- US Bank National Association							
Terms: 65% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2006C	Pay-fixed interest rate sw ap	\$25,640	LIBOR (see terms below)	0.90%	3.20%	6/15/2006	6/15/2026
Objective: Convert Series 2006C variable-rate bonds into a synthetic fixed rate to minimize exposure to changing interest rates							
Credit Quality Ratings of Counterparty: Aa1/AA-/AA- Royal Bank of Canada							
Terms: 65% of 1-month LIBOR + 25 basis points							

The State was not exposed to credit risk because these swaps had negative fair values at June 30, 2022. However, should interest rates change and the fair values of the swaps become positive, the State would be exposed to credit risk in the amount of the derivative instrument's positive fair value.

Each swap counterparty is required to post collateral to a third party when their respective credit rating, as determined by specified nationally recognized credit rating agencies, falls below the trigger level defined in the swap agreement. This arrangement protects the State by mitigating credit risk, and therefore termination risk, inherent in the swap. Collateral on all swaps must be in the form of cash or U.S. government securities and held by a third-party custodian. Net payments are made on the same date, as specified in the agreements.

The combination of the variable-rate bonds and a floating-to-fixed swap creates a low-cost, long-term synthetic fixed-rate debt that protects the State from rising interest rates.

These swaps expose the State to basis risk or a mismatch between the floating rate received on the swap and the variable rate paid on the underlying variable-rate bonds. A mismatch would increase or decrease the interest cost paid by the State.



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

For Infrastructure Improvements, Series 2004A and for Common Schools, Series 2003D, 2006B, and 2006C, the State assumes the risk of reductions in marginal federal tax rates or elimination of the tax preference for municipal securities, given that the variable swap receipt is based on a taxable index (LIBOR). Those changes would increase the interest rates on the underlying variable-rate debt but would not impact the variable-rate swap receipt based on the LIBOR index.

The State retains the right to terminate any swap agreement at the market value prior to maturity. The State has termination risk under the contracts, particularly upon the occurrence of an additional termination event (ATE), as defined in the swap agreements. An ATE occurs if either the credit rating of the bonds associated with a specific swap or the credit rating of the swap counterparty falls below a threshold defined in each swap agreement. If the swap was terminated, the variable-rate bonds would no longer carry a synthetic interest rate. Also, if at the time of the termination the swap has a negative fair value, the State may be liable to the counterparty for a payment. Other termination events include failure to pay, bankruptcy, merger without assumption, and illegality. No termination events have occurred.

Refundings and Defeasances

During fiscal year 2022, there were two refundings of general obligation bonds. Proceeds of the refunding (new) bonds were placed in irrevocable trusts to provide for all future debt service payments of the refunded (old) bonds. These refunded amounts are considered defeased and no longer outstanding. The various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. Details on the refunding are presented in the table below.

During fiscal year 2022, select debt associated with Ohio Academic Resources Network (OARnet) projects were defeased to eliminate any prospective private use issues that could occur in the future. The State used cash in the amount of \$5.5 million to fund an escrow account that will be used to make principal and interest payments until final maturity. Maturities of the following Higher Education General Obligation Bonds, Series 2011A (8/1/2024), Series 2014A (5/1/2024), Series 2014B (8/1/2024), Series 2016A (8/1/2025), Series 2017C (8/1/2028) and Series 2020B (8/1/2025) were defeased on September 15, 2021. The debt service is secured solely by the escrow account and is no longer considered State debt.

In prior years, the State defeased certain bond issues by placing cash and other monetary assets and proceeds of refunding (new) bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. At June 30, 2022, Common School Bonds of \$26.2 million, Higher Education Bonds of \$169 million, Infrastructure Improvement Bonds of \$87.6 million, Natural Resources Bonds of \$14.6 million, and Highway Capital Improvement Bonds of \$66.4 million are outstanding and considered defeased.

**Primary Government — Governmental Activities
General Obligation Bonds
Details of Refundings
For the Year Ended June 30, 2022
(dollars in thousands)**

Refunding Bond Issue	Date of Refunding	Amount of Refunding Bonds Issued	True Interest Cost Rates of Refunding Bonds	Carrying Amount of Bonds Refunded (in substance)	Refunding Bond Proceeds Placed in Escrow	Reduction (Increase) in Debt Service Payments	Economic Gain / (Loss) Resulting from Refunding
Common Schools, Series 2021C....	11/10/2021	\$100,130	1.21%	\$ 126,020	\$127,210	\$ 26,724 / 11 yrs	\$ 24,622
Infrastructure, Series 2021B.....	11/10/2021	47,905	1.17%	59,205	60,054	11,632 / 11 yrs	10,833
Total		<u>\$148,035</u>		<u>\$ 185,225</u>	<u>\$187,264</u>		<u>\$ 35,455</u>



NOTE 11 REVENUE BONDS AND NOTES

The State Constitution permits state agencies and authorities to issue bonds and notes that are not supported by the full faith and credit of the State. These bonds and notes pledge income derived from user fees and rentals on the acquired or constructed assets to pay the debt service.

The Treasurer of State and the Buckeye Tobacco Settlement Financing Authority (BTSFA) issue revenue bonds and notes for the primary government. The Treasurer of State issues bonds and notes on behalf of the Ohio Department of Transportation. The Ohio State University issues revenue bonds and notes as a major discretely presented component unit.

A. Primary Government

The Treasurer of State, since fiscal year 1998, has issued a total of \$3.01 billion in State Infrastructure Bank Bonds for various transportation construction projects financed by the Department of Transportation. The State has pledged federal highway receipts and loan repayments received under the State Infrastructure Bank Loan Program as the primary source of moneys for meeting the principal and interest requirements on the bonds.

Issuances for the State Infrastructure Bank are, in part, used for the acquisition, construction, or improvement of capital assets. Total pledged federal highway receipts and loan repayments through the maturity of the bonds in 2033 are estimated at approximately \$992.1 million. For fiscal year 2022, principal and interest payments on the revenue bonds was \$133.7 million and pledged receipts was \$132.6 million.

BTSFA is authorized by the Ohio General Assembly to issue and to sell obligations, the aggregate principal amount of which shall not exceed \$6 billion, exclusive of obligations issued to refund, renew, or advance refund other obligations issued or incurred. On October 29, 2007, BTSFA successfully securitized 100 percent of the projected tobacco settlement receipts through the issuance of five series of asset-backed revenue bonds, aggregating in the amount of \$5.53 billion (Series 2007 Bonds). On March 4, 2020, the authority issued \$5.35 billion in Asset-Backed Refunding Bonds, Series 2020 Senior Bonds (Series 2020 Bonds), the proceeds of which were used to refund, through redemption and defeasance, all of the Authority's Series 2007 Bonds.

The Authority has pledged future tobacco settlement receipts, including related investment earnings, and net of specified operating and enforcement expenses, to repay the bonds, which have a final stated maturity in 2057. Annual principal and interest payments on the bonds will require 100 percent of the net tobacco settlement receipts.

As of June 30, 2022, the total principal and interest payments remaining to be paid on the bonds was \$9.46 billion. Principal and interest paid and total net tobacco settlement receipts for fiscal year 2022 were \$313.5 million and \$308.2 million, respectively.

The Series 2007 Bonds were issued on a tax-exempt basis to fund long-lived capital projects at state-supported institutions of higher education and to pay the State's share of the cost of rebuilding elementary and secondary school facilities across the State. The Series 2020 Bonds were issued on a federally-tax basis and on a tax-exempt basis. After the bonds and any related operating expenses have been fully paid, any remaining tobacco settlement receipts will become payable to the State. Additional information on these bonds can be found in BTSFA's stand-alone financial report.

Revenue bonds and notes outstanding and future bond service requirements for the primary government, as of June 30, 2022, are presented in the following tables:



NOTE 11 REVENUE BONDS AND NOTES (Continued)

Primary Government-Governmental Activities
Summary of Revenue Bonds and Notes
As of June 30, 2022
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Treasurer of State: State Infrastructure Bank	2015-21	0.2%-5.0%	2033	\$ 853,957
Buckeye Tobacco Settlement Financing Authority.....	2020	1.5%-5.6%	2057	5,564,288
Total Revenue Bonds and Notes				<u>\$6,418,245</u>

Primary Government-Governmental Activities
Future Funding Requirements for Revenue Bonds and Notes
As of June 30, 2022
(dollars in thousands)

Year Ending June 30,	Principal	Interest	Total
2023	\$ 314,760	\$ 249,736	\$ 564,496
2024	221,325	236,230	457,555
2025	227,740	227,359	455,099
2026	200,690	218,534	419,224
2027	209,520	209,734	419,254
2028-2032	1,078,690	889,737	1,968,427
2033-2037	1,013,825	642,790	1,656,615
2038-2042	1,288,080	372,710	1,660,790
2043-2047	1,009,424	806,525	1,815,949
2048-2050	251,047	715,784	966,831
	<u>5,815,101</u>	<u>4,569,139</u>	<u>10,384,240</u>
Unamortized Premium/(Discount), Net.....	603,144	-	603,144
Total	<u>\$6,418,245</u>	<u>\$ 4,569,139</u>	<u>\$10,987,384</u>

For the year ended June 30, 2022, NOTE 15 summarizes changes in revenue bonds and notes.

The preceding future funding table for the Authority's portion includes (i) serial bond maturities that the Authority must pay as of specific distribution dates in order to avoid an event of default under the Trust Indenture, (ii) turbo term bond payments that the Authority would pay according to the Trust Indenture if sufficient tobacco settlement receipts are collected; however, a failure to pay before final maturity does not constitute an event of default under the Trust Indenture, and (iii) capital appreciation turbo term bond maturities.

Refundings

There were no refundings during fiscal year 2022.

B. Major Discretely Presented Component Units

Future bond service requirements for revenue bonds and notes reported for the major discretely presented component units, as of June 30, 2022, are shown in the following table:



NOTE 11 REVENUE BONDS AND NOTES (Continued)

**Major Discretely Presented Component Units
Future Funding Requirements for Revenue Bonds and Notes
As of June 30, 2022
(dollars in thousands)**

Year Ending June 30,	Ohio State University		
	Principal	Interest	Total
2023.....	\$ 371,546	\$ 170,885	\$ 542,431
2024.....	91,155	163,316	254,471
2025.....	92,051	158,386	250,437
2026.....	79,617	153,531	233,148
2027.....	82,883	149,311	232,194
2028 – 2032.....	383,760	681,812	1,065,572
2033 – 2037.....	284,308	596,227	880,535
2038 – 2042.....	973,276	451,871	1,425,147
2043 – 2047.....	567,068	277,531	844,599
2048 – 2052.....	156,635	181,531	338,166
2053 – 2057.....	250,000	165,540	415,540
2058 – 2062.....	-	120,000	120,000
2063 – 2067.....	-	120,000	120,000
2068 – 2072.....	-	120,000	120,000
2073 – 2077.....	-	120,000	120,000
2078 – 2082.....	-	120,000	120,000
2083 – 2087.....	-	120,000	120,000
2088 – 2092.....	-	120,000	120,000
2093 – 2097.....	-	120,000	120,000
2098 – 2102.....	-	120,000	120,000
2103 – 2107.....	-	120,000	120,000
2108 – 2112.....	500,000	96,000	596,000
	<u>3,832,299</u>	<u>4,445,941</u>	<u>8,278,240</u>
Unamortized Premium/(Discount), Net.....	211,290	-	211,290
Total.....	<u>\$4,043,589</u>	<u>\$ 4,445,941</u>	<u>\$8,489,530</u>

The bonds and notes of the state universities and state community colleges are payable from the institutions' available receipts, including student fees, rental income, and gifts and donations, as may be provided for in the respective bond and note agreements. The proceeds of the bonds and notes are used for the construction of educational and student resident facilities and auxiliary facilities such as dining halls, hospitals, parking facilities, bookstores, and athletic facilities. The State is not obligated for the debt of its discretely presented component units.

The Ohio State University, a major discretely presented component unit, has entered into two pay fixed/receive floating interest rate swap agreements, which are considered effective hedging derivative instruments, to convert all or a portion of variable-rate debt into a synthetic fixed rate to protect against the potential of rising interest rates. Both swaps have a notional amount of \$164.4 million, effective date of June 1, 2023, termination date of June 1, 2043, and cancellation option June 1, 2035, at the University's option. The two swaps differ in their June 30, 2022, fair value, counterparty credit rating, and what fixed rate the University pays, with the respective information as: Swap one \$25.7 million, A1/A, and 1.19 percent and Swap two \$24.8 million, Aa2/A+, and 1.26 percent. The derivative instruments are reported at fair value in noncurrent assets and changes in fair value are part of deferred inflows on the Statement of Net Position.

NOTE 12 SPECIAL OBLIGATION BONDS

Under the authority of Chapter 154, Ohio Revised Code, the Treasurer of State is the issuer of special obligation bonds that finance the cost of capital facilities for mental health and developmental disabilities institutions, parks and recreation, cultural and sports facilities, correctional facilities, office buildings for state departments and agencies, transportation, highway safety and, in some cases, related facilities for local governments. These issuances are, in part, used for acquisition, construction, or improvement of capital assets.



NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

Pledges of lease rental payments from appropriations made to the General Fund and the Highway Safety and Highway Operating special revenue funds, moneys held by trustees pursuant to related trust agreements, and other receipts, as required by the respective bond documents, secure the special obligation bonds. The lease rental payments are reported in the fund financial statements as interfund transfers.

Special obligation bonds outstanding, bonds authorized but unissued, and future debt service requirements, as of June 30, 2022, are presented in the following tables:

Primary Government-Governmental Activities
Summary of Special Obligation Bonds
As of June 30, 2022
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized but Unissued
Treasurer of State Lease Rental Bonds.....	2012-2022	0.01-5.00%	2042	\$2,598,423	\$1,025,550
Total Special Obligation Bonds.....				<u>\$2,598,423</u>	<u>\$1,025,550</u>

Future Funding of Special Obligation Bonds:

Year Ending June 30,	Principal	Interest	Total
2023.....	\$ 229,055	\$ 95,044	\$ 324,099
2024.....	226,140	85,426	311,566
2025.....	218,900	76,006	294,906
2026.....	165,135	67,205	232,340
2027.....	163,915	59,159	223,074
2028-2032.....	745,445	178,876	924,321
2033-2037.....	384,935	90,416	475,351
2038-2042.....	193,535	48,965	242,500
	<u>2,327,060</u>	<u>701,097</u>	<u>3,028,157</u>
Unamortized Premium/(Discount), Net.....	271,363	-	271,363
Total	<u>\$ 2,598,423</u>	<u>\$ 701,097</u>	<u>\$ 3,299,520</u>

For the year ended June 30, 2022, NOTE 15 summarizes changes in special obligation bonds.

During fiscal year 2022, the Treasurer of State Lease Rental had one refunding issue. Details on the refunding for fiscal year 2022 are presented in the table below:

Primary Government — Governmental Activities
Special Obligation Bonds
Details of Refundings
For the Year Ended June 30, 2022
(dollars in thousands)

Refunding Bond Issue	Date of Refunding	Amount of Refunding Bonds Issued	True Interest Cost Rates of Refunding Bonds	Carrying Amount of Bonds Refunded (in substance)	Refunding Bond Proceeds Placed in Escrow	Reduction (Increase) in Debt Service Payments	Economic Gain / (Loss) Resulting from Refunding
Treasurer of State Lease Rental Bonds:							
Administrative Building 2022A.....	1/5/2022	\$ 10,420	1.05%	\$ 11,915	\$ 12,146	\$ 2,197/10 yrs	\$ 2,081
Total		<u>\$ 10,420</u>		<u>\$ 11,915</u>	<u>\$ 12,146</u>		<u>\$ 2,081</u>



NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

In prior years, the Treasurer of State defeased certain bond issues by placing cash and other monetary assets and proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. At June 30, 2022, \$52.5 million of lease rental special obligations bonds are outstanding and considered defeased.

NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 2022, approximately \$263.2 million in certificate of participation (COP) obligations were reported in governmental activities.

Beginning in fiscal year 2015, the Ohio Department of Administrative Services participated in the issuance of \$105.4 million of COP obligations to finance the cost of acquisition of the Enterprise Data Center Solutions (EDCS).

Beginning in fiscal year 2013, the Ohio Department of Administrative Services participated in the issuance of \$72 million of COP obligations to finance the upgrade of the Ohio Multi-Agency Radio Communications System (MARCS).

Beginning in fiscal year 2005, the Ohio Department of Administrative Services participated in the issuance of \$204.3 million of COP obligations to finance the acquisition of the Ohio Administrative Knowledge System (OAKS), a statewide Enterprise Resource Planning (ERP) system. These issuances are, in part, used for the acquisition, construction, or improvement of capital assets.

Beginning in fiscal year 2008, the Ohio Department of Administrative Services participated in the issuance of \$67 million of COP obligations to finance the cost of acquisition of the State Taxation Accounting and Revenue System (STARS).

In fiscal year 2015, the Ohio Treasurer of State's Office participated in the issuance of \$8.8 million of COP obligations to finance the cost of acquisition of the Treasury Management System (TMS).

In fiscal year 2017, the Ohio Attorney General's Office participated in the issuance of \$19.6 million of COP obligations to finance the cost of acquisition of the Bureau of Criminal Investigation Records System (BCIRS).

Beginning in fiscal year 2019, the Ohio Secretary of State participated in the issuance of \$92.9 million of COP obligations to finance Voting Systems Acquisitions (VSA).

In fiscal year 2020, the Ohio Department of Administrative Services participated in the issuance of \$12.2 million of COP obligations to finance the Unemployment Insurance System (UIS).

In fiscal year 2022, the Ohio Attorney General's Office participated in the issuance of \$21.4 million of COP obligations to finance the cost of acquisition of the Debt Collection System (DCS).

Under the COP financing arrangements, the State is required to make rental payments from the General Fund and Community and Economic Development Special Revenue Fund (subject to biennial appropriations) that approximate the interest and principal payments made by trustees to certificate holders.

Obligations outstanding and future commitments for the primary government under COP financing arrangements, as of June 30, 2022, are presented in the following tables:



NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)

Primary Government — Governmental Activities
Summary of Certificate of Participation Obligations
As of June 30, 2022
(dollars in thousands)

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Attorney General:				
Bureau of Criminal Investigation Records System (BCIRS).....	2021	0.3%-1.0%	2027	\$ 11,775
Debt Collection System (DCS).....	2022	2.0%-5.0%	2037	25,808
Department of Administrative Services:				
Enterprise Data Center Solutions (EDCS).....	2015-20	1.4%-5.0%	2030	67,102
Multi-Agency Radio Communications System (MARCS)	2021	0.3%-1.3%	2028	37,650
Ohio Administrative Knowledge System (OAKS)	2017	5.0%	2027	11,623
State Taxation Accounting and Revenue System (STARS).....	2021	0.4%-1.2%	2027	12,445
Unemployment Insurance System (UIS).....	2020	2.5%-5.0%	2030	11,453
Secretary of State:				
Voting Systems Acquisitions (VSA).....	2019-21	5.0%	2030	82,046
Treasurer of State:				
Treasury Management Systems (TMS).....	2015	5.0%	2025	3,249
Total Certificates of Participation				<u>\$ 263,151</u>

Future Commitments for Certificate of Participation Obligations:			
Year Ending June 30,	Principal	Interest	Total
2023.....	\$ 36,140	\$ 8,709	\$ 44,849
2024.....	37,400	7,425	44,825
2025.....	38,705	6,127	44,832
2026.....	32,210	4,854	37,064
2027.....	33,445	3,618	37,063
2028-2032.....	56,430	5,597	62,027
2033-2037.....	8,815	992	9,807
	<u>243,145</u>	<u>37,322</u>	<u>280,467</u>
Unamortized Premium, Net.....	20,006	-	20,006
Total	<u>\$ 263,151</u>	<u>\$ 37,322</u>	<u>\$ 300,473</u>

For the year ended June 30, 2022, NOTE 15 summarizes changes in COP obligations.

Refundings and Defeasances

There were no refundings of COP obligations during fiscal year 2022.

In prior years, the State defeased certain COP obligations by placing the proceeds of refunding (new) COPs in irrevocable trusts to provide for all future debt service payments on the old COPs. Accordingly, the various trust accounts' assets and liabilities for the defeased COPs are not included in the State's financial statements. At June 30, 2022, MARCS COPs of \$5.4 million are outstanding and considered defeased.



NOTE 14 OTHER NONCURRENT LIABILITIES

As of June 30, 2022, in addition to bonds, notes, and certificates of participation obligations discussed in NOTES 10 through 13, the State reports the following noncurrent liabilities in its financial statements (dollars in thousands):

Non-Current Liabilities	
Governmental Activities:	
Compensated Absences	\$ 575,588
Net Pension Liability.....	2,070,390
Net OPEB Liability.....	380,714
Lease Liability.....	132,420
Financed Purchase Obligations	18,116
Derivative Instruments.....	2,831
Pollution Remediation Liabilities.....	1,770
Infrastructure, Capital Assets.....	297,301
Liability for Escheat Property	325,270
Total Governmental Activities	3,804,400
Business-Type Activities:	
Compensated Absences	51,102
Net Pension Liability.....	130,144
Lease Liability	13,642
Workers' Compensation:	
Benefits Payable	11,739,893
Other	1,955,883
Prize Awards Payable	328,903
Tuition Benefits Payable	79,300
Total Business-Type Activities	14,298,867
Total Primary Government	\$ 18,103,267

For the year ended June 30, 2022, NOTE 15 summarizes the changes in other noncurrent liabilities. Explanations of certain significant noncurrent liability balances reported in the financial statements follow:

A. Compensated Absences

For the primary government, the compensated absences liability, as of June 30, 2022, was \$626.7 million, of which \$575.6 million is allocable to governmental activities and \$51.1 million is allocable to business-type activities.

As of June 30, 2022, major discretely presented component units reported a total of \$238.2 million in compensated absences liabilities, as detailed by major discretely presented component unit in NOTE 15.

B. Net Pension Liability and Net OPEB Liability

The State recognizes a net pension liability in the amount of \$2.2 billion, as of June 30, 2022, for the primary government of which \$2.07 billion is allocable to governmental activities and \$130.1 million is allocable to business-type activities. The net pension liability represents the State's proportionate share of the difference between the total pension liability and the fiduciary net position for OPERS, STRS, and SHPRS.

For the primary government, the State recognizes a net OPEB liability in the amount of \$380.7 million as of June 30, 2022, allocable to governmental activities. The net OPEB liability represents the State's proportionate share of the difference between the total OPEB liability and the fiduciary net position for SHPRS, whereas OPERS and STRS resulted in a net OPEB asset. See NOTE 9 for further details.

C. Financed Purchase Obligations

Financed purchase arrangements are used for the acquisition of certain assets. Assets acquired through financed purchase arrangements are valued at the lower of fair value or the present value of the future minimum payments at the inception of the financed purchase arrangement. Future minimum commitments for financed purchases judged to be noncancelable, as of June 30, 2022, are as follows (dollars in thousands):



NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

Year Ending June 30,	Financed Purchases		
	Governmental Activities		
	Principal	Interest	Total
2023.....	\$ 7,205	\$ 334	\$ 7,539
2024.....	5,231	178	5,409
2025.....	3,663	71	3,734
2026.....	1,730	18	1,748
2027.....	287	1	288
Total Future Financed Purchase Payments.....	<u>\$ 18,116</u>	<u>\$ 602</u>	<u>\$ 18,718</u>

As of June 30, 2022, the primary government had the following capital assets under financed purchase arrangements (dollars in thousands):

	Capital Assets
	Governmental Activities
Equipment	\$ 37,001
Vehicles	38,897
Total	<u>\$ 75,898</u>

D. Lease Liability

For the fiscal year ended June 30, 2022, the State implemented the provisions of GASB Statement No. 87, *Leases*, which requires reporting of certain lease liabilities not previously reported. This standard is based on the foundational principle that leases are financings of the right to use an underlying asset.

The State's primary government leases real estate, machinery and equipment, and land. A lease under GASB 87 is a contract that conveys the right to use another entity's asset. The present value of future lease payments over the entirety of the lease term, which includes extension periods if it is probable the extension will be exercised, are reported as lease assets and lease liabilities. There were no significant variable lease, termination penalty, or residual value guarantee payments recorded by the State during fiscal year 2022 that were not included as part of the lease liability.

The primary government's total lease liabilities for fiscal year 2022 were approximately \$146 million of which \$132.4 million is allocable to governmental activities and \$13.6 million is allocable to business-type activities.

Future principal and interest payments related to lease commitments for the primary government, as of June 30, 2022, are as follows (dollars in thousands):



NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

Primary Government

Governmental Activities Future Lease Payments:

Year Ending June 30,	Principal	Interest	Total
2023.....	\$ 30,414	\$ 1,816	\$ 32,230
2024.....	22,101	1,437	23,538
2025.....	19,596	1,147	20,743
2026.....	13,898	883	14,781
2027.....	13,968	681	14,649
2028-2032.....	25,048	1,376	26,424
2033-2037.....	2,735	395	3,130
2038-2042.....	1,772	226	1,998
2043-2047.....	1,066	133	1,199
2048-2052.....	1,013	76	1,089
2053-2057.....	809	22	831
Total Future Lease Payments.....	<u>\$ 132,420</u>	<u>\$ 8,192</u>	<u>\$ 140,612</u>

Business Type Activities Future Lease Payments:

Year Ending June 30,	Principal	Interest	Total
2023.....	\$ 4,248	\$ 434	\$ 4,682
2024.....	1,762	324	2,086
2025.....	1,825	256	2,081
2026.....	1,451	193	1,644
2027.....	1,514	136	1,650
2028-2032.....	2,842	102	2,944
Total Future Lease Payments.....	<u>\$ 13,642</u>	<u>\$ 1,445</u>	<u>\$ 15,087</u>

Future principal and interest payments related to lease commitments for the major discretely presented component unit funds, as of June 30, 2022, (dollars in thousands):

**Major Discretely Presented
Component Units**

Ohio State University Future Lease Payments:

Year Ending June 30,	Principal	Interest	Total
2023.....	\$ 16,391	\$ 3,307	\$ 19,698
2024.....	8,869	2,879	11,748
2025.....	7,431	2,592	10,023
2026.....	5,290	2,336	7,626
2027.....	4,931	2,121	7,052
2028-2032.....	24,175	7,251	31,426
2033-2037.....	10,483	3,326	13,809
2038-2042.....	1,977	2,432	4,409
2043-2047.....	1,931	2,414	4,345
2048-2052.....	2,480	1,646	4,126
2053-2057.....	3,057	744	3,801
2058-2062.....	1,012	356	1,368
2063-2067.....	992	94	1,086
Total Future Lease Payments.....	<u>\$ 89,019</u>	<u>\$ 31,498</u>	<u>\$ 120,517</u>

The major discretely presented component unit reported \$89 million in total lease liabilities for fiscal year 2022.



NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

E. Derivative Instruments

For governmental activities, the State has reported \$(2.8) million of investment and hedging derivative instruments as of June 30, 2022. Additional information regarding the State's derivative instruments is included in NOTE 4, NOTE 10, and NOTE 18.

F. Pollution Remediation Liabilities

The State recognizes a liability for pollution remediation in the amount of \$1.8 million, as of June 30, 2022. This represents the cost to the State to the extent that is probable for future clean up and reclamation of polluted sites within the State. See NOTE 20 for further detail.

G. Infrastructure, Capital Assets

The State records a liability for the Portsmouth Bypass Highway. Since the completion of construction in fiscal year 2020, the State has recognized payments of \$132.4 million. As of June 30, 2022, the liability totaled approximately \$297.3 million.

H. Litigation Liabilities

In instances when the unfavorable outcome of a pending litigation has been assessed to be probable, liabilities are recorded in the financial statements. As of June 30, 2022, no noncurrent liabilities ultimately payable from various governmental funds have been recorded for this purpose. For more information on the State's loss contingencies arising from pending litigation, see NOTE 20.

I. Estimated Claims Payable

The State had no estimated claims payable to report at June 30, 2022.

J. Liability for Escheat Property

The State records a liability for escheat property to the extent that it is probable that the escheat property will be reclaimed and paid to claimants. As of June 30, 2022, the liability totaled approximately \$325.3 million.

K. Worker's Compensation

Benefits Payable

As discussed in NOTE 21, the Worker's Compensation Enterprise Fund provides benefits to employees for losses sustained from job-related injury, disease, or death. The Bureau has computed a reserve for compensation, as of June 30, 2022, in the amount of approximately \$11.74 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is included in the "Benefits Payable" balance reported for the enterprise fund.

L. Prize Awards Payable

Future installment payments for the prize awards payable are reported at present value based upon interest rates that the Treasurer of State provides to the Lottery Commission Enterprise Fund. The interest rates, ranging from two to seven percent, represent the expected long-term rate of return on the assets restricted for the payment of prize awards. Once established for a particular prize award, the interest rate does not fluctuate with changes in the expected long-term rate of return. The difference between the present value and gross amount of the obligations is amortized into income over the terms of the obligations using the interest method. The State reduces prize liabilities by an estimate of the amount of the prize that will ultimately be unclaimed. As of June 30, 2022, the prize awards payable totals \$328.9 million.

Future payments of prize awards, stated at present value, as of June 30, 2022, follow (dollars in thousands):



NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)

Year Ending June 30,	
2023.....	\$ 46,682
2024.....	37,889
2025.....	33,357
2026.....	28,455
2027.....	27,555
2028-2032.....	122,253
2033-2037.....	57,574
2038-2042.....	28,222
2043-2047.....	9,260
	<u>391,247</u>
Unamortized Discount	(62,344)
Net Prize Liability	<u>\$ 328,903</u>

M. Tuition Benefits Payable

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund was approximately \$79.3 million, as of June 30, 2022. The valuation method 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 in state universities and state community colleges and termination of participant contracts under the plan.

The following assumptions were used in the actuarial determination of tuition benefits payable: 3.2 percent rate of return, compounded annually, on the investment of current and future assets, a tuition inflation assumption equal to the maximum amount of tuition and mandatory fee increases permitted by the State of Ohio biennial budget of 4 percent.

As of June 30, 2022, the market value of actuarial net position available for the payment of the tuition benefits payable was \$157.6 million.

N. Other Liabilities

The Workers' Compensation Enterprise Fund reports approximately \$1.96 billion in other noncurrent liabilities, as of June 30, 2022, of which 1) \$1.63 billion is comprised of the compensation adjustment expenses liability for estimated future expenses to be incurred in the settlement of claims, as discussed further in NOTE 21, 2) \$217.8 million consists of retrospective rating adjustments for employers within similar industries that are enrolled in group experience rating plans, 3) \$4.5 million is contingent liabilities, and 4) \$100.3 million consists of other miscellaneous liabilities.



NOTE 15 CHANGES IN NONCURRENT LIABILITIES

A. Primary Government

Changes in noncurrent liabilities, for the year ended June 30, 2022, are presented for the primary government in the following table:

**Primary Government
Changes in Noncurrent Liabilities
For the Fiscal Year Ended June 30, 2022
(dollars in thousands)**

	Balance			Amount Due	
	June 30, 2021, Restated	Additions	Reductions	Balance June 30, 2022	Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Bonds (NOTE 10)	\$ 9,442,030	\$ 506,681	\$ 1,258,506	\$ 8,690,205	\$ 873,250
Revenue Bonds and Notes (NOTE 11)	6,627,043	-	208,798	6,418,245	315,854
Special Obligation Bonds (NOTE 12)	2,628,132	249,688	279,397	2,598,423	275,231
Total Bonds and Notes Payable	<u>18,697,205</u>	<u>756,369</u>	<u>1,746,701</u>	<u>17,706,873</u>	<u>1,464,335</u>
Certificates of Participation (NOTE 13)	273,100	25,996	35,945	263,151	36,493
Other Noncurrent Liabilities (NOTE 14):					
Compensated Absences	572,729	378,142	375,283	575,588	75,266
Net Pension Liability	3,416,767	-	1,346,377	2,070,390	-
Net OPEB Liability	633,413	-	252,699	380,714	-
Lease Liability	137,794	24,364	29,738	132,420	30,193
Financed Purchase Obligations	27,394	-	9,278	18,116	7,205
Derivative Instruments	11,756	-	8,925	2,831	-
Pollution Remediation Liabilities	1,829	-	59	1,770	60
Infrastructure, Capital Assets	319,933	-	22,632	297,301	26,889
Liability for Escheat Property	314,195	138,594	127,519	325,270	102,452
Total Other Noncurrent Liabilities	<u>5,435,810</u>	<u>541,100</u>	<u>2,172,510</u>	<u>3,804,400</u>	<u>242,065</u>
Total Noncurrent Liabilities	<u>\$ 24,406,115</u>	<u>\$ 1,323,465</u>	<u>\$ 3,955,156</u>	<u>\$ 21,774,424</u>	<u>\$ 1,742,893</u>
Business-Type Activities:					
Other Noncurrent Liabilities (NOTE 14):					
Compensated Absences	\$ 52,304	\$ 27,123	\$ 28,325	\$ 51,102	\$ 5,440
Net Pension Liability	227,190	-	97,046	130,144	-
Lease Liability	17,656	208	4,222	13,642	4,248
Workers' Compensation:					
Benefits Payable	11,888,612	1,258,670	1,407,389	11,739,893	1,340,799
Other:					
Adjustment Expenses Liability	1,649,999	141,330	158,029	1,633,300	456,016
Miscellaneous	222,722	278,061	178,200	322,583	217,972
Prize Awards Payable	330,283	47,470	48,850	328,903	38,342
Tuition Benefits Payable	108,900	-	29,600	79,300	17,700
Total Other Noncurrent Liabilities	<u>\$ 14,497,666</u>	<u>\$ 1,752,862</u>	<u>\$ 1,951,661</u>	<u>\$ 14,298,867</u>	<u>\$ 2,080,517</u>

The State makes payments on bonds and notes payable and certificate of participation obligations that pertain to its governmental activities from the debt service funds. The General Fund and the nonmajor governmental funds will primarily liquidate the other noncurrent liabilities balance attributable to governmental activities.

For fiscal year 2022, the State's primary government included interest expense on its debt issues in the following governmental functions rather than reporting it separately as interest expense. The related borrowings are essential to the creation or continuing existence of the programs they finance and accordingly, such expense is not reported separately on the Statement of Activities under the expense category for interest on long-term debt. The various state subsidy programs supported by the borrowings provide direct state assistance to local governments for their respective capital and construction or research projects.



NOTE 15 CHANGES IN NONCURRENT LIABILITIES (Continued)

(in 000s)

Governmental Activities:	
Primary, Secondary and Other Education	\$ 373,508
Higher Education Support	161,848
Health and Human Services	365
Environmental Protection and Natural Resources	1,682
Transportation.....	37,907
Community and Economic Development.....	102,070
Total Interest Expense Charged to Governmental Functions	<u>\$ 677,380</u>

B. Major Discretely Presented Component Units

Changes in noncurrent liabilities, for the year ended June 30, 2022, are presented in the following table for the State's major discretely presented component units:

**Major Discretely Presented Component Units
Changes in Noncurrent Liabilities
For the Fiscal Year Ended June 30, 2022
*(dollars in thousands)***

	Balance June 30, 2021, Restated	Additions	Reductions	Balance June 30, 2022	Amount Due Within One Year
<i>Ohio Facilities Construction Commission</i>					
Intergovernmental Payable.....	\$ 375,215	\$ 511,494	\$ 253,087	\$ 633,622	\$ 194,632
Compensated Absences*	1,423	861	787	1,497	174
Total	<u>\$ 376,638</u>	<u>\$ 512,355</u>	<u>\$ 253,874</u>	<u>\$ 635,119</u>	<u>\$ 194,806</u>
<i>Ohio State University:</i>					
Compensated Absences*	\$ 238,720	\$ 31,143	\$ 33,179	\$ 236,684	\$ 33,179
Lease Liability*.....	93,537	17,060	21,578	89,019	16,391
Net Pension Liability*	2,679,333	-	1,181,540	1,497,793	-
Net OPEB Liability*	22,683	-	7,022	15,661	-
Advance from Concessionaire*	980,953	-	17,290	963,663	-
Other Liabilities*	624,521	472,712	466,676	630,557	106,146
Revenue Bonds & Notes Payable (NOTE 11)..	3,258,471	869,384	84,266	4,043,589	371,546
Total	<u>\$ 7,898,218</u>	<u>\$ 1,390,299</u>	<u>\$ 1,811,551</u>	<u>\$ 7,476,966</u>	<u>\$ 527,262</u>

*Liability is reported under the "Refund and Other Liabilities" account

NOTE 16 CONDUIT DEBT

The State of Ohio, by action of the General Assembly, created various financing authorities for the expressed purpose of making available to non-profit and, in some cases, for profit private entities, lower cost sources of capital financing for facilities and projects found to be for a public purpose. Fees are assessed to recover related processing and application costs incurred. The authorities' debt instruments represent a limited obligation payable solely from payments made by the borrowing entities. Most of the bonds are secured by the property financed. Upon repayment of the bonds, ownership of acquired property transfers to the entity served by the bond issuance.

This debt is not deemed to constitute debt of the State or a pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.



NOTE 16 CONDUIT DEBT (Continued)

Ohio Enterprise Bond Fund bonds are issued through the Treasurer of State for the purpose of financing eligible projects of private industry organizations. The actual bonds are sold through private placement. These bonds are not general obligations of the State of Ohio or of any political subdivision and are not payable from any tax source; therefore, the rights of the holders of the bonds for payments of amounts due are limited solely to the pledged receipts deposited into the Ohio Enterprise Bond Fund Accounts. The bonds represent conduit debt and are not reflected in the accompanying financial statements. The scheduled payment of the bonds currently outstanding is, however, guaranteed through the Department of Development, Office of Loan Administration, under Chapter 166, Ohio Revised Code. As of June 30, 2022, no liability has been recorded in the accompanying financial statements for guarantees extended to defaulted organizations. See NOTE 14I for additional information.

Under Chapter 5531, Ohio Revised Code, the Ohio Department of Transportation is authorized to issue State Infrastructure Bond Program debt issuances through the Treasurer of State for highway and transit capital projects of eligible Ohio political subdivisions. These bonds are not general obligations of the State of Ohio or of any political subdivision and are not payable from any tax source; therefore, the rights of the holders of the bonds for payments of amounts due are limited to the pledged receipts and those special funds pledged by each debt issuance. The bonds represent conduit debt and are not reflected in the accompanying financial statements. The scheduled payment of the bonds currently outstanding is, however, guaranteed through the State Infrastructure Bank program of the Ohio Department of Transportation. In the event of a borrower's default, amounts recovered from the secured capital project would be used to replenish any reserve funds and any remaining amounts would be transferred to the State Infrastructure Bank accounts. Any amounts provided to repay bonds using appropriations of the Ohio Department of Transportation would be submitted to the Attorney General's Office for collection. Currently, guarantees are outstanding through fiscal year 2044, when the bonds mature, and no circumstances presently exist that indicate the State will be required to make any payments as a result of these guarantees.

As of June 30, 2022, revenue bonds and notes outstanding that represent conduit debt for the State were as follows (dollars in thousands):

	Outstanding Amount
Primary Government:	
Department of Development:	
Ohio Enterprise Bond Program	\$ 130,465
Ohio Department of Transportation:	
State Transportation Infrastructure Bond Fund Program.....	70,330
Total Primary Government	<u>\$ 200,795</u>

NOTE 17 FUND DEFICITS AND FUND BALANCE REPORTING

A. Fund Balance Reporting-Constraints by Purpose

Fund balance constraints reported in the governmental funds, as of June 30, 2022, are presented by purpose in the table on the following page:



Primary Government
Fund Balance Constraints by Purpose
(dollars in thousands)

	Major Funds					Total
	General	Job, Family & Other Human Services	Buckeye Tobacco Settlement Financing Authority Bonds	Pandemic Relief Funds	Nonmajor Governmental Funds	
Fund Balance:						
<i>Nonspendable</i>						
Inventories.....	\$ 19,575	\$ -	\$ -	\$ 29,854	\$ 183,214	\$ 232,643
Advances to Local Government.....	18,105	-	-	-	-	18,105
Total Nonspendable.....	37,680	-	-	29,854	183,214	250,748
<i>Restricted</i>						
Primary, Secondary and Other Education.....	-	-	-	-	83,074	83,074
Higher Education Support.....	66,266	-	-	-	10,064	76,330
Public Assistance and Medicaid.....	-	102,545	-	-	328,173	430,718
Health and Human Services.....	-	-	-	-	69,979	69,979
Justice and Public Protection.....	49,271	2,081	-	-	27,941	79,293
Environmental Protection/Natural Resources.....	16,827	-	-	-	374,469	391,296
Transportation.....	-	-	-	-	10,062	10,062
Transit Project Loans.....	-	-	-	-	246,318	246,318
Highway Construction/Preservation.....	-	-	-	-	1,761,387	1,761,387
General Government.....	22,163	37,437	-	-	66,588	126,188
Community and Economic Development.....	51,009	-	-	-	459,774	510,783
Grants/Loans-Local Govt Capital Projects.....	960,007	-	-	-	-	960,007
Local Government Road/Bridge Improvements..	244,820	-	-	-	-	244,820
Capital Outlay.....	-	-	-	-	515,408	515,408
Debt Service.....	-	-	4,054,056	-	6,142	4,060,198
Total Restricted.....	1,410,363	142,063	4,054,056	-	3,959,379	9,565,861
<i>Committed</i>						
Primary, Secondary and Other Education.....	-	-	-	-	174,756	174,756
Higher Education Support.....	-	-	-	-	1,895	1,895
Public Assistance and Medicaid.....	-	1,150,671	-	-	88,407	1,239,078
Health and Human Services.....	270	443	-	-	17,829	18,542
Justice and Public Protection.....	4,065	2,209	-	-	121,306	127,580
Environmental Protection/Natural Resources.....	-	-	-	-	263,936	263,936
Transportation.....	-	-	-	-	2,855	2,855
General Government.....	73,122	23,847	-	-	119,293	216,262
Community and Economic Development.....	149,919	-	-	-	374,308	524,227
Business Development Loans.....	636,230	-	-	-	-	636,230
Total Committed.....	863,606	1,177,170	-	-	1,164,585	3,205,361
<i>Assigned</i>						
Primary, Secondary and Other Education.....	85,626	-	-	-	-	85,626
Higher Education Support.....	24,070	-	-	-	-	24,070
Public Assistance and Medicaid.....	2,061,723	-	-	-	-	2,061,723
Health and Human Services.....	181,382	-	-	-	-	181,382
Justice and Public Protection.....	326,010	-	-	-	-	326,010
Environmental Protection/Natural Resources.....	202,021	-	-	-	-	202,021
General Government.....	831,140	-	155	-	-	831,295
Escheat Investments for Mortgage Insurance/ Minority Contractor Bonding/Housing Loans....	2,058,403	-	-	-	-	2,058,403
Community and Economic Development.....	666,919	-	-	-	-	666,919
Total Assigned.....	6,437,294	-	155	-	-	6,437,449
<i>Unassigned</i>	6,893,958	-	-	-	(674)	6,893,284
Total Fund Balance.....	\$ 15,642,901	\$ 1,319,233	\$ 4,054,211	\$ 29,854	\$ 5,306,504	\$ 26,352,703



NOTE 17 FUND DEFICITS AND FUND BALANCE REPORTING (Continued)

As of June 30, 2022, the Budget Stabilization Fund had a fund balance of \$2.71 billion, which was included as a part of the unassigned fund balance in the General Fund.

B. Fund Deficits

The following individual funds reported deficits that are reflected in the State's basic financial statements, as of June 30, 2022 (dollars in thousands):

Primary Government:

Nonmajor Proprietary Fund:

Office of Auditor of State.....	\$ (34,793)
Total Primary Government.....	\$ (34,793)

Discretely Presented Component Units:

Major Component Unit:

Ohio Facilities Construction Commission	\$ (3,452,748)
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Nonmajor Component Units:

Ohio Turnpike and Infrastructure Commission.....	(47,688)
Ohio Capital Fund.....	(100,824)
Total Component Units.....	\$ (3,601,260)

Deficits are due to the timing of revenue recognition and the accrual of expenses not recorded under the cash basis of accounting.

NOTE 18 DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

A. Deferred Outflows of Resources

Details on deferred outflows of resources for the primary government, as of June 30, 2022, follow (dollars in thousands):

Primary Government - Deferred Outflows of Resources					
	Net Pension and OPEB Liability/Asset	Hedging Derivative Instruments	Loss on Debt Refundings	Resources of a Future Period	Total
Governmental Activities:					
Major Governmental Funds:					
Buckeye Tobacco Settlement Financing Authority Revenue Bonds.....	\$ -	\$ -	\$ -	\$ 3,687,263	\$ 3,687,263
Total Governmental Activities	-	-	-	3,687,263	3,687,263
Reconciliation of fund level statements to government-wide statements due to basis differences.....					
	864,038	2,044	179,477	-	1,045,559
Total Governmental Activities	\$ 864,038	\$ 2,044	\$ 179,477	\$ 3,687,263	\$ 4,732,822
Business-Type Activities:					
Major Proprietary Funds:					
Workers' Compensation.....	\$ 32,401	\$ -	\$ -	\$ -	\$ 32,401
Lottery Commission.....	4,390	-	-	-	4,390
Nonmajor Proprietary Funds	11,086	-	-	-	11,086
Total Business-Type Activities	\$ 47,877	\$ -	\$ -	\$ -	\$ 47,877
Total Primary Government.....					\$ 4,780,699

As of June 30, 2022, Ohio State University, a major discretely presented component unit, reported Deferred Outflows of Resources totaling approximately \$595.9 million for net pension and OPEB liability/asset, \$21 million for losses on debt-related transactions and \$1.5 million for future asset retirement obligation.



NOTE 18 DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES (Continued)

B. Deferred Inflows of Resources

The deferred inflows of resources for the primary government, as of June 30, 2022, are comprised of the following (dollars in thousands):

Primary Government - Deferred Inflows of Resources					
	Net Pension and OPEB Liability/Asset	Resources from the Sale of Future Revenues	Unavailable Resources and Other	Debt Refundings	Total
Governmental Activities:					
Major Governmental Funds:					
General	\$ -	\$ 684,726	\$ 222,776	\$ -	\$ 907,502
Job, Family and Other Human Services	-	-	78,562	-	78,562
Buckeye Tobacco Settlement Financing					
Authority Revenue Bonds.....	-	-	767,992	-	767,992
Nonmajor Governmental Funds	-	-	28,168	-	28,168
Total Governmental Activities	-	684,726	1,097,498	-	1,782,224
Reconciliation of fund level statements to government-wide statements due to basis differences.....					
	3,254,404	912,252	(1,097,498)	33,243	3,102,401
Total Governmental Activities	<u>\$ 3,254,404</u>	<u>\$ 1,596,978</u>	<u>\$ -</u>	<u>\$ 33,243</u>	<u>\$ 4,884,625</u>
Business-Type Activities:					
Major Proprietary Funds:					
Workers' Compensation.....	\$ 142,350	\$ -	\$ 740	\$ -	\$ 143,090
Lottery Compensation.....	22,700	-	-	-	22,700
Nonmajor Proprietary Funds	52,187	-	-	-	52,187
Total Business-Type Activities	<u>\$ 217,237</u>	<u>\$ -</u>	<u>\$ 740</u>	<u>\$ -</u>	<u>\$ 217,977</u>
Total Primary Government.....					<u>\$ 5,102,602</u>

As of June 30, 2022, Ohio Facilities Construction Commission, a major discretely presented component unit, reported Deferred Inflows of Resources totaling approximately \$3 billion pertaining to resources from the sale of future revenues. In addition, Ohio State University, another major discretely presented component unit, reported Deferred Inflows of Resources of \$2.14 billion for net pension and OPEB liability/asset, \$68.6 million for gains on debt-related transactions, \$9.5 million for irrevocable split-interest agreements, and \$228.1 million for leases, and \$387.7 million related to service concession arrangements.

NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS

A. Joint Ventures

Great Lakes Protection Fund (GLPF)

The Great Lakes Protection Fund is an Illinois non-profit organization that was formed to further federal and state commitments to the restoration and maintenance of the Great Lakes Basin's ecosystem. The governors of seven of the eight states that border on the Great Lakes comprise the GLPF's membership. Under the GLPF's articles of incorporation, each state is required to make a financial contribution. Income earned on the contributions provides grants to projects that advance the goals of the Great Lakes Toxic Substances Control Agreement and the binational Great Lakes Water Quality Agreement.

Each governor nominates two individuals to the GLPF's board of directors who serve staggered two-year terms. All budgetary and financial decisions rest with the board, except when they are restricted by the GLPF's articles of incorporation.



NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

Annually, one-third of the GLPF's net earnings is allocated and paid to the member states in proportion to their respective cash contributions to the GLPF. The allocation is based on the amount and period of time the state's contributions were invested. GLPF earnings distributions are to be used by the states to finance projects that are compatible with the GLPF's objectives. Ohio applies its distribution (approximately \$276 thousand) to operations of its own protection program, known as the Lake Erie Protection Program, which is modeled after the GLPF.

Required contributions and contributions received from the states, which border the Great Lakes, as of December 31, 2021 (the GLPF's year-end), are presented below (dollars in thousands):

	Contribution Required	Contribution Received	Contribution Percentage
Michigan	\$ 25,000	\$ 25,000	30.9%
Indiana*	16,000	-	-
Illinois	15,000	15,000	18.4%
Ohio	14,000	14,000	17.3%
New York	12,000	12,000	14.8%
Wisconsin	12,000	12,000	14.8%
Minnesota	1,500	1,500	1.9%
Pennsylvania	1,500	1,500	1.9%
Total	<u>\$ 97,000</u>	<u>\$ 81,000</u>	<u>100%</u>

*The State of Indiana has not yet elected to join the Great Lakes Protection Fund.

Summary Financial information for the GLPF, for the fiscal year ended December 31, 2021, was as follows (dollars in thousands):

Cash and Investments	\$ 166,570
Other Assets	81
Total Assets	<u>\$ 166,651</u>
Total Liabilities	\$ 1,786
Total Net Position	164,865
Total Liabilities and Net Position	<u>\$ 166,651</u>
Total Revenues and Other Additions	\$ 20,271
Total Expenditures and Other Deductions	(6,445)
Change in Net Position	<u>\$ 13,826</u>

In the event of the Fund's dissolution, the State of Ohio would receive a residual portion of the Fund's assets equal to the lesser of the amount of such assets multiplied by the ratio of its required contribution to the required contributions of all member states, or the amount of its required contribution.

Local Community and Technical Colleges

The State's primary government has an ongoing financial responsibility for the funding of six local community colleges and eight technical colleges. With respect to the local community colleges, State of Ohio officials appoint three members of each college's respective nine-member board of trustees; county officials appoint the remaining six members.

The governing boards of the technical colleges consist of either seven or nine trustees, of which State officials appoint two or three members, respectively; the remaining members are appointed by the local school boards located in the respective technical college district.



NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

The Ohio General Assembly appropriates moneys to these institutions from the General Fund to subsidize operations so that higher education can become more financially accessible to Ohio residents. The primary government also provides financing for the construction of these institutions' capital facilities by meeting the debt service requirements for the Tobacco Settlement revenue bonds issued by the Buckeye Tobacco Settlement Financing Authority, the Higher Education Capital Facilities general obligation bonds issued by the Ohio Public Facilities Commission (OPFC), and the Higher Education Facilities special obligation bonds, previously issued by the OPFC, for these purposes. The bonds provide funding for capital appropriations, which are available to the local community and technical colleges for spending on capital construction.

Fiscal year 2022 expenses that were included in the "Higher Education Support" function under governmental activities in the Statement of Activities for state assistance to the local community and technical colleges are presented below (dollars in thousands):

	Operating Subsidies	Capital Subsidies	Total
Local Community Colleges:			
Cuyahoga	\$ 67,160	\$ 8,741	\$ 75,901
Eastern Gateway.....	15,249	359	15,608
Lakeland	19,261	462	19,723
Lorain County	29,982	519	30,501
Rio Grande	5,795	-	5,795
Sinclair	56,971	767	57,738
Total Local Community Colleges.....	<u>194,418</u>	<u>10,848</u>	<u>205,266</u>
Technical Colleges:			
Belmont	3,990	396	4,386
Central Ohio	11,733	-	11,733
Hocking	10,734	1,304	12,038
James A. Rhodes	10,764	701	11,465
Marion	7,827	112	7,939
Zane	7,115	143	7,258
North Central	9,667	-	9,667
Stark	30,816	4,252	35,068
Total Technical Colleges	<u>92,646</u>	<u>6,908</u>	<u>99,554</u>
Total	<u>\$ 287,064</u>	<u>\$ 17,756</u>	<u>\$ 304,820</u>

Information for obtaining complete financial statements for each of the primary government's joint ventures is available from the Ohio Office of Budget and Management.

B. Related Organizations

Officials of the State's primary government appoint a voting majority of the governing boards of the Ohio Housing Finance Agency, the Ohio Water Development Authority, the Petroleum Underground Storage Tank Release Compensation Board, the Higher Education Facility Commission, and the Ohio Legal Assistance Foundation. However, the primary government's accountability for these organizations does not extend beyond making the appointments.



NOTE 19 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

During fiscal year 2022, the State had the following related-party transactions with its related organizations:

- The General Fund reports a \$379 million loans receivable balance due from the Ohio Housing Finance Agency. The State made the loans to finance and support the agency's housing programs.
- Separate funds, established for the Ohio Housing Finance Agency, the Petroleum Underground Storage Tank Release Compensation Board, and the Higher Education Facility Commission, were accounted for on the primary government's Ohio Administrative Knowledge System. The primary purpose of the funds is to streamline payroll and other administrative disbursement processing for these organizations. The financial activities of the funds, which do not receive any funding support from the primary government, have been included in the custodial funds.
- From the Job, Family and Other Human Services Fund, the Public Defender's Office paid the Ohio Legal Assistance Foundation approximately \$3.6 million for administrative services performed under contract for the distribution of state funding to nonprofit legal aid societies.

NOTE 20 CONTINGENCIES AND COMMITMENTS

A. Litigation

The State, its units, and employees are parties to numerous legal proceedings, which normally occur in governmental operations. Pending litigation affecting the Department of Natural Resources is discussed below. All other legal proceedings are not, in the opinion of management after consultation with the Attorney General, likely to have a material adverse effect on the State's financial position.

Department of Natural Resources (DNR)

In 2014, in response to several earthquakes, the Department of Natural Resources suspended drilling activity on a well owned by American Water Management Services (AWMS) Water Solutions, L.L.C., AWMS Holdings L.L.C., and AWMS Rt. 169, L.L.C. (collectively "AWMS"). AWMS instituted an action alleging that this suspension constituted a taking of private property, requiring the State to pay for such taking. The Eleventh District entered summary judgment in favor of the State, but AWMS appealed the decision to the Ohio Supreme Court.

On December 2, 2020, the Ohio Supreme Court reversed the decision and found that there continued to be issues of material fact concerning whether the State's suspension of AWMS' operations constituted a total or partial taking. The Court remanded the case to the Eleventh District for trial and ordered the court of appeals on remand to weigh evidence related the economic impact, interference with investment-backed expectations, and the character of the State's actions with respect to this claim.

Trial in the Eleventh District Court of Appeals concluded on September 30, 2021, and post-trial briefing was fully submitted by the end of March 2022. The Eleventh District has not yet issued its opinion.

Because the litigation remains pending, the outcome cannot be presently determined nor is a potential liability estimable at this time. Accordingly, no provision for any liability resulting from this case has been reported in the financial statements.

B. Unemployment Compensation

The COVID-19 Pandemic, starting in March 2020, presented the Ohio Department of Job and Family Services with many challenges and obstacles including a sharp increase in the volume of unemployment claims as well as the expansion of regular unemployment benefits by the federal government. The Department did not have the manpower or technology resources to adequately deal with this drastic increase in claim activity and the addition of new federal unemployment funding. The Department's legacy unemployment System, Ohio Job Insurance (OJI), has been in place since 2004. Due to its age and functionality, it was unable to handle the increased volume of claimants brought on by the pandemic. Therefore, the Department contracted with a service organization for processing of pandemic unemployment benefits and maintaining key functions of the benefit claims processing, which were customized to fit Ohio's needs (effective May 14, 2020). This outside system, the Unemployment Framework for Automated Claim & Tax Services (uFACTS) System, was used for certain pandemic benefits only.



NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)

During this timeframe, the fraud imposters recognized the opportunity presented by the unprecedented increase in unemployment claim activity, the relaxed federal eligibility and employment/earnings verification requirements associated with the new expansion of benefits, and the stress being placed on the Department and its systems to get benefits processed and into the hands of unemployed Ohioans. The combination of high claim volume and the increase in imposter fraud negatively impacted the Department's ability to keep up, creating a backlog of claims pending adjudication.

During fiscal year 2022, Unemployment Compensation operating expenses related to benefits and claims amounted to \$1.76 billion. The Department reported known fraud and non-fraud overpayments totaling \$2.77 billion to the U.S. Department of Labor (DOL) as of June 30, 2022. Of the total overpayments reported to the DOL, \$598.2 million was fraud and \$2.17 billion was non-fraud. These overpayments were regular unemployment as well as federal pandemic unemployment benefits. The federal government gave discretion to states to waive the need for repayment of pandemic funding related to non-fraud. Due to the nature of these known overpayments along with federal waiver discretion, most of these monies have not been subject to a collection process.

Additionally, the Department has flagged as possible overpayments, certain claims with one or more fraud identifiers. These flagged claims were both regular unemployment and federal pandemic unemployment benefits with an accumulated amount of \$1.08 billion. Despite being flagged as potential overpayments, until the claims are fully adjudicated, no determination can be made on the outcome.

C. Federal Awards

The State of Ohio receives significant awards from the Federal Government in the form of grants and entitlements, including certain non-cash programs. Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the spending of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit or to financial compliance audits by the grantor agencies of the federal government or their designees. Disallowances and sanctions as a result of these audits may become liabilities to the State.

Federal Single Audit

As a result of the fiscal year 2021 State of Ohio Single Audit (issued in March 2022), \$1.3 million of federal expenditures were in question as not being appropriate under the terms of the respective grants. No provision for any liability or adjustments has been recognized for these questioned costs in the state's financial statements for the fiscal year ended June 30, 2022.

D. Tobacco Settlement

In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers. This signaled the end of litigation brought by the Attorneys General against the manufacturers in 1996 for state healthcare expenses attributed to smoking-related claims. The remaining four states (Florida, Minnesota, Mississippi, and Texas) settled separately.

According to the MSA, participating tobacco manufacturers are required to adhere to a variety of new marketing and lobbying restrictions and provide payments to the states in perpetuity.

As of October 23, 2007, the State transferred future rights to the Master Settlement Agreement revenue to the Buckeye Tobacco Settlement Financing Authority (BTSFA).

While BTSFA's share of the total base payments to the states through 2057 will not change over time, estimating the amount of annual payments that actually will be received in any given year can be complex, since under the terms of the MSA, payments are subject to a number of adjustment factors, including an inflation adjustment, a volume adjustment, and a potential adjustment for market share losses of participating manufacturers. Some of these adjustments, such as the inflation adjustment, result in BTSFA receiving higher payments. Other factors, such as the volume adjustment and the market share adjustment can work to reduce the amount of the State's annual payments.



NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)

In addition to the base payments in 2008 through 2017, BTSFA received payments from the Strategic Contribution Fund. The Strategic Contribution Fund was established to reward states that played leadership roles in the tobacco litigation and settlement negotiations. Allocations from the fund were based on a state’s contribution to the litigation and settlement with the tobacco companies. These payments were also subject to the adjustment factors outlined in the MSA. Strategic contribution payments ended in 2017. Beginning in 2018, payments consist solely of the base payment plus amounts, if any, paid by participating manufacturers relating to prior years and amounts, if any, released from the disputed payment account.

During fiscal year 2022, Ohio received \$307.9 million, which is approximately \$16.1 million or 4.98 percent less than the pre-adjusted base payment for the year.

In March 2020, the Authority issued \$5.35 billion in Asset-Backed Refunding Bonds (Series 2020 Bonds) to advance refund and current refund the outstanding 2007 Series Bonds. The Series 2020 Bonds have a final stated maturity in 2057.

As of June 30, 2022, the estimated tobacco settlement receivable in the amount of \$768 million is included in “Other Receivables” reported for the governmental funds. The receivable includes \$607 million for payments withheld from BTSFA beginning fiscal year 2008 by the cigarette manufacturers when they exercised the market share loss provisions of the MSA. The moneys are on deposit in an escrow account until pending litigation between the States and the manufacturers is resolved. Both the Authority and the State contend that they have met their obligations under the MSA and are due the payments withheld.

The Tobacco Settlement receipts provide funding for the construction of primary and secondary school capital facilities, education technology for primary and secondary education and for higher education, programs for smoking cessation and other health-related purposes, biomedical research and technology, and assistance to tobacco-growing areas in Ohio.

The BTSFA revenue bonds are secured by and payable solely from the tobacco settlement receipts and other pledged collateral. In the event that the assets of BTSFA have been exhausted, no amounts will thereafter be paid on the bonds.

The enforcement of the terms of the MSA has been challenged by lawsuits and may continue to be challenged in the future. In the event of an adverse court ruling, BTFSA may not have adequate financial resources to make payment on the bonds.

A schedule of pre-adjusted base payments for the State of Ohio in future years follows (dollars in thousands):

Year Ending June 30,	Pre-Adjusted MSA Base Payments
2023.....	\$ 322,070
2024.....	319,878
2025.....	318,116
2026.....	317,112
2027.....	316,762
2028-2032.....	1,591,209
2033-2037.....	1,606,680
2038-2042.....	1,616,990
2043-2047.....	1,624,474
2048-2052.....	1,630,990
2053-2057.....	1,639,835
Total	<u>\$ 11,304,116</u>



NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)

E. Construction Commitments

As of June 30, 2022, the Ohio Department of Transportation had total contractual commitments of approximately \$3.03 billion for highway construction projects. Funding for future projects is expected to be provided from federal, primary government, general obligation and revenue bonds, and local government sources in amounts of \$1.84 billion, \$870.4 million, \$206.9 million, and \$111.1 million, respectively.

As of June 30, 2022, other major non-highway construction commitments for the primary government’s budgeted capital projects funds and major discretely presented component unit were as follows (dollars in thousands):

Primary Government	
Mental Health/Developmental Disabilities Facilities Improvements	\$ 90,954
Parks and Recreation Improvements	200,599
Administrative Services Building Improvements	34,767
Youth Services Building Improvements	14,303
Adult Correctional Building Improvements	181,293
Ohio Parks and Natural Resources	21,230
Total	<u>\$ 543,146</u>
Major Discretely Presented Component Unit	
Ohio State University	\$ 1,370,338

F. Pollution Remediation Activities

During fiscal year 2022, the State was involved in remediation activities for pollution as described in the following paragraph. These activities include site investigation, cleanup, and monitoring. The associated estimated cost of remediation activities is shown below (in general, projects with a liability of less than \$1 million at June 30 are not listed).

The Ohio Department of Transportation has been named as a responsible party to remediate pollution resulting from contaminated soil on the agency-owned property and contaminated groundwater on the surrounding properties. The June 30 liability to eliminate the pollution and continue monitoring activities is estimated to be \$1.8 million. Cost was estimated by the onsite coordinators using actual invoices to date.

The liability described above is reported as “Other Noncurrent Liabilities-Due in One Year” and “Other Noncurrent Liabilities-Due in More Than One Year” for governmental activities in the government-wide Statement of Net Position. The reported liability for this activity is an estimate and subject to change over time. Variances in the final costs may result from changes in technology, changes in responsible parties, results of environmental studies, and changes in laws and regulations. Future recoveries from other responsible parties may also reduce the final cost paid by the State.

Capital assets may be created during the pollution remediation process. These capital assets will be reported in accordance with the State’s capital assets policy. As of June 30, 2022, no capital assets were created nor reported as a result of any pollution remediation process.

G. Encumbrances

At June 30, 2022, the State has significant encumbrances of \$1.49 billion in the General Fund, \$2.3 billion in the Job, Family and Other Human Services Special Revenue Fund, \$536.4 million in the Pandemic Relief Funds and \$5.62 billion in the nonmajor governmental funds.

H. Central State University

Central State University’s audited financial reports for fiscal years 2021 and 2022 were not issued and available for inclusion in the State’s fiscal year 2022 ACFR. The State’s fiscal year 2022 ACFR includes an unaudited report as of June 30, 2021, representing an estimate for Central State University. This is the same unaudited report the State included in its fiscal year 2021 ACFR.



NOTE 21 RISK FINANCING

A. Workers' Compensation Benefits

The Ohio Workers' Compensation System, which the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio administer, is the exclusive provider of workers' compensation insurance to private and public employers in Ohio who are not self-insured. The Workers' Compensation Enterprise Fund (Fund) provides benefits to employees for losses sustained from job-related injury, disease, or death.

"Benefits Payable" of \$11.74 billion is reported in the Fund as of June 30, 2022. This amount represents reserves for indemnity and medical claims resulting from work-related injuries or illnesses, including actuarial estimates for both reported claims and claims incurred but not reported. The liability is based on the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors and projections as to future events, including claims frequency, severity, persistency, and inflationary trends for medical claims reserves. The compensation adjustment expenses liability, which is included in "Other Liabilities" in the amount of approximately \$1.63 billion, is an estimate of future expenses to be incurred in the settlement of claims. The estimate for this liability is based on projected claim-related expenses, estimated costs of the managed care Health Partnership Program, the estimated costs of the Pharmacy Benefit Manager, and the reserve for compensation.

Management of the Bureau of Workers' Compensation and the Industrial Commission believes that the recorded reserves for compensation and compensation adjustment expenses make for a reasonable and appropriate provision for expected future losses. While management uses available information to estimate the reserves for compensation and compensation adjustment expenses, future changes to the reserves for compensation and compensation adjustment expenses may be necessary based on claims experience and changing claims frequency and severity conditions. The methods of making such estimates and for establishing the resulting liabilities are reviewed quarterly and updated based on current circumstances. Any adjustments resulting from changes in estimates are recognized in the current period.

Benefits payable and the compensation adjustment expenses liability have been discounted at four percent to reflect the present value of future benefit payments. The selected discount rate approximates an average expected investment yield on the Bureau of Workers' Compensation and the Industrial Commission's investment portfolio that supports the future payments of the underlying Bureau's and Commission's reserves.

The undiscounted reserves for the benefits and compensation adjustment expenses totaled \$21.3 billion, as of June 30, 2022, and \$21.7 billion, as of June 30, 2021. For additional information, refer to the Fund's separately audited financial report, for the fiscal year ended June 30, 2022.

Changes in the balance of benefits payable and the compensation adjustment expenses liability for the Workers' Compensation Program during the past two fiscal years are presented in the table below:

Primary Government		
Changes in Workers' Compensation Benefits Payable and Compensation Adjustment Expenses Liability		
Last Two Fiscal Years		
<i>(dollars in millions)</i>		
	Fiscal Year 2022	Fiscal Year 2021
Benefits Payable and Compensation		
Adjustment Expenses Liability, as of July 1	\$ 13,539	\$ 14,518
Incurred Compensation		
and Compensation Adjustment Benefits.....	1,400	526
Incurred Compensation		
and Compensation Adjustment Benefit Payments		
and Other Adjustments	<u>(1,566)</u>	<u>(1,505)</u>
Benefits Payable and Compensation		
Adjustment Expenses Liability, as of June 30	<u>\$ 13,373</u>	<u>\$ 13,539</u>



NOTE 21 RISK FINANCING (Continued)

B. State Employee Healthcare Plan

Employees of the State’s primary government have the option of participating in the State of Ohio medical plan (Plan). The Plan offers two options: the Ohio Med PPO (preferred provider organization) and the Ohio Med HDHP (high deductible health plan). The Plan is managed by two third party administrators (TPAs) who are responsible for processing claims for separate regions throughout the State.

When it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, liabilities are reported in the governmental and proprietary funds for claims that have been incurred but not reported. The Plan’s actuaries calculate estimated claims liabilities based on prior claims data, employee enrollment figures, medical trends, and experience.

Governmental and proprietary funds pay a share of the costs for claims settlement based on the number of employees opting for plan participation and the type of coverage selected by participants. The payments are accumulated in the State Employee Health Benefit Fund, accounted for within the General Fund, until such time that the accumulated resources are distributed to the TPAs for claims settlement.

For governmental funds, claims are recognized as expenditures to the extent that the amounts are payable with expendable available financial resources. For governmental and business-type activities, claims are recognized in the Statement of Activities as expenses when incurred.

As of June 30, 2022, approximately \$361.5 million in total assets was available in the General Fund to cover healthcare claims. Changes in the balance of claims liabilities for the Plan during the past two fiscal years were as follows (dollars in thousands):

Ohio Med PPO		
	Fiscal Year 2022	Fiscal Year 2021
Claims Liabilities, as of July 1	\$ 81,974	\$ 66,272
Incurred Claims	895,938	867,083
Claims Payments	(883,795)	(851,381)
Claims Liabilities, as of June 30	<u>\$ 94,117</u>	<u>\$ 81,974</u>

As of June 30, 2022, the resources on deposit in the General Fund were more than the estimated claims liability by approximately \$267.4 million, thereby resulting in a funding surplus.

C. Other Risk Financing Programs

The primary government has established programs to advance fund potential losses for vehicular liability and theft in office. The potential amount of loss arising from these risks, however, is not considered material in relation to the State’s financial position.



NOTE 22 SUBSEQUENT EVENTS

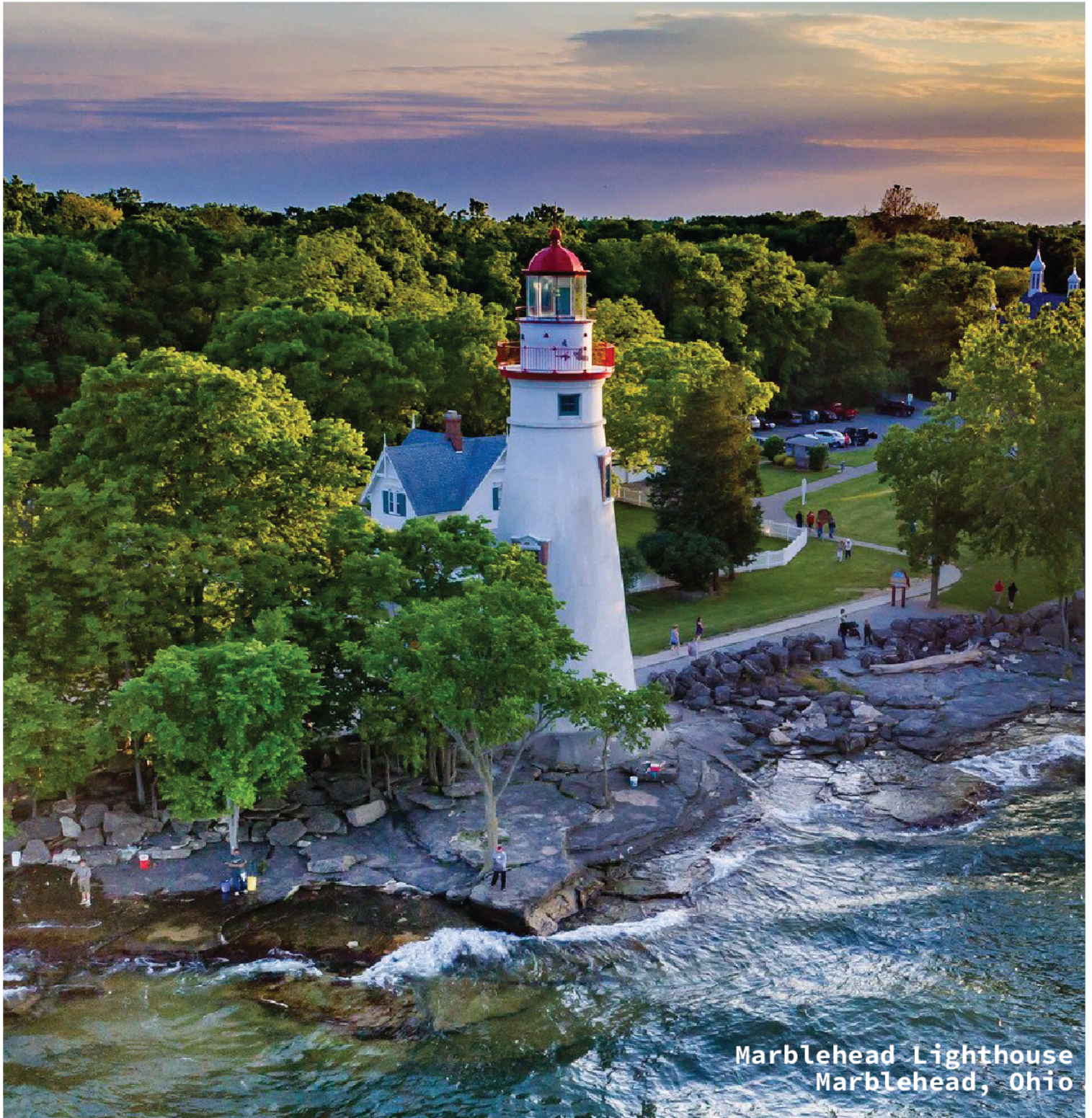
Bond Issuances

Subsequent to June 30, 2022, the State issued major debt as detailed in the table below:

Debt Issuances			
Subsequent to June 30, 2022			
<i>(dollars in thousands)</i>			
	<u>Date Issued</u>	<u>Net Interest Rate or True Interest Cost</u>	<u>Amount</u>
Primary Government:			
<i>Ohio Public Facilities Commission (OPFC)- General Obligation Bonds:</i>			
Infrastructure Improvements, Series 2022A.....	12/6/2022	3.48%	\$ 176,790
Infrastructure Improvements, Refunding Series 2022B.....	12/6/2022	2.65%	54,740
Infrastructure Improvements, Refunding Series 2022C.....	12/6/2022	2.66%	58,260
Conservation Projects, Refunding Series 2022A.....	12/6/2022	2.68%	25,100
Common Schools Capital Facilities, Refunding Series 2022A.....	12/6/2022	2.63%	62,235
Total General Obligation Bonds.....			<u>377,125</u>
<i>Treasurer of State-Revenue Bonds:</i>			
State Infrastructure Project, Series 2022-1	11/8/2022	3.75%	114,360
Total Revenue Bonds			<u>114,360</u>
Total Primary Government.....			<u>\$ 491,485</u>

Financial Section

Required Supplementary Information



Marblehead Lighthouse
Marblehead, Ohio



Infrastructure Assets Accounted for Using the Modified Approach

Pavement Network

The Ohio Department of Transportation conducts annual condition assessments of its Pavement Network. The State manages its pavement system by means of annual, visual inspections by trained pavement technicians. Technicians rate the pavement using a scale of 1 (minimum) to 100 (maximum) based on a Pavement Condition Rating (PCR). This rating examines items such as cracking, potholes, deterioration of the pavement, and other factors. It does not include a detailed analysis of the pavement's subsurface conditions.

Ohio accounts for its pavement network in two subsystems: *Priority*, which comprises interstate highways, freeways, and multi-lane portions of the National Highway System, and *General*, which comprises two-lane routes outside of cities.

For the Priority Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 65, and to allow no more than 25 percent of the pavement to fall below a 65 PCR level. For the General Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 55, and to allow no more than 25 percent of the pavement to fall below a 55 PCR level.

**Pavement Network
Condition Assessment Data**

Priority Subsystem

Fiscal Year	Pavement Condition Ratings (PCR)									
	Excellent PCR = 85-100		Good PCR = 75-84		Fair PCR = 65-74		Poor PCR = Below 65		Total	
	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%
2022	8,308	60.08	3,205	23.18	1,837	13.29	477	3.45	13,827	100.00
2021	8,326	60.21	3,175	22.96	1,884	13.62	444	3.21	13,829	100.00
2020	8,020	58.10	3,548	25.71	1,667	12.08	568	4.11	13,803	100.00
2019	7,895	57.53	3,981	29.01	1,404	10.23	444	3.23	13,724	100.00
2018	8,236	59.47	3,856	27.85	1,331	9.61	426	3.07	13,849	100.00

General Subsystem

Fiscal Year	Pavement Condition Ratings (PCR)									
	Excellent PCR = 85-100		Good PCR = 75-84		Fair PCR = 55-74		Poor PCR = Below 55		Total	
	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%	Lane-Miles	%
2022	15,031	50.77	7,408	25.02	6,574	22.21	592	2.00	29,605	100.00
2021	15,701	53.03	7,452	25.17	5,910	19.97	541	1.83	29,604	100.00
2020	16,186	54.65	7,406	25.00	5,379	18.16	648	2.19	29,619	100.00
2019	16,392	55.31	7,080	23.89	5,420	18.29	745	2.51	29,637	100.00
2018	15,589	52.87	7,395	25.08	6,090	20.65	413	1.40	29,487	100.00



Infrastructure Assets Accounted for Using the Modified Approach (Continued)

Pavement Network
Comparison of Estimated-to-Actual Maintenance and Preservation Costs
(dollars in thousands)

Priority Subsystem

Fiscal Year	Estimated	Actual
2022	\$449,910	\$509,150
2021	427,159	483,633
2020	406,088	499,858
2019	444,620	443,984
2018	447,590	504,877

General Subsystem

Fiscal Year	Estimated	Actual
2022	\$303,681	\$360,818
2021	279,971	350,792
2020	293,150	398,642
2019	299,640	426,696
2018	303,715	404,677

Bridge Network

The Ohio Department of Transportation conducts annual inspections of all bridges in the State's Bridge Network. The inspections cover major structural items such as piers and abutments, and assign a General Appraisal Condition Rating (GACR) from 0 (minimum) to nine (maximum) based on a composite measure of these major structural items.

It is the State's intention to maintain at least 85 percent of the square feet of deck area at a general appraisal condition rating level of at least five, and to allow no more than 15 percent of the number of square feet of deck area to fall below a general appraisal condition rating level of five.

Bridge Network
Condition Assessment Data
(square feet in thousands)

Fiscal Year	General Appraisal Condition Ratings (GACR)									
	Excellent GACR = 7-9		Good GACR = 5-6		Fair GACR = 3-4		Poor GACR = 0-2		Total	
	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%
2022	68,368	62.93	37,763	34.76	2,500	2.30	13	0.01	108,644	100.00
2021	76,048	69.76	31,214	28.64	1,741	1.60	4	0.00	109,007	100.00
2020	73,766	68.05	33,080	30.52	1,552	1.43	3	0.00	108,401	100.00
2019	72,499	67.01	34,012	31.44	1,680	1.55	4	0.00	108,195	100.00
2018	70,768	65.91	34,831	32.44	1,772	1.65	0	0.00	107,371	100.00



Infrastructure Assets Accounted for Using the Modified Approach (Continued)

Bridge Network
Comparison of Estimated-to-Actual Maintenance and Preservation Costs
(dollars in thousands)

Fiscal Year	Estimated	Actual
2022	\$327,649	\$335,604
2021	369,529	396,994
2020	392,111	447,480
2019	424,377	451,586
2018	462,821	452,276



STATE OF OHIO

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY/(ASSET)
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST EIGHT YEARS ^(A)
 (dollars in thousands)

	2021	2020	2019
Traditional Plan:			
Employer's Proportion of the Collective Net Pension Liability.....	21.14%	21.37%	20.82%
Employer's Proportionate Share of the Collective Net Pension Liability.....	\$ 1,839,383	\$ 3,164,266	\$ 4,115,589
Covered Payroll.....	\$ 3,091,357	\$ 3,032,613	\$ 2,952,641
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll.....	59.50%	104.34%	139.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	92.62%	86.88%	82.17%
Combined Plan:			
Employer's Proportion of the Collective Net Pension/(Asset).....	19.99%	19.85%	19.36%
Employer's Proportionate Share of the Collective Net Pension/(Asset).....	\$ (78,793)	\$ (57,311)	\$ (40,375)
Covered Payroll.....	\$ 91,863	\$ 88,168	\$ 86,872
Employer's Proportionate Share of the Collective Net Pension/(Asset) as a Percentage of the Employer's Covered Payroll.....	85.77%	65.00%	46.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset.....	169.88%	157.67%	145.28%

Notes:

^(A) This table will present ten years of information as it becomes available.



2018	2017	2016	2015	2014
20.86%	20.85%	20.95%	20.65%	20.73%
\$ 5,714,426	\$ 3,271,382	\$ 4,736,652	\$ 3,561,458	\$ 2,496,359
\$ 2,862,809	\$ 2,791,773	\$ 2,754,860	\$ 2,589,575	\$ 2,608,075
199.61%	117.18%	171.94%	137.53%	95.72%
74.70%	84.66%	77.25%	81.08%	86.45%
19.59%	19.13%	19.67%	19.64%	20.23%
\$ (21,905)	\$ (26,038)	\$ (10,623)	\$ (9,355)	\$ (7,577)
\$ 85,111	\$ 81,048	\$ 77,885	\$ 72,010	\$ 69,383
25.74%	32.13%	13.64%	12.99%	10.92%
126.64%	137.28%	116.55%	116.90%	114.83%



STATE OF OHIO

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 FOR THE LAST EIGHT FISCAL YEARS ^{(A)(B)}
 (dollars in thousands)

	2022	2021	2020
Traditional Plan:			
Statutorily Required Employer Contribution.....	\$ 440,591	\$ 428,702	\$ 421,955
Actual Employer Contributions Received.....	440,591	428,702	421,955
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 3,135,204	\$ 3,050,925	\$ 3,003,237
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	14.05%	14.05%	14.05%
Combined Plan:			
Statutorily Required Employer Contribution.....	\$ 13,382	\$ 12,547	\$ 12,317
Actual Employer Contributions Received.....	13,382	12,547	12,317
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 95,227	\$ 89,294	\$ 87,664
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	14.05%	14.05%	14.05%

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Ohio Public Employees Retirement System reports on a December 31 calendar yearend, but is included in the State's fiscal yearend of June 30. Year reflected is fiscal year instead of calendar year (ex. CY 2017 is reflected as FY 2018, etc.).



2019	2018	2017	2016	2015
\$ 407,968	\$ 383,973	\$ 343,330	\$ 314,599	\$ 308,797
407,968	383,973	343,330	314,599	308,797
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,903,850	\$ 2,834,015	\$ 2,794,847	\$ 2,613,331	\$ 2,573,692
14.05%	13.55%	12.28%	12.04%	12.00%
\$ 12,139	\$ 11,345	\$ 9,977	\$ 9,366	\$ 8,587
12,139	11,345	9,977	9,366	8,587
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 86,407	\$ 83,734	\$ 81,219	\$ 77,801	\$ 71,573
14.05%	13.55%	12.28%	12.04%	12.00%



STATE OF OHIO

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY

STATE TEACHERS RETIREMENT SYSTEM

AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST EIGHT YEARS ^(A)

(dollars in thousands)

	2021	2020	2019
Employer's Proportion of the Collective Net Pension Liability.....	0.36%	0.36%	0.36%
Employer's Proportionate Share of the Collective Net Pension Liability.....	\$ 46,507	\$ 88,004	\$ 80,186
Covered Payroll.....	\$ 44,888	\$ 47,303	\$ 42,360
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll.....	103.61%	186.04%	189.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	87.80%	75.50%	77.40%

Notes:

^(A) This table will present ten years of information as it becomes available.



2018	2017	2016	2015	2014
0.37%	0.38%	0.38%	0.39%	0.41%
\$ 81,261	\$ 90,418	\$ 126,919	\$ 107,522	\$ 99,431
\$ 42,066	\$ 41,881	\$ 39,990	\$ 40,509	\$ 41,996
193.18%	215.89%	317.38%	265.43%	236.76%
77.31%	75.29%	66.78%	72.10%	74.71%



STATE OF OHIO

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
 STATE TEACHERS RETIREMENT SYSTEM
 FOR THE LAST EIGHT FISCAL YEARS ^{(A)(B)}
 (dollars in thousands)

	2022	2021	2020
Statutorily Required Employer Contribution.....	\$ 6,284	\$ 6,141	\$ 6,622
Actual Employer Contributions Received.....	6,284	6,141	6,622
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 46,322	\$ 44,888	\$ 47,303
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	13.57%	13.68%	14.00%

Notes:

- ^(A) This table will present ten years of information as it becomes available.
- ^(B) Starting in fiscal year 2017, the 2015 and 2016 data presented was adjusted to reflect the State's fiscal reporting year rather than measurement date.



2019	2018	2017	2016	2015
\$ 5,929	\$ 5,888	\$ 5,863	\$ 5,692	\$ 5,671
5,929	5,888	5,863	5,692	5,671
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 42,360	\$ 42,066	\$ 41,881	\$ 39,990	\$ 40,509
14.00%	14.00%	14.00%	14.23%	14.00%



STATE OF OHIO

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST EIGHT YEARS ^(A)
(dollars in thousands)

	2021	2020	2019
Total Pension Liability:			
Service Cost.....	\$ 19,853	\$ 20,462	\$ 29,856
Interest on the Total Pension Liability.....	92,395	90,171	85,534
Benefit Changes.....	-	-	-
Difference between Expected and Actual Experience.....	(7,143)	5,922	(7,403)
Assumption Changes.....	-	-	(241,353)
Benefit Payments.....	(89,406)	(81,133)	(75,134)
Refunds.....	-	-	-
Net Change in Total Pension Liability.....	15,699	35,422	(208,500)
Total Pension Liability - Beginning.....	1,299,260	1,263,838	1,472,338
Total Pension Liability - Ending (a).....	<u>\$ 1,314,959</u>	<u>\$ 1,299,260</u>	<u>\$ 1,263,838</u>
Plan Fiduciary Net Position:			
Employer Contributions.....	\$ 30,090	\$ 32,855	\$ 33,107
Employee Contributions.....	16,489	18,107	16,253
Pension Plan Net Investment Income.....	136,722	121,213	129,802
Benefit Payments.....	(89,406)	(81,133)	(75,134)
Refunds.....	-	-	-
Pension Plan Administrative Expense.....	(971)	(1,509)	(1,650)
Other.....	-	-	-
Net Change in Plan Fiduciary Net Position.....	92,924	89,533	102,378
Plan Fiduciary Net Position - Beginning.....	907,392	817,859	715,481
Plan Fiduciary Net Position - Ending (b).....	<u>\$ 1,000,316</u>	<u>\$ 907,392</u>	<u>\$ 817,859</u>
Net Pension Liability - Ending (a) - (b).....	<u>\$ 314,643</u>	<u>\$ 391,868</u>	<u>\$ 445,979</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability.....	76.07%	69.84%	64.71%
Covered Payroll..... ^(B)	\$ 111,621	\$ 117,996	\$ 118,370
Net Pension Liability as a Percentage of Covered Payroll.....	281.89%	332.10%	376.77%

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Covered payroll includes Deferred Retirement Option Program (DROP) employees.



2018	2017	2016	2015	2014
\$ 19,679	\$ 19,635	\$ 18,094	\$ 17,805	\$ 17,657
89,298	85,936	84,195	81,577	79,175
-	(5,681)	-	-	-
538	17,854	(8,633)	(6,366)	-
256,572	-	-	40,773	-
(71,577)	(75,393)	(65,720)	(66,213)	(64,526)
(717)	(1,075)	(1,731)	(858)	(2,177)
293,793	41,276	26,205	66,718	30,129
1,178,545	1,137,269	1,111,064	1,044,346	1,014,217
<u>\$ 1,472,338</u>	<u>\$ 1,178,545</u>	<u>\$ 1,137,269</u>	<u>\$ 1,111,064</u>	<u>\$ 1,044,346</u>
\$ 26,014	\$ 26,110	\$ 25,384	\$ 22,895	\$ 22,325
14,452	14,505	14,101	13,686	11,577
(37,810)	101,482	46,423	(5,702)	45,105
(71,577)	(75,393)	(65,721)	(66,213)	(64,526)
(717)	(1,075)	(1,731)	(858)	(2,177)
(1,436)	(1,437)	(1,353)	(1,084)	(1,031)
199	479	357	839	421
(70,875)	64,671	17,460	(36,437)	11,694
786,356	721,685	704,225	740,662	728,968
<u>\$ 715,481</u>	<u>\$ 786,356</u>	<u>\$ 721,685</u>	<u>\$ 704,225</u>	<u>\$ 740,662</u>
<u>\$ 756,857</u>	<u>\$ 392,189</u>	<u>\$ 415,584</u>	<u>\$ 406,839</u>	<u>\$ 303,684</u>
48.59%	66.72%	63.46%	63.38%	70.92%
\$ 116,010	\$ 112,705	\$ 108,789	\$ 99,983	\$ 99,212
652.41%	347.98%	382.01%	406.91%	306.10%



STATE OF OHIO

SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
FOR THE LAST TEN FISCAL YEARS (B)
(dollars in thousands)

	2022	2021	2020	2019	2018
Actuarially Determined Contribution.....	\$ 31,938	\$ 32,265	\$ 31,270	\$ 26,014	\$ 25,349
Actual Employer Contributions Received.....	30,090	32,855	33,107	26,014	26,110
Difference.....	\$ 1,848	\$ (590)	\$ (1,837)	\$ -	\$ (761)
Covered Payroll..... (A)	\$ 111,621	\$ 117,996	\$ 118,371	\$ 116,010	\$ 112,705
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	26.96%	27.84%	27.97%	22.42%	23.17%

Notes:

- (A) Covered payroll includes Deferred Retirement Option Program (DROP) employees.
- (B) State Highway Patrol Retirement System reports on a December 31 calendar yearend, but is included in the State's fiscal yearend of June 30. Year reflected is now fiscal year instead of calendar year (ex. CY 2017 is reflected as FY 2018, etc.).

Actuarial Assumptions	
Valuation Date	December 31, 2020
Notes	Actuarially determined contribution amounts for the measurement period ending on December 31, 2021 are calculated as of December 31, 2019 (for the period beginning January 1, 2020 and ending on December 31, 2020) and December 31, 2020 (for the period beginning January 1, 2021 and ending on December 31, 2021). The actuarial assumptions and methods as of December 31, 2020 were used to determine the actuarially determined Employer contribution amounts reported for the fiscal year ending on December 31, 2021.
Actuarial Cost Method	Entry age normal (level percent of pay)
Amortization Method	Level Percent of Pay over a Closed Period not more than 30 years
Remaining Amortization Period	22 years
Asset Valuation Method	Four-year smoothed market with a 20 percent corridor
Inflation	3.0 percent wage inflation; 2.50 percent price inflation
Salary Increases	3.8 percent to 13.5 percent including inflation
Investment Rate of Return	7.25 percent
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Healthy Active Lives: PubS-2010 (amount-weighted) employee tables. Retiree/Vested Terminated Lives: PubS-2010 (amount-weighted) healthy retiree tables adjusted by 94 percent. Contingent Survivor Lives: PubS-2010 (amount-weighted, above-median) contingent survivor tables adjusted by 105 percent. Disabled Lives: PubS-2010 (amount-weighted) disabled retiree tables. Mortality assumptions for all participants are sex distinct with mortality improvement projected five years beyond the valuation date using scale MP-2020 and a base year of 2010.
Other Information	The mortality table for disabled lives was updated from PubS-100 to PubS-2010. Mortality assumptions beyond the valuation date scale was updated from MP-2019 to MP-2020.



2017	2016	2015	2014	2013
\$ 24,407	\$ 22,446	\$ 29,767	\$ 35,430	\$ 30,488
25,383	22,895	22,325	22,908	23,766
<u>\$ (976)</u>	<u>\$ (449)</u>	<u>\$ 7,442</u>	<u>\$ 12,522</u>	<u>\$ 6,722</u>
\$ 108,789	\$ 99,983	\$ 99,212	\$ 98,520	\$ 98,117
23.33%	22.90%	22.50%	23.25%	24.22%



STATE OF OHIO

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY/(ASSET)
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST FIVE YEARS ^(A)
 (dollars in thousands)

All Plans:	2021	2020	2019
Employer's Proportion of the Collective Net OPEB Liability/(Asset).....	21.04%	21.25%	20.71%
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset).....	\$ (658,986)	\$ (378,552)	\$ 2,859,959
Covered Payroll.....	\$ 3,253,569	\$ 3,187,089	\$ 3,103,935
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset) as a Percentage of the Employer's Covered Payroll.....	20.25%	11.88%	92.14%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset).....	128.23%	115.57%	47.80%

Notes:

^(A) This table will present ten years of information as it becomes available.



2018	2017
20.75%	20.74%
\$ 2,704,808	\$ 2,252,428
\$ 2,986,152	\$ 2,915,630
90.58%	77.25%
46.33%	54.14%



STATE OF OHIO

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
 FOR THE LAST FIVE FISCAL YEARS ^{(A)(B)}
 (dollars in thousands)

	2022	2021	2020
Actuarially Determined Employer Contribution.....	\$ 44,755	\$ 209,912	\$ 177,136
Actual Employer Contributions Received.....	0	0	0
Difference.....	<u>\$ 44,755</u>	<u>\$ 209,912</u>	<u>\$ 177,136</u>
Covered Payroll.....	\$ 3,321,619	\$ 3,225,871	\$ 3,173,961
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	0.00%	0.00%	0.00%

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Ohio Public Employees Retirement System reports on a December 31 calendar yearend, but is included in the State's fiscal yearend of June 30. Year reflected is fiscal year instead of calendar year (ex. CY 2017 is reflected as FY 2018, etc.).



2019	2018
\$ 176,568	\$ 153,362
0	18,802
<u>\$ 176,568</u>	<u>\$ 134,560</u>
\$ 3,070,283	\$ 2,994,040
0.00%	0.63%



STATE OF OHIO

SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY/(ASSET)
 STATE TEACHERS RETIREMENT SYSTEM
 AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST FIVE YEARS ^(A)
 (dollars in thousands)

	2021	2020	2019
Employer's Proportion of the Collective Net OPEB Liability/(Asset).....	0.36%	0.36%	0.36%
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset).....	\$ (7,669)	\$ (6,392)	\$ (6,005)
Covered Payroll.....	\$ 44,888	\$ 47,303	\$ 42,360
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset) as a Percentage of the Employer's Covered Payroll.....	17.08%	13.51%	14.18%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset).....	174.73%	182.13%	174.74%

Notes:

^(A) This table will present ten years of information as it becomes available.



2018	2017
0.37%	0.38%
\$ (5,939)	\$ 14,850
\$ 42,066	\$ 40,918
14.12%	36.29%
176.00%	47.11%



STATE OF OHIO

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

STATE TEACHERS RETIREMENT SYSTEM

FOR THE LAST FIVE FISCAL YEARS ^(A)

(dollars in thousands)

	2022	2021	2020
Actuarially Determined Employer Contribution.....	\$ -	\$ -	\$ -
Actual Employer Contributions Received.....	-	-	-
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll..... ^(B)	\$ 46,322	\$ 44,888	\$ 47,303
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	0.00%	0.00%	0.00%

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) The covered payroll amount includes a small portion of the defined contribution plan payroll; which this portion of the plan is not covered for OPEB.



2019	2018
\$ -	\$ 910
-	-
<u>\$ -</u>	<u>\$ 910</u>
\$ 42,360	\$ 42,066
0.00%	0.00%



STATE OF OHIO

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

STATE HIGHWAY PATROL RETIREMENT SYSTEM

AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST FIVE YEARS ^(A)

(dollars in thousands)

	2021	2020	2019
Total OPEB Liability:			
Service Cost.....	\$ 29,981	\$ 19,270	\$ 18,125
Interest on the Total OPEB Liability.....	15,920	19,150	16,992
Benefit Changes.....	(142,052)	-	-
Difference between Expected and Actual Experience.....	5,301	(26,654)	(26,860)
Assumption Changes.....	(144,182)	167,137	122,197
Benefit Payments, including refunds of employee contributions.....	(6,161)	(8,303)	(8,619)
Net Change in Total OPEB Liability.....	(241,193)	170,600	121,835
Total OPEB Liability - Beginning.....	752,036	581,436	459,601
Total OPEB Liability - Ending (a).....	<u>\$ 510,843</u>	<u>\$ 752,036</u>	<u>\$ 581,436</u>
Plan Fiduciary Net Position:			
Employer Contributions.....	\$ -	\$ -	\$ -
Employee Contributions.....	-	-	-
Net Investment Income.....	17,794	16,141	18,006
Benefit Payments, including refunds of employee contributions.....	(6,161)	(8,303)	(8,619)
Administrative Expense.....	(126)	(201)	(229)
Net Change in Plan Fiduciary Net Position.....	11,507	7,637	9,158
Plan Fiduciary Net Position - Beginning.....	118,622	110,986	101,828
Plan Fiduciary Net Position - Ending (b).....	<u>\$ 130,129</u>	<u>\$ 118,623</u>	<u>\$ 110,986</u>
Net OPEB Liability - Ending (a) - (b).....	<u>\$ 380,714</u>	<u>\$ 633,413</u>	<u>\$ 470,450</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	25.47%	15.77%	19.09%
Covered Payroll..... ^(B)	\$ 111,621	\$ 117,996	\$ 118,370
Net OPEB Liability as a Percentage of Covered Payroll.....	341.08%	536.81%	397.44%

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Covered payroll includes Deferred Retirement Option Program (DROP) employees.



2018	2017
\$ 26,137	\$ 23,657
19,663	19,243
-	709
(74,912)	(1,204)
(68,878)	46,862
(8,539)	(9,434)
<u>(106,529)</u>	<u>79,833</u>
566,130	486,297
<u>\$ 459,601</u>	<u>\$ 566,130</u>
\$ 4,623	\$ 4,640
-	-
(5,852)	14,467
(8,538)	(9,433)
(204)	(204)
<u>(9,971)</u>	<u>9,470</u>
111,799	102,329
<u>\$ 101,828</u>	<u>\$ 111,799</u>
<u>\$ 357,773</u>	<u>\$ 454,331</u>
22.16%	19.75%
\$ 116,010	\$ 112,705
308.39%	403.11%



STATE OF OHIO

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
FOR THE LAST FIVE FISCAL YEARS ^{(A)(C)}
(dollars in thousands)

	2022	2021	2020	2019	2018
Actuarially Determined Contribution.....	\$ 15,435	\$ 17,304	\$ 15,228	\$ 22,105	\$ 30,774
Actual Employer Contributions Received.....	-	-	-	4,623	4,640
Difference.....	\$ 15,435	\$ 17,304	\$ 15,228	\$ 17,482	\$ 26,134
Covered Payroll..... ^(B)	\$ 111,621	\$ 117,996	\$ 118,370	\$ 116,010	\$ 112,705
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	0.00%	0.00%	0.00%	3.99%	4.12%

Notes:

- (A) This table will present ten years of information as it becomes available.
- (B) Covered payroll includes Deferred Retirement Option Program (DROP) employees.
- (C) State Highway Patrol Retirement System reports on a December 31 calendar yearend, but is included in the State's fiscal yearend of June 30. Year reflected is now fiscal year instead of calendar year (ex. CY 2017 is reflected as FY 2018, etc.).

Actuarial Assumptions	
Valuation Date	December 31, 2020, projected to December 31, 2021
Notes	Actuarially determined contribution amounts for the measurement period ending on December 31, 2021 are calculated as of December 31, 2019 (for the period beginning July 1, 2020 and ending on December 31, 2020) and December 31, 2020 (for the period beginning January 1, 2021 and ending on December 31, 2021). The actuarial assumptions and methods as of December 31, 2020 were used to determine the actuarially determined Employer contribution amounts reported for the second half of the fiscal year ending on December 31, 2020.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay over open period
Remaining Amortization Period	30 years
Asset Valuation Method	Four-year smoothed market with a 20 percent Corridor
Inflation	3.5 percent wage inflation; 2.5 percent price inflation
Salary Increases	3.8 percent to 13.5 percent, includes wage inflation of 3.5 percent
Investment Rate of Return	7.25 percent
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	Healthy Active Lives: PubS-2010 (amount-weighted) employee tables. Retiree/Vested Terminated Lives: PubS-2010 (amount-weighted) healthy retiree tables adjusted by 94 percent. Contingent Survivor Lives: PubS-2010 (amount-weighted, above-median) contingent survivor tables adjusted by 105 percent. Disabled Lives: PubS-2010 (amount-weighted) disabled retiree tables. Mortality assumptions for all participants are sex distinct with mortality improvement projected five years beyond the valuation date using scale MP-2020 and a base year of 2010.



STATE OF OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	GENERAL			VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
REVENUES:				
Income Taxes.....	\$ 9,381,813	\$ 9,381,813	\$ 11,234,779	\$ 1,852,966
Sales Taxes.....	12,596,009	12,596,009	13,310,772	714,763
Corporate and Public Utility Taxes.....	3,171,975	3,171,975	3,367,750	195,775
Motor Vehicle Fuel Taxes.....	1,427,944	1,427,944	1,427,944	—
Cigarette Taxes.....	905,200	905,200	884,587	(20,613)
Other Taxes.....	810,210	810,210	805,764	(4,446)
Licenses, Permits and Fees.....	1,354,150	1,354,150	1,383,669	29,519
Sales, Services and Charges.....	278,080	278,080	296,033	17,953
Federal Government.....	10,692,690	10,692,690	11,975,120	1,282,430
Tobacco Settlement.....	1,835	1,835	1,896	61
Investment Income.....	61,105	61,105	78,896	17,791
Other.....	2,895,283	2,895,283	3,175,293	280,010
TOTAL REVENUES.....	43,576,294	43,576,294	47,942,503	4,366,209
BUDGETARY EXPENDITURES:				
CURRENT OPERATING:				
Primary, Secondary and Other Education.....	10,351,954	10,356,890	10,248,420	108,470
Higher Education Support.....	3,318,902	3,319,603	2,859,172	460,431
Public Assistance and Medicaid.....	18,687,648	20,096,148	18,862,914	1,233,234
Health and Human Services.....	1,054,765	1,081,537	992,011	89,526
Justice and Public Protection.....	3,971,262	4,061,542	3,919,219	142,323
Environmental Protection and Natural Resources.....	246,170	247,967	229,782	18,185
Transportation.....	142,174	252,194	131,977	120,217
General Government.....	2,618,562	2,802,432	2,520,662	281,770
Community and Economic Development.....	4,659,399	5,590,916	3,766,888	1,824,028
CAPITAL OUTLAY.....	—	—	—	—
DEBT SERVICE.....	1,536,330	1,545,830	1,474,769	71,061
TOTAL BUDGETARY EXPENDITURES.....	46,587,166	49,355,059	45,005,814	4,349,245
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....	(3,010,872)	(5,778,765)	2,936,689	8,715,454
OTHER FINANCING SOURCES (USES):				
Bonds, Notes, and COPs Issued.....	225,000	225,000	225,000	—
Transfers-in.....	3,723,657	3,723,657	3,166,783	(556,874)
Transfers-out.....	(4,113,748)	(4,113,748)	(3,948,497)	165,251
TOTAL OTHER FINANCING SOURCES (USES).....	(165,091)	(165,091)	(556,714)	(391,623)
NET CHANGE IN FUND BALANCES.....	\$ (3,175,963)	\$ (5,943,856)	2,379,975	\$ 8,323,831
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated).....			9,659,064	
Outstanding Encumbrances at Beginning of Fiscal Year.....			1,361,543	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....			\$ 13,400,582	

JOB, FAMILY AND OTHER HUMAN SERVICES				PANDEMIC RELIEF FUNDS			
BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
ORIGINAL	FINAL		POSITIVE/ (NEGATIVE)	ORIGINAL	FINAL		POSITIVE/ (NEGATIVE)
		\$ —				\$ —	
		—				—	
		—				—	
		—				—	
		1,242				—	
		3,004,167				—	
		129,719				—	
		13,040,574				3,106,184	
		—				—	
		5,352				15,021	
		2,293,193				2,747	
		<u>18,474,247</u>				<u>3,123,952</u>	
\$ —	\$ —	—	\$ —	\$ —	\$ 21,702	13,524	\$ 8,178
—	—	—	—	—	—	—	—
20,061,739	20,638,936	19,666,495	972,441	16,906	16,906	12,000	4,906
412,895	439,505	374,520	64,985	154,473	248,218	224,056	24,162
64,803	65,290	60,573	4,717	310,134	320,521	41,142	279,379
—	—	—	—	3,069	51,569	51,541	28
—	—	—	—	—	—	—	—
2,988	2,988	2,960	28	446,517	2,616,906	2,178,809	438,097
—	—	—	—	1,134,930	2,391,784	983,750	1,408,034
37,289	37,289	16,860	20,429	—	—	—	—
—	—	—	—	—	—	—	—
<u>\$ 20,579,714</u>	<u>\$ 21,184,008</u>	<u>20,121,408</u>	<u>\$ 1,062,600</u>	<u>\$ 2,066,029</u>	<u>\$ 5,667,606</u>	<u>3,504,822</u>	<u>\$ 2,162,784</u>
		<u>(1,647,161)</u>				<u>(380,870)</u>	
		—				—	
		5,231				19	
		<u>(9,954)</u>				—	
		<u>(4,723)</u>				<u>19</u>	
		<u>(1,651,884)</u>				<u>(380,851)</u>	
		(601,402)				3,582,704	
		<u>1,484,471</u>				<u>907,529</u>	
		<u>\$ (768,815)</u>				<u>\$ 4,109,382</u>	



Note: GAAP versus NON-GAAP BUDGETARY BASIS

In the accompanying *Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — General Fund and Major Special Revenue Fund*, actual revenues, transfers-in, expenditures, encumbrances, and transfers-out reported on the non-GAAP budgetary basis do not equal those reported on the GAAP basis in the *Statement of Revenues, Expenditures and Changes in Fund Balances — Major Governmental Funds*.

This inequality results primarily from basis differences in the recognition of accruals, deferred resources, interfund transactions, and loan transactions, and from timing differences in the budgetary basis of accounting for encumbrances. On the non-GAAP budgetary basis, the State recognizes encumbrances as expenditures in the year encumbered, while on the modified accrual basis, the State recognizes expenditures when goods or services are received regardless of the year encumbered.

Original Budget amounts in the accompanying budgetary schedules have been taken from the first complete appropriated budget for fiscal year 2022. An appropriated budget is the expenditure authority created by appropriation bills that are signed into law and related estimated revenues. The original budget also includes actual appropriation amounts automatically carried over from prior years by law, including the automatic rolling forward of appropriations to cover prior-year encumbrances.

Final Budget amounts represent original appropriations modified by authorized transfers, supplemental and amended appropriations, and other legally authorized legislative and executive changes applicable to fiscal year 2022, whenever signed into law or otherwise legally authorized.

For fiscal year 2022, no excess expenditures over appropriations were reported in individual funds.

A reconciliation of the fund balances reported under the GAAP basis and budgetary basis for the General Fund and the major special revenue funds is presented on the following page.



Note: GAAP versus NON-GAAP BUDGETARY BASIS (Continued)

Primary Government
Reconciliation of GAAP Basis Fund Balances to Non-GAAP Budgetary Basis Fund Balances
For the General Fund and Major Special Revenue Funds
As of June 30, 2022
(dollars in thousands)

	General	Job, Family & Other Human Services	Pandemic Relief Funds
Total Fund Balances — GAAP Basis	\$ 15,642,901	\$ 1,319,233	\$ 29,854
Less: Nonspendable Fund Balances.....	37,680	-	29,854
Less: Restricted Fund Balances.....	1,410,363	142,063	-
Less: Committed Fund Balances.....	863,606	1,177,170	-
Less: Assigned Fund Balances.....	6,437,294	-	-
Unassigned Fund Balances — GAAP Basis	<u>6,893,958</u>	<u>-</u>	<u>-</u>
BASIS DIFFERENCES			
Revenue Accruals/Adjustments:			
Cash Equity with Treasurer	428,319	79,375	-
Taxes Receivable	(1,799,427)	-	-
Intergovernmental Receivable	(356,593)	(226,368)	-
Loans Receivable, Net	(1,269,338)	-	-
Other Receivables	(376,364)	(899,870)	-
Unearned Revenue	-	917,229	4,223,350
Total Revenue Accruals/Adjustments	<u>(3,373,403)</u>	<u>(129,634)</u>	<u>4,223,350</u>
Expenditure Accruals/Adjustments:			
Cash Equity with Treasurer	(397,835)	(4,001)	(100)
Inventories	(19,575)	-	(29,854)
Other Assets	(41)	-	-
Accounts Payable	284,175	154,107	448,417
Accrued Liabilities	229,872	31,938	394
Medicaid Claims Payable	474,970	-	-
Intergovernmental Payable	1,454,277	124,590	-
Interfund Payable	400,606	9,344	754
Payable to Component Units	16,278	2,114	-
Refund and Other Liabilities	1,508,476	3,338	-
Liability for Escheat Property	325,270	-	-
Total Expenditure Accruals/Adjustments	<u>4,276,473</u>	<u>321,430</u>	<u>419,611</u>
Deferred Inflows of Resources.....	907,502	78,562	-
Other Adjustments:			
Fund Balance Reclassifications:			
From Unassigned (Non-GAAP Budgetary Basis) to:			
Nonspendable	37,680	-	29,854
Restricted.....	1,410,363	142,063	-
Committed	863,606	1,177,170	-
Assigned.....	6,437,294	-	-
Cash and Investments Held Outside State Treasury	(2,183,052)	(3,430)	-
Total Other Adjustments	<u>6,565,891</u>	<u>1,315,803</u>	<u>29,854</u>
Total Basis Differences	<u>8,376,463</u>	<u>1,586,161</u>	<u>4,672,815</u>
TIMING DIFFERENCES			
Encumbrances	(1,869,839)	(2,354,976)	(563,433)
Budgetary Fund Balances (Deficits) — Non-GAAP Basis ..	<u>\$ 13,400,582</u>	<u>\$ (768,815)</u>	<u>\$ 4,109,382</u>

Financial Section

Combining Financial Statements and Schedules



Cuyahoga Valley National Park
Cleveland, Ohio

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

Debt Service Funds

The Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Capital Projects Funds

The Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022
(dollars in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
ASSETS:			
Cash Equity with Treasurer.....	\$ 4,832,683	\$ 226	\$ 518,472
Cash and Cash Equivalents.....	56,989	525	—
Investments.....	16,562	5,390	32,638
Collateral on Lent Securities.....	879,873	41	94,399
Taxes Receivable	180,496	—	—
Intergovernmental Receivable.....	660,524	—	—
Loans Receivable, Net	218,634	—	—
Receivable from Component Units.....	6,262	—	—
Other Receivables	11,244	—	—
Inventories	183,214	—	—
TOTAL ASSETS	\$ 7,046,481	\$ 6,182	\$ 645,509
LIABILITIES:			
Accounts Payable	\$ 406,972	\$ —	\$ 35,702
Accrued Liabilities.....	85,804	—	—
Medicaid Claims Payable.....	256,147	—	—
Obligations Under Securities Lending.....	879,873	41	94,399
Intergovernmental Payable.....	361,039	—	—
Interfund Payable.....	84,801	—	—
Payable to Component Units.....	3,186	—	—
Unearned Revenue.....	155,536	—	—
TOTAL LIABILITIES.....	2,233,358	41	130,101
DEFERRED INFLOWS OF RESOURCES.....	28,168	—	—
FUND BALANCES (DEFICITS):			
Nonspendable.....	183,214	—	—
Restricted.....	3,437,830	6,141	515,408
Committed.....	1,164,585	—	—
Unassigned.....	(674)	—	—
TOTAL FUND BALANCES (DEFICITS).....	4,784,955	6,141	515,408
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,046,481	\$ 6,182	\$ 645,509

TOTAL

\$ 5,351,381
57,514
54,590
974,313
180,496
660,524
218,634
6,262
11,244
183,214
\$ 7,698,172

\$ 442,674
85,804
256,147
974,313
361,039
84,801
3,186
155,536
2,363,500
28,168

183,214
3,959,379
1,164,585
(674)
5,306,504

\$ 7,698,172

STATE OF OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
REVENUES:			
Corporate and Public Utility Taxes.....	\$ 84,311	\$ —	\$ —
Motor Vehicle Fuel Taxes.....	1,184,861	—	—
Other Taxes.....	396,376	—	—
Licenses, Permits and Fees.....	805,826	—	—
Sales, Services and Charges.....	29,936	—	—
Federal Government.....	10,367,984	—	—
Investment Income (Loss).....	13,276	356	3,035
Other.....	941,153	—	1,313
TOTAL REVENUES.....	<u>13,823,723</u>	<u>356</u>	<u>4,348</u>
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education.....	5,752,095	—	—
Higher Education Support.....	45,104	—	—
Public Assistance and Medicaid.....	2,639,788	—	—
Health and Human Services.....	1,354,853	—	—
Justice and Public Protection.....	450,877	—	—
Environmental Protection and Natural Resources.....	446,834	—	—
Transportation.....	2,786,595	—	—
General Government.....	432,941	—	—
Community and Economic Development.....	905,428	—	—
CAPITAL OUTLAY.....	16,687	—	472,942
DEBT SERVICE.....	—	1,783,735	—
TOTAL EXPENDITURES.....	<u>14,831,202</u>	<u>1,783,735</u>	<u>472,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	<u>(1,007,479)</u>	<u>(1,783,379)</u>	<u>(468,594)</u>
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....	—	333	252,812
Refunding Bonds and COPs Issued.....	—	158,455	—
Payment to Refunded Bond and COPs Escrow Agents.....	—	(199,411)	—
Premiums/Discounts.....	—	44,739	31,027
Transfers-in.....	2,316,683	1,777,547	4
Transfers-out.....	(427,969)	—	—
TOTAL OTHER FINANCING SOURCES (USES).....	<u>1,888,714</u>	<u>1,781,663</u>	<u>283,843</u>
NET CHANGE IN FUND BALANCES.....	881,235	(1,716)	(184,751)
FUND BALANCES (DEFICITS), July 1 (as restated).....	3,904,091	7,857	700,159
Increase (Decrease) for Changes in Inventories.....	(371)	—	—
FUND BALANCES (DEFICITS), JUNE 30.....	<u>\$ 4,784,955</u>	<u>\$ 6,141</u>	<u>\$ 515,408</u>

TOTAL

\$ 84,311
1,184,861
396,376
805,826
29,936
10,367,984
16,667
942,466
13,828,427

5,752,095
45,104
2,639,788
1,354,853
450,877
446,834
2,786,595
432,941
905,428
489,629
1,783,735
17,087,879

(3,259,452)

253,145
158,455
(199,411)
75,766
4,094,234
(427,969)
3,954,220

694,768

4,612,107
(371)

\$ 5,306,504

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

Education Fund

The Education Fund accounts for programs administered by the Department of Education, the Department of Higher Education, and other various state agencies, which prescribe the State's minimum educational requirements and which provide funding and assistance to local school districts for basic instruction and vocation and technical job training, and to the State's colleges and universities for post-secondary education.

Highway Operating Fund

The Highway Operating Fund accounts for programs administered by the Department of Transportation, which is responsible for the planning and design, construction, and maintenance of Ohio's highways, roads, and bridges and for Ohio's public transportation programs.

Community and Economic Development Fund

The Community and Economic Development Fund accounts for programs administered by the Development Services Agency and other various state agencies, which were created to assure the efficient use of resources for the State's community and economic growth and development.

Health Fund

The Health Fund accounts for public health programs primarily administered by the Department of Health, which promotes the prevention and treatment of diseases and illnesses through technical assistance, health education, and research.

Mental Health and Developmental Disabilities Fund

The Mental Health and Developmental Disabilities Fund accounts for mental health care and developmental disabilities programs primarily administered by the Department of Mental Health and Addiction Services and the Department of Developmental Disabilities, which provide assistance, services, and medical care to those individuals with mental health and developmental disability problems.

Highway Safety Fund

The Highway Safety Fund accounts for public safety programs primarily administered by the Department of Public Safety, which enforces traffic-related laws for the purpose of reducing accidents, deaths, injuries, and property damages on Ohio's highways.

Natural Resources Fund

The Natural Resources Fund accounts for environmental programs administered by the Department of Natural Resources, the Environmental Protection Agency, and other various state agencies, which promote, protect, and manage the State's natural resources and environment.

Wildlife and Waterways Safety Fund

The Wildlife and Waterways Safety Fund accounts for programs administered by the Department of Natural Resources' Divisions of Wildlife and Watercraft, which promote, protect, and manage the State's wildlife and waterways and which provide technical assistance and education to the public.

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022
(dollars in thousands)

	EDUCATION	HIGHWAY OPERATING	COMMUNITY AND ECONOMIC DEVELOPMENT
ASSETS:			
Cash Equity with Treasurer.....	\$ 295,090	\$ 1,913,947	\$ 1,144,031
Cash and Cash Equivalents.....	—	600	45,963
Investments.....	—	—	3,982
Collateral on Lent Securities.....	53,726	348,468	208,289
Taxes Receivable	—	149,546	26,424
Intergovernmental Receivable.....	157,841	161,246	26,704
Loans Receivable, Net	—	133,072	85,562
Receivable from Component Units.....	—	6,262	—
Other Receivables	—	7,709	—
Inventories	8,130	72,582	1,419
TOTAL ASSETS	\$ 514,787	\$ 2,793,432	\$ 1,542,374
LIABILITIES:			
Accounts Payable	\$ 8,155	\$ 273,907	\$ 66,420
Accrued Liabilities.....	2,821	36,777	11,556
Medicaid Claims Payable.....	—	—	—
Obligations Under Securities Lending.....	53,726	348,468	208,289
Intergovernmental Payable.....	149,879	—	121,782
Interfund Payable.....	1,501	45,863	3,498
Payable to Component Units.....	352	340	562
Unearned Revenue.....	13,757	—	22,695
TOTAL LIABILITIES.....	230,191	705,355	434,802
DEFERRED INFLOWS OF RESOURCES.....	—	6,556	—
FUND BALANCES (DEFICITS):			
Nonspendable.....	8,130	72,582	1,419
Restricted.....	99,322	2,007,706	548,631
Committed.....	177,144	1,233	557,522
Unassigned.....	—	—	—
TOTAL FUND BALANCES (DEFICITS).....	284,596	2,081,521	1,107,572
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 514,787	\$ 2,793,432	\$ 1,542,374

HEALTH	MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES	HIGHWAY SAFETY	NATURAL RESOURCES	WILDLIFE AND WATERWAYS SAFETY	TOTAL
\$ 125,657	\$ 623,653	\$ 62,310	\$ 593,884	\$ 74,111	\$ 4,832,683
—	—	—	10,426	—	56,989
—	—	—	12,580	—	16,562
22,878	113,547	11,345	108,127	13,493	879,873
62	—	—	—	4,464	180,496
52,427	262,306	—	—	—	660,524
—	—	—	—	—	218,634
—	—	—	—	—	6,262
33	—	—	3,502	—	11,244
101,083	—	—	—	—	183,214
\$ 302,140	\$ 999,506	\$ 73,655	\$ 728,519	\$ 92,068	\$ 7,046,481
\$ 28,195	\$ 14,989	\$ 1,474	\$ 8,978	\$ 4,854	\$ 406,972
6,094	8,847	2,994	12,093	4,622	85,804
—	256,147	—	—	—	256,147
22,878	113,547	11,345	108,127	13,493	879,873
29,391	59,987	—	—	—	361,039
1,994	19,422	2,285	4,288	5,950	84,801
1,368	276	2	52	234	3,186
3,991	105,405	—	9,688	—	155,536
93,911	578,620	18,100	143,226	29,153	2,233,358
—	21,612	—	—	—	28,168
101,083	—	—	—	—	183,214
86,583	311,541	7,071	364,930	12,046	3,437,830
20,563	88,407	48,484	220,363	50,869	1,164,585
—	(674)	—	—	—	(674)
208,229	399,274	55,555	585,293	62,915	4,784,955
\$ 302,140	\$ 999,506	\$ 73,655	\$ 728,519	\$ 92,068	\$ 7,046,481

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	EDUCATION	HIGHWAY OPERATING	COMMUNITY AND ECONOMIC DEVELOPMENT
REVENUES:			
Corporate and Public Utility Taxes.....	\$ —	\$ —	\$ 84,311
Motor Vehicle Fuel Taxes.....	—	1,151,647	7,200
Other Taxes.....	—	—	328,746
Licenses, Permits and Fees.....	309	57,834	443,707
Sales, Services and Charges.....	—	231	14,485
Federal Government.....	4,427,295	1,451,000	829,647
Investment Income.....	1,782	9,083	1,257
Other.....	4,177	185,896	163,421
TOTAL REVENUES.....	4,433,563	2,855,691	1,872,774
EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education.....	5,751,840	—	255
Higher Education Support.....	37,174	—	7,930
Public Assistance and Medicaid.....	157	—	—
Health and Human Services.....	3,693	—	—
Justice and Public Protection.....	6,607	—	367,802
Environmental Protection and Natural Resources.....	—	—	445
Transportation.....	—	2,784,586	2,009
General Government.....	257	—	427,270
Community and Economic Development.....	—	—	893,688
CAPITAL OUTLAY.....	—	—	8,406
TOTAL EXPENDITURES.....	5,799,728	2,784,586	1,707,805
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,366,165)	71,105	164,969
OTHER FINANCING SOURCES (USES):			
Transfers-in.....	1,413,658	541,518	300,964
Transfers-out.....	(2,243)	(322,008)	(103,626)
TOTAL OTHER FINANCING SOURCES (USES).....	1,411,415	219,510	197,338
NET CHANGE IN FUND BALANCES.....	45,250	290,615	362,307
FUND BALANCES (DEFICITS), July 1 (as restated).....	239,346	1,786,580	745,265
Increase (Decrease) for Changes in Inventories.....	—	4,326	—
FUND BALANCES (DEFICITS), JUNE 30.....	\$ 284,596	\$ 2,081,521	\$ 1,107,572

<u>HEALTH</u>	<u>MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES</u>	<u>HIGHWAY SAFETY</u>	<u>NATURAL RESOURCES</u>	<u>WILDLIFE AND WATERWAYS SAFETY</u>	<u>TOTAL</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 84,311
—	—	—	—	26,014	1,184,861
6,629	—	—	61,001	—	396,376
22,744	67,112	12,895	148,231	52,994	805,826
—	650	4,313	9,575	682	29,936
1,041,637	2,509,431	27,048	60,435	21,491	10,367,984
130	—	279	394	351	13,276
56,512	361,388	28,938	137,016	3,805	941,153
<u>1,127,652</u>	<u>2,938,581</u>	<u>73,473</u>	<u>416,652</u>	<u>105,337</u>	<u>13,823,723</u>
—	—	—	—	—	5,752,095
—	—	—	—	—	45,104
30,721	2,608,910	—	—	—	2,639,788
1,096,121	254,891	148	—	—	1,354,853
5,654	—	70,589	225	—	450,877
—	—	—	305,318	141,071	446,834
—	—	—	—	—	2,786,595
1,015	—	—	4,399	—	432,941
3,393	—	—	8,347	—	905,428
—	—	—	—	8,281	16,687
<u>1,136,904</u>	<u>2,863,801</u>	<u>70,737</u>	<u>318,289</u>	<u>149,352</u>	<u>14,831,202</u>
<u>(9,252)</u>	<u>74,780</u>	<u>2,736</u>	<u>98,363</u>	<u>(44,015)</u>	<u>(1,007,479)</u>
7,240	7,930	1,447	14,417	29,509	2,316,683
(92)	—	—	—	—	(427,969)
<u>7,148</u>	<u>7,930</u>	<u>1,447</u>	<u>14,417</u>	<u>29,509</u>	<u>1,888,714</u>
<u>(2,104)</u>	<u>82,710</u>	<u>4,183</u>	<u>112,780</u>	<u>(14,506)</u>	<u>881,235</u>
215,030	316,564	51,372	472,513	77,421	3,904,091
(4,697)	—	—	—	—	(371)
<u>\$ 208,229</u>	<u>\$ 399,274</u>	<u>\$ 55,555</u>	<u>\$ 585,293</u>	<u>\$ 62,915</u>	<u>\$ 4,784,955</u>

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (dollars in thousands)

	EDUCATION		
	<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET</u>
	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE)</u>
REVENUES:			
Corporate and Public Utility Taxes.....		\$ —	
Motor Vehicle Fuel Taxes.....		—	
Other Taxes.....		—	
Licenses, Permits and Fees.....		309	
Sales, Services and Charges.....		—	
Federal Government.....		4,436,091	
Investment Income.....		1,782	
Other.....		13,780	
TOTAL REVENUES.....		4,451,962	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education.....	\$ 7,562,339	5,799,735	\$ 1,762,604
Higher Education Support.....	72,952	66,783	6,169
Public Assistance and Medicaid.....	4,426	165	4,261
Health and Human Services.....	4,564	4,157	407
Justice and Public Protection.....	17,435	11,726	5,709
Environmental Protection and Natural Resources.....	—	—	—
Transportation.....	—	—	—
General Government.....	282	252	30
Community and Economic Development.....	—	—	—
CAPITAL OUTLAY.....	—	—	—
DEBT SERVICE.....	—	—	—
TOTAL BUDGETARY EXPENDITURES.....	\$ 7,661,998	5,882,818	\$ 1,779,180
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(1,430,856)	
OTHER FINANCING SOURCES (USES):			
Transfers-in.....		1,499,721	
Transfers-out.....		(88,243)	
TOTAL OTHER FINANCING SOURCES (USES).....		1,411,478	
NET CHANGE IN FUND BALANCES.....		(19,378)	
BUDGETARY FUND BALANCES			
(DEFICITS), JULY 1 (as restated).....		211,519	
Outstanding Encumbrances at Beginning of Fiscal Year....		39,900	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....		\$ 232,041	

<u>HIGHWAY OPERATING</u>			<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>		
		<u>VARIANCE WITH FINAL BUDGET</u>			<u>VARIANCE WITH FINAL BUDGET</u>
<u>BUDGET</u>		<u>POSITIVE/ (NEGATIVE)</u>	<u>BUDGET</u>		<u>POSITIVE/ (NEGATIVE)</u>
<u>FINAL</u>	<u>ACTUAL</u>		<u>FINAL</u>	<u>ACTUAL</u>	
	\$ —			\$ 75,887	
	1,165,391			7,200	
	—			331,410	
	57,834			425,497	
	188			21,810	
	1,426,139			838,166	
	9,083			1,257	
	260,318			195,025	
	<u>2,918,953</u>			<u>1,896,252</u>	
\$ —	—	\$ —	\$ 6,357	5,967	\$ 390
—	—	—	8,000	7,930	70
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	662,015	571,433	90,582
—	—	—	660	441	219
7,446,104	5,865,257	1,580,847	9,108	6,561	2,547
—	—	—	468,767	445,621	23,146
—	—	—	2,107,314	1,712,690	394,624
—	—	—	44,138	12,222	31,916
153,829	149,133	4,696	342	342	—
<u>\$ 7,599,933</u>	<u>6,014,390</u>	<u>\$ 1,585,543</u>	<u>\$ 3,306,701</u>	<u>2,763,207</u>	<u>\$ 543,494</u>
	<u>(3,095,437)</u>			<u>(866,955)</u>	
	541,518			328,766	
	(172,875)			(130,732)	
	<u>368,643</u>			<u>198,034</u>	
	<u>(2,726,794)</u>			<u>(668,921)</u>	
	(876,891)			45,602	
	<u>2,428,637</u>			<u>795,030</u>	
	<u>\$ (1,175,048)</u>			<u>\$ 171,711</u>	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

(continued)

	HEALTH		
	<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)</u>
	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:			
Corporate and Public Utility Taxes.....		\$ —	
Motor Vehicle Fuel Taxes.....		—	
Other Taxes.....		6,684	
Licenses, Permits and Fees.....		22,932	
Sales, Services and Charges.....		—	
Federal Government.....		828,781	
Investment Income.....		130	
Other.....		104,601	
TOTAL REVENUES.....		963,128	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education.....	\$ —	—	\$ —
Higher Education Support.....	—	—	—
Public Assistance and Medicaid.....	46,294	37,495	8,799
Health and Human Services.....	1,710,290	1,224,117	486,173
Justice and Public Protection.....	11,419	9,009	2,410
Environmental Protection and Natural Resources.....	—	—	—
Transportation.....	—	—	—
General Government.....	1,420	1,155	265
Community and Economic Development.....	8,334	6,797	1,537
CAPITAL OUTLAY.....	—	—	—
DEBT SERVICE.....	—	—	—
TOTAL BUDGETARY EXPENDITURES.....	\$ 1,777,757	1,278,573	\$ 499,184
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(315,445)	
OTHER FINANCING SOURCES (USES):			
Transfers-in.....		7,240	
Transfers-out.....		(93)	
TOTAL OTHER FINANCING SOURCES (USES).....		7,147	
NET CHANGE IN FUND BALANCES.....		(308,298)	
BUDGETARY FUND BALANCES			
(DEFICITS), JULY 1 (as restated).....		(173,907)	
Outstanding Encumbrances at Beginning of Fiscal Year....		294,172	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....		\$ (188,033)	

<u>MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES</u>			<u>HIGHWAY SAFETY</u>		
<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET</u>	<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET</u>
<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE)</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE)</u>
	\$ —			\$ —	
	—			—	
	—			—	
	67,401			12,894	
	650			4,307	
	2,536,404			27,048	
	—			279	
	422,619			29,866	
	<u>3,027,074</u>			<u>74,394</u>	
\$ —	—	\$ —	\$ —	—	\$ —
—	—	—	—	—	—
3,495,049	3,155,453	339,596	—	—	—
406,570	357,264	49,306	200	148	52
—	—	—	138,643	100,468	38,175
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 3,901,619</u>	<u>3,512,717</u>	<u>\$ 388,902</u>	<u>\$ 138,843</u>	<u>100,616</u>	<u>\$ 38,227</u>
	<u>(485,643)</u>			<u>(26,222)</u>	
	7,930			1,447	
	—			—	
	<u>7,930</u>			<u>1,447</u>	
	<u>(477,713)</u>			<u>(24,775)</u>	
	86,077			30,312	
	379,858			27,450	
	<u>\$ (11,778)</u>			<u>\$ 32,987</u>	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

(continued)

	NATURAL RESOURCES		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Corporate and Public Utility Taxes.....		\$ —	
Motor Vehicle Fuel Taxes.....		—	
Other Taxes.....		61,026	
Licenses, Permits and Fees.....		145,887	
Sales, Services and Charges.....		9,797	
Federal Government.....		60,791	
Investment Income.....		394	
Other.....		129,494	
TOTAL REVENUES.....		407,389	
BUDGETARY EXPENDITURES:			
CURRENT OPERATING:			
Primary, Secondary and Other Education.....	\$ —	—	\$ —
Higher Education Support.....	—	—	—
Public Assistance and Medicaid.....	—	—	—
Health and Human Services.....	—	—	—
Justice and Public Protection.....	338	227	111
Environmental Protection and Natural Resources.....	505,362	430,945	74,417
Transportation.....	—	—	—
General Government.....	5,758	4,626	1,132
Community and Economic Development.....	9,430	9,201	229
CAPITAL OUTLAY.....	10	10	—
DEBT SERVICE.....	—	—	—
TOTAL BUDGETARY EXPENDITURES.....	\$ 520,898	445,009	\$ 75,889
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(37,620)	
OTHER FINANCING SOURCES (USES):			
Transfers-in.....		18,813	
Transfers-out.....		(4,396)	
TOTAL OTHER FINANCING SOURCES (USES).....		14,417	
NET CHANGE IN FUND BALANCES.....		(23,203)	
BUDGETARY FUND BALANCES			
(DEFICITS), JULY 1 (as restated).....		379,897	
Outstanding Encumbrances at Beginning of Fiscal Year....		99,260	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....		\$ 455,954	

<u>WILDLIFE AND WATERWAYS SAFETY</u>			<u>TOTAL</u>		
		<u>VARIANCE WITH FINAL BUDGET</u>			<u>VARIANCE WITH FINAL BUDGET</u>
<u>BUDGET</u>		<u>POSITIVE/ (NEGATIVE)</u>	<u>BUDGET</u>		<u>POSITIVE/ (NEGATIVE)</u>
<u>FINAL</u>	<u>ACTUAL</u>		<u>FINAL</u>	<u>ACTUAL</u>	
	\$ —			\$ 75,887	
	26,131			1,198,722	
	—			399,120	
	51,613			784,367	
	1,293			38,045	
	21,491			10,174,911	
	351			13,276	
	5,143			1,160,846	
	<u>106,022</u>			<u>13,845,174</u>	
\$ —	—	\$ —	\$ 7,568,696	5,805,702	\$ 1,762,994
—	—	—	80,952	74,713	6,239
—	—	—	3,545,769	3,193,113	352,656
—	—	—	2,121,624	1,585,686	535,938
—	—	—	829,850	692,863	136,987
177,530	169,040	8,490	683,552	600,426	83,126
—	—	—	7,455,212	5,871,818	1,583,394
—	—	—	476,227	451,654	24,573
—	—	—	2,125,078	1,728,688	396,390
37,758	18,811	18,947	81,906	31,043	50,863
—	—	—	154,171	149,475	4,696
<u>\$ 215,288</u>	<u>187,851</u>	<u>\$ 27,437</u>	<u>\$ 25,123,037</u>	<u>20,185,181</u>	<u>\$ 4,937,856</u>
	<u>(81,829)</u>			<u>(6,340,007)</u>	
	29,509			2,434,944	
	—			(396,339)	
	<u>29,509</u>			<u>2,038,605</u>	
	<u>(52,320)</u>			<u>(4,301,402)</u>	
	50,127			(247,264)	
	<u>34,325</u>			<u>4,098,632</u>	
	<u>\$ 32,132</u>			<u>\$ (450,034)</u>	

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

General Obligation Bonds Fund

The General Obligation Fund accounts for the payment of principal and interest on general obligation bonds that have been authorized, under the Ohio Constitution, to finance state capital projects, improvements, or compensation for Coal Research and Development, Local Infrastructure Improvements, State Projects, Highway Capital Improvements, Higher Education Capital Facilities, Common Schools Capital Facilities, Conservation Projects, Third Frontier Research and Development, Job Ready Site Development, and Persian Gulf Conflict Compensation.

Infrastructure Bank Revenue Bonds Fund

The Infrastructure Bank Revenue Bonds Fund accounts for the payment of principal and interest on revenue bonds issued to finance various highway construction projects sponsored by the Department of Transportation.

Lease Rental Special Obligation Bonds Fund

The Lease Rental Special Obligation Fund accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of higher education facilities, mental health facilities, parks and recreation projects and facilities, and Ohio Facilities Construction Commission projects.

Certificates of Participation Fund

The Certificates of Participation Fund accounts for the payment of certificate of participation-related obligations that finance some of the State's capital projects including the Multi Agency Radio Communications (MARCS), Ohio Administrative Knowledge System (OAKS), the State's Taxation Accounting and Revenue System (STARS), the Treasury Management System (TMS), the Enterprise Data Center Solutions (EDCS), the Bureau of Criminal Investigation Records System (BCIRS), the Unemployment Insurance System (UIS), the Voters System Acquisition (VSA) project, and the Debt Collection System (DCS).

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2022
(dollars in thousands)

	GENERAL OBLIGATION BONDS	INFRASTRUCTURE BANK REVENUE BONDS	LEASE RENTAL SPECIAL OBLIGATION BONDS
ASSETS:			
Cash Equity with Treasurer.....	\$ 226	\$ —	\$ —
Cash and Cash Equivalents.....	—	—	525
Investments.....	—	5,323	—
Collateral on Lent Securities.....	41	—	—
TOTAL ASSETS	\$ 267	\$ 5,323	\$ 525
LIABILITIES:			
Obligations Under Securities Lending.....	\$ 41	\$ —	\$ —
TOTAL LIABILITIES	41	—	—
FUND BALANCES (DEFICITS):			
Restricted.....	226	5,323	525
TOTAL FUND BALANCES (DEFICITS)	226	5,323	525
TOTAL LIABILITIES AND FUND BALANCES	\$ 267	\$ 5,323	\$ 525

<u>CERTIFICATES OF PARTICIPATION</u>	<u>TOTAL</u>
\$ —	\$ 226
—	525
67	5,390
—	41
<u>\$ 67</u>	<u>\$ 6,182</u>
\$ —	\$ 41
—	41
67	6,141
67	6,141
<u>\$ 67</u>	<u>\$ 6,182</u>

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	GENERAL OBLIGATION BONDS	INFRASTRUCTURE BANK REVENUE BONDS	LEASE RENTAL SPECIAL OBLIGATION BONDS
REVENUES:			
Investment Income.....	\$ 325	\$ 31	\$ —
TOTAL REVENUES.....	325	31	—
EXPENDITURES:			
CURRENT OPERATING:			
DEBT SERVICE.....	1,291,192	133,610	318,445
TOTAL EXPENDITURES.....	1,291,192	133,610	318,445
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,290,867)	(133,579)	(318,445)
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....	—	—	333
Refunding Bonds and COPs Issued.....	148,035	—	10,420
Payment to Refunded Bond and COPs Escrow Agents.....	(187,264)	—	(12,147)
Premiums/Discounts.....	41,647	—	2,859
Transfers-in.....	1,288,456	132,597	317,153
TOTAL OTHER FINANCING SOURCES (USES).....	1,290,874	132,597	318,618
NET CHANGE IN FUND BALANCES.....	7	(982)	173
FUND BALANCES (DEFICITS), July 1.....	219	6,305	352
FUND BALANCES (DEFICITS), JUNE 30.....	\$ 226	\$ 5,323	\$ 525

<u>CERTIFICATES OF PARTICIPATION</u>	<u>TOTAL</u>
\$ —	\$ 356
<u>—</u>	<u>356</u>
40,488	1,783,735
<u>40,488</u>	<u>1,783,735</u>
<u>(40,488)</u>	<u>(1,783,379)</u>
—	333
—	158,455
—	(199,411)
233	44,739
39,341	1,777,547
<u>39,574</u>	<u>1,781,663</u>
<u>(914)</u>	<u>(1,716)</u>
<u>981</u>	<u>7,857</u>
<u>\$ 67</u>	<u>\$ 6,141</u>

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (dollars in thousands)

	GENERAL OBLIGATION BONDS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income.....		\$ 324	
Other.....		1,135,028	
TOTAL REVENUES.....		1,135,352	
BUDGETARY EXPENDITURES:			
DEBT SERVICE.....	\$ 1,326,580	1,288,771	\$ 37,809
TOTAL BUDGETARY EXPENDITURES.....	\$ 1,326,580	1,288,771	\$ 37,809
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(153,419)	
OTHER FINANCING SOURCES (USES):			
Transfers-in.....		153,426	
TOTAL OTHER FINANCING SOURCES (USES).....		153,426	
NET CHANGE IN FUND BALANCES.....		7	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1.....		220	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....		\$ 227	

NONMAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Infrastructure Bank Obligations Fund

The Infrastructure Bank Obligations Fund accounts for revenue bond proceeds that finance various highway construction projects sponsored by the Department of Transportation.

Mental Health/Developmental Disabilities Facilities Improvements Fund

The Mental Health/Developmental Disabilities Facilities Improvements Fund accounts for special obligation bond proceeds that finance the construction of mental health and developmental disabilities facilities.

Parks and Recreation Improvements Fund

The Parks and Recreation Improvements Fund accounts for special obligation bond proceeds that finance the capital improvement of parks and recreation facilities.

Administrative Services Building Improvements Fund

The Administrative Services Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Administrative Services.

Youth Services Building Improvements Fund

The Youth Services Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Youth Services.

Adult Correctional Building Improvements Fund

The Adult Correctional Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Rehabilitation and Correction.

Ohio Parks and Natural Resources Fund

The Ohio Parks and Natural Resources Fund accounts for general obligation bond proceeds that finance capital improvements for state and local parks and other natural resources-related projects.

Highway Capital Improvement Fund

The Highway Capital Improvement Fund accounts for general obligation bond proceeds that finance capital improvements to the state highway system.

Transportation Building Improvements Fund

The Transportation Building Improvements Fund accounts for special obligation bond proceeds that finance capital improvements for the Department of Transportation.

Certificates of Participation Projects Fund

The Certificates of Participation Projects Fund accounts for certificates of participation proceeds that finance the costs of the Ohio Administrative Knowledge System (OAKS), the Enterprise Data Center Solutions (EDCS), the Bureau of Criminal Investigation Records System (BCIRS), the Unemployment Insurance System (UIS), the Voters System Acquisition (VSA) project, and the Debt Collection System (DCS).

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022
(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS	MENTAL HEALTH/ DEVELOPMENTAL DISABILITIES FACILITIES IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS
ASSETS:			
Cash Equity with Treasurer.....	\$ 39,768	\$ 83,945	\$ 129,519
Investments.....	—	—	—
Collateral on Lent Securities.....	7,241	15,284	23,581
TOTAL ASSETS	\$ 47,009	\$ 99,229	\$ 153,100
LIABILITIES:			
Accounts Payable	\$ 8,083	\$ 1,832	\$ 6,522
Obligations Under Securities Lending.....	7,241	15,284	23,581
TOTAL LIABILITIES.....	15,324	17,116	30,103
FUND BALANCES (DEFICITS):.....			
Restricted.....	31,685	82,113	122,997
TOTAL FUND BALANCES (DEFICITS).....	31,685	82,113	122,997
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 47,009	\$ 99,229	\$ 153,100

ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS	YOUTH SERVICES BUILDING IMPROVEMENTS	ADULT CORRECTIONAL BUILDING IMPROVEMENTS	OHIO PARKS AND NATURAL RESOURCES	HIGHWAY CAPITAL IMPROVEMENT	CERTIFICATES OF PARTICIPATION PROJECTS
\$ 79,568	\$ 32,118	\$ 25,983	\$ 16,806	\$ 110,765	\$ —
—	—	—	—	—	32,638
14,487	5,848	4,731	3,060	20,167	—
\$ 94,055	\$ 37,966	\$ 30,714	\$ 19,866	\$ 130,932	\$ 32,638
\$ 2,089	\$ 95	\$ 7,729	\$ 700	\$ 6,915	\$ 1,737
14,487	5,848	4,731	3,060	20,167	—
16,576	5,943	12,460	3,760	27,082	1,737
77,479	32,023	18,254	16,106	103,850	30,901
77,479	32,023	18,254	16,106	103,850	30,901
\$ 94,055	\$ 37,966	\$ 30,714	\$ 19,866	\$ 130,932	\$ 32,638

(continued)

STATE OF OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

(dollars in thousands)
(continued)

	<u>TOTAL</u>
ASSETS:	
Cash Equity with Treasurer.....	\$ 518,472
Investments.....	32,638
Collateral on Lent Securities.....	94,399
TOTAL ASSETS	<u>\$ 645,509</u>
LIABILITIES:	
Accounts Payable	\$ 35,702
Obligations Under Securities Lending.....	94,399
TOTAL LIABILITIES.....	<u>130,101</u>
FUND BALANCES (DEFICITS):	
Restricted.....	515,408
TOTAL FUND BALANCES (DEFICITS).....	<u>515,408</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 645,509</u>

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS	MENTAL HEALTH/ DEVELOPMENTAL DISABILITIES FACILITIES IMPROVEMENTS	PARKS AND RECREATION IMPROVEMENTS
REVENUES:			
Investment Income (Loss).....	\$ 375	\$ 710	\$ 500
Other.....	—	—	1,313
TOTAL REVENUES.....	375	710	1,813
EXPENDITURES:			
CURRENT OPERATING:			
CAPITAL OUTLAY.....	82,023	97,046	88,519
TOTAL EXPENDITURES.....	82,023	97,046	88,519
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(81,648)	(96,336)	(86,706)
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....	—	—	149,667
Premiums/Discounts.....	—	—	16,409
Transfers-in.....	—	—	—
TOTAL OTHER FINANCING SOURCES (USES).....	—	—	166,076
NET CHANGE IN FUND BALANCES.....	(81,648)	(96,336)	79,370
FUND BALANCES (DEFICITS), July 1.....	113,333	178,449	43,627
FUND BALANCES (DEFICITS), JUNE 30.....	\$ 31,685	\$ 82,113	\$ 122,997

ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS	YOUTH SERVICES BUILDING IMPROVEMENTS	ADULT CORRECTIONAL BUILDING IMPROVEMENTS	OHIO PARKS AND NATURAL RESOURCES	HIGHWAY CAPITAL IMPROVEMENT	TRANSPORTATION BUILDING IMPROVEMENTS
\$ 524	\$ 181	\$ 361	\$ 118	\$ 230	\$ 1
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>524</u>	<u>181</u>	<u>361</u>	<u>118</u>	<u>230</u>	<u>1</u>
39,060	2,892	85,190	11,526	38,365	794
<u>39,060</u>	<u>2,892</u>	<u>85,190</u>	<u>11,526</u>	<u>38,365</u>	<u>794</u>
(38,536)	(2,711)	(84,829)	(11,408)	(38,135)	(793)
—	—	—	—	81,760	—
—	—	—	—	10,240	—
—	—	—	4	—	—
—	—	—	<u>4</u>	<u>92,000</u>	—
(38,536)	(2,711)	(84,829)	(11,404)	53,865	(793)
116,015	34,734	103,083	27,510	49,985	793
<u>116,015</u>	<u>34,734</u>	<u>103,083</u>	<u>27,510</u>	<u>49,985</u>	<u>793</u>
<u>\$ 77,479</u>	<u>\$ 32,023</u>	<u>\$ 18,254</u>	<u>\$ 16,106</u>	<u>\$ 103,850</u>	<u>\$ —</u>

(continued)

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

(continued)

	CERTIFICATES OF PARTICIPATION PROJECTS	TOTAL
REVENUES:		
Investment Income (Loss).....	\$ 35	\$ 3,035
Other.....	—	1,313
TOTAL REVENUES.....	35	4,348
EXPENDITURES:		
CURRENT OPERATING:		
CAPITAL OUTLAY.....	27,527	472,942
TOTAL EXPENDITURES.....	27,527	472,942
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(27,492)	(468,594)
OTHER FINANCING SOURCES (USES):		
Bonds, Notes, and COPs Issued.....	21,385	252,812
Premiums/Discounts.....	4,378	31,027
Transfers-in.....	—	4
TOTAL OTHER FINANCING SOURCES (USES).....	25,763	283,843
NET CHANGE IN FUND BALANCES.....	(1,729)	(184,751)
FUND BALANCES (DEFICITS), July 1.....	32,630	700,159
FUND BALANCES (DEFICITS), JUNE 30.....	\$ 30,901	\$ 515,408

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022
 (dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income.....		\$ 376	
Other.....		—	
TOTAL REVENUES.....		376	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY.....	\$ 320,771	196,521	\$ 124,250
TOTAL BUDGETARY EXPENDITURES.....	\$ 320,771	196,521	\$ 124,250
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(196,145)	
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....		—	
Transfers-in.....		—	
TOTAL OTHER FINANCING SOURCES (USES).....		—	
NET CHANGE IN FUND BALANCES.....		(196,145)	
BUDGETARY FUND BALANCES			
(DEFICITS), JULY 1.....		(74,012)	
Outstanding Encumbrances at Beginning of Fiscal Year....		194,707	
BUDGETARY FUND BALANCES			
(DEFICITS), JUNE 30.....		\$ (75,450)	

**MENTAL HEALTH/DEVELOPMENTAL
DISABILITIES FACILITIES IMPROVEMENTS**

PARKS AND RECREATION IMPROVEMENTS

MENTAL HEALTH/DEVELOPMENTAL DISABILITIES FACILITIES IMPROVEMENTS			PARKS AND RECREATION IMPROVEMENTS		
BUDGET		VARIANCE WITH FINAL BUDGET	BUDGET		VARIANCE WITH FINAL BUDGET
FINAL	ACTUAL	POSITIVE/ (NEGATIVE)	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
	\$ 710			\$ 498	
	—			1,313	
	<u>710</u>			<u>1,811</u>	
\$ 433,281	194,126	\$ 239,155	\$ 446,091	286,522	\$ 159,569
<u>\$ 433,281</u>	<u>194,126</u>	<u>\$ 239,155</u>	<u>\$ 446,091</u>	<u>286,522</u>	<u>\$ 159,569</u>
	<u>(193,416)</u>			<u>(284,711)</u>	
	—			166,076	
	—			—	
	<u>—</u>			<u>166,076</u>	
	<u>(193,416)</u>			<u>(118,635)</u>	
	32,510			(101,916)	
	<u>153,863</u>			<u>149,432</u>	
	<u>\$ (7,043)</u>			<u>\$ (71,119)</u>	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

(continued)

	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS		
	BUDGET		VARIANCE
	FINAL	ACTUAL	WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
REVENUES:			
Investment Income.....		\$ 523	
Other.....		—	
TOTAL REVENUES.....		523	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY.....	\$ 209,126	74,756	\$ 134,370
TOTAL BUDGETARY EXPENDITURES.....	209,126	74,756	134,370
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(74,233)	
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....		—	
Transfers-in.....		—	
TOTAL OTHER FINANCING SOURCES (USES).....		—	
NET CHANGE IN FUND BALANCES.....		(74,233)	
BUDGETARY FUND BALANCES			
(DEFICITS), JULY 1.....		77,047	
Outstanding Encumbrances at Beginning of Fiscal Year....		41,787	
BUDGETARY FUND BALANCES			
(DEFICITS), JUNE 30.....		44,601	

<u>YOUTH SERVICES BUILDING IMPROVEMENTS</u>			<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>		
<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET</u>	<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET</u>
<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE)</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE/ (NEGATIVE)</u>
	\$ 181			\$ 362	
	<u>—</u>			<u>—</u>	
	<u>181</u>			<u>362</u>	
\$ 64,630	17,364	\$ 47,266	\$ 537,221	268,194	\$ 269,027
<u>\$ 64,630</u>	<u>17,364</u>	<u>\$ 47,266</u>	<u>\$ 537,221</u>	<u>268,194</u>	<u>\$ 269,027</u>
	<u>(17,183)</u>			<u>(267,832)</u>	
	<u>—</u>			<u>—</u>	
	<u>—</u>			<u>—</u>	
	<u>—</u>			<u>—</u>	
	<u>(17,183)</u>			<u>(267,832)</u>	
	27,996			(37,188)	
	<u>6,996</u>			<u>149,711</u>	
	<u>\$ 17,809</u>			<u>\$ (155,309)</u>	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

(continued)

OHIO PARKS AND NATURAL RESOURCES		
BUDGET		VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
FINAL	ACTUAL	
REVENUES:		
	\$ 118	
	—	
	<u>118</u>	
BUDGETARY EXPENDITURES:		
\$ 55,345	32,644	\$ 22,701
<u>\$ 55,345</u>	<u>32,644</u>	<u>\$ 22,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		
	<u>(32,526)</u>	
OTHER FINANCING SOURCES (USES):		
	—	
	<u>4</u>	
	<u>4</u>	
NET CHANGE IN FUND BALANCES.....		
	(32,522)	
BUDGETARY FUND BALANCES		
	2,015	
	<u>26,082</u>	
BUDGETARY FUND BALANCES		
	<u>\$ (4,425)</u>	

<u>HIGHWAY CAPITAL IMPROVEMENTS</u>			<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>		
<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)</u>	<u>BUDGET</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)</u>
<u>FINAL</u>	<u>ACTUAL</u>		<u>FINAL</u>	<u>ACTUAL</u>	
	\$ 230			\$ 1	
	<u>—</u>			<u>—</u>	
	<u>230</u>			<u>1</u>	
\$ 227,158	124,820	\$ 102,338	\$ 61,270	1,174	\$ 60,096
<u>\$ 227,158</u>	<u>124,820</u>	<u>\$ 102,338</u>	<u>\$ 61,270</u>	<u>1,174</u>	<u>\$ 60,096</u>
	<u>(124,590)</u>			<u>(1,173)</u>	
	92,000			—	
	<u>—</u>			<u>—</u>	
	<u>92,000</u>			<u>—</u>	
	<u>(32,590)</u>			<u>(1,173)</u>	
	(49,610)			1,173	
	<u>101,248</u>			<u>—</u>	
	<u>\$ 19,048</u>			<u>\$ —</u>	

(continued)

STATE OF OHIO

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

(continued)

	<u>TOTAL</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)</u>
	<u>BUDGET</u>		
	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES:			
Investment Income.....		\$ 2,999	
Other.....		1,313	
TOTAL REVENUES.....		4,312	
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY.....	\$ 2,354,893	1,196,121	\$ 1,158,772
TOTAL BUDGETARY EXPENDITURES.....	\$ 2,354,893	1,196,121	\$ 1,158,772
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....		(1,191,809)	
OTHER FINANCING SOURCES (USES):			
Bonds, Notes, and COPs Issued.....		258,076	
Transfers-in.....		4	
TOTAL OTHER FINANCING SOURCES (USES).....		258,080	
NET CHANGE IN FUND BALANCES.....		(933,729)	
BUDGETARY FUND BALANCES (DEFICITS), JULY 1.....		(121,985)	
Outstanding Encumbrances at Beginning of Fiscal Year....		823,826	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....		\$ (231,888)	

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods or services.

Tuition Trust Authority Fund

The Tuition Trust Authority Fund accounts for the operations of the Ohio Tuition Trust Authority, including the sale of tuition credits under its guaranteed return option program.

Office of Auditor of State Fund

The Office of Auditor of State Fund accounts for the operations of the Ohio Auditor of State's Office, which provides government audit and management advisory services to Ohio's public offices.

STATE OF OHIO

COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE
 JUNE 30, 2022
 (dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer.....	\$ 935	\$ 31,863	\$ 32,798
Cash and Cash Equivalents.....	9,302	—	9,302
Collateral on Lent Securities.....	170	5,801	5,971
Restricted Assets:			
Investments.....	17,700	—	17,700
Intergovernmental Receivable.....	—	5,359	5,359
Interfund Receivable.....	—	1,113	1,113
Other Receivables.....	1,142	—	1,142
TOTAL CURRENT ASSETS.....	29,249	44,136	73,385
NONCURRENT ASSETS:			
Restricted Assets:			
Investments.....	160,487	—	160,487
Other Assets.....	438	13,128	13,566
Lease Assets, Net.....	—	1,539	1,539
Capital Assets Being Depreciated, Net.....	13	1,444	1,457
TOTAL NONCURRENT ASSETS.....	160,938	16,111	177,049
TOTAL ASSETS.....	190,187	60,247	250,434
DEFERRED OUTFLOWS OF RESOURCES.....	307	10,779	11,086
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	190,494	71,026	261,520
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable.....	482	178	660
Accrued Liabilities.....	495	3,035	3,530
Obligations Under Securities Lending.....	170	5,801	5,971
Unearned Revenue.....	—	1,247	1,247
Benefits Payable.....	17,700	—	17,700
Refund and Other Liabilities.....	—	2,961	2,961
TOTAL CURRENT LIABILITIES.....	18,847	13,222	32,069
NONCURRENT LIABILITIES:			
Benefits Payable.....	61,600	—	61,600
Refund and Other Liabilities.....	987	42,066	43,053
TOTAL NONCURRENT LIABILITIES.....	62,587	42,066	104,653
TOTAL LIABILITIES.....	81,434	55,288	136,722
DEFERRED INFLOWS OF RESOURCES.....	1,656	50,531	52,187
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	83,090	105,819	188,909
NET POSITION (DEFICITS):			
Net Investment in Capital Assets.....	13	1,444	1,457
Unrestricted.....	107,391	(36,237)	71,154
TOTAL NET POSITION (DEFICITS).....	\$ 107,404	\$ (34,793)	\$ 72,611

STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR PROPRIETARY FUNDS – ENTERPRISE FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
OPERATING REVENUES:			
Charges for Sales and Services.....	\$ 6,412	\$ 47,391	\$ 53,803
Investment Income.....	(7,920)	—	(7,920)
Other.....	29,600	17	29,617
TOTAL OPERATING REVENUES.....	28,092	47,408	75,500
OPERATING EXPENSES:			
Costs of Sales and Services.....	—	61,238	61,238
Administration.....	8,508	2,933	11,441
Benefits and Claims.....	26,418	—	26,418
Depreciation.....	8	1,312	1,320
TOTAL OPERATING EXPENSES.....	34,934	65,483	100,417
OPERATING INCOME (LOSS).....	(6,842)	(18,075)	(24,917)
NONOPERATING REVENUES (EXPENSES):			
Investment Income.....	—	5	5
Interest Expense.....	—	(25)	(25)
TOTAL NONOPERATING REVENUES (EXPENSES).....	—	(20)	(20)
INCOME (LOSS) BEFORE GAIN (LOSS) AND TRANSFERS.....	(6,842)	(18,095)	(24,937)
Transfers-in.....	—	42,831	42,831
TOTAL GAIN (LOSS) AND TRANSFERS.....	—	42,831	42,831
NET INCOME (LOSS).....	(6,842)	24,736	17,894
NET POSITION (DEFICITS), JULY 1	114,246	(59,529)	54,717
NET POSITION (DEFICITS), JUNE 30.....	\$ 107,404	\$ (34,793)	\$ 72,611

STATE OF OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS – ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL NONMAJOR PROPRIETARY FUNDS</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ —	\$ 37,089	\$ 37,089
Cash Received from Interfund Services Provided.....	—	10,611	10,611
Other Operating Cash Receipts.....	6,167	397	6,564
Cash Payments to Suppliers for Goods and Services.....	(5,768)	1,712	(4,056)
Cash Payments to Employees for Services.....	(3,098)	(86,974)	(90,072)
Cash Payments for Interfund Services Used.....	(616)	(4,660)	(5,276)
Other Operating Cash Payments.....	(26,418)	—	(26,418)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....	(29,733)	(41,825)	(71,558)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers-in	—	43,707	43,707
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES.....	—	43,707	43,707
CASH FLOWS FROM CAPITAL, LEASE, AND RELATED FINANCING ACTIVITIES:			
Payments on Leases.....	—	(1,052)	(1,052)
Interest Paid	—	(25)	(25)
Acquisition and Construction of Capital Assets	—	(1,069)	(1,069)
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES.....	—	(2,146)	(2,146)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(23,713)	—	(23,713)
Proceeds from the Sales and Maturities of Investments	51,012	—	51,012
Investment Income Received	248	5	253
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES.....	27,547	5	27,552
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS.....	(2,186)	(259)	(2,445)
CASH AND CASH EQUIVALENTS, JULY 1	12,423	32,122	44,545
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 10,237	\$ 31,863	\$ 42,100

STATE OF OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL NONMAJOR PROPRIETARY FUNDS</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ (6,842)	\$ (18,075)	\$ (24,917)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income.....	7,920	—	7,920
Depreciation	8	1,312	1,320
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	—	15,765	15,765
Interfund Receivable.....	—	876	876
Other Receivables	(245)	—	(245)
Increase (Decrease) in Liabilities:			
Accounts Payable	(274)	(40,602)	(40,876)
Accrued Liabilities.....	(69)	(2,607)	(2,676)
Unearned Revenue.....	—	144	144
Benefits Payable.....	(29,600)	—	(29,600)
Refund and Other Liabilities.....	(631)	1,362	731
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ (29,733)	\$ (41,825)	\$ (71,558)
NONCASH INVESTING, CAPITAL, LEASE, AND FINANCING ACTIVITIES:			
Acquiring an Asset through a Lease.....	\$ —	\$ 140	\$ 140

PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose Trust Funds account for trust arrangements under which principal and income benefits participants in the plan/program.

Variable College Savings Plan

The Variable College Savings Plan accounts for assets held by the Tuition Trust Authority which are eventually made available to participants for college tuition and education related expenses.

STABLE Program

The STABLE Program accounts for assets held by the Treasurer of State which are eventually made available to participants for disability-related expenses.

STATE OF OHIO

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2022
 (dollars in thousands)

	VARIABLE COLLEGE SAVINGS PLAN	STABLE PROGRAM	TOTAL
ASSETS:			
Cash and Cash Equivalents.....	\$ 289,801	\$ —	\$ 289,801
Investments (at fair value):			
Mutual Funds.....	14,013,680	258,959	14,272,639
Other Receivables.....	55,571	249	55,820
TOTAL ASSETS.....	14,359,052	259,208	14,618,260
LIABILITIES:			
Accrued Liabilities.....	4,086	242	4,328
Refund and Other Liabilities.....	53,688	365	54,053
TOTAL LIABILITIES.....	57,774	607	58,381
NET POSITION (DEFICITS):			
Restricted for:			
Individuals, Organizations and Other Governments.....	14,301,278	258,601	14,559,879
TOTAL NET POSITION (DEFICITS).....	\$ 14,301,278	\$ 258,601	\$ 14,559,879

STATE OF OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	VARIABLE COLLEGE SAVINGS PLAN	STABLE PROGRAM	TOTAL
ADDITIONS:			
Contributions from:			
Plan Participants.....	\$ 7,589,616	\$ 111,792	\$ 7,701,408
Total Contributions.....	7,589,616	111,792	7,701,408
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments.....	(2,806,498)	(17,362)	(2,823,860)
Interest, Dividends and Other.....	846,996	2,526	849,522
Total Investment Income.....	(1,959,502)	(14,836)	(1,974,338)
Less: Investment Expense.....	40,940	305	41,245
Net Investment Income.....	(2,000,442)	(15,141)	(2,015,583)
TOTAL ADDITIONS.....	5,589,174	96,651	5,685,825
DEDUCTIONS:			
Distributions to Shareholders, Plans, Participants.....	7,397,790	45,982	7,443,772
TOTAL DEDUCTIONS.....	7,397,790	45,982	7,443,772
CHANGE IN NET POSITION RESTRICTED FOR:			
Individuals, Organizations and Other Governments.....	(1,808,616)	50,669	(1,757,947)
TOTAL CHANGE IN NET POSITION.....	(1,808,616)	50,669	(1,757,947)
NET POSITION (DEFICITS), JULY 1.....	16,109,894	207,932	16,317,826
NET POSITION (DEFICITS), JUNE 30.....	\$ 14,301,278	\$ 258,601	\$ 14,559,879

CUSTODIAL FUNDS

Custodial Funds account for resources the State holds in a purely custodial capacity for individuals, private organizations, or other governments.

Local Government Tax Fund

The Local Government Tax Fund accounts for assets held by the state which are later distributed to local governments.

Child Support Fund

The Child Support fund accounts for assets temporarily held to be distributed to custodial parents.

Other Fund

The Other Fund accounts for assets held for others, which are not accounted for in another custodial fund.

STATE OF OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
JUNE 30, 2022
(dollars in thousands)

	<u>LOCAL GOVERNMENT TAX</u>	<u>CHILD SUPPORT</u>	<u>OTHER</u>
ASSETS:			
Cash Equity with Treasurer.....	\$ 286,802	\$ 2,420	\$ 2,039
Cash and Cash Equivalents.....	—	63,003	29,051
Investments (at fair value):			
U.S. Government and Agency Obligations.....	—	—	14,941
State Treasury Asset Reserve of Ohio (STAR Ohio).....	—	6,335	6,773
Collateral on Lent Securities.....	52,357	442	230
TOTAL ASSETS.....	339,159	72,200	53,034
LIABILITIES:			
Obligations Under Securities Lending.....	52,357	442	230
Intergovernmental Payable.....	286,802	—	—
Refund and Other Liabilities.....	—	65,423	6,793
TOTAL LIABILITIES.....	339,159	65,865	7,023
NET POSITION (DEFICITS):			
Restricted for:			
Individuals, Organizations and Other Governments.....	—	6,335	46,011
TOTAL NET POSITION (DEFICITS).....	\$ —	\$ 6,335	\$ 46,011

TOTAL

\$ 291,261
92,054

14,941
13,108
53,029

464,393

53,029
286,802
72,216

412,047

52,346

\$ 52,346

STATE OF OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS - CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(dollars in thousands)

	LOCAL GOVERNMENT TAX	CHILD SUPPORT	OTHER
ADDITIONS:			
Contributions from:			
Employees.....	\$ —	\$ —	\$ 1,473,788
Total Contributions.....	—	—	1,473,788
Investment Income:			
Interest, Dividends and Other.....	—	18	21
Total Investment Income.....	—	18	21
Capital Share and Individual Account Transactions:			
Shares Sold.....	—	—	22,617
Shares Redeemed.....	—	—	(29,309)
Net Capital Share and Individual Account Transactions.....	—	—	(6,692)
Tax Collections for Local Governments.....	4,446,494	—	—
Child Support Collections.....	—	1,889,981	—
Detainee / Resident Home Personal Accounts.....	—	—	100,692
Other Organizations' Accounts.....	—	—	108,373
Miscellaneous.....	—	—	985
TOTAL ADDITIONS.....	4,446,494	1,889,999	1,677,167
DEDUCTIONS:			
Distributions to Shareholders, Plans, Participants.....	—	—	1,473,788
Tax Distributions to Local Governments.....	4,446,494	—	—
Child Support Payments.....	—	1,889,981	—
Detainee / Resident Home Personal Accounts.....	—	—	105,930
Other Organizations' Accounts.....	—	—	108,096
Miscellaneous.....	—	28	1,377
TOTAL DEDUCTIONS.....	4,446,494	1,890,009	1,689,191
CHANGE IN NET POSITION RESTRICTED FOR:			
Individuals, Organizations and Other Governments.....	—	(10)	(12,024)
TOTAL CHANGE IN NET POSITION.....	—	(10)	(12,024)
NET POSITION (DEFICITS), JULY 1.....	—	6,345	58,035
NET POSITION (DEFICITS), JUNE 30.....	\$ —	\$ 6,335	\$ 46,011

TOTAL

\$ 1,473,788
1,473,788

39
39

22,617
(29,309)

(6,692)

4,446,494
1,889,981
100,692
108,373
985

8,013,660

1,473,788
4,446,494
1,889,981
105,930
108,096
1,405

8,025,694

(12,034)

(12,034)

64,380

\$ 52,346

NONMAJOR DISCRETELY PRESENTED COMPONENT UNIT FUNDS

Nonmajor Discretely Presented Component Unit Funds account for the financial activities of the State of Ohio's component units, organizations that are legally separate from the State's primary government and for which the primary government is financially accountable.

Ohio Turnpike and Infrastructure Commission Fund

The Ohio Turnpike and Infrastructure Commission Fund accounts for the operations of the Ohio Turnpike and Infrastructure Commission, including its projects to construct, maintain and operate public roadways, express or limited access highways, superhighways, or motorways necessary for safe movement of traffic including bridges, tunnels, overpasses, underpasses, interchanges, entrance plazas, approaches, and toll booths. The Commission's Financial Statements are presented for the fiscal year end December 31, 2021. The Commission is located in Berea, Ohio.

Ohio Air Quality Development Authority Fund

The Ohio Air Quality Development Authority Fund accounts for the Ohio Air Quality Development Authority's operations, including programs that assist Ohio's businesses, government agencies, and not-for-profit organizations with financing projects that increase energy efficiency and reduce air pollution. The Authority's financial statements are presented for the fiscal year ended December 31, 2021.

Ohio Capital Fund

The Ohio Capital Fund accounts for the operations of the State's venture capital program.

JobsOhio Fund

The JobsOhio Fund accounts for the operations of the nonprofit corporation, JobsOhio, including promoting economic development, job creation, job retention, job training, and the recruitment of business to the State of Ohio.

University of Cincinnati Fund

The University of Cincinnati Fund accounts for the operations of University of Cincinnati and The University of Cincinnati Foundation. The university is located in Cincinnati, Ohio.

Ohio University Fund

The Ohio University Fund accounts for the operations of Ohio University and the Ohio University Foundation. The university is located in Athens, Ohio.

Miami University Fund

The Miami University Fund accounts for the operations of Miami University and the Miami University Foundation. The university is located in Oxford, Ohio.

University of Akron Fund

The University of Akron Fund accounts for the operations of the University of Akron, the University of Akron Foundation, and the University of Akron Research Foundation.

Bowling Green State University Fund

The Bowling Green State University Fund accounts for the operations of Bowling Green State University and the Bowling Green State University Foundation.

Kent State University Fund

The Kent State University Fund accounts for the operations of Kent State University and the Kent State University Foundation.

University of Toledo Fund

The University of Toledo Fund accounts for the operations of the University of Toledo, the University of Toledo Foundation, and the University of Toledo Physicians, Clinical Faculty, Inc.

Cleveland State University Fund

The Cleveland State University Fund accounts for the operations of Cleveland State University, the Cleveland State University Foundation, and the Euclid Avenue Housing Corporation.

Youngstown State University Fund

The Youngstown State University Fund accounts for the operations of Youngstown State University and the Youngstown State University Foundation.

Wright State University Fund

The Wright State University Fund accounts for the operations of Wright State University and the Wright State University Foundation. The university is located in Dayton, Ohio.

Shawnee State University Fund

The Shawnee State University Fund accounts for the operations of Shawnee State University and the Shawnee State University Development Foundation. The university is located in Portsmouth, Ohio.

Northeast Ohio Medical University Fund

The Northeast Ohio Medical University Fund accounts for the operations of Northeast Ohio Medical University and NEOMED Foundation. The college is located in Rootstown, Ohio.

Central State University Fund

The Central State University Fund accounts for the operations of Central State University and the Central State University Foundation. The university is located in Wilberforce, Ohio with a branch campus in Dayton, Ohio.

Terra State Community College Fund

The Terra State Community College Fund accounts for the operations of Terra State Community College and Terra College Foundation. The college is located in Fremont, Ohio.

Columbus State Community College Fund

The Columbus State Community College Fund accounts for the operations of Columbus State Community College and the Columbus State Community College Development Foundation, Inc.

Clark State College Fund

The Clark State College Fund accounts for the operations of Clark State Community College and the Clark State Community College Foundation. The college is located in Springfield, Ohio.

Edison State Community College Fund

The Edison State Community College Fund accounts for the operations of Edison State Community College and the Edison Foundation, Inc. The college is located in Piqua, Ohio.

Southern State Community College Fund

The Southern State Community College Fund accounts for the operations of Southern State Community College and the Southern State Community College Foundation. The college is located in Hillsboro, Ohio.

Washington State Community College Fund

The Washington State Community College Fund accounts for the operations of Washington State Community College and the Washington State Foundation. The college is located in Marietta, Ohio.

Cincinnati State Community College Fund

The Cincinnati State Community College Fund accounts for the operations of Cincinnati State Technical and Community College.

Northwest State Community College Fund

The Northwest State Community College Fund accounts for the operations of Northwest State Community College and the Northwest State Community College Foundation. The college is located in Archbold, Ohio.

Owens State Community College Fund

The Owens State Community College Fund accounts for the operations of Owens State Community College and the Owens State Community College Foundation. The college is located in Toledo, Ohio with a branch campus in Findlay, Ohio.

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022
(dollars in thousands)

	OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION (as of 12/31/21)	OHIO AIR QUALITY DEVELOPMENT AUTHORITY (as of 12/31/21)	OHIO CAPITAL FUND
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer.....	\$ —	\$ 1,379	\$ —
Cash and Cash Equivalents.....	41,404	1,185	6,368
Investments.....	220,575	3,965	—
Restricted Assets:			
Cash and Cash Equivalents.....	31,117	924	—
Investments.....	70,884	—	—
Intergovernmental Receivable.....	—	—	—
Loans Receivable, Net.....	—	—	—
Receivable from Primary Government.....	—	—	—
Other Receivables.....	25,729	4	—
Inventories.....	5,491	—	—
Other Assets.....	2,535	13	—
TOTAL CURRENT ASSETS.....	397,735	7,470	6,368
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents.....	—	—	—
Investments.....	311,314	—	—
Investments.....	—	2,156	54,696
Loans Receivable, Net.....	—	—	—
Other Receivables.....	—	—	—
Other Assets.....	7,063	49	—
Lease Assets, Net.....	—	—	—
Capital Assets Being Depreciated, Net.....	1,520,487	19	—
Capital Assets Not Being Depreciated.....	164,672	—	—
TOTAL NONCURRENT ASSETS.....	2,003,536	2,224	54,696
TOTAL ASSETS.....	2,401,271	9,694	61,064
DEFERRED OUTFLOWS OF RESOURCES.....	51,123	220	—
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	2,452,394	9,914	61,064
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable.....	20,818	46	—
Accrued Liabilities.....	32,351	16	10,109
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	—
Refund and Other Liabilities.....	40,214	—	—
Payable to Primary Government.....	9,227	—	—
Bonds and Notes Payable.....	43,650	—	14,814
TOTAL CURRENT LIABILITIES.....	146,260	62	24,923
NONCURRENT LIABILITIES:			
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	—
Refund and Other Liabilities.....	59,098	146	72,197
Bonds and Notes Payable.....	2,249,379	—	64,768
TOTAL NONCURRENT LIABILITIES.....	2,308,477	146	136,965
TOTAL LIABILITIES.....	2,454,737	208	161,888
DEFERRED INFLOWS OF RESOURCES.....	45,345	302	—
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	2,500,082	510	161,888
NET POSITION (DEFICITS):			
Net Investment in Capital Assets.....	1,175,622	19	—
Restricted for:			
Transportation.....	216,577	—	—
Community and Economic Development.....	—	924	—
Nonexpendable:			
Scholarships and Fellowships.....	—	—	—
Research.....	—	—	—
Endowments and Quasi-Endowments.....	—	—	—
Loans, Grants and Other College and University Purposes.....	—	—	—
Expendable:			
Scholarships and Fellowships.....	—	—	—
Research.....	—	—	—
Instructional Department Uses.....	—	—	—
Student and Public Services.....	—	—	—
Academic Support.....	—	—	—
Debt Service.....	—	—	—
Capital Purposes.....	—	—	—
Endowments and Quasi-Endowments.....	—	—	—
Current Operations.....	—	—	—
Loans, Grants and Other College and University Purposes.....	—	—	—
Unrestricted.....	(1,439,887)	8,461	(100,824)
TOTAL NET POSITION (DEFICITS).....	\$ (47,688)	\$ 9,404	\$ (100,824)

<u>JOB</u> <u>SOHIO</u>	<u>UNIVERSITY</u> <u>OF</u> <u>CINCINNATI</u>	<u>OHIO</u> <u>UNIVERSITY</u>	<u>MIAMI</u> <u>UNIVERSITY</u>	<u>UNIVERSITY</u> <u>OF</u> <u>AKRON</u>	<u>BOWLING GREEN</u> <u>STATE</u> <u>UNIVERSITY</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
50,964	276,053	178,602	173,785	20,927	13,349
658,487	242,830	363,515	760,424	211,047	270,271
240,477	—	—	—	—	—
—	—	—	—	—	—
—	—	4,580	3,983	—	—
10,382	1,954	953	3,033	817	1,308
—	4,117	543	1,052	—	—
7,143	104,243	59,044	44,256	18,353	14,065
107,399	2,393	2,903	2,663	540	553
10,029	23,462	13,540	5,884	1,286	4,591
<u>1,084,881</u>	<u>655,052</u>	<u>623,680</u>	<u>995,080</u>	<u>252,970</u>	<u>304,137</u>
—	—	34,507	9,717	265	—
—	1,330,966	—	664,846	4,506	19,657
59,294	410,636	857,531	—	297,894	257,912
111,606	13,819	8,422	881	3,306	2,115
—	71,073	29,261	37,385	8,253	7,590
860,192	518,052	61,141	35,584	14,559	25,877
5,690	121,882	15,849	2,656	819	3,832
15,015	1,493,486	1,021,718	1,199,838	551,743	555,868
—	210,957	128,951	132,450	64,241	23,934
<u>1,051,797</u>	<u>4,170,871</u>	<u>2,157,380</u>	<u>2,083,357</u>	<u>945,586</u>	<u>896,785</u>
<u>2,136,678</u>	<u>4,825,923</u>	<u>2,781,060</u>	<u>3,078,437</u>	<u>1,198,556</u>	<u>1,200,922</u>
<u>5,816</u>	<u>155,089</u>	<u>65,458</u>	<u>53,931</u>	<u>69,350</u>	<u>41,006</u>
<u>2,142,494</u>	<u>4,981,012</u>	<u>2,846,518</u>	<u>3,132,368</u>	<u>1,267,906</u>	<u>1,241,928</u>
33,563	104,196	40,993	39,694	5,384	12,832
478,268	35,910	28,985	16,379	24,301	12,959
—	—	—	—	—	—
—	80,008	27,331	13,603	10,897	12,216
3,159	120,603	15,104	15,228	1,906	10,495
—	—	—	—	—	—
54,135	32,135	13,977	37,975	19,660	7,530
<u>569,125</u>	<u>372,852</u>	<u>126,390</u>	<u>122,879</u>	<u>62,148</u>	<u>56,032</u>
—	12,132	—	—	—	4,116
—	—	—	—	—	—
4,574	491,499	213,705	162,470	148,051	118,757
1,126,128	1,052,590	620,028	626,582	352,854	268,542
<u>1,130,702</u>	<u>1,556,221</u>	<u>833,733</u>	<u>789,052</u>	<u>500,905</u>	<u>391,415</u>
<u>1,699,827</u>	<u>1,929,073</u>	<u>960,123</u>	<u>911,931</u>	<u>563,053</u>	<u>447,447</u>
—	428,461	270,932	223,116	179,886	125,606
<u>1,699,827</u>	<u>2,357,534</u>	<u>1,231,055</u>	<u>1,135,047</u>	<u>742,939</u>	<u>573,053</u>
15,015	610,511	668,058	716,592	260,856	329,772
—	—	—	—	—	—
—	—	—	—	—	—
—	242,809	—	—	—	79,573
—	73,218	—	—	—	747
—	599,968	290,997	397,827	246,795	11,590
—	436,757	11,942	—	—	36,849
—	81,200	16,940	63,941	842	59,140
—	129,050	1,979	4,456	43,517	518
—	41,668	44,842	23,567	—	46,456
—	118,435	9,971	5,821	—	—
—	34,055	9,792	61,540	—	—
—	—	—	—	505	—
—	14,106	5,806	—	1,580	33,033
—	86,719	150,365	—	40,484	5,077
—	—	9,465	15,069	—	—
—	189,248	9,261	86,159	—	—
427,652	(34,266)	386,045	622,349	(69,612)	66,120
<u>\$ 442,667</u>	<u>\$ 2,623,478</u>	<u>\$ 1,615,463</u>	<u>\$ 1,997,321</u>	<u>\$ 524,967</u>	<u>\$ 668,875</u>

(continued)

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022
(dollars in thousands)
(continued)

	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —
Cash and Cash Equivalents.....	57,433	136,130	10,562
Investments.....	477,972	—	191,124
Restricted Assets:			
Cash and Cash Equivalents.....	—	—	—
Investments.....	—	—	—
Intergovernmental Receivable.....	5,374	18,712	—
Loans Receivable, Net.....	—	1,818	863
Receivable from Primary Government.....	1,871	4,421	—
Other Receivables.....	28,660	101,775	37,081
Inventories.....	956	10,437	1,537
Other Assets.....	6,155	7,876	2,256
TOTAL CURRENT ASSETS.....	578,421	281,169	243,423
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents.....	5,993	4,336	—
Investments.....	27,557	393,115	—
Investments.....	186,344	302,550	114,608
Loans Receivable, Net.....	16,939	2,137	6,281
Other Receivables.....	30,142	9,915	8,303
Other Assets.....	49,744	64,064	19,357
Lease Assets, Net.....	4,679	31,589	62,814
Capital Assets Being Depreciated, Net.....	810,329	435,355	430,912
Capital Assets Not Being Depreciated.....	55,588	84,303	72,513
TOTAL NONCURRENT ASSETS.....	1,187,315	1,327,364	714,788
TOTAL ASSETS.....	1,765,736	1,608,533	958,211
DEFERRED OUTFLOWS OF RESOURCES.....			
	92,821	88,052	37,546
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	1,858,557	1,696,585	995,757
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable.....	24,151	42,107	8,708
Accrued Liabilities.....	36,906	69,557	1,689
Intergovernmental Payable.....	—	2,498	—
Unearned Revenue.....	24,105	39,917	7,464
Refund and Other Liabilities.....	15,100	37,174	22,189
Payable to Primary Government.....	—	—	—
Bonds and Notes Payable.....	24,082	17,180	9,325
TOTAL CURRENT LIABILITIES.....	124,344	208,433	49,375
NONCURRENT LIABILITIES:			
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	938
Refund and Other Liabilities.....	279,399	293,010	163,946
Bonds and Notes Payable.....	349,732	234,076	221,364
TOTAL NONCURRENT LIABILITIES.....	629,131	527,086	386,248
TOTAL LIABILITIES.....	753,475	735,519	435,623
DEFERRED INFLOWS OF RESOURCES.....			
	266,500	342,696	122,231
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	1,019,975	1,078,215	557,854
NET POSITION (DEFICITS):			
Net Investment in Capital Assets.....	464,886	247,379	262,787
Restricted for:			
Transportation.....	—	—	—
Community and Economic Development.....	—	—	—
Nonexpendable:			
Scholarships and Fellowships.....	—	79,152	51,402
Research.....	—	16,116	896
Endowments and Quasi-Endowments.....	121,602	—	16,341
Loans, Grants and Other College and University Purposes.....	—	62,786	1,506
Expendable:			
Scholarships and Fellowships.....	—	102,991	29,139
Research.....	—	13,138	894
Instructional Department Uses.....	—	—	8,200
Student and Public Services.....	—	—	4,188
Academic Support.....	—	82,402	—
Debt Service.....	—	20,956	—
Capital Purposes.....	—	40,079	—
Endowments and Quasi-Endowments.....	—	—	—
Current Operations.....	—	—	—
Loans, Grants and Other College and University Purposes.....	152,661	25,628	38,780
Unrestricted.....	99,433	(72,257)	23,770
TOTAL NET POSITION (DEFICITS).....	\$ 838,582	\$ 618,370	\$ 437,903

YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY	NORTHEAST OHIO MEDICAL UNIVERSITY	CENTRAL STATE UNIVERSITY as of June 30, 2021 Unaudited	TERRA STATE COMMUNITY COLLEGE
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
30,681	74,209	1,495	6,882	10,324	1,378
254,315	2,927	—	17,669	—	262
—	—	—	—	—	—
—	—	—	—	—	—
2,276	8,633	—	2,695	—	45
98	1,474	155	609	—	77
2,400	2,514	—	426	—	29
9,358	17,441	11,960	2,325	17,191	6,065
56	48	20	151	—	8
2,396	3,063	449	2,499	1,870	176
<u>301,580</u>	<u>110,309</u>	<u>14,079</u>	<u>33,256</u>	<u>29,385</u>	<u>8,040</u>
47	—	1,461	689	3,488	—
107,085	—	18,372	—	—	—
14,805	211,652	7,906	91,410	6,435	5,684
—	2,951	—	5,674	—	—
6,687	4,500	464	6,178	—	—
13,227	18,910	4,523	6,089	4,234	692
1,212	9,489	544	91,898	—	—
198,868	314,817	71,790	187,077	138,000	27,545
25,134	4,924	23,605	3,520	4,061	547
<u>367,065</u>	<u>567,243</u>	<u>128,665</u>	<u>392,535</u>	<u>156,218</u>	<u>34,468</u>
<u>668,645</u>	<u>677,552</u>	<u>142,744</u>	<u>425,791</u>	<u>185,603</u>	<u>42,508</u>
<u>25,272</u>	<u>33,390</u>	<u>6,820</u>	<u>8,217</u>	<u>6,311</u>	<u>3,180</u>
<u>693,917</u>	<u>710,942</u>	<u>149,564</u>	<u>434,008</u>	<u>191,914</u>	<u>45,688</u>
6,101	12,094	1,813	2,859	1,850	2,311
6,960	7,521	2,418	5,266	3,461	—
1,122	—	—	—	—	—
6,228	21,336	1,760	4,154	11,665	2,356
4,253	16,087	599	3,757	1,691	43
—	—	—	—	—	—
2,399	6,239	1,010	3,955	2,136	155
<u>27,063</u>	<u>63,277</u>	<u>7,600</u>	<u>19,991</u>	<u>20,803</u>	<u>4,865</u>
—	—	—	—	—	—
—	55	—	10,363	—	—
62,256	95,566	18,898	110,967	27,608	9,774
65,038	44,719	19,673	148,067	17,782	4,675
<u>127,294</u>	<u>140,340</u>	<u>38,571</u>	<u>269,397</u>	<u>45,390</u>	<u>14,449</u>
<u>154,357</u>	<u>203,617</u>	<u>46,171</u>	<u>289,388</u>	<u>66,193</u>	<u>19,314</u>
<u>79,907</u>	<u>128,459</u>	<u>23,049</u>	<u>35,435</u>	<u>10,442</u>	<u>9,051</u>
<u>234,264</u>	<u>332,076</u>	<u>69,220</u>	<u>324,823</u>	<u>76,635</u>	<u>28,365</u>
157,544	266,436	65,378	44,940	123,133	23,220
—	—	—	—	—	—
—	—	—	—	—	—
—	25,706	4,896	7,067	5,087	2,976
—	5,966	—	—	—	—
141,545	—	—	17,055	—	—
—	20,435	6,325	—	—	—
14,705	23,394	1,633	—	6,281	2,273
427	3,003	22	—	—	—
7,365	24,446	—	—	—	—
2,647	1,535	—	—	—	692
3,510	16,613	—	—	—	—
—	—	—	—	—	—
4,540	2,915	—	—	—	315
17,087	—	—	—	—	—
1,581	—	—	12,972	—	—
1,847	31,642	8,924	—	—	127
106,855	(43,225)	(6,834)	27,151	(19,222)	(12,280)
<u>\$ 459,653</u>	<u>\$ 378,866</u>	<u>\$ 80,344</u>	<u>\$ 109,185</u>	<u>\$ 115,279</u>	<u>\$ 17,323</u>

(continued)

STATE OF OHIO
COMBINING STATEMENT OF NET POSITION
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2022
(dollars in thousands)
(continued)

	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COLLEGE	EDISON STATE COMMUNITY COLLEGE
ASSETS:			
CURRENT ASSETS:			
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —
Cash and Cash Equivalents.....	18,478	10,323	4,531
Investments.....	128,377	26,365	1,998
Restricted Assets:			
Cash and Cash Equivalents.....	—	—	—
Investments.....	—	—	—
Intergovernmental Receivable.....	—	3,749	—
Loans Receivable, Net.....	—	61	—
Receivable from Primary Government.....	—	583	—
Other Receivables.....	14,409	3,198	2,689
Inventories.....	1,370	145	5
Other Assets.....	2,239	310	338
TOTAL CURRENT ASSETS.....	164,873	44,734	9,561
NONCURRENT ASSETS:			
Restricted Assets:			
Cash and Cash Equivalents.....	1,653	—	190
Investments.....	93,879	—	1,231
Investments.....	94,748	—	2,908
Loans Receivable, Net.....	—	—	—
Other Receivables.....	3,366	—	—
Other Assets.....	9,110	1,470	1,707
Lease Assets, Net.....	4,775	1,400	2,413
Capital Assets Being Depreciated, Net.....	144,200	47,245	17,819
Capital Assets Not Being Depreciated.....	34,818	6,039	2,400
TOTAL NONCURRENT ASSETS.....	386,549	56,154	28,668
TOTAL ASSETS.....	551,422	100,888	38,229
DEFERRED OUTFLOWS OF RESOURCES.....			
	39,490	7,258	3,670
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....	590,912	108,146	41,899
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts Payable.....	5,438	1,362	416
Accrued Liabilities.....	2,589	2,051	1,221
Intergovernmental Payable.....	—	6	—
Unearned Revenue.....	9,668	96	856
Refund and Other Liabilities.....	10,203	343	462
Payable to Primary Government.....	—	—	—
Bonds and Notes Payable.....	15,719	225	260
TOTAL CURRENT LIABILITIES.....	43,617	4,083	3,215
NONCURRENT LIABILITIES:			
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	—
Refund and Other Liabilities.....	131,287	24,694	9,759
Bonds and Notes Payable.....	144,926	2,906	1,142
TOTAL NONCURRENT LIABILITIES.....	276,213	27,600	10,901
TOTAL LIABILITIES.....	319,830	31,683	14,116
DEFERRED INFLOWS OF RESOURCES.....			
	100,714	18,013	9,009
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....	420,544	49,696	23,125
NET POSITION (DEFICITS):			
Net Investment in Capital Assets.....	150,802	50,152	18,930
Restricted for:			
Transportation.....	—	—	—
Community and Economic Development.....	—	—	—
Nonexpendable:			
Scholarships and Fellowships.....	6,185	—	—
Research.....	—	—	—
Endowments and Quasi-Endowments.....	—	10,583	212
Loans, Grants and Other College and University Purposes.....	—	—	—
Expendable:			
Scholarships and Fellowships.....	16,105	15,368	—
Research.....	—	—	—
Instructional Department Uses.....	—	47	—
Student and Public Services.....	—	633	—
Academic Support.....	—	—	—
Debt Service.....	—	—	—
Capital Purposes.....	30,694	520	—
Endowments and Quasi-Endowments.....	—	—	1,536
Current Operations.....	—	—	—
Loans, Grants and Other College and University Purposes.....	—	—	245
Unrestricted.....	(33,418)	(18,853)	(2,149)
TOTAL NET POSITION (DEFICITS).....	\$ 170,368	\$ 58,450	\$ 18,774

SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL NONMAJOR COMPONENT UNITS
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,379
8,521	11,870	6,221	1,578	3,159	1,156,412
—	—	39,788	1,668	36,362	3,909,941
—	—	—	—	—	272,518
—	—	—	—	—	70,884
—	534	3,570	1,890	6,051	62,092
—	—	—	—	—	23,602
—	2,071	610	35	52	20,724
3,935	2,081	5,338	4,790	4,669	545,802
9	—	53	761	—	137,498
766	121	1,066	84	589	93,593
<u>13,231</u>	<u>16,677</u>	<u>56,646</u>	<u>10,806</u>	<u>50,882</u>	<u>6,294,445</u>
839	—	3,042	1,961	—	68,188
2,752	—	—	—	—	2,975,280
—	1,644	9,613	8,635	15,751	3,014,812
—	—	—	—	—	174,131
—	—	—	—	39	223,156
1,368	650	3,072	1,018	2,917	1,724,669
—	—	—	—	—	361,541
21,973	13,846	71,980	16,066	73,289	9,379,285
4,521	2,865	3,442	3,594	11,508	1,068,587
<u>31,453</u>	<u>19,005</u>	<u>91,149</u>	<u>31,274</u>	<u>103,504</u>	<u>18,989,649</u>
<u>44,684</u>	<u>35,682</u>	<u>147,795</u>	<u>42,080</u>	<u>154,386</u>	<u>25,284,094</u>
<u>2,484</u>	<u>2,447</u>	<u>11,762</u>	<u>4,749</u>	<u>12,293</u>	<u>827,755</u>
<u>47,168</u>	<u>38,129</u>	<u>159,557</u>	<u>46,829</u>	<u>166,679</u>	<u>26,111,849</u>
—	910	1,880	3,469	3,299	376,294
246	768	3,489	391	4,035	787,846
—	—	—	—	—	3,626
—	2,174	5,095	457	2,162	283,548
1,229	259	1,815	815	2,067	324,795
—	—	—	—	—	9,227
1,115	—	3,002	—	—	310,678
<u>2,590</u>	<u>4,111</u>	<u>15,281</u>	<u>5,132</u>	<u>11,563</u>	<u>2,096,014</u>
—	—	—	—	—	16,248
—	—	—	—	—	11,356
6,311	7,052	34,918	16,742	40,106	2,602,790
9,275	—	19,091	—	—	7,643,337
<u>15,586</u>	<u>7,052</u>	<u>54,009</u>	<u>16,742</u>	<u>40,106</u>	<u>10,273,731</u>
<u>18,176</u>	<u>11,163</u>	<u>69,290</u>	<u>21,874</u>	<u>51,669</u>	<u>12,369,745</u>
<u>9,513</u>	<u>6,431</u>	<u>39,608</u>	<u>11,082</u>	<u>35,287</u>	<u>2,521,075</u>
<u>27,689</u>	<u>17,594</u>	<u>108,898</u>	<u>32,956</u>	<u>86,956</u>	<u>14,890,820</u>
16,105	16,375	53,737	18,289	84,797	5,841,335
—	—	—	—	—	216,577
—	—	—	—	—	924
—	724	—	1,612	2,314	509,503
—	—	—	—	—	96,943
2,874	—	7,280	—	—	1,864,669
—	—	—	—	470	577,070
262	989	—	4,642	1,278	441,123
—	—	—	—	—	197,004
—	—	—	21	—	196,612
—	—	—	—	—	143,922
—	—	—	—	—	207,912
—	—	1,705	—	—	23,166
—	387	—	446	—	134,421
—	—	7,850	—	—	309,118
—	—	—	48	—	39,135
—	—	—	89	1,039	545,650
238	2,060	(19,913)	(11,274)	(10,175)	(124,055)
<u>\$ 19,479</u>	<u>\$ 20,535</u>	<u>\$ 50,659</u>	<u>\$ 13,873</u>	<u>\$ 79,723</u>	<u>\$ 11,221,029</u>

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION (as of 12/31/21)	OHIO AIR QUALITY DEVELOPMENT AUTHORITY (as of 12/31/21)	OHIO CAPITAL FUND
EXPENSES:			
Transportation.....	\$ 210,497	\$ —	\$ —
Community and Economic Development.....	—	979	1,090
Education and General:			
Instruction and Departmental Research.....	—	—	—
Separately Budgeted Research.....	—	—	—
Public Service.....	—	—	—
Academic Support.....	—	—	—
Student Services.....	—	—	—
Institutional Support.....	—	—	—
Operation and Maintenance of Plant.....	—	—	—
Scholarships and Fellowships.....	—	—	—
Auxiliary Enterprises.....	—	—	—
Hospitals.....	—	—	—
Interest on Long-Term Debt.....	99,064	—	4,897
Depreciation.....	84,957	5	—
Other.....	—	—	—
TOTAL EXPENSES.....	394,518	984	5,987
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures.....	367,809	451	—
Operating Grants, Contributions and Restricted Investment Income.....	1,200	1,620	—
Capital Grants, Contributions and Restricted Investment Income.....	—	—	—
TOTAL PROGRAM REVENUES.....	369,009	2,071	—
NET PROGRAM (EXPENSE) REVENUE	(25,509)	1,087	(5,987)
GENERAL REVENUES:			
Unrestricted Investment Income.....	(42)	(24)	(6,165)
State Assistance.....	3,378	—	—
Other.....	—	—	—
TOTAL GENERAL REVENUES.....	3,336	(24)	(6,165)
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....	—	—	—
CHANGE IN NET POSITION.....	(22,173)	1,063	(12,152)
NET POSITION (DEFICITS), JULY 1 (as restated).....	(25,515)	8,341	(88,672)
NET POSITION (DEFICITS), JUNE 30.....	\$ (47,688)	\$ 9,404	\$ (100,824)

JOBSOHIO	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1,750,586	—	—	—	—	—
—	329,285	231,317	193,928	73,921	123,775
—	183,119	39,373	16,115	14,369	10,796
—	84,572	44,922	6,406	9,074	5,059
—	108,035	71,005	60,904	21,231	20,989
—	74,208	58,855	35,150	9,217	17,855
—	148,132	63,136	72,964	32,807	35,688
—	44,359	53,171	30,770	13,512	23,403
—	78,222	45,387	42,456	39,110	35,941
—	121,586	65,045	107,837	35,002	57,665
—	—	—	—	—	—
43,301	42,315	26,218	25,185	14,021	7,619
4,566	157,607	64,501	80,224	38,458	41,874
58,849	831	(75,042)	(53,119)	959	29,728
1,857,302	1,372,271	687,888	618,820	301,681	410,392
1,740,040	1,050,458	288,791	482,466	143,356	238,191
—	223,584	53,226	97,171	36,192	101,168
—	12,505	4,322	1,807	1,077	2,479
1,740,040	1,286,547	346,339	581,444	180,625	341,838
(117,262)	(85,724)	(341,549)	(37,376)	(121,056)	(68,554)
(89,100)	(641)	(143,678)	(99,806)	(41,936)	(50,519)
—	264,987	206,087	108,442	107,326	90,397
154	6,680	229,715	—	66,230	8,655
(88,946)	271,026	292,124	8,636	131,620	48,533
—	830	13,895	18,795	254	7,003
(206,208)	186,132	(35,530)	(9,945)	10,818	(13,018)
648,875	2,437,346	1,650,993	2,007,266	514,149	681,893
\$ 442,667	\$ 2,623,478	\$ 1,615,463	\$ 1,997,321	\$ 524,967	\$ 668,875

(continued)

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)
(continued)

	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
EXPENSES:			
Transportation.....	\$ —	\$ —	\$ —
Community and Economic Development.....	—	—	—
Education and General:			
Instruction and Departmental Research.....	236,465	194,711	127,384
Separately Budgeted Research.....	21,288	52,120	12,053
Public Service.....	10,996	8,915	5,680
Academic Support.....	57,769	58,995	29,636
Student Services.....	39,086	25,959	21,891
Institutional Support.....	79,254	38,543	49,645
Operation and Maintenance of Plant.....	44,639	37,963	23,265
Scholarships and Fellowships.....	69,303	22,902	35,793
Auxiliary Enterprises.....	82,890	62,565	34,574
Hospitals.....	—	441,197	—
Interest on Long-Term Debt.....	16,064	12,980	7,515
Depreciation.....	58,876	57,373	31,104
Other.....	(92,099)	18,924	(39,150)
TOTAL EXPENSES.....	624,531	1,033,147	339,390
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures.....	377,790	648,243	203,310
Operating Grants, Contributions and Restricted Investment Income.....	149,252	65,026	17,155
Capital Grants, Contributions and Restricted Investment Income.....	—	230	—
TOTAL PROGRAM REVENUES.....	527,042	713,499	220,465
NET PROGRAM (EXPENSE) REVENUE	(97,489)	(319,648)	(118,925)
GENERAL REVENUES:			
Unrestricted Investment Income.....	(42,717)	(56,965)	(16,936)
State Assistance.....	160,854	134,598	89,374
Other.....	51,049	284,704	52,220
TOTAL GENERAL REVENUES.....	169,186	362,337	124,658
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....	—	1	—
CHANGE IN NET POSITION.....	71,697	42,690	5,733
NET POSITION (DEFICITS), JULY 1 (as restated).....	766,885	575,680	432,170
NET POSITION (DEFICITS), JUNE 30.....	\$ 838,582	\$ 618,370	\$ 437,903

YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY	NORTHEAST OHIO MEDICAL UNIVERSITY	CENTRAL STATE UNIVERSITY as of June 30, 2021 Unaudited	TERRA STATE COMMUNITY COLLEGE
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
55,624	80,813	14,027	21,932	12,549	4,646
3,104	15,261	—	9,306	5,962	—
5,322	8,773	6,206	5,641	7,856	599
12,624	23,354	1,718	7,843	5,604	487
10,138	13,516	8,575	1,556	4,414	1,794
24,654	22,722	8,073	8,878	1,802	7,485
19,159	14,924	3,515	6,827	6,870	1,165
40,284	21,146	6,328	676	4,028	96
22,184	15,148	6,539	3,359	10,243	531
—	—	—	—	—	—
1,739	1,544	573	9,824	1,182	229
14,805	19,151	3,284	14,834	7,869	1,467
—	288	—	188	641	8
209,637	236,640	58,838	90,864	69,020	18,507
112,415	115,349	22,631	42,171	22,038	4,342
52,710	37,150	6,982	21,863	45,178	4,212
2,845	2,632	—	—	—	—
167,970	155,131	29,613	64,034	67,216	8,554
(41,667)	(81,509)	(29,225)	(26,830)	(1,804)	(9,953)
(9,302)	—	(4,021)	(13,522)	1,101	(789)
47,401	95,250	20,961	26,722	15,805	6,383
398	34,025	20,346	16,834	11,847	4,734
38,497	129,275	37,286	30,034	28,753	10,328
(26)	—	—	662	—	—
(3,196)	47,766	8,061	3,866	26,949	375
462,849	331,100	72,283	105,319	88,330	16,948
\$ 459,653	\$ 378,866	\$ 80,344	\$ 109,185	\$ 115,279	\$ 17,323

(continued)

STATE OF OHIO
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)
(continued)

	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COLLEGE	EDISON STATE COMMUNITY COLLEGE
EXPENSES:			
Transportation.....	\$ —	\$ —	\$ —
Community and Economic Development.....	—	—	—
Education and General:			
Instruction and Departmental Research.....	68,838	13,077	6,672
Separately Budgeted Research.....	—	—	—
Public Service.....	33,458	2,331	375
Academic Support.....	5,575	820	545
Student Services.....	18,917	4,080	2,079
Institutional Support.....	36,309	7,403	9,199
Operation and Maintenance of Plant.....	16,088	3,164	1,421
Scholarships and Fellowships.....	30,985	9,476	3,270
Auxiliary Enterprises.....	7,301	1,095	7
Hospitals.....	—	—	—
Interest on Long-Term Debt.....	3,273	242	151
Depreciation.....	10,545	2,197	1,532
Other.....	146	224	150
TOTAL EXPENSES.....	231,435	44,109	25,401
PROGRAM REVENUES:			
Charges for Services, Fees, Fines and Forfeitures.....	153,991	9,958	7,057
Operating Grants, Contributions and Restricted Investment Income.....	18,032	23,205	640
Capital Grants, Contributions and Restricted Investment Income.....	—	17	—
TOTAL PROGRAM REVENUES.....	172,023	33,180	7,697
NET PROGRAM (EXPENSE) REVENUE	(59,412)	(10,929)	(17,704)
GENERAL REVENUES:			
Unrestricted Investment Income.....	(12,105)	(932)	(4)
State Assistance.....	76,125	16,894	11,162
Other.....	24,188	—	8,870
TOTAL GENERAL REVENUES.....	88,208	15,962	20,028
ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....	—	470	—
CHANGE IN NET POSITION.....	28,796	5,503	2,324
NET POSITION (DEFICITS), JULY 1 (as restated).....	141,572	52,947	16,450
NET POSITION (DEFICITS), JUNE 30.....	\$ 170,368	\$ 58,450	\$ 18,774

SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL NONMAJOR COMPONENT UNITS
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 210,497
—	—	—	—	—	1,752,655
7,824	4,414	20,142	17,627	27,024	1,865,995
—	—	—	—	192	383,058
2,037	—	1,803	20	2,108	252,153
1,494	1,480	4,637	2,625	2,411	499,781
2,757	1,128	3,690	2,591	5,832	363,288
1,462	4,088	15,139	7,002	11,913	686,298
1,242	1,225	2,668	1,123	5,276	355,749
1,428	4,027	9,890	1,947	10,003	512,698
1,050	—	730	1,082	613	637,046
—	—	—	—	—	441,197
393	—	813	—	—	319,142
918	977	3,808	1,536	5,670	708,138
1,075	—	4,193	58	81	(143,067)
21,680	17,339	67,513	35,611	71,123	8,844,628
6,142	4,503	16,300	14,966	27,911	6,100,679
2,752	7,086	33,270	8,589	2,903	1,010,166
—	2,110	—	—	—	30,024
8,894	13,699	49,570	23,555	30,814	7,140,869
(12,786)	(3,640)	(17,943)	(12,056)	(40,309)	(1,703,759)
(201)	(208)	(1,893)	(894)	(616)	(591,915)
9,323	6,442	31,841	11,724	31,388	1,572,864
10,518	422	4,340	—	25,706	861,635
19,640	6,656	34,288	10,830	56,478	1,842,584
—	—	—	—	59	41,943
6,854	3,016	16,345	(1,226)	16,228	180,768
12,625	17,519	34,314	15,099	63,495	11,040,261
\$ 19,479	\$ 20,535	\$ 50,659	\$ 13,873	\$ 79,723	\$ 11,221,029

STATE OF OHIO
BALANCE SHEET
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2022
(dollars in thousands)

	OHIO FACILITIES CONSTRUCTION COMMISSION
ASSETS:	
Cash Equity with Treasurer.....	\$ 187,204
Investments.....	3,740
Collateral on Lent Securities.....	34,084
TOTAL ASSETS.....	\$ 225,028
LIABILITIES:	
Accounts Payable.....	\$ 2,007
Accrued Liabilities.....	299
Obligations Under Securities Lending.....	34,084
Intergovernmental Payable.....	633,622
Refund and Other Liabilities.....	3,740
TOTAL LIABILITIES.....	673,752
DEFERRED INFLOWS OF RESOURCES.....	3,002,538
FUND BALANCES (DEFICITS):	
Restricted for:	
Community and Economic Development.....	31,641
Unassigned.....	(3,482,903)
TOTAL FUND BALANCES (DEFICITS).....	(3,451,262)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 225,028

STATE OF OHIO
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2022
(dollars in thousands)

**OHIO FACILITIES
CONSTRUCTION
COMMISSION**

Total Fund Balances (Deficits).....	\$ (3,451,262)
Total net position reported for governmental activities in the Statement of Net Position is different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:	
<i>Machinery and Equipment, net of \$3,923 accumulated depreciation.....</i>	<u>11</u>
The following liabilities are not due and payable in the current period, and therefore, are not reported in the funds:	
<i>Refund and Other Liabilities-Compensated Absences.....</i>	<u>(1,497)</u>
Total Net Position (Deficits).....	\$ (3,452,748)

STATE OF OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)

	OHIO FACILITIES CONSTRUCTION COMMISSION
REVENUES:	
State Assistance.....	\$ 171,520
Investment Income.....	1,783
Other.....	6,244
TOTAL REVENUES.....	<u>179,547</u>
EXPENDITURES:	
CURRENT OPERATING:	
Primary, Secondary and Other Education.....	461,530
Community and Economic Development.....	45,588
TOTAL EXPENDITURES.....	<u>507,118</u>
NET CHANGE IN FUND BALANCES.....	(327,571)
FUND BALANCES (DEFICITS), JULY 1.....	<u>(3,123,691)</u>
FUND BALANCES (DEFICITS), JUNE 30.....	<u>\$ (3,451,262)</u>

STATE OF OHIO

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
OHIO FACILITIES CONSTRUCTION COMMISSION
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(dollars in thousands)**

**OHIO FACILITIES
CONSTRUCTION
COMMISSION**

Net Change in Fund Balances..... **\$ (327,571)**

The change in net position reported for governmental activities in the Statement of Activities is different because:

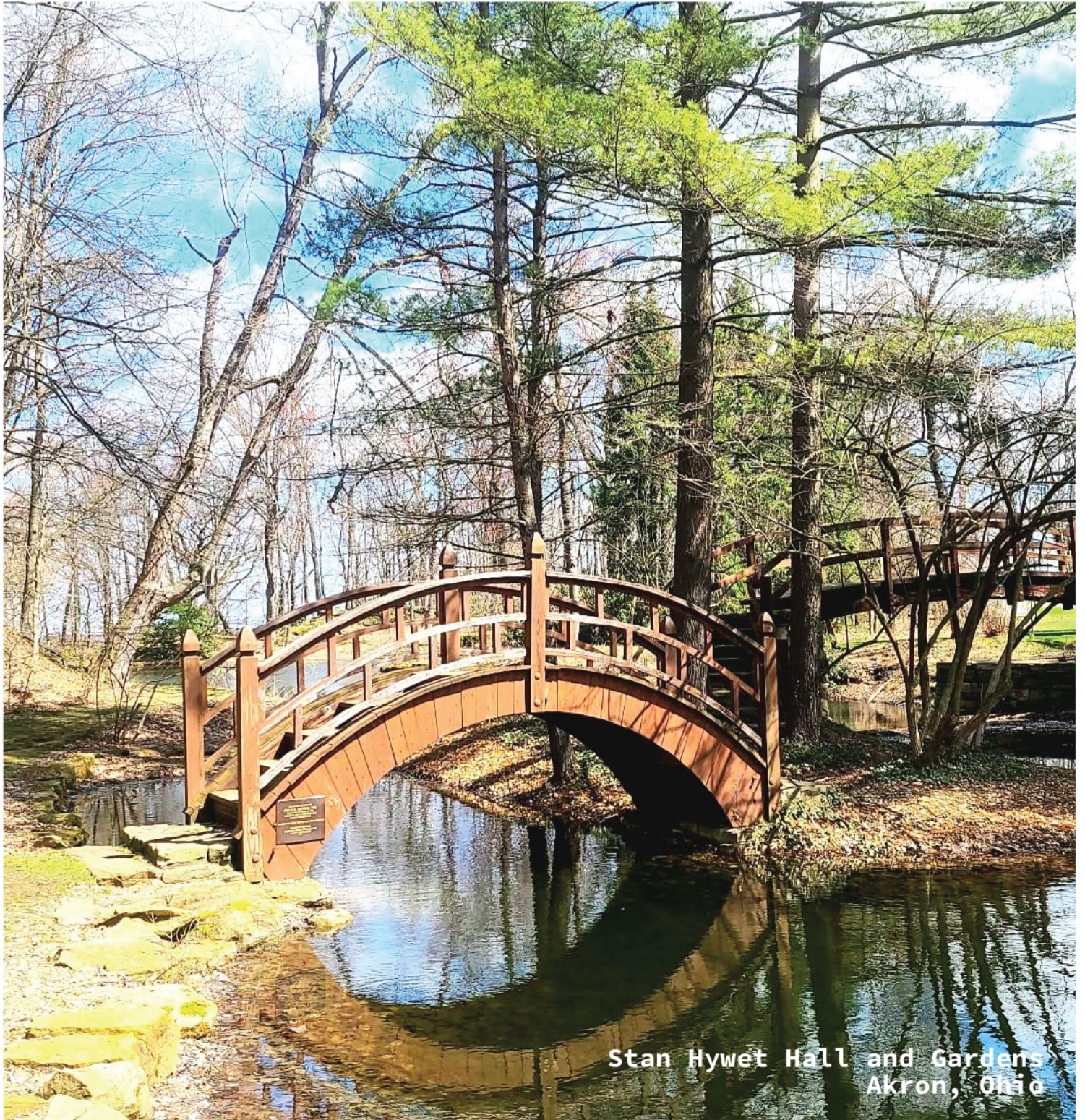
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were in excess/deficient over depreciation in the current period.

Depreciation Expense..... (2)

Expenses for compensated absences reported in the Statement of Activities are not reported as expenditures in the governmental funds. (74)

Change in Net Position..... **\$ (327,647)**

Statistical Section



Stan Hywet Hall and Gardens
Akron, Ohio

STATISTICAL SECTION

This section of the State of Ohio's Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

	<u>Pages</u>
Financial Trends	266-279
<p>These schedules contain trend information to assist the reader in understanding how the State's financial performance and condition have changed over time.</p>	
Revenue Capacity	280-293
<p>These schedules contain information to assist the reader in assessing the State's two most significant own-source revenues: income taxes and sales taxes.</p>	
Debt Capacity	294-301
<p>These schedules present information to assist the reader in assessing the affordability of the State's current levels of outstanding debt and its ability to issue additional debt in the future.</p>	
Economic and Demographic Information	302-305
<p>These schedules offer economic and demographic indicators to assist the reader in understanding the environment within which the State's financial activities take place.</p>	
Operating Information	306-313
<p>These schedules contain service and infrastructure data to assist the reader in understanding how the information in the State's financial report relates to the services the State provides and to the activities it performs.</p>	

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

STATE OF OHIO
NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)
(dollars in thousands)

	2022	2021	2020	2019
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets.....	\$ 26,177,771	\$ 25,297,331	\$ 24,838,706	\$ 24,458,022
Restricted for:				
Primary, Secondary and Other Education.....	86,776	135,713	101,891	133,130
Higher Education Support.....	339,108	76,044	7,710	14,444
Public Assistance and Medicaid.....	494,579	442,377	419,930	459,789
Health and Human Services.....	320,599	487,403	192,898	126,724
Justice and Public Protection.....	95,377	166,156	99,642	38,126
Environmental Protection and Natural Resources.....	622,140	417,404	339,004	359,593
Transportation.....	3,180,287	2,849,466	2,421,542	1,919,480
General Government.....	217,773	280,968	245,143	218,522
Community and Economic Development.....	1,337,910	1,049,749	855,297	659,085
Total Restricted Net Position.....	<u>6,694,549</u>	<u>5,905,280</u>	<u>4,683,057</u>	<u>3,928,893</u>
Unrestricted.....	<u>864,459</u>	<u>(5,376,159)</u>	<u>(10,968,244)</u>	<u>(11,132,056)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION.....	<u>\$ 33,736,779</u>	<u>\$ 25,826,452</u>	<u>\$ 18,553,519</u>	<u>\$ 17,254,859</u>
BUSINESS-TYPE ACTIVITIES:				
Net Investment in Capital Assets.....	\$ 77,842	\$ 91,810	\$ 111,342	\$ 134,728
Restricted for:				
Workers' Compensation.....	7,426,828	9,275,737	11,466,770	11,178,867
Lottery Prizes.....	84,147	91,013	99,467	57,181
Unemployment Compensation.....	1,298,737	—	—	1,303,856
Tuition Trust Authority.....	107,391	114,227	108,561	105,906
Total Restricted Net Position.....	<u>8,917,103</u>	<u>9,480,977</u>	<u>11,674,798</u>	<u>12,645,810</u>
Unrestricted.....	<u>240,306</u>	<u>(774,386)</u>	<u>(146,253)</u>	<u>78,530</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION.....	<u>\$ 9,235,251</u>	<u>\$ 8,798,401</u>	<u>\$ 11,639,887</u>	<u>\$ 12,859,068</u>
PRIMARY GOVERNMENT:				
Net Investment in Capital Assets.....	\$ 26,255,613	\$ 25,389,141	\$ 24,950,048	\$ 24,592,750
Restricted.....	15,611,652	15,386,257	16,357,855	16,574,703
Unrestricted.....	1,104,765	(6,150,545)	(11,114,497)	(11,053,526)
TOTAL PRIMARY GOVERNMENT NET POSITION.....	<u>\$ 42,972,030</u>	<u>\$ 34,624,853</u>	<u>\$ 30,193,406</u>	<u>\$ 30,113,927</u>

Source:
Ohio Office of Budget and Management

Note:

When practical or material, net position reported on the above table has been restated for prior period adjustments, corrections, and reclassifications. However, restatements do not include changes in reporting entity. For comparative purposes, however, the effects of such adjustments and corrections on the revenue and expense activity reported for the applicable fiscal years on the "Changes in Net Position" table may not have been determined for presentation on that table.

2018	2017	2016	2015	2014	2013
\$ 24,363,007	\$ 24,140,366	\$ 23,925,328	\$ 23,396,447	\$ 22,627,911	\$ 22,489,929
139,583	95,110	148,740	110,978	137,427	236,391
23,579	25,999	26,255	25,974	26,320	—
500,747	736,002	810,132	746,730	508,588	535,410
116,726	143,264	103,534	81,982	54,834	100,424
159,884	160,990	132,257	122,305	30,570	42,623
275,626	191,591	199,490	199,409	160,607	147,955
2,534,052	3,369,425	3,191,913	3,370,828	3,238,716	3,064,127
277,782	266,681	169,286	200,748	133,877	131,823
529,084	424,992	329,909	243,166	164,784	250,797
<u>4,557,063</u>	<u>5,414,054</u>	<u>5,111,516</u>	<u>5,102,120</u>	<u>4,455,723</u>	<u>4,509,550</u>
<u>(12,787,140)</u>	<u>(10,571,925)</u>	<u>(9,089,117)</u>	<u>(9,180,751)</u>	<u>(5,828,679)</u>	<u>(5,784,139)</u>
<u>\$ 16,132,930</u>	<u>\$ 18,982,495</u>	<u>\$ 19,947,727</u>	<u>\$ 19,317,816</u>	<u>\$ 21,254,955</u>	<u>\$ 21,215,340</u>
\$ 162,367	\$ 176,237	\$ 186,037	\$ 159,466	\$ 129,804	\$ 92,290
9,791,094	9,603,996	8,596,001	9,125,985	9,334,215	6,690,414
27,954	46,998	77,464	66,332	73,751	85,085
974,990	644,872	315,980	—	—	—
97,366	97,985	74,559	89,896	73,631	39,379
<u>10,891,404</u>	<u>10,393,851</u>	<u>9,064,004</u>	<u>9,282,213</u>	<u>9,481,597</u>	<u>6,814,878</u>
<u>64,432</u>	<u>154,915</u>	<u>131,660</u>	<u>(163,314)</u>	<u>(670,679)</u>	<u>(1,085,302)</u>
<u>\$ 11,118,203</u>	<u>\$ 10,725,003</u>	<u>\$ 9,381,701</u>	<u>\$ 9,278,365</u>	<u>\$ 8,940,722</u>	<u>\$ 5,821,866</u>
\$ 24,525,374	\$ 24,316,603	\$ 24,111,365	\$ 23,555,913	\$ 22,757,715	\$ 22,582,219
15,448,467	15,807,905	14,175,520	14,384,333	13,937,320	11,324,428
(12,722,708)	(10,417,010)	(8,957,457)	(9,344,065)	(6,499,358)	(6,869,441)
<u>\$ 27,251,133</u>	<u>\$ 29,707,498</u>	<u>\$ 29,329,428</u>	<u>\$ 28,596,181</u>	<u>\$ 30,195,677</u>	<u>\$ 27,037,206</u>

STATE OF OHIO
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)
(dollars in thousands)

	2022	2021	2020
EXPENSES:			
GOVERNMENTAL ACTIVITIES:			
Primary, Secondary and Other Education.....	\$ 16,400,029	\$ 14,679,666	\$ 13,500,953
Higher Education Support.....	2,788,935	3,008,618	2,696,257
Public Assistance and Medicaid.....	42,082,978	37,646,142	32,728,623
Health and Human Services.....	2,546,325	1,898,068	1,922,794
Justice and Public Protection.....	3,790,026	3,303,035	4,213,200
Environmental Protection and Natural Resources.....	540,237	457,657	505,950
Transportation.....	2,221,820	2,565,694	2,661,529
General Government.....	1,668,268	2,085,214	1,331,397
Community and Economic Development.....	4,747,009	4,003,838	3,498,595
Interest on Long-Term Debt (excludes interest charged as program expense).....	85,327	91,499	98,824
TOTAL GOVERNMENTAL ACTIVITIES EXPENSES.....	76,870,954	69,739,431	63,158,122
BUSINESS-TYPE ACTIVITIES:			
Workers' Compensation.....	1,541,747	6,845,396	2,772,348
Lottery Commission.....	4,121,684	4,091,517	3,209,778
Unemployment Compensation.....	1,756,889	14,539,576	9,765,240
Tuition Trust Authority.....	34,934	31,902	44,813
Liquor Control.....	—	—	—
Office of Auditor of State.....	65,508	41,946	95,221
TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES.....	7,520,762	25,550,337	15,887,400
TOTAL PRIMARY GOVERNMENT EXPENSES.....	\$ 84,391,716	\$ 95,289,768	\$ 79,045,522
PROGRAM REVENUES:			
GOVERNMENTAL ACTIVITIES:			
Charges for Services, Fees, Fines and Forfeitures:			
Public Assistance and Medicaid.....	\$ 3,650,826	\$ 3,516,188	\$ 2,887,667
Justice and Public Protection.....	1,257,009	1,197,262	1,091,454
General Government.....	773,768	662,303	438,463
Community and Economic Development.....	382,070	465,365	447,166
Other Activities.....	767,487	668,264	639,319
Operating Grants, Contributions and Restricted Investment Income/(Loss).....	43,901,582	36,859,973	28,234,460
Capital Grants, Contributions and Restricted Investment Income/(Loss).....	1,391,676	1,485,791	1,509,920
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES.....	52,124,418	44,855,146	35,248,449
BUSINESS-TYPE ACTIVITIES:			
Charges for Services, Fees, Fines and Forfeitures:			
Workers' Compensation.....	1,253,126	1,176,954	1,257,429
Lottery Commission.....	5,624,131	5,515,487	4,294,220
Unemployment Compensation.....	1,327,301	1,264,495	1,162,361
Liquor Control.....	—	—	—
Other Activities.....	53,820	51,552	52,382
Operating Grants, Contributions and Restricted Investment Income/(Loss).....	(385,607)	16,042,228	9,011,299
TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES.....	7,872,771	24,050,716	15,777,691
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES.....	\$ 59,997,189	\$ 68,905,862	\$ 51,026,140

	2019	2018	2017	2016	2015	2014	2013
\$	13,115,806	\$ 13,244,868	\$ 13,227,781	\$ 12,728,780	\$ 12,767,328	\$ 12,287,325	\$ 11,461,600
	2,731,166	2,771,493	2,760,035	2,603,480	2,536,850	2,474,851	2,403,149
	30,187,506	30,454,468	29,873,408	29,103,304	28,265,942	25,283,157	21,624,298
	1,926,151	1,744,243	1,636,753	1,656,750	1,576,185	1,579,156	3,504,235
	4,383,344	3,670,780	3,883,836	3,587,845	3,210,965	3,385,337	3,136,239
	557,249	567,788	571,532	586,001	507,889	419,539	437,297
	2,715,640	2,598,688	2,860,338	2,602,708	2,660,362	2,706,248	2,657,961
	1,223,453	951,063	946,923	948,796	921,426	835,785	921,636
	3,386,936	3,458,487	3,256,655	3,353,699	3,518,678	3,448,735	3,510,004
	102,143	97,799	94,290	99,819	102,980	103,283	114,859
	60,329,394	59,559,677	59,111,551	57,271,182	56,068,605	52,523,416	49,771,278
	2,113,612	2,227,977	2,419,185	3,322,700	2,533,883	2,417,674	3,428,859
	3,242,547	3,022,690	2,882,887	2,866,920	2,724,306	2,310,169	2,100,887
	841,040	929,460	985,624	1,021,152	1,034,060	1,444,870	1,976,518
	50,778	57,115	63,711	67,385	71,801	72,215	80,560
	—	—	—	—	—	—	310,209
	102,347	81,574	91,100	78,917	70,032	70,586	65,845
	6,350,324	6,318,816	6,442,507	7,357,074	6,434,082	6,315,514	7,962,878
\$	66,679,718	65,878,493	65,554,058	64,628,256	62,502,687	58,838,930	57,734,156
\$	2,663,006	\$ 2,680,920	\$ 1,746,969	\$ 1,946,102	\$ 1,438,860	\$ 1,506,096	\$ 1,152,467
	1,125,871	1,129,008	1,135,411	1,103,131	1,071,484	1,030,928	1,078,277
	500,983	460,910	532,489	557,775	480,796	548,649	418,085
	402,064	343,546	500,766	571,317	519,685	506,511	594,030
	591,294	615,324	641,013	749,346	709,606	632,883	950,819
	25,555,901	25,162,423	25,070,684	24,721,794	23,965,473	21,454,316	20,189,757
	1,481,791	1,424,697	1,442,906	1,430,936	1,398,463	1,523,237	1,695,846
	32,320,910	31,816,828	31,070,238	31,080,401	29,584,367	27,202,620	26,079,281
	1,299,895	1,172,347	1,554,566	1,451,585	1,962,587	2,093,962	1,504,112
	4,423,668	4,153,363	3,933,361	3,987,235	3,776,450	3,288,039	2,939,773
	1,154,235	1,253,015	1,311,094	1,178,304	1,228,403	1,270,232	1,342,217
	—	—	—	—	—	—	485,607
	51,387	54,954	55,109	57,035	52,811	57,531	60,028
	2,303,277	1,402,895	1,959,320	1,444,535	609,269	3,398,375	1,697,735
	9,232,462	8,036,574	8,813,450	8,118,694	7,629,520	10,108,139	8,029,472
\$	41,553,372	39,853,402	39,883,688	39,199,095	37,213,887	37,310,759	34,108,753

(continued)

STATE OF OHIO
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS

(accrual basis of accounting)
(dollars in thousands)
(continued)

	2022	2021	2020
NET (EXPENSE) REVENUE:			
Governmental Activities.....	\$ (24,746,536)	\$ (24,884,285)	\$ (27,909,673)
Business-Type Activities.....	352,009	(1,499,621)	(109,709)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE).....	\$ (24,394,527)	\$ (26,383,906)	\$ (28,019,382)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:			
GOVERNMENTAL ACTIVITIES:			
TAXES:			
Income.....	\$ 11,235,422	\$ 9,852,014	\$ 8,793,396
Sales.....	13,249,466	12,338,794	11,000,053
Corporate and Public Utility.....	3,498,582	3,137,355	2,964,107
Cigarette.....	883,080	928,637	913,712
Other.....	1,203,927	1,165,968	1,104,710
Restricted for Transportation Purposes:			
Motor Vehicle Fuel Taxes.....	2,669,589	2,547,613	2,593,158
TOTAL TAXES.....	32,740,066	29,970,381	27,369,136
Tobacco Settlement.....	337,502	362,378	324,269
Escheat Property.....	234,764	230,265	194,814
Unrestricted Investment Income.....	(569,669)	(22,994)	210,539
Other.....	756	723	67
Gain (Loss) on Extinguishment of Debt.....	(500)	—	—
Transfers-Internal Activities.....	(85,997)	1,342,535	1,109,508
TOTAL GOVERNMENTAL ACTIVITIES.....	32,656,922	31,883,288	29,208,333
BUSINESS-TYPE ACTIVITIES:			
Unrestricted Investment Income.....	5	7	21
Other.....	-	552	15
Gain on Extinguishment of Debt.....	25	111	—
Transfers-Internal Activities.....	85,997	(1,342,535)	(1,109,508)
TOTAL BUSINESS-TYPE ACTIVITIES.....	86,027	(1,341,865)	(1,109,472)
TOTAL PRIMARY GOVERNMENT.....	\$ 32,742,949	\$ 30,541,423	\$ 28,098,861
CHANGE IN NET POSITION:			
Governmental Activities.....	\$ 7,910,386	\$ 6,999,003	\$ 1,298,660
Business-Type Activities.....	438,036	(2,841,486)	(1,219,181)
TOTAL PRIMARY GOVERNMENT	\$ 8,348,422	\$ 4,157,517	\$ 79,479

Source:

Ohio Office of Budget and Management

Note:

During fiscal year 2014, Ohio House Bill 59 line item restructuring resulted in increases to Public Assistance and Medicaid expenses and decreases to Health and Human Services expenses.

On February 1, 2013, the State granted a 25-year franchise on its spirituous liquor system. Activity of the Liquor Control Enterprise Fund ceased as of January 31, 2013.

Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical or material.

2019	2018	2017	2016	2015	2014	2013
\$ (28,008,484)	\$ (27,742,849)	\$ (28,041,313)	\$ (26,190,781)	\$ (26,484,238)	\$ (25,320,796)	\$ (23,691,997)
2,882,138	1,717,758	2,370,943	761,620	1,195,438	3,792,625	66,594
\$ (25,126,346)	\$ (26,025,091)	\$ (25,670,370)	\$ (25,429,161)	\$ (25,288,800)	\$ (21,528,171)	\$ (23,625,403)
\$ 9,532,285	\$ 8,474,637	\$ 8,021,202	\$ 7,984,708	\$ 8,906,476	\$ 8,356,216	\$ 9,826,097
10,791,460	10,358,501	10,804,340	10,548,038	10,170,995	9,386,554	8,635,076
3,072,683	2,843,017	2,754,290	2,737,316	2,687,540	2,682,274	2,560,420
917,278	939,953	979,973	1,008,677	808,270	813,056	828,812
1,074,712	1,024,397	1,019,058	1,006,342	953,339	888,059	993,217
1,874,409	1,891,116	1,952,512	1,798,483	1,827,134	1,782,437	1,774,781
27,262,827	25,531,621	25,531,375	25,083,564	25,353,754	23,908,596	24,618,403
343,125	352,355	350,378	341,130	284,267	362,472	336,255
147,736	158,770	159,585	161,904	220,486	192,184	167,140
235,370	24,741	2,975	70,897	36,462	1,733	25,881
20	17	30	1,683	275	839	239,435
—	—	—	—	1,276	—	(154,607)
1,141,335	1,168,236	1,031,738	1,160,878	1,082,061	955,721	1,082,887
29,130,413	27,235,740	27,076,081	26,820,056	26,978,581	25,421,545	26,315,394
24	15	12	8	5	3	3
38	—	—	—	—	11	—
—	—	4,085	502,586	402,562	281,938	273,851
(1,141,335)	(1,168,236)	(1,031,738)	(1,160,878)	(1,082,061)	(955,721)	(1,082,887)
(1,141,273)	(1,168,221)	(1,027,641)	(658,284)	(679,494)	(673,769)	(809,033)
\$ 27,989,140	\$ 26,067,519	\$ 26,048,440	\$ 26,161,772	\$ 26,299,087	\$ 24,747,776	\$ 25,506,361
\$ 1,121,929	\$ (507,109)	\$ (965,232)	\$ 629,275	\$ 494,343	\$ 100,749	\$ 2,623,397
1,740,865	549,537	1,343,302	103,336	515,944	3,118,856	(742,439)
\$ 2,862,794	\$ 42,428	\$ 378,070	\$ 732,611	\$ 1,010,287	\$ 3,219,605	\$ 1,880,958

STATE OF OHIO

CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(dollars in thousands)

	2022	2021	2020	2019	2018
REVENUES:					
Income Taxes.....	\$ 11,204,590	\$ 9,843,394	\$ 8,777,091	\$ 9,503,674	\$ 8,463,731
Sales Taxes.....	13,249,466	12,338,794	11,000,053	10,791,460	10,358,501
Corporate and Public Utility Taxes.....	3,498,582	3,137,355	2,964,107	3,072,683	2,843,017
Motor Vehicle Fuel Taxes.....	2,669,589	2,547,613	2,593,159	1,874,409	1,891,116
Cigarette Taxes.....	883,080	928,637	913,712	917,278	939,953
Other Taxes.....	1,203,927	1,165,968	1,104,710	1,074,712	1,024,397
Licenses, Permits and Fees.....	5,208,166	4,800,553	4,302,210	4,043,779	4,004,408
Sales, Services and Charges.....	166,969	125,181	146,829	154,222	152,991
Federal Government.....	44,873,771	38,148,796	29,335,110	26,813,932	26,294,572
Tobacco Settlement.....	309,831	308,689	289,064	298,121	331,911
Escheat Property.....	234,764	230,265	194,814	147,736	158,770
Investment Income.....	(532,631)	65,799	423,991	485,415	157,172
Other	1,771,575	1,706,045	1,173,435	1,206,735	1,194,775
TOTAL REVENUES.....	84,741,679	75,347,089	63,218,285	60,384,156	57,815,314
EXPENDITURES:					
Current Operating:					
Primary, Secondary and					
Other Education.....	16,172,847	14,454,715	13,186,680	12,689,272	12,881,773
Higher Education Support.....	2,681,337	2,898,468	2,568,093	2,585,035	2,627,892
Public Assistance and Medicaid.....	42,293,202	37,835,781	32,682,274	30,105,826	30,327,824
Health and Human Services.....	2,555,958	2,420,162	1,770,136	1,689,843	1,643,314
Justice and Public Protection.....	4,240,484	4,141,065	3,866,732	3,659,939	3,495,950
Environmental Protection and					
Natural Resources.....	581,518	504,780	448,235	420,258	442,004
Transportation.....	2,846,847	2,845,423	2,708,547	2,627,115	2,518,937
General Government.....	1,888,269	2,409,469	1,211,884	1,007,616	898,737
Community and Economic					
Development.....	4,688,811	3,956,794	3,402,872	3,268,371	3,344,971
Capital Outlay.....	499,463	512,291	740,143	820,209	771,797
Debt service:					
Principal.....	1,349,810	1,010,970	1,381,785	1,249,145	1,196,470
Interest.....	747,419	744,103	1,027,375	843,917	806,468
TOTAL EXPENDITURES.....	80,545,965	73,734,021	64,994,756	60,966,546	60,956,137
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER)					
EXPENDITURES.....	4,195,714	1,613,068	(1,776,471)	(582,390)	(3,140,823)

	2017	2016	2015	2014	2013
\$	8,035,064	\$ 7,996,349	\$ 8,906,259	\$ 8,411,694	\$ 9,811,982
	10,804,340	10,548,038	10,170,995	9,386,554	8,643,468
	2,754,290	2,737,316	2,687,540	2,682,274	2,555,959
	1,952,512	1,798,483	1,827,134	1,782,437	1,774,781
	979,973	1,008,677	808,270	813,056	828,812
	1,019,058	1,006,342	953,339	888,059	993,217
	3,281,235	3,498,903	3,000,470	3,058,221	3,207,414
	149,800	145,147	115,672	107,676	95,686
	26,258,500	26,281,700	24,533,971	22,920,755	21,537,101
	270,680	300,051	285,916	331,129	295,086
	159,585	161,904	220,486	208,508	175,284
	74,314	113,375	62,431	21,356	38,255
	1,219,676	1,392,958	1,307,559	1,126,759	1,207,030
	<u>56,959,027</u>	<u>56,989,243</u>	<u>54,880,042</u>	<u>51,738,478</u>	<u>51,164,075</u>
	12,836,664	12,383,787	12,385,866	11,908,976	11,029,898
	2,620,509	2,467,060	2,400,039	2,335,509	2,263,026
	29,666,058	28,937,506	28,632,189	25,302,660	21,660,378
	1,528,658	1,560,412	1,519,151	1,586,232	3,369,506
	3,444,724	3,324,692	3,195,731	3,091,789	3,062,006
	420,190	411,046	413,028	403,119	416,875
	2,689,150	2,841,556	2,835,705	2,647,937	2,637,989
	827,684	875,371	782,777	794,985	821,512
	3,156,209	3,226,354	3,431,424	3,329,205	3,376,928
	673,399	678,594	510,109	379,698	352,670
	1,209,865	1,199,620	1,229,971	1,177,305	1,813,180
	796,699	802,556	729,002	732,849	72,103
	<u>59,869,809</u>	<u>58,708,554</u>	<u>58,064,992</u>	<u>53,690,264</u>	<u>50,876,071</u>
	<u>(2,910,782)</u>	<u>(1,719,311)</u>	<u>(3,184,950)</u>	<u>(1,951,786)</u>	<u>288,004</u>

(continued)

STATE OF OHIO

CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(dollars in thousands)

(continued)

	2022	2021	2020	2019	2018
OTHER FINANCING SOURCES (USES):					
Bonds, Notes and COPs Issued.....	\$ 491,090	\$ 1,282,480	\$ 1,192,590	\$ 1,001,327	\$ 1,937,489
Refunding Bonds and COPs Issued.....	158,455	318,995	6,372,546	—	748,540
Payment to Refunded Bond and COPs					
Escrow Agents.....	(199,411)	(479,744)	(6,655,367)	—	(925,161)
Premiums.....	132,821	344,496	821,820	156,207	454,339
Capital Leases.....	—	1,634	1,042	792	198
Leases and Financed Purchases.....	24,365	—	—	—	—
Transfers-in.....	4,340,543	3,744,154	3,802,681	4,036,526	4,055,349
Transfers-out.....	(4,426,540)	(2,401,619)	(2,693,173)	(2,895,191)	(2,887,113)
TOTAL OTHER FINANCING SOURCES (USES).....	521,323	2,810,396	2,842,139	2,299,661	3,383,641
SPECIAL ITEMS.....	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	\$ 4,717,037	\$ 4,423,464	\$ 1,065,668	\$ 1,717,271	\$ 242,818
Debt Service as a Percentage of Noncapital Expenditures.....	2.6%	2.4%	3.7%	3.5%	3.3%
Additional Information:					
Increase (Decrease) for Changes in Inventories.....	\$ (73,887)	\$ 90,087	\$ 55,914	\$ 14,738	\$ (16,831)

Source:

Ohio Office of Budget and Management

Note:

During fiscal year 2014, Ohio House Bill 59 line item restructuring resulted in increases to Public Assistance and Medicaid expenditures and decreases to Health and Human Services expenditures.

Revenues, expenditures, and other financing sources (uses) have been restated for prior period adjustments, corrections, and reclassifications, when practical or material.

2017	2016	2015	2014	2013
\$ 1,391,350	\$ 1,070,000	\$ 1,110,591	\$ 1,347,005	\$ 712,470
—	473,270	254,590	407,540	470,520
—	(584,504)	(382,933)	(479,249)	(1,465,468)
220,157	273,422	219,999	207,372	209,381
540	—	—	2,196	108
—	—	—	—	—
3,579,105	3,751,704	3,673,216	3,426,036	4,448,253
(2,547,367)	(2,590,826)	(2,591,155)	(2,470,315)	(3,365,366)
<u>2,643,785</u>	<u>2,393,066</u>	<u>2,284,308</u>	<u>2,440,585</u>	<u>1,009,898</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,463,506</u>
<u>\$ (266,997)</u>	<u>\$ 673,755</u>	<u>\$ (900,642)</u>	<u>\$ 488,799</u>	<u>\$ 2,761,408</u>
3.4%	3.5%	3.4%	3.6%	3.7%
\$ (19,689)	\$ 26,495	\$ 924	\$ 14,593	\$ (21,245)

STATE OF OHIO
FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(dollars in thousands)

	2022	2021	2020	2019	2018
GENERAL FUND:					
Nonspendable.....	\$ 37,680	\$ 47,018	\$ 60,524	\$ 55,497	\$ 52,267
Restricted.....	1,410,363	1,605,009	1,410,994	1,592,716	1,465,460
Committed.....	863,606	837,568	764,322	728,698	772,528
Assigned.....	6,437,294	3,856,376	3,207,189	2,885,896	2,539,407
Unassigned.....	6,893,958	5,717,927	2,924,183	2,455,345	667,887
TOTAL GENERAL FUND.....	15,642,901	12,063,898	8,367,212	7,718,152	5,497,549
ALL OTHER GOVERNMENTAL FUNDS:					
Nonspendable, reported in:					
Special Revenue Funds.....	213,068	324,566	139,742	92,572	84,330
Restricted, reported in:					
Special Revenue Funds.....	3,579,893	3,096,738	2,715,280	2,257,872	2,277,693
Debt Service Funds.....	4,060,197	4,191,849	4,315,820	4,435,344	4,524,129
Capital Projects Funds.....	515,408	700,159	539,100	564,484	910,048
Committed, reported in:					
Special Revenue Funds.....	2,341,755	1,339,378	845,279	738,669	777,030
Assigned.....	155	-	-	-	-
Unassigned, reported in:					
Special Revenue Funds.....	(674)	(6,674)	-	(1,079)	(1,937)
Capital Projects Funds.....	-	-	-	(5,163)	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS.....	10,709,802	9,646,016	8,555,221	8,082,699	8,571,293
TOTAL GOVERNMENTAL FUNDS.....	\$ 26,352,703	\$ 21,709,914	\$ 16,922,433	\$ 15,800,851	\$ 14,068,842

Source:
Ohio Office of Budget and Management

Note:

When practical or material, fund balances reported on the above table have been restated for prior period adjustments, corrections, and reclassifications; however, restatements do not include changes in reporting entity. For comparative purposes, however, the effects of such adjustments and corrections on the revenue and expenditure activity reported for the applicable fiscal years on the "Changes in Fund Balances for Governmental Funds" table and the "Condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund" table may not have been determined for presentation on each of the two respective tables.

2017	2016	2015	2014	2013
\$ 43,576	\$ 45,953	\$ 49,655	\$ 69,787	\$ 59,896
1,370,010	1,270,315	1,153,828	1,462,971	1,126,686
739,749	820,878	803,551	773,730	751,615
2,995,792	2,653,290	2,585,575	2,366,979	2,042,246
239,478	863,925	411,190	1,255,489	1,259,670
5,388,605	5,654,361	5,003,799	5,928,956	5,240,113
94,241	109,665	80,141	76,987	59,902
2,348,843	2,326,231	2,197,584	2,460,777	2,671,751
4,634,898	4,764,200	4,869,269	4,989,278	5,087,771
512,771	528,827	672,113	474,897	387,874
864,815	746,685	606,055	631,086	613,984
-	-	-	-	-
(1,318)	(428)	(306)	(163)	(395)
-	-	-	-	(5,388)
8,454,250	8,475,180	8,424,856	8,632,862	8,815,499
\$ 13,842,855	\$ 14,129,541	\$ 13,428,655	\$ 14,561,818	\$ 14,055,612

STATE OF OHIO

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE GENERAL FUND FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(dollars in thousands)

	2022	2021	2020	2019	2018
REVENUES:					
Income Taxes.....	\$ 11,204,590	\$ 9,843,394	\$ 8,777,052	\$ 9,503,588	\$ 8,463,620
Sales Taxes.....	13,249,466	12,338,794	11,000,053	10,791,460	10,358,501
Corporate and Public Utility Taxes	3,414,271	3,092,343	2,895,596	2,984,810	2,776,908
Motor Vehicle Fuel Tax.....	1,484,728	1,429,435	1,391,745	1,153,540	1,139,218
Cigarette Taxes	883,080	928,637	913,712	917,278	939,953
Other Taxes	806,270	794,540	756,390	722,801	694,845
Licenses, Permits and Fees	1,384,825	1,329,822	1,175,303	1,200,753	1,186,458
Sales, Services and Charges	137,033	98,976	112,172	115,337	121,708
Federal Government	11,592,484	12,272,448	10,064,078	9,404,643	9,239,529
Tobacco Settlement.....	1,896	252	214	386	117
Escheat Property	234,764	230,265	194,814	147,736	158,770
Investment Income	(570,453)	31,450	351,873	416,878	111,458
Other	500,382	560,049	258,146	294,125	309,746
TOTAL REVENUES	44,323,336	42,950,405	37,891,148	37,653,335	35,500,831
EXPENDITURES:					
Current Operating	38,810,884	38,782,210	36,005,625	34,554,711	34,908,401
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	38,810,884	38,782,210	36,005,625	34,554,711	34,908,401
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	5,512,452	4,168,195	1,885,523	3,098,624	592,430
OTHER FINANCING SOURCES (USES):					
Bonds, Notes and COPs Issued.....	237,945	737,411	497,000	617,435	855,000
Premiums	57,055	188,996	115,596	89,878	93,912
Capital Leases.....	-	1,634	1,042	792	198
Leases and Financed Purchases	24,365	-	-	-	-
Transfers-in	232,722	281,440	312,304	531,759	629,232
Transfers-out	(2,488,874)	(1,908,638)	(2,165,522)	(2,119,050)	(2,062,561)
TOTAL OTHER FINANCING SOURCES (USES).....	(1,936,787)	(699,157)	(1,239,580)	(879,186)	(484,219)
SPECIAL ITEMS.....	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	3,575,665	3,469,038	645,943	2,219,438	108,211
FUND BALANCES, JULY 1 (as restated).....	12,067,376	8,600,905	7,718,152	5,497,549	5,388,605
Increase (Decrease) for Changes in Inventories	(140)	(6,045)	3,117	1,165	733
FUND BALANCES, JUNE 30	\$ 15,642,901	\$ 12,063,898	\$ 8,367,212	\$ 7,718,152	\$ 5,497,549

Source:

Ohio Office of Budget and Management

Note:

The July 1 fund balances have been restated for prior period adjustments, corrections, and reclassifications, when practical or material.

	2017	2016	2015	2014	2013
\$	8,034,901	\$ 7,995,959	\$ 8,895,192	\$ 8,398,840	\$ 9,798,658
	10,804,340	10,547,926	10,166,332	9,380,762	8,637,501
	2,697,003	2,670,854	2,597,993	2,680,923	2,554,965
	1,175,285	1,109,241	1,114,542	1,091,123	1,087,748
	979,973	1,008,677	808,270	813,056	828,812
	706,841	691,250	648,099	661,870	747,882
	748,344	706,064	734,839	722,403	816,564
	93,120	85,579	76,208	68,918	59,839
	11,593,813	11,309,010	8,942,561	8,313,226	7,225,992
	449	2,953	94	38,620	-
	159,585	161,904	220,486	208,508	175,284
	41,986	93,014	47,438	8,662	26,454
	270,734	354,151	244,296	246,632	283,339
	37,306,374	36,736,582	34,496,350	32,633,543	32,243,038
	36,730,447	34,842,685	33,941,965	30,970,485	29,451,874
	-	-	-	734	42
	36,730,447	34,842,685	33,941,965	30,971,219	29,451,916
	575,927	1,893,897	554,385	1,662,324	2,791,122
	849,941	530,000	460,000	800,000	178,000
	71,161	56,696	48,536	28,310	7,911
	540	-	-	2,196	108
	-	-	-	-	-
	292,078	286,624	321,156	221,697	545,356
	(2,054,788)	(2,116,780)	(2,072,234)	(2,026,789)	(2,928,231)
	(841,068)	(1,243,460)	(1,242,542)	(974,586)	(2,196,856)
	-	-	-	-	1,463,506
	(265,141)	650,437	(688,157)	687,738	2,057,772
	5,654,361	5,004,435	5,695,511	5,240,486	3,188,956
	(615)	(511)	(3,555)	732	(6,615)
\$	5,388,605	5,654,361	5,003,799	5,928,956	5,240,113

STATE OF OHIO

TAX REVENUES OF GOVERNMENTAL FUNDS BY MAJOR SOURCE AND EFFECTIVE STATE INCOME TAX RATE FOR THE LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

(dollars in millions)

<u>INCOME TAX</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Personal Income Tax Revenue.....	\$11,205	\$9,843	\$8,777	\$9,504	\$8,464
Personal Income(A).....	\$665,374	\$627,231	\$586,784	\$569,727	\$544,828
Average Effective State Income Tax Rate.....	<u>1.68%</u>	<u>1.57%</u>	<u>1.50%</u>	<u>1.67%</u>	<u>1.55%</u>
<u>SALES TAX</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
State Sales Tax Revenue.....	\$13,249	\$12,339	\$11,000	\$10,791	\$10,359

Source:

U.S. Department of Commerce, Bureau of Economic Analysis
Ohio Office of Budget and Management

Note:

(A) Data presented is as of December 31 of the given fiscal year.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$8,035	\$7,996	\$8,906	\$8,412	\$9,812
<u>\$517,918</u>	<u>\$505,950</u>	<u>\$489,695</u>	<u>\$472,846</u>	<u>\$462,424</u>
<u>1.55%</u>	<u>1.58%</u>	<u>1.82%</u>	<u>1.78%</u>	<u>2.12%</u>

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$10,804	\$10,548	\$10,171	\$9,387	\$8,643

STATE OF OHIO

PERSONAL INCOME BY INDUSTRY, EFFECTIVE TAX RATE, EXEMPTIONS, AND INCOME TAX RATES FOR THE LAST TEN CALENDAR YEARS

STATE INCOME TAX BY INDUSTRY

<i>(dollars in millions)</i>	2021	2020	2019	2018	2017
Services.....	\$ 181,664	\$ 167,823	\$ 168,726	\$ 162,998	\$ 157,563
Manufacturing.....	60,267	57,126	59,254	58,528	55,478
Government.....	63,228	62,376	61,287	59,721	58,272
Wholesale and Retail Trade.....	50,310	46,399	45,863	44,369	43,680
Finance, Insurance, and Real Estate.....	34,856	33,565	32,430	31,650	30,219
Construction.....	28,402	26,000	24,984	24,072	23,727
Transportation and Public Utilities.....	25,677	23,637	22,642	20,990	19,090
Other	220,970	210,305	171,598	167,399	156,799
Total Personal Income.....	<u>\$ 665,374</u>	<u>\$ 627,231</u>	<u>\$ 586,784</u>	<u>\$ 569,727</u>	<u>\$ 544,828</u>
Average Effective State Income Tax Rate.....	<u>1.68%</u>	<u>1.57%</u>	<u>1.50%</u>	<u>1.67%</u>	<u>1.55%</u>

EXEMPTIONS BY CALENDAR YEAR

Exemptions	2021	2020	2019	2018	2017
Personal/Dependent Exemption:					
\$0-\$40,000.....	2,400	2,400	2,350	2,350	2,300
\$40,001-80,000.....	2,150	2,150	2,100	2,100	2,050
\$80,001 and above.....	1,900	1,900	1,850	1,850	1,800
Exemption Credit per Taxpayer, Spouse, and Dependent(A).....	20	20	20	20	20

Source:

U.S. Department of Commerce, Bureau of Economic Analysis
Ohio Office of Budget and Management
Ohio Department of Taxation

Note:

(A) The \$20 personal and dependent exemption credit is only available to taxpayers with Ohio taxable income of less than \$30,000.

2016	2015	2014	2013	2012
\$ 149,264	\$ 147,288	\$ 142,532	\$ 137,541	\$ 132,344
54,677	54,536	52,490	50,541	50,024
57,702	56,281	54,715	53,485	53,886
42,530	42,141	40,997	39,565	38,687
27,024	26,349	28,766	27,397	25,873
20,997	19,967	18,837	17,523	16,341
19,605	17,363	15,129	15,207	14,837
146,119	142,025	136,229	131,587	130,432
<u>\$ 517,918</u>	<u>\$ 505,950</u>	<u>\$ 489,695</u>	<u>\$ 472,846</u>	<u>\$ 462,424</u>

<u>1.55%</u>	<u>1.58%</u>	<u>1.82%</u>	<u>1.78%</u>	<u>2.12%</u>
--------------	--------------	--------------	--------------	--------------

2016	2015	2014	2013	2012
2,250	2,200	2,200	1,700	1,700
2,000	1,950	1,950	1,700	1,700
1,750	1,700	1,700	1,700	1,700
20	20	20	20	20

(continued)

STATE OF OHIO

PERSONAL INCOME BY INDUSTRY, EFFECTIVE TAX RATE, EXEMPTIONS, AND INCOME TAX RATES FOR THE LAST TEN CALENDAR YEARS

(continued)

INCREMENTAL TAX RATES BY CALENDAR YEAR

Ohio Income Tax Brackets (A)	2021 (B)	2020	2019	2018
Tax Bracket 1.....	0.000%	0.000%	0.000%	0.000%
Tax Bracket 2.....	2.765%	2.850%	2.850%	1.980%
Tax Bracket 3.....	3.226%	3.326%	3.326%	2.476%
Tax Bracket 4.....	3.688%	3.802%	3.802%	2.969%
Tax Bracket 5.....	3.990%	4.413%	4.413%	3.465%
Tax Bracket 6.....	(E)	4.797%	4.797%	3.960%
Tax Bracket 7.....		(D)	(D)	4.597%
Tax Bracket 8.....				4.997%
Tax Bracket 9.....				(C)

TAX BRACKETS BY CALENDAR YEAR

Ohio Income Tax Brackets (A)	2021 (B)	2020	2019	2018
Tax Bracket 1.....	\$0- \$25,000	\$0- \$22,150	\$0- \$21,750	\$0- \$10,850
Tax Bracket 2.....	25,001- 44,250	22,151- 44,250	21,751- 43,450	10,851- 16,300
Tax Bracket 3.....	44,250- 88,450	44,250- 88,450	43,450- 86,900	16,300- 21,750
Tax Bracket 4.....	88,450-110,650	88,450-110,650	86,900-108,700	21,750- 43,450
Tax Bracket 5.....	110,650 & above	110,650- 221,300	108,700- 217,400	43,450- 86,900
Tax Bracket 6.....	(E)	221,300 & above	217,400 & above	86,900- 108,700
Tax Bracket 7.....		(D)	(D)	108,700- 217,400
Tax Bracket 8.....				217,400 & above
Tax Bracket 9.....				(C)

Source:

Ohio Department of Taxation

Note:

- (A) O.R.C. 5747.02 (A) directs that the Tax Commission will adjust the income brackets for inflation.
 (B) Calendar year 2021 is most recent year for which data available.
 (C) Starting in calendar year 2017, there are only eight tax brackets.
 (D) Starting in calendar year 2019, there are only 6 tax brackets.
 (E) Starting in calendar year 2021, there are only 5 tax brackets.

2017	2016	2015	2014	2013	2012
0.000%	0.495%	0.495%	0.528%	0.537%	0.587%
1.980%	0.990%	0.990%	1.057%	1.074%	1.174%
2.476%	1.980%	1.980%	2.113%	2.148%	2.348%
2.969%	2.476%	2.476%	2.642%	2.686%	2.935%
3.465%	2.969%	2.969%	3.169%	3.222%	3.521%
3.960%	3.465%	3.465%	3.698%	3.760%	4.109%
4.597%	3.960%	3.960%	4.226%	4.296%	4.695%
4.997%	4.597%	4.597%	4.906%	4.988%	5.451%
(C)	4.997%	4.997%	5.333%	5.421%	5.925%

2017	2016	2015	2014	2013	2012
\$0- \$10,650	\$0- \$5,250	\$0- \$5,200	\$0- \$5,200	\$0- \$5,200	\$0- \$5,200
10,651- 16,000	5,250- 10,500	5,200- 10,400	5,200- 10,400	5,200- 10,400	5,200- 10,400
16,000- 21,350	10,500- 15,800	10,400- 15,650	10,400- 15,650	10,400- 15,650	10,400- 15,650
21,350- 42,650	15,800- 21,100	15,650- 20,900	15,650- 20,900	15,650- 20,900	15,650- 20,900
42,650- 85,300	21,100- 42,100	20,900- 41,700	20,900- 41,700	20,900- 41,700	20,900- 41,700
85,300- 106,650	42,100- 84,200	41,700- 83,350	41,700- 83,350	41,700- 83,350	41,700- 83,350
106,650- 213,350	84,200- 105,300	83,350- 104,250	83,350- 104,250	83,350- 104,250	83,350- 104,250
213,350 & above	105,300- 210,600	104,250- 208,500	104,250- 208,500	104,250- 208,500	104,250- 208,500
(C)	210,600 & above	208,500 & above	208,500 & above	208,500 & above	208,500 & above

STATE OF OHIO

STATE INDIVIDUAL INCOME TAX RETURNS AND LIABILITY BY INCOME LEVEL FOR TAX YEAR 2020 WITH COMPARATIVES FOR TAX YEAR 2011 (NINE YEARS PRIOR)

2020 TAX YEAR (most recent information available)			
Income Level	Federal Adjusted Gross Income (in thousands)	Ohio Tax Returns	
		Number	Percentage of Total Returns
\$200,001 & Above	\$264,226,913	282,220	4.90%
100,001-200,000	102,915,014	768,333	13.35%
80,001-100,000	37,186,005	415,619	7.22%
40,001-80,000	88,624,107	1,550,162	26.94%
20,001-40,000	39,379,097	1,325,260	23.03%
15,001-20,000	5,955,006	339,557	5.90%
10,001-15,000	4,403,368	352,966	6.13%
5,001-10,000	2,595,360	344,619	5.99%
5,000 & Under	843,825	376,182	6.54%
	<u>\$546,128,695</u>	<u>5,754,918</u>	<u>100.00%</u>

2011 TAX YEAR			
Income Level	Federal Adjusted Gross Income (in thousands)	Ohio Tax Returns	
		Number	Percentage of Total Returns
\$200,001 & Above	\$125,262,864	149,972	2.84%
100,001-200,000	64,080,925	487,106	9.22%
80,001-100,000	31,428,549	352,256	6.67%
40,001-80,000	77,527,772	1,358,021	25.70%
20,001-40,000	37,614,388	1,281,115	24.25%
15,001-20,000	7,185,646	411,698	7.79%
10,001-15,000	5,562,808	444,761	8.42%
5,001-10,000	3,210,617	425,278	8.05%
5,000 & Under	1,003,264	373,746	7.06%
	<u>\$352,876,833</u>	<u>5,283,953</u>	<u>100.00%</u>

Source:

Ohio Department of Taxation

Note:

(A) The effective tax rate is calculated by dividing Ohio income tax receipts by federal adjusted gross income.

Ohio Income Tax Liability		
Tax Receipts (in thousands)	Percentage of Total Taxes	Effective Tax Rate (A)
\$3,695,979	42.53%	1.40%
2,439,214	28.07%	2.37%
750,474	8.64%	2.02%
1,503,050	17.30%	1.70%
300,908	3.46%	0.76%
274	0.00%	0.00%
239	0.00%	0.01%
213	0.00%	0.01%
206	0.00%	0.02%
<u>\$8,690,557</u>	<u>100.00%</u>	1.59%

Ohio Income Tax Liability		
Tax Receipts (in thousands)	Percentage of Total Taxes	Effective Tax Rate (A)
\$2,933,275	35.61%	2.34%
2,078,972	25.25%	3.24%
856,317	10.40%	2.72%
1,747,389	21.22%	2.25%
552,678	6.71%	1.47%
49,944	0.61%	0.70%
15,318	0.19%	0.28%
441	0.01%	0.01%
321	0.00%	0.03%
<u>\$8,234,655</u>	<u>100.00%</u>	2.33%

STATE OF OHIO

SALES TAX REVENUE BY TYPE, TAX REVENUES OF GOVERNMENTAL FUNDS FOR THE LAST TEN FISCAL YEARS

(cash basis of accounting)

(dollars in thousands)

	2022	2021	2020	2019
Vendors' Sales.....	\$ 11,250,652	\$ 10,514,664	\$ 9,365,035	\$ 9,234,581
Motor Vehicles and Watercraft.....	1,983,014	1,893,763	1,526,635	1,524,842
Alcoholic Beverages.....	96,791	99,804	81,022	67,565
Delinquencies and Assessments.....	82,913	42,891	45,807	60,900
Permissive Taxes:				
County Levies.....	26,507	23,806	22,437	21,554
Transit Authorities.....	7,294	5,736	4,806	4,686
Total Sales Tax Revenue.....	<u>\$ 13,447,171</u>	<u>\$ 12,580,664</u>	<u>\$ 11,045,742</u>	<u>\$ 10,914,128</u>
Base State Sales Tax Rates.....	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>

Source:

Ohio Department of Taxation

Ohio Office of Budget and Management

2018	2017	2016	2015	2014	2013
\$ 8,865,860	\$ 9,370,739	\$ 9,128,017	\$ 8,816,637	\$ 8,132,482	\$ 7,485,702
1,461,660	1,413,448	1,363,324	1,332,239	1,224,236	1,110,055
61,751	58,688	55,005	50,285	46,087	41,683
64,119	65,500	90,158	60,793	62,726	63,708
20,862	21,288	20,848	19,221	17,163	16,046
4,592	4,789	4,691	4,474	4,180	4,008
<u>\$ 10,478,844</u>	<u>\$ 10,934,452</u>	<u>\$ 10,662,043</u>	<u>\$ 10,283,649</u>	<u>\$ 9,486,874</u>	<u>\$ 8,721,202</u>
<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>	<u>5.75%</u>

STATE OF OHIO

WORKERS' COMPENSATION ENTERPRISE FUND ACTIVE EMPLOYERS, PREMIUM AND ASSESSMENT INCOME AND ACTUAL AVERAGE COLLECTED PREMIUM RATE FOR THE LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Active Employers by Type					
Private.....	251,816	248,256	245,040	244,247	236,591
Public (Local).....	3,807	3,805	3,802	3,796	3,784
Public (State).....	114	114	114	115	115
Self-Insured.....	1,089	1,110	1,139	1,160	1,173
Black Lung.....	19	20	26	26	28
Marine Fund.....	125	131	129	128	121
Total.....	<u>256,970</u>	<u>253,436</u>	<u>250,250</u>	<u>249,472</u>	<u>241,812</u>
Premium & Assessment Income <i>(dollars in thousands)</i>					
Premium & Assessment Income.....	\$ 1,268,024	\$ 1,198,066	\$ 1,263,961	\$ 1,322,274	\$ 1,202,517
Provision for Uncollectibles.....	(22,563)	(28,471)	(15,202)	(31,775)	(39,577)
Total Premium & Assessment Income.....	<u>\$ 1,245,461</u>	<u>\$ 1,169,595</u>	<u>\$ 1,248,759</u>	<u>\$ 1,290,499</u>	<u>\$ 1,162,940</u>
Average Published Rate per \$100 of Payroll:					
Private Employers.....	\$0.57	\$0.67	\$0.76	\$0.95	\$0.95
Public Employers-Taxing Districts.....	0.59	0.69	0.77	0.85	0.97

Source:

Ohio Bureau of Workers' Compensation Year-End Statistics Report

2017	2016	2015	2014	2013
237,249	239,331	247,829	249,602	249,085
3,796	3,796	3,807	3,815	3,794
121	121	121	121	129
1,166	1,178	1,180	1,197	1,205
28	31	34	36	36
114	138	135	146	139
<u>242,474</u>	<u>244,595</u>	<u>253,106</u>	<u>254,917</u>	<u>254,388</u>

\$ 1,574,212	\$ 1,456,855	\$ 1,993,706	\$ 2,142,549	\$ 1,533,153
(29,662)	(17,712)	(39,532)	(56,728)	(40,764)
<u>\$ 1,544,550</u>	<u>\$ 1,439,143</u>	<u>\$ 1,954,174</u>	<u>\$ 2,085,821</u>	<u>\$ 1,492,389</u>

\$1.10	\$1.07	\$1.17	\$1.30	\$1.43
1.03	1.03	1.12	1.23	1.24

STATE OF OHIO

LOTTERY COMMISSION ENTERPRISE FUND
 TICKET SALES BY MAJOR GAME TYPE
 FOR THE LAST TEN FISCAL YEARS
 (dollars in millions)

	2022	2021	2020	2019	2018
Online Games:					
Pick 3.....	\$ 438.2	\$ 485.9	\$ 400.6	\$ 354.0	\$ 340.1
Pick 4.....	267.7	284.0	240.5	216.9	205.1
Pick 5 (B).....	64.5	66.1	51.2	44.5	40.8
Rolling Cash 5.....	51.2	57.0	51.7	52.1	53.0
Classic Lotto/Kicker(A).....	36.6	28.0	28.8	31.4	34.4
Raffle.....	-	-	-	-	-
Kicker(A).....	-	-	-	-	-
Mega Millions/Megaplier(A).....	99.9	152.7	102.0	192.7	120.1
EZPLAY.....	110.7	112.2	88.4	100.4	113.2
Ten-OH!(B).....	-	-	-	-	-
Keno.....	621.6	577.4	439.4	453.9	421.1
Power Ball/Power Play.....	151.2	120.1	85.2	143.3	148.1
EZPLAY TAP(C).....	59.6	44.8	38.9	40.8	31.8
EZPLAY Touch & Win(D)(E)	38.4	35.2	31.4	30.4	19.5
Lucky for Life(D).....	37.6	22.2	19.5	20.4	20.7
The Lucky One(F).....	32.6	28.7	20.1	16.9	11.6
Total Online Games.....	2,009.8	2,014.3	1,597.7	1,697.7	1,559.5
Instant Games.....	2,287.9	1,873.8	1,873.8	1,663.0	1,600.6
Total Ticket Sales.....	<u>\$ 4,297.7</u>	<u>\$ 3,888.1</u>	<u>\$ 3,471.5</u>	<u>\$ 3,360.7</u>	<u>\$ 3,160.1</u>

Source:

Ohio Lottery Commission

Note:

- (A) In fiscal year 2011, the Kicker was retired and the Megaplier was added. Kicker was reintroduced in 2012 as an add-on to Classic Lotto.
- (B) August 2012, the Ten-Oh game was replaced by Pick 5.
- (C) In fiscal year 2015, the EZPLAY TAP game was introduced.
- (D) In fiscal year 2016, the EZPLAY QUICKENO and Lucky for Life was introduced.
- (E) In fiscal year 2018, EZPLAY QUICKENO was rebranded to EZPLAY Touch & Win.
- (F) In fiscal year 2018, the Lucky One was introduced.

	2017	2016	2015	2014	2013
\$	340.0	\$ 343.0	\$ 338.0	\$ 339.0	\$ 345.2
	201.0	200.3	192.8	185.8	189.8
	38.1	36.4	33.3	27.9	28.0
	55.5	60.3	62.6	63.4	61.5
	30.9	35.8	31.0	54.1	41.5
	3.6	-	7.0	1.0	9.1
	-	-	4.7	6.0	5.1
	93.3	102.2	113.3	133.4	102.8
	120.2	115.2	99.8	84.8	68.0
	-	-	-	-	0.8
	396.3	365.9	329.5	298.1	251.5
	129.8	193.5	105.0	122.8	166.6
	30.0	31.5	24.0	-	-
	16.0	0.7	-	-	-
	19.9	14.1	-	-	-
	-	-	-	-	-
	1,474.6	1,498.9	1,341.0	1,316.3	1,269.9
	1,527.1	1,560.7	1,551.0	1,426.8	1,428.0
\$	<u>3,001.7</u>	<u>\$ 3,059.6</u>	<u>\$ 2,892.0</u>	<u>\$ 2,743.1</u>	<u>\$ 2,697.9</u>

STATE OF OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

As of June 30,	Governmental Activities						
	General Obligation Bonds	Revenue Bonds and Notes	Special Obligation Bonds	Certificates of Participation	Financed Purchases	Capital Leases	Lease Liability
2022	\$ 8,690,205	\$ 6,418,245	\$ 2,598,423	\$ 263,151	\$ 18,116	\$ -	\$ 132,420
2021	9,442,030	6,627,043	2,628,132	273,100	-	27,394	-
2020	9,418,099	6,743,423	2,278,884	281,757	-	24,278	-
2019	9,570,682	6,570,318	2,213,180	277,452	-	21,044	-
2018	9,734,361	6,689,337	2,237,096	204,620	-	19,632	-
2017	9,297,641	6,394,647	2,016,991	241,627	-	17,361	-
2016	9,283,156	6,261,882	1,930,592	194,899	-	8,806	-
2015	9,149,055	6,409,774	1,906,844	231,837	-	2,072	-
2014	9,366,348	6,355,222	1,836,136	173,603	-	3,055	-
2013	8,812,499	6,486,884	1,925,252	198,266	-	2,294	-

Source:

U.S. Department of Commerce, Bureau of Economic Analysis
Ohio Office of Budget and Management

Note:

Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical.

(dollars in thousands)

Business-Type Activities

Revenue Bonds	Capital Leases	Lease Liability	Total Primary Government	Percentage of Personal Income	Per Capita
\$ -	\$ -	\$ 13,642	18,134,202	2.73%	1,539
-	14,917	-	19,012,616	3.03%	1,626
-	2,911	-	18,749,352	3.20%	1,604
-	4,654	-	18,657,330	3.27%	1,596
-	3,164	-	18,888,210	3.47%	1,620
-	6,277	-	17,974,544	3.47%	1,548
-	10,077	-	17,689,412	3.50%	1,523
-	13,094	-	17,712,676	3.62%	1,528
-	15,357	-	17,749,721	3.75%	1,534
15,422	33,009	-	17,473,626	3.78%	1,514

STATE OF OHIO

RATIOS OF GENERAL AND SPECIAL OBLIGATION BONDED DEBT OUTSTANDING FOR THE LAST TEN FISCAL YEARS

As of June 30,	Bonded Debt (dollars in thousands)				
	General Obligation Bonds	Special Obligation Bonds	Total Bonded Debt	Percentage of Personal Income	Per Capita Total Bonded Debt
2022	\$ 8,690,205	\$ 2,598,423	\$ 11,288,628	1.70%	958
2021	9,442,030	2,628,132	12,070,162	1.92%	1,032
2020	9,418,099	2,278,884	11,696,983	1.99%	1,001
2019	9,570,682	2,213,180	11,783,862	2.07%	1,008
2018	9,734,361	2,237,096	11,971,457	2.20%	1,027
2017	9,297,641	2,016,991	11,314,632	2.18%	974
2016	9,283,156	1,930,592	11,213,748	2.22%	966
2015	9,149,055	1,906,844	11,055,899	2.26%	954
2014	9,366,348	1,836,136	11,202,484	2.37%	968
2013	8,812,499	1,925,252	10,737,751	2.32%	930

Source:

U.S. Department of Commerce, Bureau of Economic Analysis
Ohio Office of Budget and Management

Note:

This table includes general and special obligation bonds for which debt service payments have been made from the following combining funds in the Debt Service and Capital Projects Funds. Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical.

In fiscal year 2018, the table was restated to reflect Total Bonded Debt rather than Net Bonded Debt for the ten year period. The Total Bonded Debt, Percentage of Personal Income, and Per Capita Total Bonded Debt were restated accordingly.

Debt Service Fund:

Coal Research/Development General Obligations
Local Infrastructure Improvements General Obligations
State Projects General Obligations
Highway Capital Improvements General Obligations
Higher Education Capital Facilities General Obligations
Common Schools Capital Facilities General Obligations
Conservation Projects General Obligations
Third Frontier Research/Development General Obligations
Job Ready Site Development General Obligations
Persian Golf Conflict Compensation General Obligations
Lease Rental Special Obligations

Capital Projects Fund:

Mental Health/Developmental Disabilities Facilities Improvements
Adult Correctional Building Improvements

STATE OF OHIO

ANNUAL LIMITATION ON DEBT SERVICE EXPENDITURES (BUDGETARY BASIS) FOR THE LAST TEN FISCAL YEARS (dollars in thousands)

	2022	2021(A)	2020	2019	2018
Debt Service Expenditures.....	\$ 1,435,175	\$ 1,061,721	\$ 1,414,867	\$ 1,402,757	\$ 1,338,396
General Revenue Fund (GRF) Revenues and Transfers from the Lottery Enterprise Fund.....	\$ 41,894,141	\$ 40,723,295	\$ 34,551,772	\$ 34,921,508	\$ 33,642,813
Calculation of Annual 5% Debt Service Cap.....	\$ 2,094,707	\$ 2,036,165	\$ 1,727,589	\$ 1,746,075	\$ 1,682,141
Amount Under the Debt Service Expenditure Cap.....	\$ 659,532	\$ 974,444	\$ 312,722	\$ 343,318	\$ 343,745
Ratio of Debt Service Expenditures to Total GRF Revenues and Lottery Transfers.....	3.43%	2.61%	4.09%	4.02%	3.98%

Limitations on Debt

A 1999 amendment to the Ohio Constitution provides an annual debt service "cap" on general obligation bonds and other direct obligations payable from the General Revenue Fund (GRF) or net state lottery proceeds. Generally, such bonds may not be issued if the future fiscal year debt service on the new bonds and previously issued bonds exceeds five percent of total estimated GRF revenues plus net state lottery proceeds during the fiscal year of issuance. Application of the cap may be waived in a particular instance by a three-fifths vote of each house of the General Assembly and may be changed by future constitutional amendments. Direct obligations of the State include, for example, special obligation bonds issued by the Ohio Building Authority and the Treasurer of State that are paid from GRF appropriations, but exclude bonds such as highway bonds that are paid from highway user receipts.

Source:

Ohio Office of Budget and Management

Note:

(A) Debt Service Expenditures reflect the restructuring of net debt service payments into later fiscal years.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,328,277	\$ 1,314,513	\$ 1,278,259	\$ 1,237,701	\$ 1,204,776
\$ 35,218,700	\$ 34,997,700	\$ 32,463,100	\$ 30,137,140	\$ 30,362,815
\$ 1,760,935	\$ 1,749,885	\$ 1,623,155	\$ 1,506,857	\$ 1,518,141
\$ 432,658	\$ 435,372	\$ 344,896	\$ 269,156	\$ 313,365
3.77%	3.76%	3.94%	4.11%	3.97%

STATE OF OHIO
REVENUE BOND AND NOTE COVERAGE
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

Buckeye Tobacco Settlement Financing Authority Revenue Bonds

Buckeye Tobacco Settlement Financing Authority Revenue Bonds Fund				Debt Service Requirements			
Fiscal Year	Gross Revenues (A)	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2022	\$308,729	N/A	\$308,729	\$93,945	\$219,549	\$313,494	0.98
2021	307,187	N/A	307,187	85,010	221,480	306,490	1.00
2020 (B)	294,613	N/A	294,613	395,807	197,905	593,712	0.50
2019	307,169	N/A	307,169	11,890	288,351	300,241	1.02
2018	337,774	N/A	337,774	44,590	290,659	335,249	1.01
2017	282,512	N/A	282,512	38,995	292,609	331,604	0.85
2016	299,239	N/A	299,239	35,000	294,359	329,359	0.91
2015	286,914	N/A	286,914	26,640	295,691	322,331	0.89
2014	293,573	N/A	293,573	23,995	296,892	320,887	0.91
2013	296,261	N/A	296,261	12,320	285,700	298,020	0.99

Infrastructure Bank Revenue Bonds
Issuer: Treasurer of State

Highway Operating Fund				Debt Service Requirements			
Fiscal Year	Gross Revenues (C)	Direct Operating Expenses	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2022	\$132,597	N/A	\$132,597	\$95,800	\$37,907	\$133,707	0.99
2021	166,730	N/A	166,730	182,174	45,672	227,846	0.73
2020	179,823	N/A	179,823	144,495	38,797	183,292	0.98
2019	185,013	N/A	185,013	139,380	48,461	187,841	0.98
2018	149,213	N/A	149,213	117,555	34,154	151,709	0.98
2017	151,170	N/A	151,170	124,280	38,571	162,851	0.93
2016	176,933	N/A	176,933	144,405	35,414	179,819	0.98
2015	170,368	N/A	170,368	200,801	38,699	239,500	0.71
2014	167,653	N/A	167,653	136,415	41,511	177,926	0.94
2013	160,339	N/A	160,339	123,685	44,357	168,042	0.95

(continued)

Notes:

- (A) The Buckeye Tobacco Settlement Financing Authority revenue bonds were first issued in fiscal year 2008. Gross revenues consist of tobacco settlement receipts (TSRs) and investment income.
- (B) In March 2020, BTSFA refunded its outstanding bonds and issued Series 2020 Senior Bonds. Because of the refunding, fiscal year 2020 principal amount also includes bond issuance costs and the advance refunding payment to escrow.
- (C) The gross revenue for Infrastructure Bank Revenue Bonds includes GARVEE receipts, which stands for Grant Anticipation Revenue Vehicles, and other revenue. GARVEE receipts are capital market borrowings repaid by federal transportation funds deposited in the State's Highway Operating Fund.

STATE OF OHIO

REVENUE BOND AND NOTE COVERAGE FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)
(continued)

Economic Development and Revitalization Project Revenue Bonds and Notes Issuer: Treasurer of State

Fiscal Year	Liquor Control Enterprise Fund			Debt Service Requirements			
	Gross Liquor Revenues	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2013 (D)	\$485,607	\$310,209	\$175,398	\$26,440	\$15,168	\$41,608	4.22

Bureau of Workers' Compensation Revenue Bonds Issuer: Ohio Building Authority

Fiscal Year	Workers' Compensation Enterprise Fund			Debt Service Requirements			
	Gross Revenues (E)	Direct Operating Expenses Exclusive of Depreciation	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
2014 (F)	\$5,107,570	\$2,408,977	\$2,698,593	\$15,200	\$751	\$15,951	169.18
2013 (G)	2,404,966	3,419,204	(1,014,238)	15,915	1,543	17,458	N/A

Source:

Ohio Office of Budget and Management

Note (continued):

- (D) On February 1, 2013, the State granted a 25-year franchise on its spirituous liquor system. Activity of the Liquor Control Enterprise Fund ceased as of January 31, 2013. The final debt service payments on the Economic Development and Revitalization Project Revenue Bonds and Notes were made during fiscal year 2013.
- (E) Gross revenues consist of operating revenues and investment income.
- (F) The final debt service payments on the Bureau of Workers' Compensation Revenue Bonds were made during fiscal year 2014.
- (G) During fiscal year 2013, the Bureau of Workers' Compensation (BWC) adjusted its premium rates and recorded a premium rebate.

STATE OF OHIO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Population (in thousands)				Per Capita Personal Income		
	U.S.	Change from Prior Period	Ohio	Change from Prior Period	U.S.	Ohio	Ohio as a Percentage of U.S.
2021	331,894	2,410	11,780	87	\$63,444	\$56,483	89.0%
2020	329,484	1,244	11,693	4	59,510	53,641	90.1%
2019	328,240	1,073	11,689	0	56,490	50,199	88.9%
2018	327,167	1,448	11,689	30	54,446	48,739	89.5%
2017	325,719	2,591	11,659	45	51,640	46,732	90.5%
2016	323,128	1,709	11,614	1	49,246	44,593	90.6%
2015	321,419	2,562	11,613	19	48,112	43,566	90.6%
2014	318,857	2,728	11,594	23	46,049	42,236	91.7%
2013	316,129	2,215	11,571	27	44,543	40,865	91.7%
2012	313,914	2,322	11,544	(1)	42,693	40,057	93.8%

Source:

U.S. Department of Commerce, Bureau of Economic Analysis for Population, Income, and Employment
 Ohio Department of Job and Family Services for unemployment rates
 Ohio Department of Education for school enrollment
 Ohio Department of Public Safety for motor vehicle registrations

Civilian Labor Force
(in thousands)

Ohioans Employed	Ohio's Unemployment Rate	Public School Enrollment in Ohio (in thousands)	Motor Vehicles Registered in Ohio (in thousands)
7,010	5.1%	1,743	12,883
6,706	8.1%	1,727	12,374
7,142	4.1%	1,776	13,285
7,093	4.6%	1,783	13,232
6,995	5.0%	1,791	13,127
6,958	4.9%	1,790	13,157
6,886	4.9%	1,784	13,039
6,753	5.7%	1,799	11,443
6,663	7.4%	1,845	11,998
6,617	7.2%	1,850	11,840

STATE OF OHIO
PRINCIPAL EMPLOYERS
FOR CALENDAR YEARS 2021 AND 2012

Employer	2021			2012		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
United States Government	80,005	1	1.14%	78,452	1	1.19%
Wal-Mart	53,310	2	0.76%	50,625	2	0.77%
Cleveland Clinic	52,648	3	0.75%	39,300	4	0.59%
State of Ohio	45,457	4	0.65%	50,013	3	0.76%
Kroger Company	42,000	5	0.60%	39,000	5	0.59%
Amazon.com, Inc	41,000	6	0.58%			
The Ohio State University	35,131	7	0.50%	28,300	7	0.43%
Bon Secours Mercy Health	30,562	8	0.44%			
University Hospitals Health System	30,250	9	0.43%	21,000	8	0.32%
OhioHealth	30,079	10	0.43%			
Catholic Healthcare Partners				31,300	6	0.47%
JP Morgan				20,500	9	0.31%
Giant Eagle				19,500	10	0.30%

Source:
 U.S. Department of Commerce, Bureau of Economic Analysis
 Ohio Development Services Agency, Office of Strategic Research
 State of Ohio Comprehensive Annual Financial Report Fiscal Year 2013

STATE OF OHIO

FULL-TIME AND PART-TIME PERMANENT STATE EMPLOYEES
DURING THE MONTH OF JUNE BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

Function/Program	Number of Employees			
	2022	2021	2020	2019
Primary, Secondary and Other Education.....	1,056	1,011	998	998
Higher Education Support.....	64	63	66	67
Public Assistance and Medicaid.....	1,881	1,112	2,032	2,176
Health and Human Services.....	7,725	8,053	8,279	8,244
Justice and Public Protection.....	18,544	19,031	20,026	20,102
Environmental Protection and Natural Resources.....	2,617	2,529	2,640	2,620
Transportation.....	4,790	4,780	4,860	4,925
General Government.....	4,330	4,453	4,568	4,643
Community and Economic Development.....	864	795	854	866
Workers' Compensation.....	1,531	1,615	1,718	1,721
Lottery Commission.....	376	371	377	387
Unemployment Compensation.....	873	1,525	654	581
Other.....	806	801	811	808
Total.....	45,457	46,139	47,883	48,138

Source:

Ohio Department of Administrative Services
Ohio Department of Job and Family Services

2018	2017	2016	2015	2014	2013
982	997	1,014	950	971	971
68	69	72	71	73	70
2,209	2,229	2,202	2,259	2,638	2,621
8,195	8,273	8,303	8,128	8,290	8,301
20,189	20,285	20,194	20,114	19,827	19,974
2,630	2,662	2,606	2,651	2,700	2,712
4,874	4,917	4,873	4,884	4,913	4,964
4,635	4,705	4,705	4,739	4,826	4,839
861	990	870	853	870	860
1,721	1,744	1,778	1,784	1,842	1,847
375	378	378	376	355	335
636	703	744	786	524	587
821	817	818	805	806	799
<u>48,196</u>	<u>48,769</u>	<u>48,557</u>	<u>48,400</u>	<u>48,635</u>	<u>48,880</u>

STATE OF OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

Function/Program	2022	2021	2020	2019	2018
<i>Primary, Secondary and Other Education</i>					
Ohio Department of Education:					
Fall Student Enrollment (Public Schools).....	1,743,143	1,727,048	1,779,475	1,782,974	1,791,218
Public School Districts (A).....	609	609	610	610	610
Community School Districts (A).....	324	315	313	320	340
Vocational School Districts.....	49	49	49	49	49
High School Graduation Rate (by School year).....	(B)	87.0%	87.2%	85.9%	85.3%
<i>Higher Education Support</i>					
Ohio Department of Higher Education (H):					
Student Enrollment at State-Assisted Institutions.....	491,323	492,702	492,424	490,082	490,243
State-Assisted Institutions.....	37	37	37	37	37
Ohio College Opportunity Grant Recipients.....	54,353	51,823	56,482	60,756	69,454
<i>Public Assistance and Medicaid</i>					
Ohio Department of Job and Family Services:					
Individuals with Medicaid Coverage (F)(I).....	—	—	—	—	—
Individuals Receiving Cash Assistance (OWF).....	75,336	91,920	93,904	90,247	101,602
Individuals on Medicaid Waiver (F)(I).....	—	—	—	—	—
Ohio Department of Medicaid:					
Individuals with Medicaid Coverage (F).....	3,328,899	3,109,148	2,830,520	2,866,000	3,007,745
Individuals on Medicaid Waiver (F).....	7,241	7,225	6,590	5,854	5,819
Ohio Department of Aging:					
Individuals on PASSPORT Waiver (I).....	23,056	24,404	24,209	24,014	25,083
Ohio Department of Developmental Disabilities:					
Individuals on DDD Waiver.....	42,299	41,972	41,293	40,349	39,627
<i>Health and Human Services</i>					
Ohio Department of Aging:					
Clients Served-PASSPORT (G).....	24,406	27,463	32,982	28,007	28,215
Clients Served-Congregate Meals	27,001	19,034	43,422	44,263	45,085
Clients Served-Home Delivered Meals.....	43,178	64,665	50,302	40,269	39,546
Clients Served-Transportation Provided.....	14,624	12,287	14,182	20,004	18,968
Ohio Department of Health:					
Average Monthly Caseload-Women, Infants, & Children.....	158,979	168,884	186,526	195,897	212,420
Ohio Department of Mental Health & Addiction Services:					
Clients Served (Addiction Services) (E).....	128,492	123,802	137,999	127,641	139,464
Facilities' Admissions.....	2,982	3,317	4,733	5,932	5,948
Facilities' Average Daily Residence Population.....	975	930	1,027	1,070	1,068
Individuals Served-Community Facilities (D).....	402,905	403,918	375,219	448,391	535,022
Ohio Department of Developmental Disabilities:					
Individuals Served-Community Facilities (D).....	98,626	95,431	94,885	94,768	92,980
Facilities' Average Daily Residence Population.....	629	617	618	640	661
<i>Justice and Public Protection</i>					
Ohio Department of Public Safety:					
Crashes Investigated.....	57,660	58,092	57,710	63,773	66,485
Total Arrests.....	406,156	457,378	420,955	570,520	634,084
Ohio Department of Rehabilitation and Correction:					
Inmate Population.....	43,511	43,046	46,657	49,031	49,379
<i>Environmental Protection and Natural Resources</i>					
Ohio Department of Natural Resources:					
Licenses and Registrations (C).....	2,125,454	2,255,360	2,308,423	2,232,201	2,299,572

2017	2016	2015	2014	2013
1,790,089	1,784,397	1,799,107	1,845,441	1,850,281
610	611	612	612	612
362	372	382	393	369
49	49	49	49	49
84.1%	83.5%	83.0%	82.2%	82.2%
491,402	492,555	498,276	510,794	521,368
37	37	37	37	37
68,495	76,171	80,344	86,435	94,479
—	—	—	—	2,382,381
103,900	108,262	114,913	124,033	140,368
—	—	—	—	10,941
3,083,568	3,024,213	2,960,279	2,509,360	—
5,503	5,630	6,896	10,715	—
23,111	23,106	21,492	38,771	38,379
38,487	36,627	35,119	34,411	29,066
28,048	28,064	27,513	43,593	42,521
45,435	46,473	47,225	47,384	48,541
38,781	38,130	37,441	35,298	35,960
19,691	20,818	20,058	20,095	20,273
224,816	237,987	246,142	252,253	267,011
154,870	112,777	97,673	94,685	104,058
6,542	6,933	7,282	7,761	7,089
1,050	1,028	1,027	1,021	1,013
415,639	417,963	—	—	—
93,892	94,056	514,579	546,041	466,634
701	806	926	942	1,000
65,726	66,027	68,967	70,170	63,599
578,579	642,268	606,888	603,094	576,700
50,174	51,001	50,407	50,420	50,153
2,308,438	2,346,769	2,345,788	2,426,968	2,387,225

(continued)

STATE OF OHIO
OPERATING INDICATORS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS
(continued)

Function/Program	2022	2021	2020	2019	2018
<i>Transportation</i>					
Ohio Department of Transportation:					
Pavement Resurfacing (in miles):					
Two-Lane.....	2,194	2,223	2,478	2,854	3,103
Four-Lane.....	1,135	1,003	942	625	1,236
Interstate.....	1,024	913	1,164	1,014	980
<i>Workers' Compensation</i>					
Ohio Bureau of Workers' Compensation:					
Claims Filed.....	80,681	75,834	81,863	96,604	97,185
Open Claims.....	555,931	579,101	609,965	646,379	672,188
<i>Lottery</i>					
Ohio Lottery Commission:					
Prize Awards Paid (in billions).....	\$ 2.79	\$ 2.84	\$ 2.26	\$ 2.14	\$ 2.00
Bonuses and Commissions Paid (in millions).....	\$ 282.1	\$ 296.3	\$ 233.6	\$ 223.4	\$ 206.1
Transfers to					
Lottery Profits Education Fund (in millions).....	\$ 968.9	\$ 958.6	\$ 846.3	\$ 810.1	\$ 794.7
<i>Unemployment Compensation</i>					
Ohio Department of Job and Family Services:					
Initial Claims.....	537,511	1,862,245	1,641,914	354,259	384,578
Continuing Claims.....	2,307,420	9,632,997	9,738,755	2,715,458	3,009,916

Source:

Various state agencies, as noted above.

Note:

- (A) The number of school districts include only those with enrollment.
- (B) Data for the year indicated was not readily available.
- (C) Data includes hunting licenses, fishing licenses, permits, and boating licenses.
- (D) Prior to fiscal year 2016, the clients served by both the Department of Mental Health & Addiction Services and Department of Developmental Disabilities were reported as one total.
- (E) Beginning in fiscal year 2014, the Department of Mental Health and the Department of Alcohol & Drug Addiction Services merged to form the Department of Mental Health & Addiction Services (MHAS).
- (F) In fiscal year 2014, the Ohio Department of Medicaid was formed and the Medicaid and Medicaid Waiver operations were transferred to the new agency from the Ohio Department of Job and Family Services.
- (G) In fiscal year 2015, a number of clients transferred from the PASSPORT program to the MyCare Ohio program.
- (H) In fiscal year 2016, the Ohio Board of Regents was renamed the Ohio Department of Higher Education.
- (I) Average total.

2017	2016	2015	2014	2013
4,029	3,347	2,843	2,362	2,296
1,112	1,018	1,048	892	624
1,145	1,147	680	1,024	1,589
97,931	99,082	104,997	108,549	108,090
704,756	752,312	791,638	858,773	958,625
\$ 1.91	\$ 1.93	\$ 1.88	\$ 1.70	\$ 1.67
\$ 185.7	\$ 188.6	\$ 179.2	\$ 169.9	\$ 166.9
\$ 739.4	\$ 784.1	\$ 990.0	\$ 904.3	\$ 803.1
414,766	440,484	472,813	548,361	629,525
3,250,737	3,400,000	3,647,400	4,492,364	4,942,305

STATE OF OHIO
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
FOR THE LAST TEN FISCAL YEARS

Function/Program	2022	2021	2020	2019	2018
<i>Primary, Secondary and Other Education</i>					
Historical Sites Owned by the State.....	38	38	38	38	38
Historical Sites Jointly Owned by the State and the Ohio Historical Society.....	8	8	8	9	9
<i>Health and Human Services</i>					
Developmental Disabilities Institutions.....	8	8	8	8	10
Mental Health Institutions.....	6	6	6	6	6
<i>Justice and Public Protection</i>					
Rehabilitation and Correction Institutions.....	25	25	25	25	25
Youth Services Institutions.....	3	3	3	3	3
State Highway Patrol Structures.....	82	77	77	75	75
Number of Readiness Centers (B).....	49	49	57	48	48
<i>Environmental Protection and Natural Resources</i>					
Number of State Parks.....	75	75	75	75	74
Area of State Parks, Natural & Wildlife Lands (in acres).....	398,910	381,927	351,581	345,539	342,795
Area of State Forest Lands (in acres).....	203,398	202,114	201,695	200,690	200,183
<i>Transportation</i>					
Buildings.....	875	857	838	836	805
Number of Rest Stops.....	83	83	84	85	88
Licensed Vehicles.....	5,269	5,129	5,308	5,107	4,987
Infrastructure Assets(A):					
Pavement (in lane-miles):					
Priority Subsystem.....	13,827	13,829	13,803	13,724	13,849
General Subsystem.....	29,605	29,604	29,619	29,637	29,487
Bridges:					
Number of Bridges.....	14,185	14,265	14,352	14,344	14,305
Deck Area (in thousand square feet).....	108,644	109,007	108,401	108,195	107,372
<i>General Government</i>					
State Office Buildings (C).....	8	9	9	9	10
<i>Community and Economic Development</i>					
Permanent Agricultural Easement Land (in acres).....	101,630	95,916	83,549	75,996	71,420

Source:

Ohio Department of Developmental Disabilities
Ohio Department of Mental Health and Addiction Services
Ohio Department of Rehabilitation and Correction
Ohio Department of Youth Services
Ohio Department of Natural Resources
Ohio Department of Transportation
Ohio Department of Agriculture
Ohio Department of Administrative Services
Ohio Department of Public Safety
Ohio Historical Society
Ohio Adjutant General's Department

Note:

- (A) The Priority Subsystem includes the interstate highways, freeways, and multi-lane portions of the National Highway System. The General Subsystem consists of two-lane routes outside of cities.
(B) Three buildings were previously classified as armories/readiness centers.
In 2013 changes in federal regulation have changed the classifications of the three buildings.
(C) Prior to fiscal year 2018, State Office Buildings consisted of state owned office towers.
Starting in fiscal year 2018, State Office Building includes state owned office towers and buildings.

2017	2016	2015	2014	2013
33	32	33	34	35
12	12	11	9	8
10	10	10	10	10
6	6	6	6	6
25	25	25	25	26
3	3	3	3	4
75	75	75	76	76
48	48	49	48	51
74	74	74	74	74
333,727	333,525	333,196	332,903	332,754
200,185	199,344	204,247	204,054	203,736
819	809	818	828	830
89	91	96	96	96
4,265	4,247	4,029	4,428	4,475
13,720	13,748	13,737	13,650	13,499
29,473	29,470	29,461	29,512	29,591
14,276	14,266	14,229	14,236	14,223
107,489	106,580	106,206	106,474	105,690
5	5	5	5	5
65,860	62,942	56,761	54,214	52,452



Ohio

Mike DeWine, Governor
Jon Husted, Lt. Governor

**Office of Budget
and Management**

Kimberly Murnieks, Director

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