



**Office of Budget  
and Management**

Mike DeWine, Governor  
Jon Husted, Lt. Governor

Kim Murnieks, Director



# State of Ohio

**Annual Comprehensive Financial Report**  
Fiscal Year Ended June 30, 2023

## **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, 2023



Office of Budget and Management

Kimberly A. Murnieks  
Director

Stacie L. Massey  
Deputy Director  
Grants and Financial Reporting

Prepared by OBM Grants and Financial Reporting

**STATE OF OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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# Introductory Section



*Cleveland Skyline*





December 20, 2023

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, 2023, 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.

Of note, in just over one year, S&P Global Ratings, Moody's Investors Service, and Fitch Ratings upgraded Ohio's issuer default and general obligation bond ratings to the highest ratings possible: "AAA/Aaa/AAA." This is the first time that Ohio has been rated "AAA/Aaa" by all three rating agencies. Additionally, Results for America's 2023 Invest in What Works State Standard of Excellence recognized Ohio's efforts in seven of the 12 categories, including highlighting efforts in results-focused budgeting. This recognition demonstrates Ohio's strong commitment to using data and evidence to inform 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 1Q to the financial statements, the state's primary government is self-insured 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 2023*

Fiscal year 2023 defied forecasters predictions at the national and state level. The economy demonstrated unexpected resilience, and continued growth throughout FY 2023.

At the close of FY 2022, inflation loomed large in the mind of consumers and forecasters alike. The consumer price index (CPI) for all urban consumers increased at an annualized rate of 9.1 percent in June 2022, a rate of inflation not seen in the United States since the 1980s. Consequently, consumer sentiment reached record lows the same month, according to the University of Michigan's Surveys of Consumers. As the Federal Reserve continued to raise interest rates to control inflation, fears of recession, lower consumer spending, and job loss were widespread. However, as interest rates rose and inflation decelerated, these fears abated. Kept buoyant by the robust labor market, the U.S. economy experienced growth in FY 2023.

According to the Bureau of Economic Analysis, national real gross domestic product (GDP) grew at a seasonally adjusted rate of 2.7 percent in the first quarter of FY 2023. Growth then decelerated in the remainder of the fiscal year, culminating in 2.1 percent growth in the fourth quarter of FY 2023. This steady, positive GDP growth over FY 2023, along with other positive economic indicators illustrates the sustained strength of the economy.

Ohio's GDP followed the national trend in FY 2023, seeing moderate but steady growth over the course of the year. Following an increase of 1.2 percent in the first quarter of FY 2023, growth slowed to 0.4 percent in the second quarter before rebounding to 1.3 percent in the third quarter of 2023.

Throughout the country, and in Ohio, historically strong labor market conditions were documented in FY 2023. According to the Bureau of Labor Statistics, Ohio's unemployment rate decreased steadily throughout FY 2023, punctuated by a historic 3.4 percent unemployment rate in June of 2023. Ohio's labor force participation rate, in defiance of predictions, climbed to 62.2 percent by the close of the fiscal year. This growth narrowed the gap between Ohio's participation rate and the national rate, which remained comparatively stagnant at 62.6 percent in the last quarter of the fiscal year.

While employment indicators in Ohio continued their upward trend, on the national level economic conditions began to stabilize. Following the rapid rise of inflation in CPI during FY 2022, decisive action by the Federal Reserve and other market conditions drove inflationary pressure down in FY 2023. By June 2023, the CPI for all urban consumers had decreased to 3.0 percent for the last 12 months, down from the high of 9.1 percent that capped FY 2022.

Wages and salaries grew both nationally and in Ohio over the course of FY 2023. These increases, coupled with moderating inflation expectations improved consumer expectations. The Surveys of Consumers and Consumer Confidence Index, two leading surveys of consumer sentiment, showed increases in confidence throughout the year as concerns about sustained inflation and recession receded in the second half of FY 2023.

### *Ohio's Economic Outlook*

Looking to the future, Ohio is well positioned to capitalize on the historic successes of FY 2023, through 2024 and beyond.

Ohio's economy embraces technological and research advancements. CompTIA identified roughly 18,200 information technology businesses located in Ohio which employ more than 270,000 people in calendar year 2022. Ohio's educational institutions and private research facilities have core strengths in advanced manufacturing, biosciences, instruments and controls, power and propulsion, and information technology. These innovations are made by researchers at P&G, Cleveland Clinic, The Ohio State University, Mercy Health, University Hospitals, Case Western University, Battelle Memorial Institute, and many others.

Ohioans’ entrepreneurial spirit is part of what makes the state the heart of innovation. New business filings have grown dramatically in recent years, in FY 2023 filings were 32% above 2019’s filings.

Overall, the economy in FY 2023 proved robust, in the face of challenging economic conditions and predictions. Ohio, in the first few months of FY 2024, continues to progress steadily forward. In July 2023, Ohio’s unemployment rate again reached a new historic low of 3.3 percent. The following month, Google announced the construction of two new data centers in the state, adding to the ever-expanding list of companies recognizing Ohio as the economic heart of it all.

*FY 2023 State Finances in Review*

Ohio General Revenue Fund (GRF) finances in FY 2023 benefited from tax revenues exceeding conservatively constructed forecasts and from prudent spending practices. Despite various challenges, the economy displayed considerable resilience. The labor market gathered further strength, supporting income tax revenues and sales tax revenues.

For the fiscal year, GRF tax revenues increased by \$763.2 million (2.7%) from FY 2022. Growth rates for major tax sources during the year ranged were very respectable considering that FY 2022 was boosted by one-time factors such as pent-up savings from pandemic stimulus programs. FY 2023 receipts increased by 0.4 percent, 2.3 percent, 3.7 percent, and 7.8 percent for the personal income tax, auto sales tax, non-auto sales tax, and commercial activity tax, respectively.

Total FY 2023 GRF tax revenues generated a positive variance from estimate, exceeding the anticipated level by \$994.2 million (3.6%). There were positive variances for all major tax categories – non-auto sales, auto sales, personal income, and commercial activity – that ranged from 1 percent for the non-auto sales tax to 6.4 percent for the personal income tax.

<b>General Revenue Fund Receipts Actual vs. Estimate (\$ in millions)</b>				
	<b>Actual FY 2023</b>	<b>Estimated FY 2023</b>	<b>Variance</b>	<b>Percent Variance</b>
Non-Auto Sales & Use	\$ 11,488.6	\$ 11,378.0	\$ 110.6	1.0%
Auto Sales & Use	\$ 1,994.6	\$ 1,995.9	\$ 38.7	2.0%
Personal Income	\$ 10,797.2	\$ 10,152.1	\$ 645.1	6.4%
Commercial Activity Tax	\$ 2,151.9	\$ 2,069.0	\$ 82.9	4.0%

Total tax and non-tax GRF receipts, including transfers, exceeded the FY 2023 estimate by \$712.5 million (1.7%). Federal grant revenue was below estimate for the year, by \$581.8 million (-4.3%) while other non-tax sources were \$300.0 million (81.5%) above the estimate. Excluding federal grant revenue, total tax and non-tax receipts and transfers exceeded the estimate by \$1.3 billion (4.6%).

FY 2023 tax revenue performance was steady throughout the year, with April the only month not to reach the estimate. GRF tax revenues exceeded anticipated levels by a combined \$804.7 million over the first nine months of the year. Even with April’s negative variance, tax sources



were \$189.5 million overestimate during the last quarter of FY 2023. In total, there was a \$994.2 million positive variance for the fiscal year.

FY 2023 disbursements were \$1.8 billion below estimate. This variance was primarily attributable to the extension of the federally declared public health emergency. Due to the extension, the Ohio Department of Medicaid continued to receive additional federal reimbursement through the enhanced Federal Medical Assistance Percentage (FMAP). As a result of this additional funding, some GRF disbursements were shifted to non-GRF federal funding sources throughout the fiscal year.

Revenues were on track with expectations through the first quarter of FY 2024. Total GRF tax revenues were \$56.0 million (0.8%) above estimate through September. Non-auto sales tax accounts for much of the year-to-date performance. The on-target revenue performance demonstrated through the first quarter of FY 2024 and the modest tax revenue growth assumptions across the remainder of the fiscal year provide a solid basis for attaining anticipated revenue levels. That said, OBM continues vigilant monitoring of revenue performance, poised to take actions necessary to ensure a balanced budget.

## **ACKNOWLEDGEMENTS**

In closing, I would like to express my appreciation to the financial reporting staff of OBM's Grants and Financial Reporting Section and the staff of the various state agencies whose time and dedicated efforts made this report possible. I encourage you to review Ohio's Annual Comprehensive Financial Report, or ACFR, at [obm.ohio.gov](http://obm.ohio.gov). Also available for review is the Popular Annual Financial Report, or PAFR, which is derived from the ACFR and communicates the financial results of the state's operations to the state's stakeholders in more general terms and includes graphics and other visuals to enhance the financial message.

Very respectfully yours,



Kimberly A. Murnieks  
Director



# STATE OF OHIO OFFICIALS

As of June 30, 2023

## 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

Jason Stephens  
Speaker of the House

## JUDICIAL

Sharon Kennedy  
Chief Justice  
Supreme Court

# STATE OF OHIO ORGANIZATION CHART

<b>FINANCIAL REPORTING ENTITY</b>
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<b>PRIMARY GOVERNMENT</b>
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<b>LEGISLATIVE</b>  <b>Senate</b> (33 Members)  <b>House of Representatives</b> (99 Members)	<b>EXECUTIVE</b>  <b>Governor</b> <b>Lieutenant Governor</b> <b>Attorney General</b> <b>Auditor of State</b> <b>Secretary of State</b> <b>Treasurer of State</b> <b>State Board of Education</b> (11 Elected Members, and 8 At-Large Members)	<b>JUDICIAL</b>  <b>Supreme Court</b> Chief Justice and 6 Justices
<p><b>Governmental Activities:</b>  <i>General Government:</i>                      Senate                      House of Representatives                      Legislative Service Commission                      Legislative Committees</p>	<p><b>Governmental Activities:</b>  <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><b>Governmental Activities:</b>  <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 &amp; 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><b>Business-Type Activities:</b>                  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><b>Blended Component Units:</b>                  Buckeye Tobacco Settlement Financing Authority                  (included as Governmental Activities)</p> <p><b>Fiduciary Component Unit:</b>                  State Highway Patrol Retirement System</p> <p><b>Discretely Presented Component Units:</b>  <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><b>Discretely Presented Component Units (continued):</b>  <i>State Universities:</i></p> <table border="0" style="width: 100%;"> <tr> <td>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 border="0" style="width: 100%;"> <tr> <td>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	
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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																									

**FIDUCIARY**

STABLE Program STAR Ohio Variable College Savings Plan Custodial Funds
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**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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Government Finance Officers Association

Certificate of  
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**State of Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO



# Financial Section



*Brandywine Falls*





# OHIO AUDITOR OF STATE KEITH FABER



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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, 2023, 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, 2023, 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, 2023, 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 and Ohio Tuition Trust Authority	88%	25%
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%	93%
Aggregate Remaining Fund Information	State Highway Patrol Retirement System; State Treasury Asset Reserve of Ohio; Treasurer of State Lease Revenue Bonds; and Ohio Tuition Trust Authority	44%	5%

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts 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 2023, the State adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 \$72.8 million to the U.S. Department of Labor (DOL) as of June 30, 2023. Of the total overpayments reported to the DOL, \$31.6 million was fraud and \$41.2 million 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 \$1.36 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 20, 2023, 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 20, 2023



# State of Ohio

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2023

(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, 2023. 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 2023, net position of the State's primary government increased by \$7.36 billion (after a restatement of beginning balance) and ended fiscal year 2023 with a \$50.33 billion balance. Net position of the State's component units increased by \$880.4 million (after a restatement of beginning balance) and ended fiscal year 2023 with a \$18.25 billion balance. See additional discussion beginning on page 9.

##### *Fund Financial Statements*

Governmental funds reported a combined ending fund balance of \$30.69 billion that was comprised of \$306.4 million in nonspendable, \$9.69 billion restricted for specific purposes, \$3.4 billion committed, \$7.01 billion in assigned, and \$10.28 billion in unassigned. See additional discussion beginning on page 13.

As of June 30, 2023, the General Fund's fund balance was approximately \$19.72 billion, including \$46.9 million in nonspendable, \$1.48 billion in restricted, \$892.6 million in committed, \$7.01 billion in assigned, and \$10.29 billion in unassigned. The General Fund's fund balance increased by \$4.08 billion (exclusive of a \$1.6 million increase in inventories) or 26.1 percent during fiscal year 2023. See additional discussion beginning on page 13.

Proprietary funds reported net position of \$10.14 billion (after a restatement of beginning balance), as of June 30, 2023, an increase of \$909.2 million or 9.8 percent over the prior fiscal year. This increase is largely due to the net increases of \$555.1 million in the Unemployment Compensation Fund and \$288.8 million in the Workers' Compensation Fund. For more information, see additional discussion beginning on page 14.

##### *Capital Assets*

The carrying amount of capital assets including lease and subscription-based information technology (IT) assets for the State's primary government increased to \$31.34 billion at June 30, 2023. The majority of the \$862.2 million increase during fiscal year 2023 was from additions made to machinery and equipment, construction in progress, and buildings. See additional discussion beginning on page 15.

##### *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 \$1.3 billion or 7.2 percent during fiscal year 2023, for an ending balance of \$16.67 billion. During the year, the State issued a par amount of \$544.4 million dollars in long-term debt of which \$200.3 million was refunding bonds. See additional discussion beginning on page 16.

#### 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
<b>Scope</b>	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
<b>Required Financial Statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
<b>Accounting Basis and Measurement Focus</b>	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
<b>Type of asset/liability information</b>	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
<b>Type of inflow/outflow information</b>	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 185 through 235. 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 149 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 151 through 183 of this report.

## FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

### Net Position

During fiscal year 2023, as shown in the table below, the combined net position of the State's primary government increased by \$7.36 billion (after a restatement of beginning balance) or by 17.1 percent. Net position reported for governmental activities increased approximately \$6.45 billion or 19.1 percent, compared to the net position on July 1, 2022, and business-type activities increased \$909.2 million (after restatement), or 9.8 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, 2023 and 2022					
	(dollars in thousands)					
	As of June 30, 2023			As of June 30, 2022 (not restated)		
	Govern- mental Activities	Business- Type Activities	Total Primary Government	Govern- mental Activities	Business- Type Activities	Total Primary Government
Current and Other Assets .....	\$ 45,226,835	\$ 24,822,967	\$ 70,049,802	\$ 42,127,256	\$ 24,142,730	\$ 66,269,986
Capital Assets.....	31,256,475	84,344	31,340,819	30,333,321	89,901	30,423,222
Total Assets.....	76,483,310	24,907,311	101,390,621	72,460,577	24,232,631	96,693,208
Deferred Outflows of Resources.....	6,535,751	189,268	6,725,019	4,732,822	47,877	4,780,699
Current and Other Liabilities.....	15,930,549	460,759	16,391,308	16,797,571	528,413	17,325,984
Noncurrent Liabilities.....	24,892,752	14,483,716	39,376,468	21,774,424	14,298,867	36,073,291
Total Liabilities.....	40,823,301	14,944,475	55,767,776	38,571,995	14,827,280	53,399,275
Deferred Inflows of Resources.....	2,010,729	7,940	2,018,669	4,884,625	217,977	5,102,602
Net Position:						
Net Investment in Capital Assets.....	27,135,969	78,735	27,214,704	26,177,771	77,842	26,255,613
Restricted.....	7,983,141	9,676,425	17,659,566	6,694,549	8,917,103	15,611,652
Unrestricted.....	5,065,921	389,004	5,454,925	864,459	240,306	1,104,765
Total Net Position.....	\$ 40,185,031	\$ 10,144,164	\$ 50,329,195	\$ 33,736,779	\$ 9,235,251	\$ 42,972,030

As of June 30, 2023, the primary government's Net Investment in Capital Assets (e.g., land, buildings, infrastructure, and construction-in-progress) was \$27.21 billion. Restricted net position was approximately \$17.66 billion, resulting in an unrestricted \$5.45 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 \$3.5 billion at June 30, 2023, is included within unrestricted net position.

The government-wide Statement of Net Position reflects a \$5.07 billion balance for unrestricted governmental activities, a significant increase from the \$864.5 million balance reported at June 30, 2022. The increase in unrestricted and total net position is attributable to multiple factors, including a healthy Budget Stabilization Fund yearend cash balance, net transfers-in of \$1.45 billion versus net transfers-out of \$86 million in fiscal year 2022, and unrestricted investment income gains over significant losses the prior year. Several debt refundings in the last few years contributed to the positive results with favorable debt terms and lower interest rates. The unrestricted net position, which makes up 12.6 percent of total net position for fiscal year 2023, 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 \$10.11 billion of outstanding general obligation and special obligation debt at June 30, 2023, \$6.98 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 \$6.43 billion as of June 30, 2023, for its proportionate share of the net pension liability of the associated pension plans that provide benefits to State employees. This liability was a 210.4 percent increase from fiscal year 2022.

3) The State reported net OPEB liabilities of \$363 million as of June 30, 2023. This liability was a 4.7 percent decrease from fiscal year 2022.

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 2023 and 2022 follows.

**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2023 and 2022**  
*(dollars in thousands)*

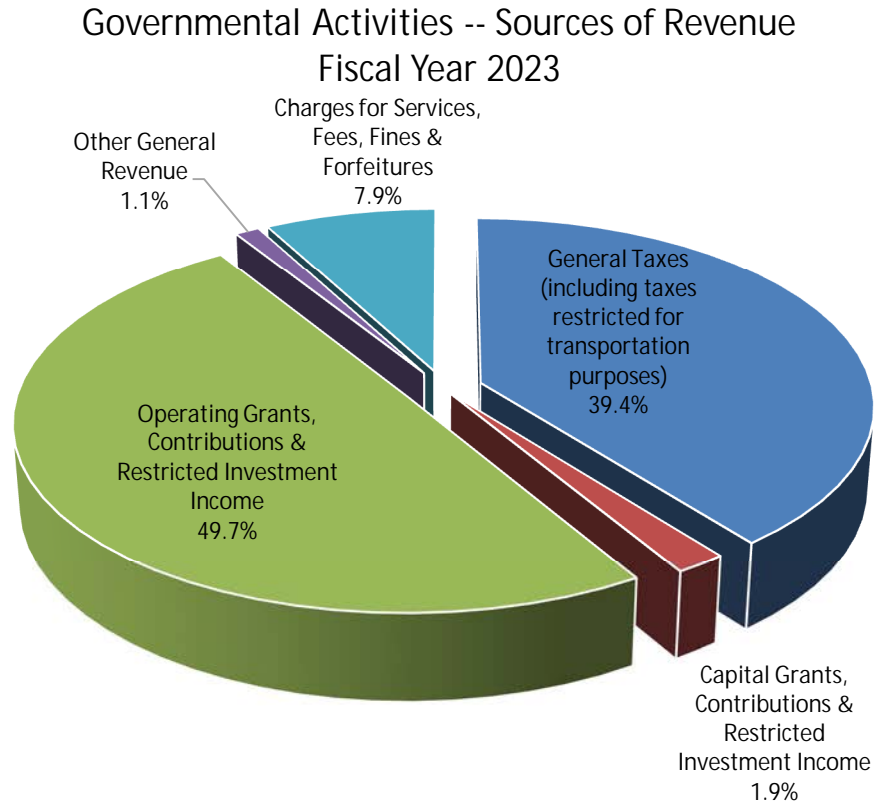
	Fiscal Year 2023			Fiscal Year 2022 (not restated)		
	Govern- mental Activities	Business- Type Activities	Total Primary Government	Govern- mental Activities	Business- Type Activities	Total Primary Government
<b>Program Revenue:</b>						
Charges for Services, Fees,						
Fines and Forfeitures .....	\$ 6,785,647	\$ 8,509,569	\$ 15,295,216	\$ 6,831,160	\$ 8,258,378	\$ 15,089,538
Operating Grants, Contributions and Restricted Investment Income/ (loss)...	42,606,974	662,859	43,269,833	43,901,582	(385,607)	43,515,975
Capital Grants, Contributions and Restricted Investment Income/ (loss)...	1,615,242	-	1,615,242	1,391,676	-	1,391,676
Total Program Revenues.....	<u>51,007,863</u>	<u>9,172,428</u>	<u>60,180,291</u>	<u>52,124,418</u>	<u>7,872,771</u>	<u>59,997,189</u>
<b>General Revenues:</b>						
General Taxes.....	31,074,196	-	31,074,196	30,070,477	-	30,070,477
Taxes Restricted for Transportation.....	2,651,100	-	2,651,100	2,669,589	-	2,669,589
Tobacco Settlement.....	413,591	-	413,591	337,502	-	337,502
Escheat Property.....	291,051	-	291,051	234,764	-	234,764
Unrestricted Investment Income.....	262,470	20	262,490	(569,669)	5	(569,664)
Other.....	41	-	41	756	-	756
Total General Revenues.....	<u>34,692,449</u>	<u>20</u>	<u>34,692,469</u>	<u>32,743,419</u>	<u>5</u>	<u>32,743,424</u>
Total Revenue.....	<u>85,700,312</u>	<u>9,172,448</u>	<u>94,872,760</u>	<u>84,867,837</u>	<u>7,872,776</u>	<u>92,740,613</u>
<b>Expenses:</b>						
Primary, Secondary and Other Education	17,000,395	-	17,000,395	16,400,029	-	16,400,029
Higher Education Support.....	2,802,275	-	2,802,275	2,788,935	-	2,788,935
Public Assistance and Medicaid.....	43,665,114	-	43,665,114	42,082,978	-	42,082,978
Health and Human Services.....	2,411,658	-	2,411,658	2,546,325	-	2,546,325
Justice and Public Protection.....	4,531,559	-	4,531,559	3,790,026	-	3,790,026
Environmental Protection and Natural Resources.....	793,528	-	793,528	540,237	-	540,237
Transportation.....	2,483,326	-	2,483,326	2,221,820	-	2,221,820
General Government.....	1,981,880	-	1,981,880	1,668,268	-	1,668,268
Community and Economic Development..	4,956,127	-	4,956,127	4,747,009	-	4,747,009
Interest on Long term Debt (excludes interest charged as program expense).....	76,937	-	76,937	85,327	-	85,327
Workers' Compensation.....	-	1,693,103	1,693,103	-	1,541,747	1,541,747
Lottery Commission.....	-	4,292,276	4,292,276	-	4,121,684	4,121,684
Unemployment Compensation.....	-	710,732	710,732	-	1,756,889	1,756,889
Tuition Trust Authority.....	-	26,374	26,374	-	34,934	34,934
Office of Auditor of State.....	-	93,965	93,965	-	65,508	65,508
Total Expenses.....	<u>80,702,799</u>	<u>6,816,450</u>	<u>87,519,249</u>	<u>76,870,954</u>	<u>7,520,762</u>	<u>84,391,716</u>
<b>Surplus/ (Deficiency) Before Gains (Losses) and Transfers.....</b>						
Gain (Loss) on Extinguishment of Debt.....	3,922	-	3,922	(500)	25	(475)
Transfers - Internal Activities.....	1,446,817	(1,446,817)	-	(85,997)	85,997	-
Change in Net Position.....	<u>6,448,252</u>	<u>909,181</u>	<u>7,357,433</u>	<u>7,910,386</u>	<u>438,036</u>	<u>8,348,422</u>
Net Position, July 1 (as restated).....	<u>33,736,779</u>	<u>9,234,983</u>	<u>42,971,762</u>	<u>25,826,393</u>	<u>8,797,215</u>	<u>34,623,608</u>
Net Position, June 30.....	<u>\$40,185,031</u>	<u>\$ 10,144,164</u>	<u>\$50,329,195</u>	<u>\$33,736,779</u>	<u>\$ 9,235,251</u>	<u>\$42,972,030</u>



**Governmental Activities**

Revenues exceeded expenses during fiscal year 2023 for governmental activities. Revenues of \$85.7 billion for fiscal year 2023 were \$832.5 million higher than those reported for fiscal year 2022. General Taxes (including taxes restricted for transportation purposes) comprised 39.4 percent of fiscal year 2023 total revenues, and reflects an increase of 3 percent over the prior fiscal year. Operating Grants, Contributions, and Restricted Investment Income, making up 49.7 percent of total revenues, decreased by 3 percent compared to fiscal year 2022. Expenses for fiscal year 2023 increased \$3.83 billion or 5 percent from the prior fiscal year primarily in the Public Assistance and Medicaid, Justice and Public Protection, and Primary, Secondary and Other Education functions. During fiscal year 2023, net transfers-in totaled \$1.45 billion, shifting from net transfers-out of \$86 million in fiscal year 2022. Of the net transfers-in balance, \$1.46 billion transfer-in is from the Lottery Commission Enterprise Fund to the Lottery Profits Education Fund for educational funding purposes sourced from lottery profits.

The following chart illustrates revenues by source of governmental activities as percentages of total reported for the fiscal year ended June 30, 2023.



**Total FY 2023 Revenue for Governmental Activities = \$85.7 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, 2023, with comparative numbers from June 30, 2022. 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, 2023 and 2022**  
*(dollars in thousands)*

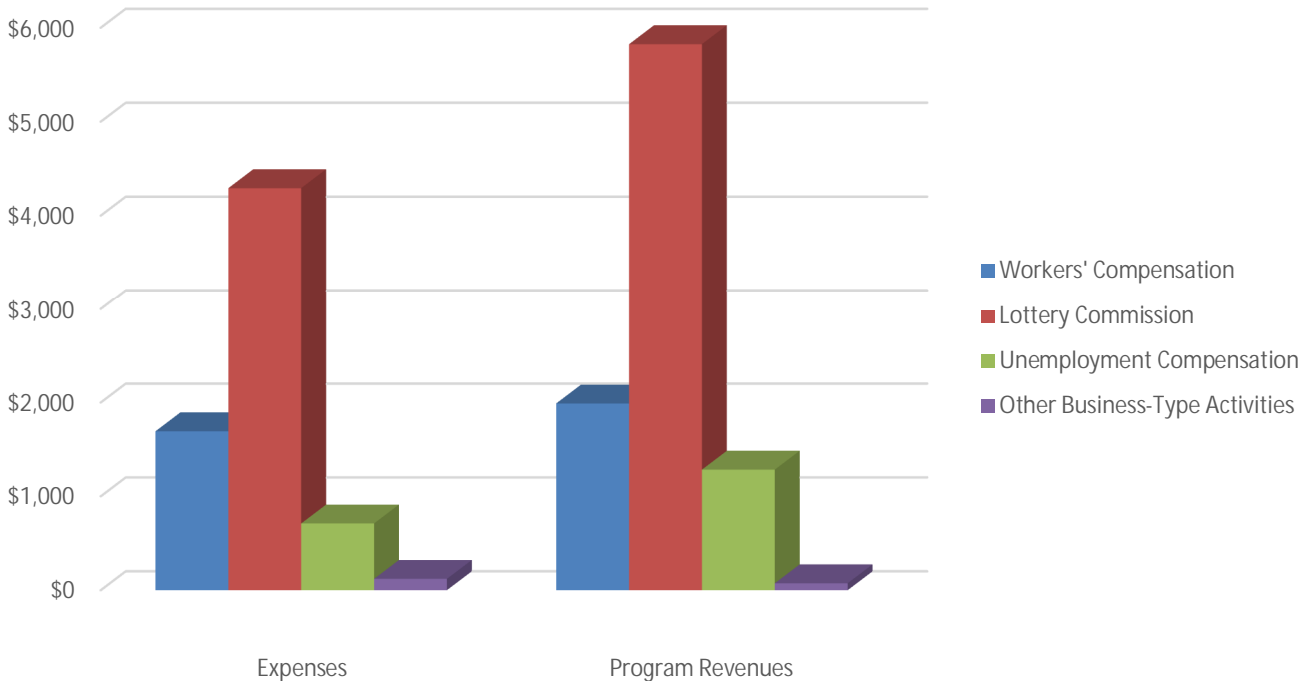
Program	Program Expenses	Percent of Total Expense	Net Cost of Program		Net Cost as Percentage of Total Expenses for Program		Net Cost as Percentage of Total Expenses — All Programs	
			2023	2022	2023	2022	2023	2022
			2023	2023	2023	2022	2023	2022
Primary, Secondary and Other Education.....	\$ 17,000,395	21.1%	\$ 12,396,880	\$ 12,030,682	72.9%	73.4%	15.4%	15.7%
Higher Education Support.....	2,802,275	3.5%	2,770,208	2,761,658	98.9%	99.0%	3.4%	3.6%
Public Assistance and Medicaid...	43,665,114	54.1%	6,330,378	5,029,004	14.5%	12.0%	7.9%	6.5%
Health and Human Services.....	2,411,658	3.0%	809,971	55,748	33.6%	2.2%	1.0%	0.1%
Justice and Public Protection.....	4,531,559	5.5%	2,848,399	2,109,700	62.9%	55.7%	3.5%	2.7%
Environmental Protection and Natural Resources.....	793,528	1.0%	379,488	77,050	47.8%	14.3%	0.5%	0.1%
Transportation.....	2,483,326	3.1%	595,929	527,806	24.0%	23.8%	0.7%	0.7%
General Government.....	1,981,880	2.5%	115,817	(460,310)	5.8%	-27.6%	0.1%	-0.6%
Community and Economic Development.....	4,956,127	6.1%	3,370,929	2,529,871	68.0%	53.3%	4.2%	3.3%
Interest on Long-Term Debt.....	76,937	0.1%	76,937	85,327	100.0%	100.0%	0.1%	0.1%
<b>Total Governmental Activities.....</b>	<b>\$ 80,702,799</b>	<b>100.0%</b>	<b>\$ 29,694,936</b>	<b>\$ 24,746,536</b>	<b>36.8%</b>	<b>32.2%</b>	<b>36.8%</b>	<b>32.2%</b>

**Business-Type Activities**

The State's enterprise funds reported net position of \$10.14 billion (after a restatement of beginning balance), as of June 30, 2023, compared to \$9.24 billion, as of June 30, 2022, an increase of \$909.2 million, or 9.8 percent. The Unemployment Compensation Fund reported a \$555.1 million 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 \$288.8 million increase in net position during fiscal year 2023 primarily due to a gain in investment income after significant losses in 2022.

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 14.

**Business-Type Activities — Expenses and Program Revenues**  
**Fiscal Year 2023**  
*(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, 2023, and June 30, 2022 (dollars in thousands).

	As of and for the Fiscal Year Ended June 30, 2023			
	General Fund	Other Major Funds	Nonmajor	Total
			Governmental Funds	Governmental Funds
Unassigned Fund Balance (Deficit).....	\$ 10,285,174	\$ (2,192)	\$ (2,352)	\$ 10,280,630
Total Fund Balance.....	19,721,357	5,361,906	5,608,224	30,691,487
Total Revenues.....	47,284,589	23,879,593	14,353,422	85,517,604
Total Expenditures.....	41,172,479	23,820,594	18,058,877	83,051,950

	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

### General Fund

The main operating fund of the State is the General Fund. Total fund balance at June 30, 2023, increased by \$4.08 billion or 26.1 percent (exclusive of a \$1.6 million increase in inventories). The significant increase was supported by a healthy July 1 beginning fund balance. Excess total revenue over total expenditures increased \$599.7 million over the prior year and was largely due to investment income of \$622.1 million after significant investment losses in the prior year. The improved economy was reflected in a 3.9 percent increase in sales taxes and a 2.1 percent increase in income taxes. The State's Budget Stabilization Fund closed fiscal year 2023 with a record-high balance of approximately \$3.5 billion, which is included in unassigned fund balance.

### General Fund Budgetary Highlights

The State ended the second year of its 2022-23 biennial budget on June 30, 2023, with a General Fund budgetary fund balance (cash less encumbrances) of \$16.28 billion. Total budgetary sources for the General Fund (including \$1.54 billion in transfers from other funds) in the amount of \$51.83 billion were below final estimates by \$1.38 billion or 2.6 percent during fiscal year 2023. Total tax receipts were above final estimates by \$152.6 million or 0.5 percent due to higher-than-expected income, sales, and commercial activity tax receipts.

Total budgetary uses for the General Fund (including \$2.42 billion in transfers to other funds) in the amount of \$50.82 billion were below final estimates by \$6.41 billion or 11.2 percent for fiscal year 2023. The majority of lower than appropriated spending came from Medicaid and economic development programs. There was no budget stabilization designation at June 30, 2022, for use in balancing the final fiscal year 2023 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 \$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 2023, relative to 2022 appropriations, reflect the following changes: 26.1 percent increase in Medicaid, increase of 2 percent, which include transfers from the GRF in support of student wellness and success, for primary and secondary education; and an increase of 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 \$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 2023 with a GRF cash balance of \$8.99 billion, the largest GRF cash balance in Ohio history, and a GRF budgetary fund balance of \$7.36 billion. In addition to meeting the State's statutory target to maintain an ending fund balance reflecting one-half of one percent of fiscal year 2023 GRF revenues, the State made several transfers in early fiscal year 2024, including \$741 million to the Expanded Sales Tax Holiday Fund, \$700 million to the One-Time Strategic Community Investments Fund, and \$667 million to the All Ohio Future Fund.

#### *Other Major Governmental Funds*

The *Job, Family and Other Human Services Fund* had a fund balance of \$1.42 billion at June 30, 2023, an increase of \$101 million, or 7.7 percent, compared to fiscal year 2022. Overall, revenue exceeded expenditures by \$98.3 million. Contributing in part to the increase in fund balance was a decrease in Public Assistance and Medicaid expenditures of \$455.8 million. The decrease was largely related to a reduction in Medicaid spending, partly due to declined Medicaid caseloads. During fiscal year 2023, Congress lifted the continuous coverage requirements implemented during the pandemic which prohibited states from disenrolling Medicaid recipients, even if it was determined they were ineligible. In February 2023, the state resumed routine operations for disenrollment of ineligible Medicaid recipients resulting in a reduced caseload. Investment income revenue increased \$21.9 million over the prior year, contributing in part to the increase in fund balance.

The fund balance for the *Buckeye Tobacco Settlement Financing Authority Revenue Bonds Fund*, as of June 30, 2023, totaled approximately \$3.92 billion dollars, a decrease of \$129.4 million or 3.2 percent from the prior fiscal year. Overall expenditures exceeded revenues resulting in a net decrease in fund balance. Tobacco settlement revenue decreased by \$28.6 million during fiscal year 2023.

Fund balance for the *Pandemic Relief Funds* was \$16.9 million at June 30, 2023, a decrease of \$13 million from the prior year after a \$13 million decrease in inventories. 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 2023, federal government revenue recognition decreased \$1.87 billion, as pandemic funding is phased out. Fiscal year total expenditures were \$1.25 billion, a decrease of \$392.1 million, or 23.9 percent from the prior year, due to continued pandemic recovery. The balance of funding received but not expended as of June 30, 2023, is reported as a \$2.98 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 2023 net position increased by \$288.8 million (after a restatement of beginning balance) or 3.9 percent, to \$7.79 billion, as compared to the prior year. Investment income of \$589.2 million relative to an investment income loss of \$1.57 billion in the prior year accounts for most of the increase in net position.

For fiscal year 2023, the *Lottery Commission Fund* reported \$1.53 billion in net income before transfers out of approximately \$1.47 billion to the Lottery Profits Education Fund. Net position at June 30, 2023, in the amount of \$433.5 million, increased 18 percent from fiscal year 2022.

The Unemployment Compensation Fund ended fiscal year 2023 with a net position of \$1.85 billion. The \$555.1 million net position increase over the prior year is primarily due to pandemic recovery. The unemployment rate decreased from an average of 4.3 percent in the prior year to 3.8 percent in fiscal year 2023. Due to this normalizing after several years of pandemic activity, Benefit and Claims expense dropped \$1.05 billion or 59.6 percent, while Federal Government revenue decreased \$1.16 billion or 97.9 percent.

## Capital Asset and Debt Administration

### Capital Assets Including Lease and Subscription-Based Information Technology (IT) Assets

As of June 30, 2023, and June 30, 2022, the State's primary government had invested \$31.34 billion and \$30.48 billion (after restatement), respectively, net of accumulated depreciation/amortization of \$5.67 billion and \$5.38 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 2.8 percent (a 2.9 percent increase for governmental activities and a 11.7 percent decrease for business-type activities). Depreciation/amortization expense decreased 2.6 percent for governmental activities and decreased 1.8 percent for business-type activities.

The State completed construction on a variety of infrastructure, facilities, and software projects during fiscal year 2023 totaling approximately \$615.4 million, as compared with \$339.2 million in the previous fiscal year. As further detailed in the notes to the financial statements (NOTE 20E), the State had \$710.3 million in major construction commitments (unrelated to infrastructure), as of June 30, 2023, compared to \$543.1 million for the prior year.

**Capital Assets, Net of Accumulated Depreciation/Amortization**  
**As of June 30, 2023 and 2022**  
*(dollars in thousands)*

	As of June 30, 2023			As of June 30, 2022 (Restated)		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land .....	\$ 2,697,414	\$ 9,466	\$ 2,706,880	2,658,835	9,466	\$ 2,668,301
Buildings .....	1,934,376	5,623	1,939,999	1,741,320	6,402	1,747,722
Land Improvements .....	163,851	-	163,851	184,671	-	184,671
Machinery and Equipment .....	981,728	48,102	1,029,830	628,440	60,939	689,379
Vehicles .....	167,234	907	168,141	165,524	1,036	166,560
Infrastructure:						
Highway Network:						
General Subsystem .....	9,155,123	-	9,155,123	9,124,726	-	9,124,726
Priority Subsystem .....	9,329,810	-	9,329,810	9,307,147	-	9,307,147
Bridge Network .....	2,924,680	-	2,924,680	2,950,890	-	2,950,890
Parks, Recreation, and						
Natural Resources System .....	315,158	-	315,158	278,437	-	278,437
Leases:						
Buildings .....	131,153	13,275	144,428	126,822	12,030	138,852
Land .....	2,722	-	2,722	2,418	-	2,418
Machinery and Equipment .....	4,070	67	4,137	3,180	28	3,208
Vehicles .....	-	-	-	-	-	-
Subscription IT .....	59,249	4,047	63,296	49,769	5,600	55,369
	27,866,568	81,487	27,948,055	27,222,179	95,501	27,317,680
Construction-in-Progress .....	3,389,907	2,857	3,392,764	3,160,911	-	3,160,911
Total Capital Assets, Net .....	<u>\$ 31,256,475</u>	<u>\$ 84,344</u>	<u>\$ 31,340,819</u>	<u>\$ 30,383,090</u>	<u>\$ 95,501</u>	<u>\$ 30,478,591</u>

Governmental Accounting Standards Board (GASB) Statement 96, *Subscription-Based Information Technology Arrangements*, requires the reporting of certain subscription-based information technology assets and related liabilities and was effective for fiscal year 2023. As of June 30, 2023, and July 1, 2022 (at implementation of GASB 96), the State's primary government had \$63.3 million and \$55.4 million, respectively, net of accumulated amortization, in subscription-based information technology assets.

#### 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 43,433 lane miles of highway and approximately 112.3 million square feet of deck area that comprises 14,232 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 2023, indicates that 3.8 percent and 2.3 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating. Comparatively, 3.5 percent and 2 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating in fiscal year 2022.

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 2023, indicates that only 2.6 percent of the number of square feet of bridge deck area was considered to be in "fair" or "poor" conditions, a 0.3 percent increase over the prior year.

Fiscal year 2023 total actual maintenance and preservation costs for the pavement network were \$1.1 billion, compared to estimated costs of \$862 million, while total actual maintenance and preservation costs for the bridge network were \$368.7 million, \$43.7 million above estimate. In the previous fiscal year, 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. 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 assets can be found in NOTE 8 to the financial statements and in the Required Supplementary Information Infrastructure section of this report.

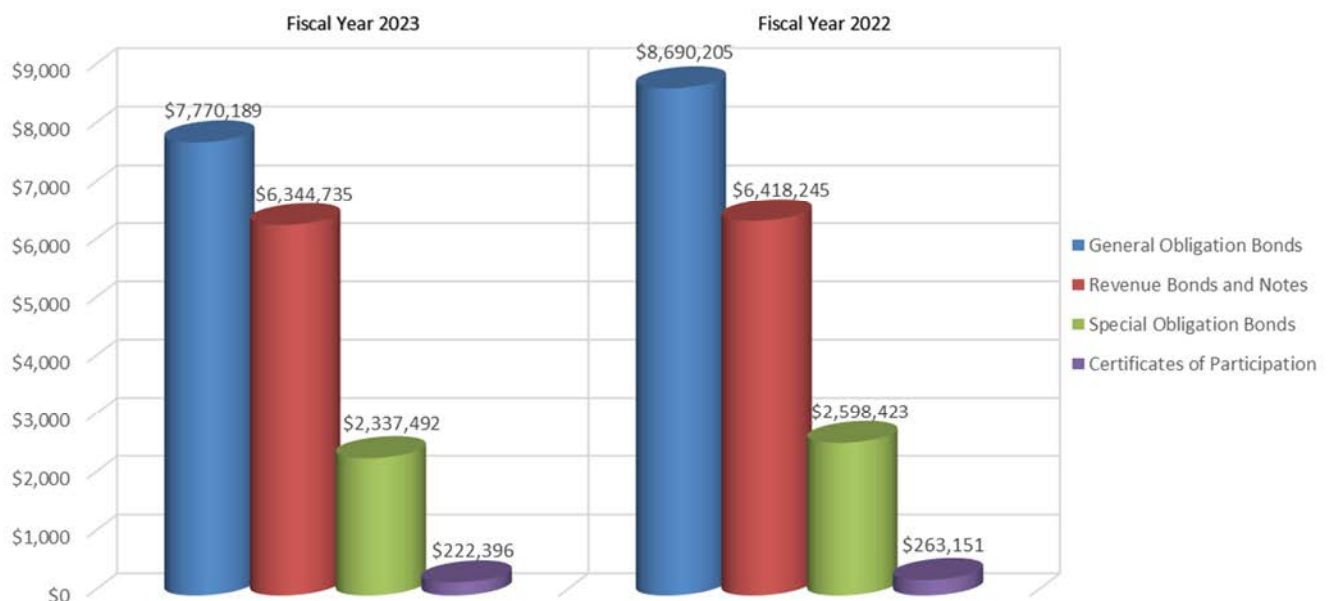
**Debt — Bonds and Notes Payable and Certificates of Participation Obligations**

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 2023, the State issued a par amount of \$377.1 million in general obligation bonds, \$114.4 million in revenue bonds, and \$52.9 million in special obligation bonds. Of the general obligation bonds issued, \$200.3 million were refunding bonds. The total decrease in the State's debt for the current fiscal year, based on carrying amount, was 7.2 percent, all in governmental activities.

As of June 30, 2023, and June 30, 2022, the State had total debt, all in governmental activities, of approximately \$16.67 billion and \$17.97 billion, respectively, as shown in the following chart.

**Bonds and Notes Payable and Certificates of Participation  
As of June 30, 2023 and 2022  
(dollars in thousands)**



**Credit Ratings**

Both the State’s general obligation and special obligation bonds carry a “positive” credit outlook from Moody’s Investor Services, Inc. and a “stable” credit outlook from Fitch Ratings 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. 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) and the 2033 A-2 maturity (CUSIP 118217CP1) were upgraded from A- to A on November 4, 2022, and October 16, 2023, respectively.

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, 2023						
Bonds and Notes	Issuer	Fitch Inc.	Kroll Bond Rating Agency	Moody's Investor Services, Inc.	S & P Global Ratings Services	Security and Source of Funds
<b>General Obligations Bonds:</b>						
Common Schools Capital Facilities ...	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Higher Education Capital Facilities ....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Highw ay Capital Improvements .....	Treasurer of State	AAA	AAA	Aa1	AAA	Highw ay User Receipts
Infrastructure Improvements .....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Coal Research and Development .....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Natural Resources Capital Facilities .	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Conservation Projects .....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Third Frontier Research and Development .....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Site Development .....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
Veterans' Compensation .....	Ohio Public Facilities Commission	AAA	N/A	Aa1	AA+	General Revenue Funds
<b>Revenue Bonds:</b>						
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 2032 A-2 maturity (CUSIP 118217CN6) and the 2033 A-2 maturity (CUSIP 118217CP1) were upgraded from A- to A on November 4, 2022 and October 16, 2023, respectively.						
<b>Special Obligation Bonds:</b>						
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	Aa2	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 2023, the economy remains strong, and forecasts continue to be optimistic. Ohio's unemployment rate decreased from 4.2 percent in October 2022 to 3.6 percent in October 2023. In October 2023, Ohio's nonagricultural payroll employment increased by approximately 110 thousand jobs from October 2022.

Nationally, real gross domestic product (GDP) expanded in the third quarter at an annualized rate of 4.9 percent. The increase in GDP for the third quarter comes after growth in personal and government expenditures, private inventories, and fixed investments. Net exports had a slight negative impact to GDP growth in the third quarter.

The national labor market outlook strengthened further in October 2023, as the level of nonfarm payroll employment increased by 150 thousand jobs. Employment was just slightly below February 2020's pre-pandemic levels by 0.5 percentage points. The U.S. unemployment rate for October 2023 was 3.9 percent, up slightly from 3.7 percent in October 2022.

*The 2024-25 Biennial Budget*

The main appropriations act (Act) for the 2024-25 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 July 4, 2023. Reflecting a conservative underlying economic forecast, the Act provides for GRF appropriations of approximately \$41.4 billion in fiscal year 2024, a 9.7 percent increase over fiscal year 2023 actual expenditures, and \$44.7 billion in fiscal year 2025, an 8 percent increase over fiscal year 2024 appropriations.

GRF appropriations for major program categories in fiscal year 2024, relative to fiscal year 2023 actual expenditures, and fiscal year 2025 appropriations, relative to 2024 appropriations, reflect the following changes in the table below (dollars in millions).

Program Category	FY 2023 - Actual	FY 2024 - Appropriation	Change from FY 2023 to FY 2024		FY 2025 - Appropriation	Change from FY 2024 to FY 2025	
K-12 Education	\$ 10,059.4	\$ 11,167.7	\$ 1,108.3	11.0%	\$ 11,474.6	\$ 306.9	2.7%
HHS - Medicaid	18,483.7	20,474.2	1,990.5	10.8%	23,316.4	2,842.2	13.9%
HHS - Non-Medicaid	1,623.4	1,855.5	232.1	14.3%	1,880.3	24.8	1.3%
Higher Education	2,746.3	2,879.4	133.1	4.8%	2,957.2	77.8	2.7%
Corrections	2,306.0	2,415.9	109.9	4.8%	2,540.5	124.6	5.2%
General Government	2,526.1	2,628.2	102.1	4.0%	2,573.0	(55.2)	-2.1%
	\$ 37,744.9	\$ 41,420.9	\$ 3,676.0	9.7%	\$ 44,742.0	\$ 3,321.1	8.0%



The largest increases in GRF fiscal year 2024 appropriations over fiscal year 2023 expenditures are for Medicaid spending and Elementary and Secondary Education funding. Medicaid spending accounts for the largest increase in fiscal year 2025 appropriations over fiscal year 2024 appropriations. The House Bill 33 Act completely phased out the additional enhancement to the federal reimbursement rate midway through fiscal year 2024 resulting in Medicaid funding increases in fiscal year 2024 and 2025. The act also revised the school funding formula resulting in increased appropriations to schools in fiscal year 2024.

#### *General Revenue Fund*

For fiscal year 2024, total fiscal year-to-date GRF receipts and transfers-in collected through October 2023 are \$147.8 million or 1 percent above estimates and \$479 million or 3.1 percent less than collections through October of the prior fiscal year. Total fiscal year-to-date GRF disbursements and transfers-out through October 2023 are \$241.7 million or 1.1 percent above estimates for the first four months of fiscal year 2024 and \$6.22 billion or 37.9 percent more than for the first four months of the prior fiscal year. The significant increase is primarily attributable to transfers out for economic development and infrastructure projects, primary and secondary education funding for student wellness and success measures, and economy expansion initiatives including the state sales tax holiday extension.

#### *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 10 percent of the prior fiscal year's GRF revenues. The BSF reported a record-high balance of approximately \$3.5 billion at the end of fiscal year 2023.

#### *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 8 percent for private employers for the July 1, 2023, policy year and 1 percent for PEC employers for the January 1, 2024 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**

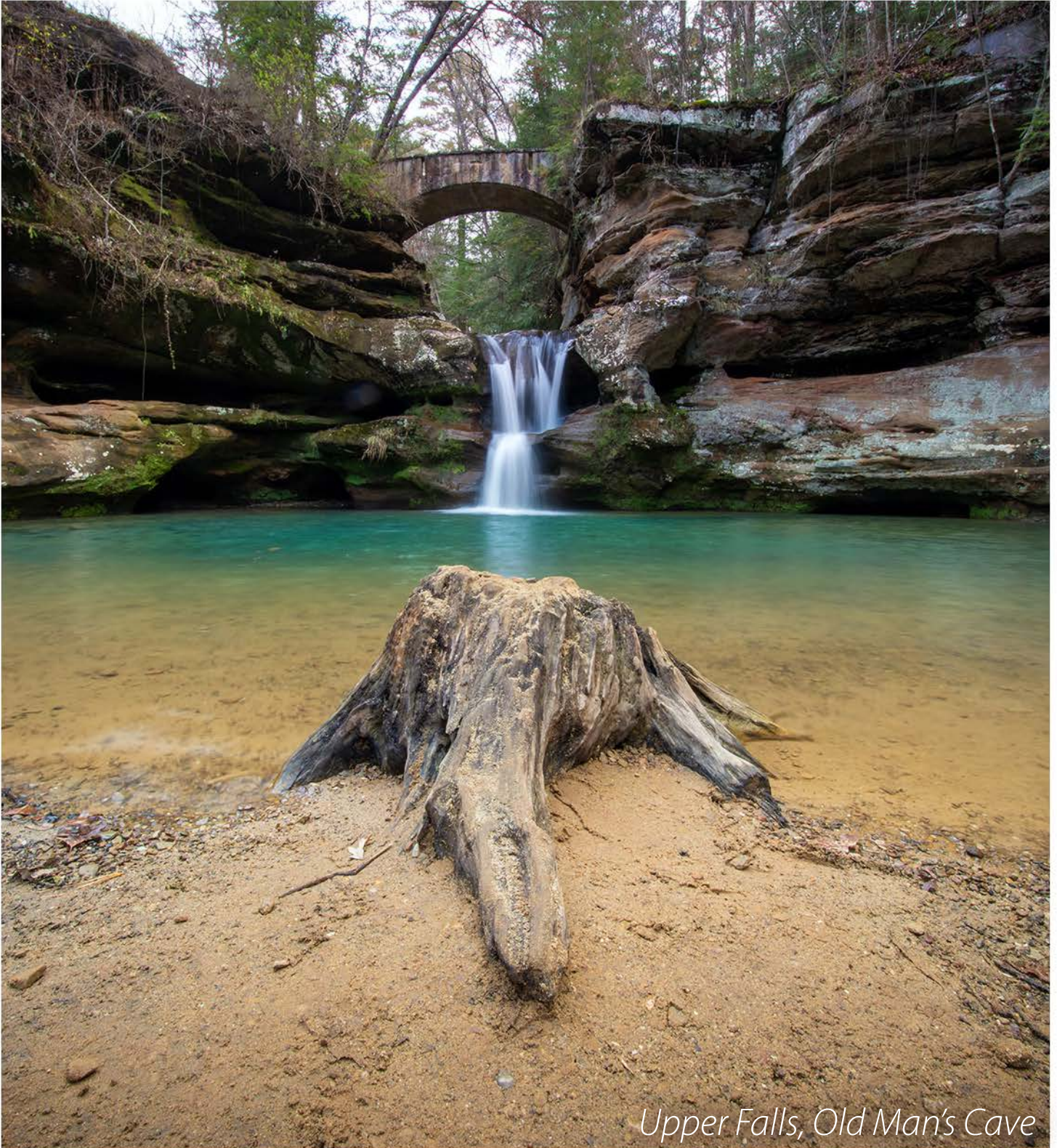
This financial report is designed to provide the State's citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Ohio Office of Budget and Management, Grants and Financial Reporting Section, 30 East Broad Street, 34<sup>th</sup> 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



*Upper Falls, Old Man's Cave*

STATE OF OHIO  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(dollars in thousands)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<b>ASSETS:</b>				
Cash Equity with Treasurer.....	\$ 28,970,452	\$ 184,129	\$ 29,154,581	\$ 120,473
Cash and Cash Equivalents.....	250,044	725,196	975,240	2,254,614
Deposit with Federal Government.....	—	1,712,877	1,712,877	—
Investments.....	2,370,283	20,298,380	22,668,663	16,980,634
Collateral on Lent Securities.....	5,470,076	33,843	5,503,919	21,877
Taxes Receivable.....	2,215,914	—	2,215,914	—
Intergovernmental Receivable.....	1,389,013	6,410	1,395,423	40,764
Premiums and Assessments Receivable.....	—	521,929	521,929	—
Investment Trade Receivable.....	—	146,129	146,129	—
Loans Receivable, Net.....	1,527,619	—	1,527,619	219,001
Receivable from Primary Government.....	—	—	—	18,897
Receivable from Component Units.....	820	—	820	—
Other Receivables.....	1,473,325	643,226	2,116,551	2,168,412
Inventories.....	280,679	—	280,679	242,954
Other Assets.....	56,414	9,639	66,053	2,103,176
<b>Restricted Assets:</b>				
Cash Equity with Treasurer.....	—	15	15	—
Cash and Cash Equivalents.....	442	736	1,178	349,488
Investments.....	361,646	467,588	829,234	2,971,288
Collateral on Lent Securities.....	—	72,811	72,811	—
Other Receivables.....	860,108	59	860,167	—
Capital Assets Being Depreciated, Net.....	3,692,791	72,021	3,764,812	16,285,649
Capital Assets Not Being Depreciated.....	27,563,684	12,323	27,576,007	3,392,462
<b>TOTAL ASSETS.....</b>	<b>76,483,310</b>	<b>24,907,311</b>	<b>101,390,621</b>	<b>47,169,689</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>6,535,751</b>	<b>189,268</b>	<b>6,725,019</b>	<b>3,141,656</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>83,019,061</b>	<b>25,096,579</b>	<b>108,115,640</b>	<b>50,311,345</b>
<b>LIABILITIES:</b>				
Accounts Payable.....	1,154,190	51,716	1,205,906	853,425
Accrued Liabilities.....	328,151	3,978	332,129	1,071,813
Medicaid Claims Payable.....	914,903	—	914,903	—
Obligations Under Securities Lending.....	5,470,076	106,654	5,576,730	21,877
Investment Trade Payable.....	—	337,559	337,559	—
Intergovernmental Payable.....	2,119,455	370	2,119,825	2,831
Internal Balances.....	504,882	(504,882)	—	—
Payable to Primary Government.....	—	—	—	316
Payable to Component Units.....	18,897	—	18,897	—
Unearned Revenue.....	3,839,897	411,843	4,251,740	726,678
Benefits Payable.....	—	5,133	5,133	—
Refund and Other Liabilities.....	1,580,098	48,388	1,628,486	160,000
<b>Noncurrent Liabilities:</b>				
<b>Bonds and Notes Payable:</b>				
Due in One Year.....	1,456,390	—	1,456,390	1,038,882
Due in More Than One Year.....	14,996,026	—	14,996,026	11,145,123
<b>Certificates of Participation:</b>				
Due in One Year.....	37,754	—	37,754	—
Due in More Than One Year.....	184,642	—	184,642	—
<b>Other Noncurrent Liabilities:</b>				
Due in One Year.....	269,111	1,951,309	2,220,420	692,416
Due in More Than One Year.....	7,948,829	12,532,407	20,481,236	11,463,879
<b>TOTAL LIABILITIES.....</b>	<b>40,823,301</b>	<b>14,944,475</b>	<b>55,767,776</b>	<b>27,177,240</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2,010,729</b>	<b>7,940</b>	<b>2,018,669</b>	<b>4,884,326</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>42,834,030</b>	<b>14,952,415</b>	<b>57,786,445</b>	<b>32,061,566</b>

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

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<b>NET POSITION (DEFICITS):</b>				
Net Investment in Capital Assets.....	27,135,969	78,735	27,214,704	10,117,294
Restricted for:				
Primary, Secondary and Other Education.....	391,876	—	391,876	—
Higher Education Support.....	576,009	—	576,009	—
Public Assistance and Medicaid.....	475,017	—	475,017	—
Health and Human Services.....	310,377	—	310,377	—
Justice and Public Protection.....	91,667	—	91,667	—
Environmental Protection and Natural Resources.....	733,646	—	733,646	—
Transportation.....	3,558,877	—	3,558,877	216,996
General Government.....	136,718	—	136,718	—
Community and Economic Development.....	1,708,954	—	1,708,954	27,195
Workers Compensation.....	—	7,714,809	7,714,809	—
Unemployment Compensation.....	—	1,853,853	1,853,853	—
Tuition Trust Authority.....	—	107,763	107,763	—
Nonexpendable for				
Colleges and Universities.....	—	—	—	5,054,837
Expendable for				
Colleges and Universities.....	—	—	—	4,119,271
Unrestricted.....	5,065,921	389,004	5,454,925	(1,285,814)
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 40,185,031</b>	<b>\$ 10,144,164</b>	<b>\$ 50,329,195</b>	<b>\$ 18,249,779</b>



**STATE OF OHIO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(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)		
<b>PRIMARY GOVERNMENT:</b>						
<b>GOVERNMENTAL ACTIVITIES:</b>						
Primary, Secondary						
and Other Education.....	\$ 17,000,395	\$ 41,661	\$ 4,561,854	\$ —	\$ (12,396,880)	
Higher Education Support .....	2,802,275	3,283	28,784	—	(2,770,208)	
Public Assistance and Medicaid .....	43,665,114	3,633,909	33,700,827	—	(6,330,378)	
Health and Human Services .....	2,411,658	163,534	1,438,153	—	(809,971)	
Justice and Public Protection .....	4,531,559	1,219,054	463,793	313	(2,848,399)	
Environmental Protection						
and Natural Resources.....	793,528	284,833	129,207	—	(379,488)	
Transportation .....	2,483,326	144,165	129,145	1,614,087	(595,929)	
General Government .....	1,981,880	763,835	1,101,386	842	(115,817)	
Community and Economic						
Development.....	4,956,127	531,373	1,053,825	—	(3,370,929)	
Interest on Long-Term Debt						
(excludes interest charged as program expense).....	76,937	—	—	—	(76,937)	
<b>TOTAL GOVERNMENTAL ACTIVITIES.....</b>	<b>80,702,799</b>	<b>6,785,647</b>	<b>42,606,974</b>	<b>1,615,242</b>	<b>(29,694,936)</b>	
<b>BUSINESS-TYPE ACTIVITIES:</b>						
Workers' Compensation.....	1,693,103	1,400,621	589,154	—	296,672	
Lottery Commission.....	4,292,276	5,815,879	8,735	—	1,532,338	
Unemployment Compensation.....	710,732	1,240,120	44,159	—	573,547	
Tuition Trust Authority.....	26,374	5,936	20,811	—	373	
Office of Auditor of State.....	93,965	47,013	—	—	(46,952)	
<b>TOTAL BUSINESS-TYPE ACTIVITIES.....</b>	<b>6,816,450</b>	<b>8,509,569</b>	<b>662,859</b>	<b>—</b>	<b>2,355,978</b>	
<b>TOTAL PRIMARY GOVERNMENT.....</b>	<b>\$ 87,519,249</b>	<b>\$ 15,295,216</b>	<b>\$ 43,269,833</b>	<b>\$ 1,615,242</b>	<b>\$ (27,338,958)</b>	
<b>COMPONENT UNITS:</b>						
Ohio Facilities Construction Commission.....	\$ 435,500	\$ 14,112	\$ 5,359	\$ —	\$ (416,029)	
Ohio State University.....	9,182,155	7,240,905	1,001,952	58,407	(880,891)	
Other Component Units.....	9,674,200	6,316,327	983,781	25,808	(2,348,284)	
<b>TOTAL COMPONENT UNITS.....</b>	<b>\$ 19,291,855</b>	<b>\$ 13,571,344</b>	<b>\$ 1,991,092</b>	<b>\$ 84,215</b>	<b>\$ (3,645,204)</b>	

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>CHANGES IN NET POSITION:</b>				
Net (Expense) Revenue.....	\$ (29,694,936)	\$ 2,355,978	\$ (27,338,958)	\$ (3,645,204)
<b>General Revenues:</b>				
<i>Taxes:</i>				
Income.....	11,355,352	—	11,355,352	—
Sales.....	13,762,859	—	13,762,859	—
Corporate and Public Utility .....	3,757,184	—	3,757,184	—
Cigarette.....	826,786	—	826,786	—
Other.....	1,372,015	—	1,372,015	—
<i>Restricted for Transportation Purposes:</i>				
Motor Vehicle Fuel Taxes.....	2,651,100	—	2,651,100	—
Total Taxes.....	33,725,296	—	33,725,296	—
Tobacco Settlement.....	413,591	—	413,591	—
Escheat Property.....	291,051	—	291,051	—
Unrestricted Investment Income.....	262,470	20	262,490	1,026,560
State Assistance .....	—	—	—	2,386,987
Other.....	41	—	41	996,101
<b>Gain (Loss) on Extinguishment of Debt.....</b>	<b>3,922</b>	<b>—</b>	<b>3,922</b>	<b>—</b>
<b>Additions to Endowments</b>				
<b>and Permanent Fund Principal.....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>115,916</b>
<b>Transfers-Internal Activities.....</b>	<b>1,446,817</b>	<b>(1,446,817)</b>	<b>—</b>	<b>—</b>
<b>TOTAL GENERAL REVENUES, GAINS (LOSSES), CONTRIBUTIONS, SPECIAL ITEMS AND TRANSFERS.....</b>	<b>36,143,188</b>	<b>(1,446,797)</b>	<b>34,696,391</b>	<b>4,525,564</b>
<b>CHANGE IN NET POSITION.....</b>	<b>6,448,252</b>	<b>909,181</b>	<b>7,357,433</b>	<b>880,360</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated)....</b>	<b>33,736,779</b>	<b>9,234,983</b>	<b>42,971,762</b>	<b>17,369,419</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 40,185,031</b>	<b>\$ 10,144,164</b>	<b>\$ 50,329,195</b>	<b>\$ 18,249,779</b>

STATE OF OHIO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023  
(dollars in thousands)

	<b>MAJOR FUNDS</b>		
	<b>GENERAL</b>	<b>JOB, FAMILY AND OTHER HUMAN SERVICES</b>	<b>BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY REVENUE BONDS</b>
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 18,811,279	\$ 1,509,467	\$ —
Cash and Cash Equivalents.....	202,302	3,200	590
Investments.....	2,330,034	—	361,646
Collateral on Lent Securities.....	3,602,837	277,438	—
Taxes Receivable .....	2,016,588	—	—
Intergovernmental Receivable.....	502,542	221,223	—
Loans Receivable, Net .....	1,312,563	—	—
Receivable from Component Units.....	—	—	—
Other Receivables .....	536,300	921,656	860,108
Inventories .....	21,142	—	—
Other Assets .....	41	—	—
<b>TOTAL ASSETS .....</b>	<b>29,335,628</b>	<b>2,932,984</b>	<b>1,222,344</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>—</b>	<b>—</b>	<b>3,562,532</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>\$ 29,335,628</b>	<b>\$ 2,932,984</b>	<b>\$ 4,784,876</b>
<b>LIABILITIES:</b>			
Accounts Payable .....	\$ 360,028	\$ 207,837	\$ —
Accrued Liabilities.....	133,416	18,129	—
Medicaid Claims Payable.....	647,211	—	—
Obligations Under Securities Lending.....	3,602,837	277,438	—
Intergovernmental Payable.....	1,641,002	135,188	—
Interfund Payable.....	397,431	8,099	—
Payable to Component Units.....	14,659	1,618	—
Unearned Revenue.....	—	761,235	—
Refund and Other Liabilities.....	1,576,603	3,495	—
Liability for Escheat Property.....	348,965	—	—
<b>TOTAL LIABILITIES.....</b>	<b>8,722,152</b>	<b>1,413,039</b>	<b>—</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>892,119</b>	<b>99,677</b>	<b>860,108</b>
<b>FUND BALANCES (DEFICITS):</b>			
Nonspendable.....	46,877	—	—
Restricted.....	1,484,188	70,176	3,924,620
Committed.....	892,569	1,352,284	—
Assigned.....	7,012,549	—	148
Unassigned.....	10,285,174	(2,192)	—
<b>TOTAL FUND BALANCES (DEFICITS) .....</b>	<b>19,721,357</b>	<b>1,420,268</b>	<b>3,924,768</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES .....</b>	<b>\$ 29,335,628</b>	<b>\$ 2,932,984</b>	<b>\$ 4,784,876</b>

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



<u>PANDEMIC RELIEF FUNDS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>
\$ 3,029,254	\$ 5,620,452	\$ 28,970,452
—	44,394	250,486
—	40,249	2,731,929
556,772	1,033,029	5,470,076
—	199,326	2,215,914
—	665,248	1,389,013
—	215,056	1,527,619
—	820	820
—	15,369	2,333,433
16,870	242,667	280,679
—	—	41
<u>3,602,896</u>	<u>8,076,610</u>	<u>45,170,462</u>
—	—	3,562,532
<u><b>\$ 3,602,896</b></u>	<u><b>\$ 8,076,610</b></u>	<u><b>\$ 48,732,994</b></u>
\$ 48,206	\$ 538,119	\$ 1,154,190
65	49,554	201,164
—	267,692	914,903
556,772	1,033,029	5,470,076
—	343,265	2,119,455
438	98,914	504,882
—	2,620	18,897
2,980,545	98,117	3,839,897
—	—	1,580,098
—	—	348,965
<u>3,586,026</u>	<u>2,431,310</u>	<u>16,152,527</u>
—	37,076	1,888,980
16,870	242,667	306,414
—	4,210,631	9,689,615
—	1,157,278	3,402,131
—	—	7,012,697
—	(2,352)	10,280,630
<u>16,870</u>	<u>5,608,224</u>	<u>30,691,487</u>
<u><b>\$ 3,602,896</b></u>	<u><b>\$ 8,076,610</b></u>	<u><b>\$ 48,732,994</b></u>



# STATE OF OHIO

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023  
(dollars in thousands)

**Total Fund Balances for Governmental Funds.....** **\$ 30,691,487**

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..... 56,373

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

Land.....	2,697,414	
Buildings and Improvements, net of \$2,867,825 accumulated depreciation.....	1,934,376	
Land Improvements, net of \$432,778 accumulated depreciation.....	163,851	
Machinery and Equipment, net of \$1,473,021 accumulated depreciation.....	981,728	
Vehicles, net of \$389,131 accumulated depreciation.....	167,234	
Infrastructure, net of \$82,754 accumulated depreciation.....	21,724,771	
Construction-in-Progress.....	3,389,907	
Lease Assets, net of \$69,253 accumulated amortization.....	137,945	
SBITA Assets, net of \$16,630 amortization.....	59,249	
	<u>31,256,475</u>	
<b>Total Capital Assets.....</b>		<b><u>31,256,475</u></b>

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

Hedging Derivative Instruments.....	(174)	
Loss on Debt Refundings.....	159,876	
Net Pension and OPEB Liability/Asset.....	2,813,517	
	<u>2,973,219</u>	
<b>Total Deferred Outflows of Resources.....</b>		<b><u>2,973,219</u></b>

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

<b>Accrued Liabilities:</b>		
Interest Payable.....	(126,987)	
<b>Bonds and Notes Payable:</b>		
General Obligation Bonds.....	(7,770,189)	
Revenue Bonds and Notes.....	(6,344,735)	
Special Obligation Bonds.....	(2,337,492)	
Certificates of Participation.....	(222,396)	
<b>Other Noncurrent Liabilities:</b>		
Compensated Absences.....	(591,744)	
Net Pension Liability.....	(6,426,468)	
Net OPEB Liability.....	(362,983)	
Lease Liability.....	(138,659)	
Subscription Liability.....	(59,249)	
Financed Purchases Obligations.....	(15,367)	
Derivative Instruments.....	293	
Pollution Remediation.....	(1,693)	
Infrastructure Liabilities.....	(273,105)	
	<u>(24,670,774)</u>	
<b>Total Liabilities.....</b>		<b><u>(24,670,774)</u></b>

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.....	(853,712)	
Net Pension and OPEB Liability/Asset.....	(458,613)	
Debt Refundings.....	(36,841)	
	<u>70,080</u>	
<b>Less Unavailable Resources Reported in the Funds:</b>		
Taxes Receivable.....	70,080	
Intergovernmental Receivable.....	123,661	
Other Receivables.....	1,033,676	
	<u>1,227,417</u>	
<b>Total Deferred Inflows of Resources.....</b>		<b><u>(121,749)</u></b>

**Total Net Position of Governmental Activities.....** **\$ 40,185,031**

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, 2023  
(dollars in thousands)

	MAJOR FUNDS		
	GENERAL	JOB, FAMILY AND OTHER HUMAN SERVICES	BUCKEYE TOBACCO SETTLEMENT FINANCING AUTHORITY REVENUE BONDS
<b>REVENUES:</b>			
Income Taxes.....	\$ 11,437,657	\$ —	\$ —
Sales Taxes.....	13,762,859	—	—
Corporate and Public Utility Taxes.....	3,634,259	—	—
Motor Vehicle Fuel Taxes.....	1,460,933	—	—
Cigarette Taxes.....	826,786	—	—
Other Taxes.....	921,318	899	—
Licenses, Permits and Fees.....	1,408,437	3,023,887	—
Sales, Services and Charges.....	130,094	—	—
Federal Government.....	12,459,415	18,888,014	—
Tobacco Settlement.....	42,096	—	279,379
Escheat Property.....	291,051	—	—
Investment Income.....	622,129	27,220	14,941
Other.....	287,555	327,234	2
<b>TOTAL REVENUES.....</b>	<b>47,284,589</b>	<b>22,267,254</b>	<b>294,322</b>
<b>EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
Primary, Secondary and Other Education.....	10,628,509	—	101,568
Higher Education Support.....	2,647,460	—	—
Public Assistance and Medicaid.....	18,890,439	21,766,761	—
Health and Human Services.....	807,491	321,724	—
Justice and Public Protection.....	3,798,143	71,971	—
Environmental Protection and Natural Resources.....	131,982	—	—
Transportation.....	54,879	—	—
General Government.....	992,510	3,703	576
Community and Economic Development.....	3,221,066	—	—
<b>CAPITAL OUTLAY.....</b>	<b>—</b>	<b>4,816</b>	<b>—</b>
<b>DEBT SERVICE.....</b>	<b>—</b>	<b>—</b>	<b>298,458</b>
<b>TOTAL EXPENDITURES.....</b>	<b>41,172,479</b>	<b>22,168,975</b>	<b>400,602</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>6,112,110</b>	<b>98,279</b>	<b>(106,280)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Bonds, Notes, and COPs Issued.....	176,790	—	—
Refunding Bonds and COPs Issued.....	—	—	—
Payment to Refunded Bond and COPs Escrow Agents.....	—	—	—
Premiums/Discounts.....	23,210	—	—
Leases, Subscriptions and Financed Purchases.....	45,065	—	—
Transfers-in.....	350,317	8,436	—
Transfers-out.....	(2,630,603)	(5,680)	(23,163)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(2,035,221)</b>	<b>2,756</b>	<b>(23,163)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>4,076,889</b>	<b>101,035</b>	<b>(129,443)</b>
<b>FUND BALANCES (DEFICITS), July 1 .....</b>	<b>15,642,901</b>	<b>1,319,233</b>	<b>4,054,211</b>
Increase (Decrease) for Changes in Inventories.....	1,567	—	—
<b>FUND BALANCES (DEFICITS), JUNE 30.....</b>	<b>\$ 19,721,357</b>	<b>\$ 1,420,268</b>	<b>\$ 3,924,768</b>

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>
\$ —	\$ —	\$ 11,437,657
—	—	13,762,859
—	122,925	3,757,184
—	1,190,167	2,651,100
—	—	826,786
—	449,798	1,372,015
—	966,151	5,398,475
—	42,287	172,381
1,232,436	10,748,810	43,328,675
—	—	321,475
—	—	291,051
80,513	73,333	818,136
5,068	759,951	1,379,810
<b>1,318,017</b>	<b>14,353,422</b>	<b>85,517,604</b>
202,073	5,823,662	16,755,812
—	54,239	2,701,699
62,381	2,870,598	43,590,179
5,827	1,147,985	2,283,027
55,433	484,546	4,410,093
14,989	469,404	616,375
—	3,163,276	3,218,155
438,672	431,475	1,866,936
471,642	1,187,448	4,880,156
—	563,257	568,073
—	1,862,987	2,161,445
<b>1,251,017</b>	<b>18,058,877</b>	<b>83,051,950</b>
<b>67,000</b>	<b>(3,705,455)</b>	<b>2,465,654</b>
—	167,225	344,015
—	200,335	200,335
—	(218,319)	(218,319)
—	36,997	60,207
—	—	45,065
66,253	4,305,598	4,730,604
(133,253)	(491,088)	(3,283,787)
<b>(67,000)</b>	<b>4,000,748</b>	<b>1,878,120</b>
—	<b>295,293</b>	<b>4,343,774</b>
29,854	5,306,504	26,352,703
(12,984)	6,427	(4,990)
<b>\$ 16,870</b>	<b>\$ 5,608,224</b>	<b>\$ 30,691,487</b>

# 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, 2023  
(dollars in thousands)

<b>Net Change in Fund Balances -- Total Governmental Funds.....</b>	<b>\$ 4,343,774</b>
Change in Inventories.....	(4,990)
	<u>4,338,784</u>

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.

Capital Outlay Expenditures.....	1,248,882
Depreciation/Amortization Expense.....	<u>(375,497)</u>
Excess of Capital Outlay Over Depreciation/Amortization Expense.....	<u>873,385</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.....	(176,790)
Revenue Bonds and Notes.....	(114,360)
Special Obligation Bonds.....	(52,865)
Refunding Bonds, including Bond Premium/Discount, Net.....	(219,424)
Premiums and Discounts, Net:	
General Obligation Bonds.....	(24,165)
Revenue Bonds and Notes.....	(9,362)
Special Obligation Bonds.....	<u>(7,590)</u>
Total Debt Proceeds.....	<u>(604,556)</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:

<i>Debt Principal Retirement and Defeasements:</i>	
General Obligation Bonds.....	1,202,726
Revenue Bonds and Notes.....	181,300
Special Obligation Bonds.....	271,215
Certificates of Participation.....	<u>36,140</u>
Total Long-Term Debt Repayment.....	<u>1,691,381</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>Decrease in Other Assets</i> .....	(637,634)	
<i>Increase in Financed Purchase Obligation</i> .....	2,749	
<i>Decrease in Accrued Interest and Other Accrued Liabilities</i> .....	10,269	
<i>Amortization of Bond Premiums/Accretion of Bond Discount, Net</i> .....	208,387	
<i>Decrease in Refunding Loss Included in Deferred Outflows of Resources</i> .....	(19,601)	
<i>Increase in Pension/OPEB Related Balances Included in Deferred Outflows of Resources</i> .....	1,949,479	
<i>Increase in Compensated Absences</i> .....	(16,156)	
<i>Decrease in Derivative Instrument Liabilities (Excluding Hedging Derivative Instruments)</i> .....	906	
<i>Decrease in Pollution Remediation</i> .....	77	
<i>Decrease in Infrastructure Liability</i> .....	24,196	
<i>Increase in Net Pension Liability</i> .....	(4,356,078)	
<i>Decrease in OPEB Liability</i> .....	17,731	
<i>Increase in Lease Liability</i> .....	(6,239)	
<i>Increase in Subscription Liability</i> .....	(9,480)	
<i>Decrease in Deferred Inflow of Resources</i> .....	2,980,652	
		<hr/>
<i>Total Additional Revenues and Expenditures</i> .....		149,258
		<hr/>
<b><i>Change in Net Position of Governmental Activities</i></b> .....		<b>\$ 6,448,252</b>
		<hr/> <hr/>

STATE OF OHIO  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS -- ENTERPRISE  
JUNE 30, 2023  
(dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 14,117	\$ 135,497	\$ —
Cash and Cash Equivalents.....	375,559	331,940	10,973
Deposit with Federal Government.....	—	—	1,712,877
Collateral on Lent Securities.....	2,595	24,904	—
Restricted Assets:			
Cash Equity with Treasurer.....	—	15	—
Investments.....	—	38,222	—
Collateral on Lent Securities.....	—	72,811	—
Other Receivables.....	—	59	—
Intergovernmental Receivable.....	—	—	1,207
Premiums and Assessments Receivable.....	—	—	38,478
Investment Trade Receivable.....	146,129	—	—
Interfund Receivable.....	51,736	—	—
Other Receivables.....	475,477	68,443	97,851
Other Assets.....	—	6,497	—
<b>TOTAL CURRENT ASSETS.....</b>	<b>1,065,613</b>	<b>678,388</b>	<b>1,861,386</b>
<b>NONCURRENT ASSETS:</b>			
Restricted Assets:			
Cash and Cash Equivalents.....	736	—	—
Investments.....	—	265,634	—
Investments.....	20,298,380	—	—
Premiums and Assessments Receivable.....	483,451	—	—
Interfund Receivable.....	452,889	—	—
Other Assets.....	1,397	508	—
Capital Assets Being Depreciated, Net.....	60,809	7,383	—
Capital Assets Not Being Depreciated.....	9,466	—	—
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>21,307,128</b>	<b>273,525</b>	<b>—</b>
<b>TOTAL ASSETS.....</b>	<b>22,372,741</b>	<b>951,913</b>	<b>1,861,386</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>118,700</b>	<b>22,079</b>	<b>—</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>22,491,441</b>	<b>973,992</b>	<b>1,861,386</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable.....	17,947	32,465	—
Accrued Liabilities.....	—	—	—
Obligations Under Securities Lending.....	2,595	97,715	—
Investment Trade Payable.....	337,559	—	—
Intergovernmental Payable.....	—	—	370
Prize Awards Payable.....	—	38,148	—
Interfund Payable.....	—	120	—
Unearned Revenue.....	408,354	2,190	—
Benefits Payable.....	1,283,589	—	5,133
Refund and Other Liabilities.....	629,996	28,821	2,030
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>2,680,040</b>	<b>199,459</b>	<b>7,533</b>
<b>NONCURRENT LIABILITIES:</b>			
Prize Awards Payable.....	—	282,500	—
Interfund Payable.....	—	952	—
Benefits Payable.....	10,425,510	—	—
Refund and Other Liabilities.....	1,594,589	57,089	—
<b>TOTAL NONCURRENT LIABILITIES.....</b>	<b>12,020,099</b>	<b>340,541</b>	<b>—</b>
<b>TOTAL LIABILITIES.....</b>	<b>14,700,139</b>	<b>540,000</b>	<b>7,533</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>6,218</b>	<b>465</b>	<b>—</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>14,706,357</b>	<b>540,465</b>	<b>7,533</b>
<b>NET POSITION (DEFICITS):</b>			
Net Investment in Capital Assets.....	70,275	4,599	—
Unrestricted.....	7,714,809	428,928	1,853,853
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 7,785,084</b>	<b>\$ 433,527</b>	<b>\$ 1,853,853</b>

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

NONMAJOR PROPRIETARY FUNDS		TOTAL	
\$	34,515	\$	184,129
	6,724		725,196
	—		1,712,877
	6,344		33,843
	—		15
	13,700		51,922
	—		72,811
	—		59
	5,203		6,410
	—		38,478
	—		146,129
	1,329		53,065
	1,455		643,226
	—		6,497
	<u>69,270</u>		<u>3,674,657</u>
	—		736
	150,032		415,666
	—		20,298,380
	—		483,451
	—		452,889
	1,237		3,142
	3,829		72,021
	2,857		12,323
	<u>157,955</u>		<u>21,738,608</u>
	<u>227,225</u>		<u>25,413,265</u>
	<u>48,489</u>		<u>189,268</u>
	<b><u>275,714</u></b>		<b><u>25,602,533</u></b>
	1,304		51,716
	3,978		3,978
	6,344		106,654
	—		337,559
	—		370
	—		38,148
	—		120
	1,299		411,843
	13,700		1,302,422
	3,413		664,260
	<u>30,038</u>		<u>2,917,070</u>
	—		282,500
	—		952
	48,200		10,473,710
	124,519		1,776,197
	<u>172,719</u>		<u>12,533,359</u>
	<u>202,757</u>		<u>15,450,429</u>
	<u>1,257</u>		<u>7,940</u>
	<b><u>204,014</u></b>		<b><u>15,458,369</u></b>
	3,861		78,735
	67,839		10,065,429
\$	<u>71,700</u>	\$	<u>10,144,164</u>

# STATE OF OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS -- ENTERPRISE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	MAJOR PROPRIETARY FUNDS		
	WORKERS' COMPENSATION	LOTTERY COMMISSION	UNEMPLOYMENT COMPENSATION
<b>OPERATING REVENUES:</b>			
Charges for Sales and Services.....	\$ —	\$ 5,815,879	\$ 12,122
Premium and Assessment Income.....	1,391,763	—	1,186,121
Federal Government.....	—	—	24,398
Investment Income.....	—	—	—
Other.....	8,858	—	37,809
<b>TOTAL OPERATING REVENUES.....</b>	<b>1,400,621</b>	<b>5,815,879</b>	<b>1,260,450</b>
<b>OPERATING EXPENSES:</b>			
Costs of Sales and Services.....	—	—	—
Administration.....	68,765	174,616	—
Bonuses and Commissions.....	—	1,193,642	—
Prizes.....	—	2,894,710	—
Benefits and Claims.....	1,546,974	—	710,732
Depreciation.....	17,046	2,994	—
Other.....	60,318	11,671	—
<b>TOTAL OPERATING EXPENSES.....</b>	<b>1,693,103</b>	<b>4,277,633</b>	<b>710,732</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(292,482)</b>	<b>1,538,246</b>	<b>549,718</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Income.....	589,154	8,735	23,829
Interest Expense.....	—	(3,112)	—
Other.....	—	(11,531)	—
<b>TOTAL NONOPERATING REVENUES (EXPENSES).....</b>	<b>589,154</b>	<b>(5,908)</b>	<b>23,829</b>
<b>INCOME (LOSS) BEFORE GAIN (LOSS) AND TRANSFERS.....</b>	<b>296,672</b>	<b>1,532,338</b>	<b>573,547</b>
Transfers-in.....	—	—	—
Transfers-out.....	(7,901)	(1,466,110)	(18,431)
<b>TOTAL GAIN (LOSS) AND TRANSFERS.....</b>	<b>(7,901)</b>	<b>(1,466,110)</b>	<b>(18,431)</b>
<b>NET INCOME (LOSS).....</b>	<b>288,771</b>	<b>66,228</b>	<b>555,116</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated).....</b>	<b>7,496,313</b>	<b>367,299</b>	<b>1,298,737</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 7,785,084</b>	<b>\$ 433,527</b>	<b>\$ 1,853,853</b>

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

<b>NONMAJOR PROPRIETARY FUNDS</b>		<b>TOTAL</b>	
\$	52,772	\$	5,880,773
	—		2,577,884
	—		24,398
	3,411		3,411
	17,577		64,244
	<b>73,760</b>		<b>8,550,710</b>
	89,410		89,410
	12,446		255,827
	—		1,193,642
	—		2,894,710
	16,617		2,274,323
	1,830		21,870
	—		71,989
	<b>120,303</b>		<b>6,801,771</b>
	<b>(46,543)</b>		<b>1,748,939</b>
	20		621,738
	(36)		(3,148)
	—		(11,531)
	<b>(16)</b>		<b>607,059</b>
	<b>(46,559)</b>		<b>2,355,998</b>
	45,625		45,625
	—		(1,492,442)
	<b>45,625</b>		<b>(1,446,817)</b>
	<b>(934)</b>		<b>909,181</b>
	72,634		9,234,983
<b>\$</b>	<b>71,700</b>	<b>\$</b>	<b>10,144,164</b>

# STATE OF OHIO

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS -- ENTERPRISE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	<b>MAJOR PROPRIETARY FUNDS</b>		
	<b>WORKERS' COMPENSATION</b>	<b>LOTTERY COMMISSION</b>	<b>UNEMPLOYMENT COMPENSATION</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers.....	\$ —	\$ 5,820,542	\$ —
Cash Received from Multi-State Lottery for Grand Prize Winner.....	—	154,017	—
Cash Received from Premiums and Assessments.....	1,446,212	—	1,198,853
Cash Received from Interfund Services Provided.....	51,094	—	—
Other Operating Cash Receipts.....	27,186	—	74,002
Cash Payments to Suppliers for Goods and Services.....	(82,495)	(109,701)	—
Cash Payments to Employees for Services.....	(200,615)	(41,531)	—
Cash Payments for Benefits and Claims.....	(1,396,571)	—	(639,700)
Cash Payments for Lottery Prizes.....	—	(3,092,565)	—
Cash Payments for Bonuses and Commissions.....	—	(1,193,642)	—
Cash Payments for Premium Reductions and Refunds.....	(213,748)	—	—
Cash Payments for Interfund Services Used.....	(41,896)	(9,583)	—
Other Operating Cash Payments.....	—	(16,015)	(90,575)
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....</b>	<b>(410,833)</b>	<b>1,511,522</b>	<b>542,580</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers-in .....	—	—	—
Transfers-out .....	(7,901)	(1,466,110)	(18,431)
<b>NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(7,901)</b>	<b>(1,466,110)</b>	<b>(18,431)</b>
<b>CASH FLOWS FROM CAPITAL, LEASE, SUBSCRIPTION, AND RELATED FINANCING ACTIVITIES:</b>			
Payments on Leases.....	—	(100)	—
Payments on Subscriptions.....	—	—	—
Interest Paid .....	—	(25)	—
Acquisition and Construction of Capital Assets .....	(1,728)	(705)	—
Proceeds from Sales of Capital Assets .....	212	—	—
<b>NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(1,516)</b>	<b>(830)</b>	<b>—</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Investments.....	(13,101,104)	(59,176)	—
Proceeds from the Sales and Maturities of Investments .....	12,765,216	48,873	—
Investment Income Received .....	564,134	39,283	23,829
Borrower Rebates and Agent Fees.....	(53,683)	(3,063)	—
<b>NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES.....</b>	<b>174,563</b>	<b>25,917</b>	<b>23,829</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS.....</b>	<b>(245,687)</b>	<b>70,499</b>	<b>547,978</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1 .....</b>	<b>636,099</b>	<b>396,953</b>	<b>1,175,872</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30 .....</b>	<b>\$ 390,412</b>	<b>\$ 467,452</b>	<b>\$ 1,723,850</b>

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

<b>NONMAJOR PROPRIETARY FUNDS</b>		<b>TOTAL</b>	
\$	36,941	\$	5,857,483
	—		154,017
	—		2,645,065
	10,070		61,164
	5,713		106,901
	(3,150)		(195,346)
	(87,153)		(329,299)
	—		(2,036,271)
	—		(3,092,565)
	—		(1,193,642)
	—		(213,748)
	(5,725)		(57,204)
	(16,617)		(123,207)
	<b>(59,921)</b>		<b>1,583,348</b>
	45,409		45,409
	—		(1,492,442)
	<b>45,409</b>		<b>(1,447,033)</b>
	(1,013)		(1,113)
	(382)		(382)
	(37)		(62)
	(2,804)		(5,237)
	1		213
	<b>(4,235)</b>		<b>(6,581)</b>
	(17,284)		(13,177,564)
	34,320		12,848,409
	850		628,096
	—		(56,746)
	<b>17,886</b>		<b>242,195</b>
	(861)		371,929
	42,100		2,251,024
<b>\$</b>	<b>41,239</b>	<b>\$</b>	<b>2,622,953</b>

(continued)

STATE OF OHIO  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS -- ENTERPRISE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(dollars in thousands)  
(continued)

	<b>MAJOR PROPRIETARY FUNDS</b>		
	<b>WORKERS' COMPENSATION</b>	<b>LOTTERY COMMISSION</b>	<b>UNEMPLOYMENT COMPENSATION</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss).....	\$ (292,482)	\$ 1,538,246	\$ 549,718
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income.....	—	—	—
Depreciation/Amortization.....	17,046	2,994	—
Provision for Uncollectible Accounts.....	35,755	—	—
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	—	—	132
Premiums and Assessments Receivable.....	2,487	—	(10,959)
Interfund Receivable.....	(9,289)	—	—
Other Receivables.....	(105,346)	(1,796)	(459)
Other Assets.....	—	(1,843)	9
Increase (Decrease) in Liabilities:			
Accounts Payable.....	8,247	13,535	—
Accrued Liabilities.....	—	—	—
Intergovernmental Payable.....	—	—	313
Prize Awards Payable.....	—	(19,749)	—
Interfund Payable.....	—	128	—
Unearned Revenue.....	36,312	203	—
Benefits Payable.....	(30,794)	—	4,117
Refund and Other Liabilities.....	(72,769)	(20,196)	(291)
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....</b>	<b>\$ (410,833)</b>	<b>\$ 1,511,522</b>	<b>\$ 542,580</b>
<b>NONCASH INVESTING, CAPITAL, LEASE, AND FINANCING ACTIVITIES:</b>			
Change in Fair Value of Investments.....	\$ 52,283	\$ (89,219)	\$ —
Acquiring an Asset through Lease/Subscription/Financed Purchase.....	—	8,800	—
Other Capital Asset Gain/(Loss).....	—	—	—
Construction in Progress - Accounts Payable.....	—	—	—

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



<b>NONMAJOR PROPRIETARY FUNDS</b>		<b>TOTAL</b>	
\$	(46,543)	\$	1,748,939
	(3,411)		(3,411)
	1,817		21,857
	—		35,755
	33,336		33,468
	—		(8,472)
	(216)		(9,505)
	(313)		(107,914)
	—		(1,834)
	(28,714)		(6,932)
	448		448
	—		313
	—		(19,749)
	—		128
	52		36,567
	(17,400)		(44,077)
	1,023		(92,233)
<b>\$</b>	<b>(59,921)</b>	<b>\$</b>	<b>1,583,348</b>

\$	—	\$	(36,936)
	1,877		10,677
	14		14
	262		262

# STATE OF OHIO

## STATEMENT OF FIDUCIARY NET POSITION

### FIDUCIARY FUNDS

JUNE 30, 2023

(dollars in thousands)

	PENSION TRUST - STATE HIGHWAY PATROL RETIREMENT SYSTEM (as of 12/31/22)	PRIVATE- PURPOSE TRUST FUNDS	INVESTMENT TRUST - STAR OHIO
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —
Cash and Cash Equivalents.....	53,703	351,517	850,782
Investments (at fair value):			
U.S. Government and Agency Obligations.....	13,691	—	807,592
Common and Preferred Stock.....	15,476	—	—
Corporate Bonds and Notes.....	14,740	—	120,953
Foreign Stocks and Bonds.....	2,236	—	—
Commercial Paper.....	—	—	6,865,133
Repurchase Agreements.....	—	—	2,817,501
Mutual Funds.....	448,474	15,654,485	1,706,393
Real Estate.....	85,168	—	—
Negotiable Certificates of Deposit.....	—	—	4,341,333
Partnership and Hedge Funds.....	350,645	—	—
State Treasury Asset Reserve of Ohio (STAR Ohio).....	—	—	—
Collateral on Lent Securities.....	—	—	—
Employer Contributions Receivable.....	687	—	—
Employee Contributions Receivable.....	1,695	—	—
Other Receivables.....	3,596	118,916	62,498
Other Assets.....	295	—	202
<b>TOTAL ASSETS.....</b>	<b>990,406</b>	<b>16,124,918</b>	<b>17,572,387</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>198</b>	<b>—</b>	<b>—</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>990,604</b>	<b>16,124,918</b>	<b>17,572,387</b>
<b>LIABILITIES:</b>			
Accounts Payable.....	240	—	—
Accrued Liabilities.....	13,096	4,849	515
Obligations Under Securities Lending.....	—	—	—
Intergovernmental Payable.....	—	—	—
Refund and Other Liabilities.....	338	121,689	4,455
<b>TOTAL LIABILITIES.....</b>	<b>13,674</b>	<b>126,538</b>	<b>4,970</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>652</b>	<b>—</b>	<b>—</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>14,326</b>	<b>126,538</b>	<b>4,970</b>
<b>NET POSITION (DEFICITS):</b>			
Restricted for:			
Employees' Pension Benefits.....	861,143	—	—
Employees' Postemployment Healthcare Benefits.....	115,135	—	—
Individuals, Organizations and Other Governments.....	—	15,998,380	—
Pool Participants.....	—	—	17,567,417
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 976,278</b>	<b>\$ 15,998,380</b>	<b>\$ 17,567,417</b>

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

**CUSTODIAL  
FUNDS**

\$	322,869
	104,883
	14,944
	—
	—
	—
	—
	—
	—
	—
	16,967
	59,343
	—
	—
	—
	—
	<b>519,006</b>
	—
	<b>519,006</b>
	—
	—
	59,343
	317,628
	84,961
	<b>461,932</b>
	—
	<b>461,932</b>
	—
	—
	57,074
	—
<b>\$</b>	<b>57,074</b>

**STATE OF OHIO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(dollars in thousands)

	<b>PENSION TRUST - STATE HIGHWAY PATROL RETIREMENT SYSTEM (as of 12/31/22)</b>	<b>PRIVATE- PURPOSE TRUST FUNDS</b>	<b>INVESTMENT TRUST - STAR OHIO</b>
<b>ADDITIONS:</b>			
Contributions from:			
Employer.....	\$ 32,862	\$ —	\$ —
Employees.....	17,361	—	—
Plan Participants.....	—	2,904,696	—
Other.....	4,855	—	—
<b>Total Contributions.....</b>	<b>55,078</b>	<b>2,904,696</b>	<b>—</b>
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments.....	(119,413)	924,759	—
Interest, Dividends and Other.....	18,976	533,817	605,294
<b>Total Investment Income.....</b>	<b>(100,437)</b>	<b>1,458,576</b>	<b>605,294</b>
Less: Investment Expense.....	8,589	37,416	5,866
<b>Net Investment Income.....</b>	<b>(109,026)</b>	<b>1,421,160</b>	<b>599,428</b>
Capital Share and Individual Account Transactions:			
Shares Sold.....	—	—	31,855,063
Reinvested Distributions.....	—	—	726,498
Shares Redeemed.....	—	—	(29,975,719)
<b>Net Capital Share and Individual Account Transactions.....</b>	<b>—</b>	<b>—</b>	<b>2,605,842</b>
Tax Collections for Local Governments.....	—	—	—
Child Support Collections.....	—	—	—
Detainee / Resident Home Personal Accounts.....	—	—	—
Other Organizations' Accounts.....	—	—	—
Miscellaneous.....	—	—	—
<b>TOTAL ADDITIONS.....</b>	<b>(53,948)</b>	<b>4,325,856</b>	<b>3,205,270</b>
<b>DEDUCTIONS:</b>			
Pension Benefits Paid to Participants or Beneficiaries.....	84,862	—	—
Healthcare Benefits Paid to Participants or Beneficiaries.....	9,900	—	—
Refunds of Employee Contributions.....	3,785	—	—
Administrative Expense.....	1,509	—	—
Transfers to Other Retirement Systems.....	162	—	—
Distributions to Shareholders, Plans, Participants.....	—	2,887,355	599,428
Tax Distributions to Local Governments.....	—	—	—
Child Support Payments.....	—	—	—
Detainee / Resident Home Personal Accounts.....	—	—	—
Other Organizations' Accounts.....	—	—	—
Miscellaneous.....	—	—	—
<b>TOTAL DEDUCTIONS.....</b>	<b>100,218</b>	<b>2,887,355</b>	<b>599,428</b>
<b>CHANGE IN NET POSITION RESTRICTED FOR:</b>			
Employees' Pension Benefits.....	(139,173)	—	—
Employees' Postemployment Healthcare Benefits.....	(14,993)	—	—
Individuals, Organizations and Other Governments.....	—	1,438,501	—
Pool Participants.....	—	—	2,605,842
<b>TOTAL CHANGE IN NET POSITION.....</b>	<b>(154,166)</b>	<b>1,438,501</b>	<b>2,605,842</b>
<b>NET POSITION (DEFICITS), JULY 1.....</b>	<b>1,130,444</b>	<b>14,559,879</b>	<b>14,961,575</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 976,278</b>	<b>\$ 15,998,380</b>	<b>\$ 17,567,417</b>

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

CUSTODIAL FUNDS

\$ —  
1,524,242  
—  
1,524,242

—  
1,625  
1,625  
—  
1,625

17,885  
—  
(15,386)  
2,499

4,709,968  
1,751,413  
93,576  
229,382  
3,536  
8,316,241

—  
—  
—  
—  
—  
1,524,242  
4,709,968  
1,751,413  
95,864  
228,920  
1,106  
8,311,513

—  
—  
4,728  
—  
4,728  
52,346  
\$ 57,074

# STATE OF OHIO

COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
JUNE 30, 2023  
(dollars in thousands)

	<b>MAJOR COMPONENT UNITS</b>		
	<b>OHIO FACILITIES CONSTRUCTION COMMISSION</b>	<b>OHIO STATE UNIVERSITY</b>	<b>NONMAJOR COMPONENT UNITS</b>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 119,028	\$ —	\$ 1,445
Cash and Cash Equivalents.....	—	1,239,560	1,015,054
Investments.....	6,786	1,935,584	4,104,743
Collateral on Lent Securities.....	21,877	—	—
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	—	—	292,100
Investments.....	—	—	62,007
Intergovernmental Receivable.....	—	2,828	37,936
Loans Receivable, Net.....	—	6,387	21,906
Receivable from Primary Government.....	—	636	18,261
Other Receivables.....	—	1,002,404	655,374
Inventories.....	—	101,829	141,125
Other Assets.....	—	91,686	104,628
<b>TOTAL CURRENT ASSETS.....</b>	<b>147,691</b>	<b>4,380,914</b>	<b>6,454,579</b>
<b>NONCURRENT ASSETS:</b>			
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	—	—	57,388
Investments.....	—	—	2,909,281
Investments.....	—	7,615,561	3,317,960
Loans Receivable, Net.....	—	30,330	160,378
Other Receivables.....	—	185,239	325,395
Other Assets.....	—	397,655	1,509,207
Capital Assets Being Depreciated, Net.....	9	6,099,266	10,186,374
Capital Assets Not Being Depreciated.....	—	2,394,451	998,011
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>9</b>	<b>16,722,502</b>	<b>19,463,994</b>
<b>TOTAL ASSETS.....</b>	<b>147,700</b>	<b>21,103,416</b>	<b>25,918,573</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>			
	—	1,709,175	1,432,481
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>147,700</b>	<b>22,812,591</b>	<b>27,351,054</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable.....	4,510	449,911	399,004
Accrued Liabilities.....	528	333,213	738,072
Obligations Under Securities Lending.....	21,877	—	—
Intergovernmental Payable.....	305,565	—	2,831
Unearned Revenue.....	—	449,707	315,651
Refund and Other Liabilities.....	7,036	129,326	371,809
Payable to Primary Government.....	—	—	316
Bonds and Notes Payable.....	—	688,642	350,240
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>339,516</b>	<b>2,050,799</b>	<b>2,177,923</b>
<b>NONCURRENT LIABILITIES:</b>			
Intergovernmental Payable.....	519,944	—	14,063
Unearned Revenue.....	—	—	17,580
Refund and Other Liabilities.....	1,442	6,104,541	4,806,309
Bonds and Notes Payable.....	—	3,317,871	7,827,252
<b>TOTAL NONCURRENT LIABILITIES.....</b>	<b>521,386</b>	<b>9,422,412</b>	<b>12,665,204</b>
<b>TOTAL LIABILITIES.....</b>	<b>860,902</b>	<b>11,473,211</b>	<b>14,843,127</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>			
	2,900,970	1,069,523	913,833
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>3,761,872</b>	<b>12,542,734</b>	<b>15,756,960</b>
<b>NET POSITION (DEFICITS):</b>			
Net Investment in Capital Assets.....	—	4,085,173	6,032,121
<b>Restricted for:</b>			
Transportation.....	—	—	216,996
Community and Economic Development.....	1,875	—	25,320
<b>Nonexpendable:</b>			
Scholarships and Fellowships.....	—	—	561,510
Research.....	—	—	100,225
Endowments and Quasi-Endowments.....	—	1,942,078	1,877,147
Loans, Grants and Other College and University Purposes.....	—	—	573,877
<b>Expendable:</b>			
Scholarships and Fellowships.....	—	—	445,654
Research.....	—	—	206,753
Instructional Department Uses.....	—	—	244,839
Student and Public Services.....	—	—	151,368
Academic Support.....	—	—	222,540
Debt Service.....	—	—	24,950
Capital Purposes.....	—	—	149,951
Endowments and Quasi-Endowments.....	—	836,524	419,615
Current Operations.....	—	830,823	51,169
Loans, Grants and Other College and University Purposes.....	—	—	535,085
Unrestricted.....	(3,616,047)	2,575,259	(245,026)
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ (3,614,172)</b>	<b>\$ 10,269,857</b>	<b>\$ 11,594,094</b>

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

**TOTAL**

\$	120,473
	2,254,614
	6,047,113
	21,877
	292,100
	62,007
	40,764
	28,293
	18,897
	1,657,778
	242,954
	196,314
	<u>10,983,184</u>
	57,388
	2,909,281
	10,933,521
	190,708
	510,634
	1,906,862
	16,285,649
	3,392,462
	<u>36,186,505</u>
	<u>47,169,689</u>
	3,141,656
	<u>50,311,345</u>
	853,425
	1,071,813
	21,877
	308,396
	765,358
	508,171
	316
	<u>1,038,882</u>
	<u>4,568,238</u>
	534,007
	17,580
	10,912,292
	11,145,123
	<u>22,609,002</u>
	<u>27,177,240</u>
	4,884,326
	<u>32,061,566</u>
	10,117,294
	216,996
	27,195
	561,510
	100,225
	3,819,225
	573,877
	445,654
	206,753
	244,839
	151,368
	222,540
	24,950
	149,951
	1,256,139
	881,992
	535,085
	(1,285,814)
\$	<u>18,249,779</u>

# STATE OF OHIO

COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(dollars in thousands)

	MAJOR COMPONENT UNITS		
	OHIO FACILITIES CONSTRUCTION COMMISSION	OHIO STATE UNIVERSITY	NONMAJOR COMPONENT UNITS
<b>EXPENSES:</b>			
Primary, Secondary and Other Education.....	\$ 405,039	\$ —	\$ —
Transportation.....	—	—	151,255
Community and Economic Development.....	30,459	—	2,015,723
Education and General:			
Instruction and Departmental Research.....	—	1,263,637	2,040,777
Separately Budgeted Research.....	—	628,514	454,107
Public Service.....	—	158,424	290,370
Academic Support.....	—	313,148	566,772
Student Services.....	—	119,404	405,230
Institutional Support.....	—	261,695	739,738
Operation and Maintenance of Plant.....	—	175,875	409,981
Scholarships and Fellowships.....	—	123,564	273,067
Auxiliary Enterprises.....	—	410,383	730,230
Hospitals.....	—	4,984,540	495,285
Interest on Long-Term Debt.....	—	171,652	306,309
Depreciation.....	2	579,565	757,438
Other.....	—	(8,246)	37,918
<b>TOTAL EXPENSES.....</b>	<b>435,500</b>	<b>9,182,155</b>	<b>9,674,200</b>
<b>PROGRAM REVENUES:</b>			
Charges for Services, Fees, Fines and Forfeitures.....	14,112	7,240,905	6,316,327
Operating Grants, Contributions and Restricted Investment Income.....	5,359	1,001,952	983,781
Capital Grants, Contributions and Restricted Investment Income.....	—	58,407	25,808
<b>TOTAL PROGRAM REVENUES.....</b>	<b>19,471</b>	<b>8,301,264</b>	<b>7,325,916</b>
<b>NET PROGRAM (EXPENSE) REVENUE .....</b>	<b>(416,029)</b>	<b>(880,891)</b>	<b>(2,348,284)</b>
<b>GENERAL REVENUES:</b>			
Unrestricted Investment Income.....	—	515,360	511,200
State Assistance.....	251,568	555,418	1,580,001
Other.....	3,037	403,399	589,665
<b>TOTAL GENERAL REVENUES.....</b>	<b>254,605</b>	<b>1,474,177</b>	<b>2,680,866</b>
<b>ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....</b>	<b>—</b>	<b>70,589</b>	<b>45,327</b>
<b>CHANGE IN NET POSITION.....</b>	<b>(161,424)</b>	<b>663,875</b>	<b>377,909</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated).....</b>	<b>(3,452,748)</b>	<b>9,605,982</b>	<b>11,216,185</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ (3,614,172)</b>	<b>\$ 10,269,857</b>	<b>\$ 11,594,094</b>

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



**TOTAL**

\$	405,039
	151,255
	2,046,182
	3,304,414
	1,082,621
	448,794
	879,920
	524,634
	1,001,433
	585,856
	396,631
	1,140,613
	5,479,825
	477,961
	1,337,005
	29,672
	<b>19,291,855</b>
	13,571,344
	1,991,092
	84,215
	<b>15,646,651</b>
	<b>(3,645,204)</b>
	1,026,560
	2,386,987
	996,101
	<b>4,409,648</b>
	115,916
	<b>880,360</b>
	17,369,419
\$	<b>18,249,779</b>



## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio, as of June 30, 2023, 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 year ended December 31<sup>st</sup>.

*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* — The Local Government Tax Fund, Child Support Fund, and Other Fund account for fiduciary resources held on behalf of local governments, custodial parents/guardians, individuals and other organizations, respectively.

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:

Building.....	\$	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 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

GASB 96, *Subscription-Based Information Technology Arrangements*, requires the reporting of certain subscription-based information technology arrangements (SBITA) as capital assets. A SBITA is a licensing contract, agreement, or arrangement for IT software, database, or cloud storage for a period of time in exchange for payments or other resources. Like lease assets, the amount reported will be based on the present value of payments to be made over the probable subscription period and are reported net of accumulated amortization. The state has established a threshold of \$15 thousand for reporting SBITA assets. Amortization expense will be applied to the assets in proportion to subscription payments to be made over the subscription period.

***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. Lease and SBITA assets are reported as capital assets. The funds report lease and SBITA assets based on the present value of payments expected to be made over the lease term.

NOTE 8 contains additional disclosures about the primary government's and major discretely presented component unit's capital assets.

**L. 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.

**M. 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.

**N. 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.



## **NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

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.

### **O. 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.

### **P. 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.

**Q. 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).

**R. 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.

**S. 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).

**T. 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.

**U. 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, 2022, for 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:**

	Business-Type Activities	Total Discretely Presented Component Units
Net Position, as of June 30, 2022, As Previously Reported .....	\$ 9,235,251	\$ 17,365,937
<i>Implementation of a New Accounting Standard:</i>		
GASB Statement No. 87, Leases (12/31/22 Reporting Year End).....		1,090
GASB Statement No. 94 and GASB Statement No. 96.....	(268)	10,090
<i>Correction of an Error:</i>		
Youngstown State University.....	-	(10,908)
<i>Prior Period Adjustment:</i>		
<i>University of Akron-reporting as of June 30, 2023, Audited</i>		
adjusted from unaudited FY2022 net position.....	-	3,532
<i>Central State University-reporting as of June 30, 2022, Audited</i>		
adjusted from unaudited FY2021 net position.....	-	53
<i>Terra State Community College-reporting as of June 30, 2022, Audited</i>		
same beginning balance as the prior year .....	-	(375)
Total Changes in Net Position.....	(268)	3,482
Net Position, July 1, 2022, As Restated .....	<u>\$ 9,234,983</u>	<u>\$ 17,369,419</u>

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

For the fiscal year ended June 30, 2023, the State implemented the provisions of:

GASB 91, *Conduit Debt Obligations*, primarily provides a single method of reporting conduit debt obligations by issuers thereby eliminating diversity in practice. There was no material impact to the primary government.

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). There was no material impact to the primary government.

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's information technology software should generally recognize a right-to-use subscription asset and corresponding subscription liability. The implementation of this statement had no effect on governmental activities' net position as of June 30, 2023, as both subscription assets and liabilities increased by the same amount.

GASB 99, *Omnibus 2022*, addresses requirements related to leases, public-public partnerships (PPPs) and subscription-based information technology arrangements (SBITAs). There was no material impact to the primary government.

**C. New GASB Pronouncements for Fiscal Year 2024 Implementation Consideration**

GASB 99, *Omnibus 2022*, addresses requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53.

GASB 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, provides enhanced requirements to improve the accounting and financial reporting for accounting changes and error corrections.

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, 2023, the State had no material extinguishments of debt to report.



### **NOTE 3 TAX ABATEMENTS**

As of June 30, 2023, 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, Rural Business Growth Tax Credit, Transformational Mixed-Use Development Tax Credit, and Opportunity Zone 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.

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.





### **NOTE 3 TAX ABATEMENTS (Continued)**

#### ***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 to 35 percent of the taxpayer's qualified rehabilitation expenditures, based on the population of the county, township, or municipality in which the project is located. The credit claimed shall not exceed \$10 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.

#### ***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.

#### ***Transformational Mixed-Use Development Tax Credit***

Ohio Revised Code sections 122.09, 5725.35, and 5729.18 establish the transformational mixed-use development tax credit. Taxpayers that own land in which new construction or construction improvement projects of vacant structures are planned or insurance companies contributing to these types of projects may apply for the tax credit. The receipt of the tax credit is contingent upon the completion of the mixed-use project as specified in the plans. The total credit for any one project shall not exceed ten percent of the actual development costs of the project or the sum of all credits initially approved by the tax credit authority. Total credits preliminary approved may not exceed \$100 million in each of fiscal years 2022 through 2025. The total credits for projects located within ten miles of a major city cannot exceed \$80 million and \$40 million of which may not be for the same project.

#### ***Opportunity Zone Tax Credit***

Ohio Revised Code section 122.84 establishes a nonrefundable tax credit for investors which hold investments in a qualified opportunity fund, where 100 percent of the fund's investment is in property in an Ohio opportunity zone. Taxpayers with qualified investments may be eligible for ten percent credit on the investment in the fund, not to exceed two million dollars for any fiscal biennium. The total amount of credits issued may not exceed \$75 million for the two fiscal years of 2022 and 2023 in total, \$50 million in fiscal year 2024, and \$25 million for each fiscal year after that.



**NOTE 3 TAX ABATEMENTS (Continued)**

The foregone revenue through tax abatements for fiscal year 2023 is presented in the following table (dollars in thousands):

<u>Abatement Program</u>	<u>Amount of Taxes Abated</u>
Job Creation Credit .....	\$ 312,477
Job Retention Credit.....	26,195
Historic Preservation Tax Credit .....	24,325
New Markets Tax Credit .....	6,805
Rural Business Growth Funds.....	11,250
Transformational Mixed-Use Development Tax Credit....	13,195
Opportunity Zone Tax Credit.....	22,628
Total of Tax Abatements .....	<u>\$ 416,875</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 no 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;
- Bonds and other direct obligations of the State of Ohio issued by the Treasurer of State and of the Ohio Public Facilities Commission, Ohio Housing Finance Agency, Ohio Water Development Authority, Ohio Turnpike and Infrastructure Commission, Ohio Higher Educational Facility Commission, and higher education institutions;
- 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;
- Banker’s acceptances of any domestic bank or federally chartered domestic branch office of a foreign bank;



**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

- 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;
- Obligations of a political subdivision issued under Chapter 133, Ohio Revised Code, and
- Obligations of a nonprofit corporation or association doing business in Ohio rated in the four highest categories by at least one nationally recognized standard rating service and identified in an agreement described in division K of Chapter 135.143, 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, 9<sup>th</sup> Floor, Columbus, Ohio 43215, by calling 1-800-648-7827, or by accessing the Treasurer of State's website at [www.tos.ohio.gov](http://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 fair 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, 2023, held by the primary government, including fiduciary activities, and its major discretely presented component unit and the extent of exposure to custodial credit risk.

<b>Primary Government (including Fiduciary Activities) and Major Discretely Presented Component Unit</b>						
<b>Deposits—Custodial Credit Risk</b>						
<b>As of June 30, 2023</b>						
<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> .....	\$ 3,716,398	\$3,759,376	\$ 1,343,898	\$ 50,443	\$ -	
<i>Major Discretely Presented Component Unit:</i>						
Ohio State University.....	593,559	625,998	-	-	620,779	

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.



**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

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.

The following table reports the fair value, as of June 30, 2023, of investments by type for the primary government, including fiduciary activities, and the extent of exposure to custodial credit risk:

<b>Primary Government (including Fiduciary Activities)</b>		
<b>Investments - Fair Value and Custodial Credit Risk</b>		
<b>As of June 30, 2023</b>		
<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.....	\$ 7,104,879	\$ 547,412
U.S. Government Obligations - strips.....	692,135	381,425
U.S. Agency Obligations.....	6,496,857	-
U.S. Agency Obligations-strips.....	26,305	-
Common and Preferred Stock.....	3,599,495	-
Corporate Bonds and Notes.....	5,716,279	-
Municipal Obligations.....	296,128	-
Negotiable Certificates of Deposit.....	11,608,727	-
Commercial Paper.....	13,473,514	-
Repurchase Agreements.....	3,562,683	-
Mortgage and Asset-Backed Securities.....	573,474	-
International Investments:		
Foreign Stocks.....	2,236	-
Foreign Bonds.....	927,308	-
Securities Lending Collateral:		
Commercial Paper.....	214,669	-
Repurchase Agreements.....	5,202,589	-
Variable Rate Notes.....	238,678	-
		<u>\$ 928,837</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.....	5,103,287	
U.S. Government Obligations-strips.....	70,528	
U.S. Agency Obligations.....	17,635	
Corporate Bonds and Notes.....	331,934	
International Investments:		
Commingled Equity Funds.....	2,124,396	
Equity Mutual Funds.....	16,293,418	
Bond Mutual Funds.....	4,458,757	
Real Estate.....	3,672,975	
Partnerships and Hedge Funds.....	350,645	
Deposit with Federal Government.....	1,712,877	
Component Units' Equity in State Treasurer's Cash and Investment Pool.....	(142,350)	
Component Units' Equity in the State Treasury Asset Reserve of Ohio.....	(1,371,464)	
Total Investments — Primary Government.....	<u>\$ 92,358,594</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, 2023**  
*(dollars in thousands)*

<i>Ohio State University:</i>	Fair Value	Uninsured, Unregistered, and Held by the Counterparty
U.S. Government Obligations.....	\$ 395,273	\$ 395,273
U.S. Agency Obligations.....	87,561	87,561
Common and Preferred Stock.....	1,123,252	1,123,252
Corporate Bonds and Notes.....	1,240,873	1,240,873
Municipal Obligations.....	8,411	8,411
Negotiable Certificates of Deposit.....	277,474	277,474
Commercial Paper.....	57,905	57,905
International Investments:		
Foreign Bonds.....	39,697	39,697
Securities Lending Collateral:		
Repurchase Agreements.....	2,800	2,800
Total Ohio State University.....		<u>\$ 3,233,246</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;
- Corporate bonds and notes must be rated in the three highest categories by two nationally recognized rating agencies;



**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

- 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 Banker’s 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, 2023**  
*(dollars in thousands)*

Investment Type	Credit Rating					
	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
U.S. Agency Obligations.....	\$ 4,818	\$ 6,210,441	\$ 623	\$ 3,024	\$ 10,838	\$ 1,265
U.S. Agency Obligations-strips.....	1,390	24,915	-	-	-	-
Corporate Bonds and Notes.....	250,514	1,050,530	2,908,818	1,636,377	139,424	55,455
Municipal Obligations.....	146,772	123,764	20,839	4,753	-	-
Negotiable Certificates of Deposit.....	5,925,977	1,684,918	3,985,616	-	-	-
Commercial Paper.....	4,456,543	200,000	3,841,830	-	-	-
Repurchase Agreements.....	10,125	-	-	-	-	-
Mortgage and Asset-Backed Securities.....	278,995	41,512	66,994	110,285	37,883	7,097
Bond Mutual Funds.....	2,764,570	1,031,724	566,462	7,420	35,247	6,067
International Investments:						
Foreign Bonds.....	864	28,465	417,738	394,866	69,480	14,683
Securities Lending Collateral:						
Commercial Paper.....	-	-	214,669	-	-	-
Repurchase Agreements.....	-	-	3,200,000	2,002,589	-	-
Variable Rate Notes.....	-	-	238,678	-	-	-
Bond Mutual Funds.....	12,039	-	-	-	-	-
Total Primary Government.....	<u>\$13,852,607</u>	<u>\$10,396,269</u>	<u>\$15,462,267</u>	<u>\$4,159,314</u>	<u>\$ 292,872</u>	<u>\$ 84,567</u>

Investment Type	Credit Rating					Total
	CCC/Caa	CC/Ca	C	D	Unrated	
U.S. Agency Obligations.....	\$ -	\$ -	\$ -	\$ -	\$ 283,483	\$ 6,514,492
U.S. Agency Obligations-strips.....	-	-	-	-	-	26,305
Corporate Bonds and Notes.....	6,848	-	-	-	247	6,048,213
Municipal Obligations.....	-	-	-	-	-	296,128
Negotiable Certificates of Deposit.....	-	-	-	-	12,216	11,608,727
Commercial Paper.....	-	-	-	-	4,975,141	13,473,514
Repurchase Agreements.....	-	-	-	-	3,552,558	3,562,683
Mortgage and Asset-Backed Securities.....	16,404	10,385	166	2,041	1,712	573,474
Bond Mutual Funds.....	1,152	-	-	-	34,076	4,446,718
International Investments:						
Foreign Bonds.....	1,212	-	-	-	-	927,308
Securities Lending Collateral:						
Commercial Paper.....	-	-	-	-	-	214,669
Repurchase Agreements.....	-	-	-	-	-	5,202,589
Variable Rate Notes.....	-	-	-	-	-	238,678
Bond Mutual Funds.....	-	-	-	-	-	12,039
Total Primary Government.....	<u>\$ 25,616</u>	<u>\$ 10,385</u>	<u>\$ 166</u>	<u>\$ 2,041</u>	<u>\$8,859,433</u>	<u>\$53,145,537</u>





**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

Major Discretely Presented Component Unit						
Investment Credit Ratings						
As of June 30, 2023						
(dollars in thousands)						
<i>Ohio State University:</i>						
Investment Type	Credit Rating					
	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	BB/Ba	B
U.S. Agency Obligations.....	\$ 5,635	\$ 77,469	\$ -	\$ -	\$ -	\$ -
Corporate Bonds and Notes.....	118,872	74,911	380,193	344,378	35,560	1,764
Municipal Obligations.....	624	4,888	1,243	-	-	-
Negotiable Certificates of Deposit.....	-	-	-	-	-	-
Commercial Paper.....	-	-	57,905	-	-	-
Bond Mutual Funds.....	108,777	38,045	62,906	66,951	30,430	23,337
International Investments:						
Foreign Bonds.....	16,906	-	4,705	8,261	-	-
Securities Lending Collateral:						
Repurchase Agreements.....	-	2,800	-	-	-	-
Total Ohio State University.....	<u>\$ 250,814</u>	<u>\$ 198,113</u>	<u>\$ 506,952</u>	<u>\$419,590</u>	<u>\$65,990</u>	<u>\$ 25,101</u>

<i>Ohio State University (continued):</i>			
Investment Type	Credit Rating		
	CCC/Caa	Unrated	Total
U.S. Agency Obligations.....	\$ -	\$ 4,457	\$ 87,561
Corporate Bonds and Notes.....	32	285,163	1,240,873
Municipal Obligations.....	-	1,656	8,411
Negotiable Certificates of Deposit.....	-	277,474	277,474
Commercial Paper.....	-	-	57,905
Bond Mutual Funds.....	38,308	113,414	482,168
International Investments:			
Foreign Bonds.....	-	9,825	39,697
Securities Lending Collateral:			
Repurchase Agreements.....	-	-	2,800
Total Ohio State University.....	<u>\$ 38,340</u>	<u>\$ 691,989</u>	<u>\$2,196,889</u>

At June 30, 2023, the Ohio Facilities Construction Commission had \$6.8 million 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;
- Banker’s 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
Banker’s Acceptances .....	10
Commercial Paper .....	40
Corporate Notes .....	25
Negotiable Certificates of Deposit ..	25
Foreign Debt.....	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;
- Banker’s 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
- Banker’s acceptances, limited at 10 percent, with no more than 5 percent invested with any single issuer.

As of June 30, 2023, 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 .....	\$ 29,668	8%
Federal Home Loan Mortgage Corporation .....	22,551	6%
<i>Ohio Facilities Construction Commission Component Unit Fund:</i>		
Federal Home Loan Bank .....	8,039	6%
Federal Home Loan Mortgage Corporation .....	7,440	6%

**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 Banker's acceptances are limited to maturities of 270 days.

As of June 30, 2023, 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 \$4.97 billion with call dates from fiscal years 2024 through 2025, and maturity dates from fiscal years 2024 through 2028. The Corporate Bonds and Notes investment type has \$2.06 billion with call dates and maturity dates from fiscal years 2024 through 2028.

Additionally, several investments reported as "Investments" have terms that make their fair values highly sensitive to interest rate changes. U.S. agency obligations of \$90 million have call dates in fiscal year 2024, and maturity dates from fiscal years 2024 through 2027. Corporate bonds in the amount of \$565 million have call dates and maturity dates in fiscal year 2024.

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, 2023, 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)**

<b>Primary Government (including Fiduciary Activities)</b>					
<b>Investments Subject to Interest Rate Risk</b>					
<b>As of June 30, 2023</b>					
<i>(dollars in thousands)</i>					
Investment Type	Investment Maturities (in years)				Total
	< 1	1 - 5	6 - 10	> 10	
U.S. Government Obligations.....	\$ 3,868,481	\$ 6,420,360	\$1,136,059	\$ 783,266	\$12,208,166
U.S. Government Obligations - strips.....	244,915	256,615	85,827	175,306	762,663
U.S. Agency Obligations.....	1,381,286	4,616,991	51,392	464,823	6,514,492
U.S. Agency Obligations-strips.....	9,211	12,511	4,583	-	26,305
Corporate Bonds and Notes.....	647,136	2,418,789	408,504	2,573,784	6,048,213
Municipal Obligations.....	120,425	9,671	7,828	158,204	296,128
Negotiable Certificates of Deposit.....	11,601,967	6,760	-	-	11,608,727
Commercial Paper.....	13,473,514	-	-	-	13,473,514
Repurchase Agreements.....	3,562,683	-	-	-	3,562,683
Mortgage and Asset-Backed Securities..	168,402	65,167	53,409	286,496	573,474
Bond Mutual Funds.....	2,765,309	73,270	1,049,732	558,407	4,446,718
International Investments:					
Foreign Bonds.....	65,654	230,343	169,792	461,519	927,308
Securities Lending Collateral:					
Commercial Paper.....	214,669	-	-	-	214,669
Repurchase Agreements.....	5,202,589	-	-	-	5,202,589
Variable Rate Notes.....	238,678	-	-	-	238,678
Bond Mutual Funds.....	12,039	-	-	-	12,039
Total Primary Government.....	<u>\$43,576,958</u>	<u>\$14,110,477</u>	<u>\$ 2,967,126</u>	<u>\$5,461,805</u>	<u>\$ 66,116,366</u>

<b>Major Discretely Presented Component Unit</b>					
<b>Investments Subject to Interest Rate Risk</b>					
<b>As of June 30, 2023</b>					
<i>(dollars in thousands)</i>					
Investment Type	Investment Maturities (in years)				Total
	< 1	1 - 5	6 - 10	> 10	
<i>Ohio State University:</i>					
U.S. Government Obligations.....	\$ 158,511	\$ 202,287	\$ 20,314	\$ 14,161	\$ 395,273
U.S. Agency Obligations.....	5,951	30,002	15,306	36,302	87,561
Corporate Bonds and Notes.....	208,367	759,987	133,275	139,244	1,240,873
Municipal Obligations.....	3,729	3,610	1,072	-	8,411
Negotiable Certificates of Deposit.....	277,474	-	-	-	277,474
Commercial Paper.....	57,905	-	-	-	57,905
Bond Mutual Funds.....	40,536	126,112	125,442	190,078	482,168
International Investments:					
Foreign Bonds.....	8,129	10,218	9,128	12,222	39,697
Securities Lending Collateral:					
Repurchase Agreements.....	2,800	-	-	-	2,800
Total Ohio State University.....	<u>\$ 763,402</u>	<u>\$ 1,132,216</u>	<u>\$ 304,537</u>	<u>\$ 392,007</u>	<u>\$ 2,592,162</u>

At June 30, 2023, the Ohio Facilities Construction Commission had \$6.8 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, 2023, 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, 2023  
(dollars in thousands)**

Currency	Commingled International	
	Equity	Total
Australian Dollar.....	\$ 132,811	\$ 132,811
Bermudian Dollar.....	523	523
British Pound.....	269,512	269,512
Canadian Dollar.....	216,143	216,143
Chinese Renminbi.....	311	311
Danish Krone.....	56,453	56,453
Euro.....	625,341	625,341
Hong Kong Dollar.....	44,285	44,285
Israeli Shekel.....	11,403	11,403
Japanese Yen.....	413,694	413,694
Macau Pataca.....	990	990
Manx Pound.....	1,219	1,219
New Zealand Dollar.....	5,129	5,129
Norwegian Krone.....	11,609	11,609
Singapore Dollar.....	25,682	25,682
Swedish Krona.....	55,695	55,695
Swiss Franc.....	199,855	199,855
Investments Held in Foreign Currency.....	<u>\$ 2,070,655</u>	<u>2,070,655</u>
Foreign Investments Held in U.S. Dollars.....		<u>983,285</u>
Total Foreign Investments - Primary Government, including Fiduciary Activities.....		<u>\$3,053,940</u>

**Major Discretely Presented Component Unit  
International Investments—Foreign Currency Risk  
As of June 30, 2023  
(dollars in thousands)**

Ohio State University:	Commingled International		
	Bonds	Equity	Total
Australian Dollar.....	\$ 13,342	\$ -	\$ 13,342
British Pound.....	11,918	255,229	267,147
Canadian Dollar.....	5,004	-	5,004
Euro.....	9,433	281,788	291,221
Swiss Franc.....	-	33,269	33,269
Total Foreign Currency Investments - Ohio State University.....	<u>\$ 39,697</u>	<u>\$ 570,286</u>	<u>\$ 609,983</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.



**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

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, 2023, 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 10 days while the weighted average maturity of securities loans is 12 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 2023, the State had not experienced any losses due to credit or market risk on securities lending activities.

In fiscal year 2023, 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, 2023, the State reports the following investment derivative instruments in its financial statements:

<b>Investment Derivative Instruments</b>					
<b>As of June 30, 2023</b>					
<i>(dollars in thousands)</i>					
	Notional	Fair Value at 6/30/2023		Increase (Decrease) in Fair Value	
		Amount	Reported as	Amount	Reported as
<i>Governmental Activities:</i>					
Investment Derivative Instruments:					
Pay-Fixed Interest Rate Swaps.....	\$ 25,550	\$ 120	Other Noncurrent Liability	\$ 906	Investment Income Gain

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, 2023, and are reported as investment derivative instruments. The increase in fair value for fiscal year 2023 of \$906 thousand is reported as investment income gains in the Statement of Activities.

The credit quality ratings of JPMorgan Chase, the counterparty, are “Aa2/A+/AA” as of June 30, 2023. The State was exposed to credit risk in the amount of the derivative instrument’s fair value because these swaps had positive fair values at June 30, 2023.

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.



**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

**F. Fair Value Disclosures**

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

<b>Primary Government (including Fiduciary Activities)</b>				
<b>Investments - Fair Value Disclosures</b>				
<b>As of June 30, 2023</b>				
<i>(dollars in thousands)</i>				
	Fair Value	<b>Amount of Fair Value Measured Using:</b>		
		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.....	\$ 12,208,414	\$ 3,891,578	\$ 8,316,836	\$ -
U.S. Government Obligations - strips.....	762,663	502,458	260,205	-
U.S. Agency Obligations.....	6,514,201	2,061	6,512,140	-
U.S. Agency Obligations-strips.....	26,305	-	26,305	-
Common and Preferred Stock.....	3,599,495	3,599,367	-	128
Corporate Bonds and Notes.....	6,047,973	-	6,045,446	2,527
Municipal Obligations.....	296,128	-	296,128	-
Negotiable Certificates of Deposit.....	6,982,083	-	6,982,083	-
Commercial Paper.....	9,008,154	-	9,008,154	-
Repurchase Agreements.....	3,562,683	10,683	3,552,000	-
Mortgage and Asset-Backed Securities.....	573,474	-	499,487	73,987
Equity Mutual Funds.....	15,629,660	15,629,069	591	-
Bond Mutual Funds.....	2,825,573	2,744,541	81,032	-
<i>International Investments:</i>				
Foreign Stocks.....	2,236	2,236	-	-
Foreign Bonds.....	927,308	-	754,808	172,500
Commingled Equity Funds.....	19,807	19,807	-	-
<i>Securities Lending Collateral:</i>				
Variable Rate Notes.....	238,678	-	238,678	-
Bond Mutual Funds.....	12,039	12,039	-	-
	<u>\$ 69,236,874</u>	<u>\$ 26,413,839</u>	<u>\$ 42,573,893</u>	<u>\$ 249,142</u>
<i>Investment Derivative Instruments:</i>				
Pay-Fixed Interest Rate Swaps.....	\$ 120	\$ -	\$ 120	\$ -
	<u>\$ 120</u>	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ -</u>

<b>Primary Government (including Fiduciary Activities)</b>	
<b>Investments - Fair Value Disclosures</b>	
<b>As of June 30, 2023</b>	
<i>(dollars in thousands)</i>	
	Net Asset Value
<i>Investments Measured at Net Asset Value:</i>	
Equity Mutual Funds.....	\$ 650,211
Bond Mutual Funds.....	1,613,483
Real Estate.....	3,672,975
Partnerships and Hedge Funds.....	350,645
<i>International Investments:</i>	
Commingled Equity Funds.....	2,104,589
	<u>\$ 8,391,903</u>





**NOTE 4 DEPOSITS AND INVESTMENTS (Continued)**

For investments held by the Treasurer of State, \$13.2 million classified in Level 1 were valued using inputs based on published share price. Level 2 classifications in the amount of \$17.72 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 \$172.5 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, \$2.15 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 \$18.84 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 \$928.8 million 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 \$16.5 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/>;
- Department of Development-Loan Servicing Office, at <https://development.ohio.gov/>;
- Buckeye Tobacco Settlement Financing Authority, [Issuers | Office of Budget and Management \(ohio.gov\)](https://issuers.budget.ohio.gov/);
- 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:

<b>Major Discretely Presented Component Unit</b>				
<b>Investments - Fair Value Disclosures</b>				
<b>As of June 30, 2023</b>				
<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.....	\$ 395,273	\$ (1,443)	\$ 396,716	\$ -
U.S. Agency Obligations.....	87,561	-	87,561	-
Common and Preferred Stock.....	1,123,252	1,123,252	-	-
Corporate Bonds and Notes.....	1,240,873	273	1,240,600	-
Municipal Obligations.....	8,411	-	8,411	-
Negotiable Certificates of Deposit.....	277,474	277,474	-	-
Commercial Paper.....	57,905	-	57,905	-
Equity Mutual Funds.....	222,645	222,645	-	-
Bond Mutual Funds.....	323,686	323,686	-	-
Real Estate.....	143,925	116,370	-	27,555
Partnerships and Hedge Funds.....	61,980	-	-	61,980
Life Insurance.....	51,885	48,323	-	3,562
<i>International Investments:</i>				
Foreign Bonds.....	39,697	-	39,697	-
Commingled Equity Funds.....	105,772	-	-	105,772
<i>Securities Lending Collateral:</i>				
Repurchase Agreements.....	2,800	-	2,800	-
	<u>\$ 4,143,139</u>	<u>\$ 2,110,580</u>	<u>\$ 1,833,690</u>	<u>\$ 198,869</u>
<i>Ohio State University:</i>				
<u>Net Asset Value</u>				
<i>Investments Measured at Net Asset Value:</i>				
Equity Mutual Funds.....	\$ 1,523,066			
Bond Mutual Funds.....	158,482			
Real Estate.....	16			
Partnerships and Hedge Funds.....	3,268,567			
<i>International Investments:</i>				
Commingled Equity Funds.....	464,514			
	<u>\$ 5,414,645</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 \$6.8 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, 2023, approximately \$70.1 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 \$1.43 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	Total
		Governmental Funds	Primary Government
Current-Due Within One Year:			
Income Taxes .....	\$ 607,613	\$ -	\$ 607,613
Sales Taxes .....	549,089	-	549,089
Motor Vehicle Fuel Taxes .....	170,728	174,077	344,805
Commercial Activity Taxes .....	585,576	22,158	607,734
Public Utility Taxes .....	97,698	-	97,698
Casino Taxes .....	-	3,091	3,091
	<u>2,010,704</u>	<u>199,326</u>	<u>2,210,030</u>
Noncurrent-Due in More Than One Year:			
Income Taxes .....	5,884	-	5,884
Taxes Receivable, Net .....	<u>\$2,016,588</u>	<u>\$ 199,326</u>	<u>\$2,215,914</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, 2023 (dollars in thousands):

	From Nonexchange Programs		From Sales of Goods and Services		Total Primary Government
	Federal Government	Local Government	Other State Governments	Local Government	
	<b>Governmental Activities:</b>				
Major Governmental Funds:					
General .....	\$ 502,542	\$ -	\$ -	\$ -	\$ 502,542
Job, Family and Other Human Services ....	192,830	28,393	-	-	221,223
Nonmajor Governmental Funds .....	612,263	42,858	-	10,127	665,248
Total Governmental Activities .....	<u>1,307,635</u>	<u>71,251</u>	<u>-</u>	<u>10,127</u>	<u>1,389,013</u>
<b>Business-Type Activities:</b>					
Major Proprietary Funds:					
Unemployment Compensation .....	-	-	1,207	-	1,207
Nonmajor Proprietary Funds .....	-	-	-	5,203	5,203
Total Business-Type Activities .....	<u>-</u>	<u>-</u>	<u>1,207</u>	<u>5,203</u>	<u>6,410</u>
Intergovernmental Receivable .....	<u>\$1,307,635</u>	<u>\$ 71,251</u>	<u>\$ 1,207</u>	<u>\$ 15,330</u>	<u>\$ 1,395,423</u>



**NOTE 5 RECEIVABLES (Continued)**

**C. Loans Receivable**

Loans receivable for the primary government, as of June 30, 2023, 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-Loan Servicing Office.....	\$ 294,763	\$ -	\$ 294,763
Local Infrastructure Improvements .....	644,786	-	644,786
Housing Finance .....	373,014	-	373,014
Highway, Transit, & Aviation Infrastructure Bank.....	-	123,806	123,806
Third Frontier Program Loans.....	-	91,250	91,250
Loans Receivable, Net .....	<u>\$ 1,312,563</u>	<u>\$ 215,056</u>	<u>\$ 1,527,619</u>
Current-Due Within One Year .....	\$ 106,165	\$ 20,724	\$ 126,889
Noncurrent-Due in More Than One Year .....	1,206,398	194,332	1,400,730
Loans Receivable, Net .....	<u>\$ 1,312,563</u>	<u>\$ 215,056</u>	<u>\$ 1,527,619</u>

The “Loans Receivable” balance reported in the major discretely presented component units, as of June 30, 2023, 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, 2023, consists of the following (dollars in thousands):

<b>Primary Government - Other Receivables</b>					
Governmental Activities					
Major Governmental Funds					
Types of Receivables	General	Job, Family & Other Human Services	Buckeye Tobacco Settlement Financing Authority Revenue Bonds	Nonmajor Govern- mental Funds	Total
Manufacturers' Rebates .....	\$ 329,141	\$ 732,803	\$ -	\$ 3,998	\$ 1,065,942
Tobacco Settlement .....	-	-	860,108	-	860,108
Health Facility Bed Assessments .....	-	102,663	-	-	102,663
Managed Care Franchise Fees.....	-	69,552	-	-	69,552
Interest .....	172,358	-	-	-	172,358
Accounts .....	8,605	16,638	-	11,371	36,614
Miscellaneous .....	26,196	-	-	-	26,196
Other Receivables, Net.....	<u>\$ 536,300</u>	<u>\$ 921,656</u>	<u>\$ 860,108</u>	<u>\$ 15,369</u>	<u>\$ 2,333,433</u>
Current-Due Within One Year .....	\$ 536,300	\$ 921,656	\$ -	\$ 15,369	\$ 1,473,325
Noncurrent-Due in More Than One Year.....	-	-	860,108	-	860,108
Other Receivables, Net.....	<u>\$ 536,300</u>	<u>\$ 921,656</u>	<u>\$ 860,108</u>	<u>\$ 15,369</u>	<u>\$ 2,333,433</u>
Business-Type Activities					
Major Proprietary Funds					
Types of Receivables	Workers' Compensation	Lottery Commission	Unemployment Compensation	Nonmajor Proprietary Funds	Total
Accounts.....	\$ 376,625	\$ -	\$ 180,954	\$ -	\$ 557,579
Interest and Dividends (including restricted portion)..	100,160	59	-	1,455	101,674
Lottery Sales Agents.....	-	69,107	-	-	69,107
Other Receivables, Gross.....	476,785	69,166	180,954	1,455	728,360
Estimated Uncollectible.....	(1,308)	(664)	(83,103)	-	(85,075)
Other Receivables, Net-Due Within One Year.....	<u>\$ 475,477</u>	<u>\$ 68,502</u>	<u>\$ 97,851</u>	<u>\$ 1,455</u>	<u>\$ 643,285</u>
Total Primary Government.....					<u>\$ 2,976,718</u>

The "Other Receivables" balance reported in the fiduciary funds as of June 30, 2023, is comprised of interest due of \$70.4 million, investment trade receivables of \$114.2 million, and health care receivables of \$436 thousand.

In the major discretely presented component units, the "Other Receivables" balance reported, as of June 30, 2023, 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, 2023, follow (dollars in thousands):

<b>Primary Government and Fiduciary Activities - Accrued Liabilities</b>				
	Wages and Employee Benefits	Accrued Interest	Total Accrued Liabilities	
<b>Governmental Activities:</b>				
Major Governmental Funds:				
General.....	\$ 133,416	\$ -	\$ 133,416	
Job, Family and Other Human Services.....	18,129	-	18,129	
Pandemic Relief Funds.....	65	-	65	
Nonmajor Governmental Funds.....	49,554	-	49,554	
	201,164	-	201,164	
Reconciliation of fund level statements to government- wide statements due to basis differences.....	-	126,987	126,987	
Total Governmental Activities.....	201,164	126,987	328,151	
<b>Business-Type Activities:</b>				
Nonmajor Proprietary Funds.....	3,978	-	3,978	
Total Primary Government.....	<u>\$ 205,142</u>	<u>\$ 126,987</u>	<u>\$ 332,129</u>	
	Wages and Employee Benefits	Health Benefit Claims	Management and Administrative Expenses	Total Accrued Liabilities
<b>Fiduciary Activities:</b>				
State Highway Patrol Retirement System				
Pension Trust (12/31/2022).....	\$ 11,742	\$ 1,354	\$ -	\$ 13,096
Private-Purpose Trust:				
Variable College Savings Plan.....	-	-	4,445	4,445
STABLE Program.....	-	-	404	404
STAR Ohio Investment Trust.....	-	-	515	515
Total Fiduciary Activities.....	<u>\$ 11,742</u>	<u>\$ 1,354</u>	<u>\$ 5,364</u>	<u>\$ 18,460</u>

The "Accrued Liabilities" balance reported in the major discretely presented component units, as of June 30, 2023, 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, 2023, are comprised of the following (dollars in thousands):

<b>Primary Government and Fiduciary Activities - Intergovernmental Payable</b>				
	Local Government			
	Shared Revenue and Local Permissive Taxes	Subsidies and Other	Federal Government	Total
<b>Governmental Activities:</b>				
Major Governmental Funds:				
General .....	\$ 1,523,683	\$ 48,195	\$ 69,124	\$ 1,641,002
Job, Family and Other Human Services .....	-	135,188	-	135,188
Nonmajor Governmental Funds .....	108,426	234,839	-	343,265
Total Governmental Activities .....	<u>\$ 1,632,109</u>	<u>\$ 418,222</u>	<u>\$ 69,124</u>	<u>\$ 2,119,455</u>
<b>Business-Type Activities:</b>				
Major Proprietary Funds:				
Unemployment Compensation .....	\$ -	\$ 79	\$ 291	\$ 370
Total Business-Type Activities .....	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 291</u>	<u>\$ 370</u>
Total Primary Government.....				<u>\$ 2,119,825</u>
<b>Fiduciary Activities:</b>				
Custodial Funds.....	\$ 317,628	\$ -	\$ -	\$ 317,628
Total Fiduciary Activities .....	<u>\$ 317,628</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317,628</u>

As of June 30, 2023, the Ohio Facilities Construction Commission, a major discretely presented component unit, reported an intergovernmental payable balance totaling approximately \$825.5 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, 2023, consist of the balances, as follows (dollars in thousands):

<b>Primary Government and Fiduciary Activities - Refund and Other Liabilities</b>						
			Personal Income Tax Estimated Refund Claims	Payroll Withholding and Health Care Benefits	Other	Total
<b>Governmental Activities:</b>						
Major Governmental Funds:						
General .....			\$ 1,432,407	\$ 139,622	\$ 4,574	\$ 1,576,603
Job, Family and Other Human Services .....			-	-	3,495	3,495
Total Governmental Activities .....			<u>\$ 1,432,407</u>	<u>\$ 139,622</u>	<u>\$ 8,069</u>	<u>\$ 1,580,098</u>
	Reserve for Compensation Adjustment	Net Pension / OPEB Liability	Refund and Security Deposits	Compensated Absences	Other	Total
<b>Business-Type Activities:</b>						
Major Proprietary Funds:						
Workers' Compensation .....	\$ 1,638,900	\$ 279,755	\$ -	\$ 32,824	\$ 273,106	\$ 2,224,585
Lottery Commission .....	-	50,588	24,714	5,475	5,133	85,910
Unemployment Compensation .....	-	-	2,030	-	-	2,030
Nonmajor Proprietary Funds .....	-	113,082	-	12,289	2,561	127,932
	1,638,900	443,425	26,744	50,588	280,800	2,440,457
Reconciliation of balances included in the "Other Noncurrent Liabilities" balance in the government-wide financial statements .....	(1,638,900)	(443,425)	-	(50,588)	(259,156)	(2,392,069)
Total Business-Type Activities .....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,744</u>	<u>\$ -</u>	<u>\$ 21,644</u>	<u>\$ 48,388</u>
Total Primary Government .....						<u>\$ 1,628,486</u>
				Child Support Collections	Other	Total
<b>Fiduciary Activities:</b>						
State Highway Patrol Retirement						
System Pension Trust (12/31/2022) .....				\$ -	\$ 338	\$ 338
Private Purpose Trust Funds:						
Variable College Savings Plan .....				-	121,139	121,139
STABLE Program .....				-	550	550
STAR Ohio Investment Trust .....				-	4,455	4,455
Custodial Funds .....				65,346	19,615	84,961
Total Fiduciary Activities .....				<u>\$ 65,346</u>	<u>\$ 146,097</u>	<u>\$ 211,443</u>

In the major discretely presented component units, the "Refunds and Other Liabilities" balance reported, as of June 30, 2023, 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, 2023, consist of the following (dollars in thousands):

Due from	Due To		Total
	Workers' Compensation	Nonmajor Proprietary Funds	
General .....	\$ 396,102	\$ 1,329	\$ 397,431
Job, Family and Other Human Services ....	8,099	-	8,099
Pandemic Relief Funds .....	438	-	438
Nonmajor Governmental Funds .....	98,914	-	98,914
Lottery Commission .....	1,072	-	1,072
Total.....	<u>\$ 504,625</u>	<u>\$ 1,329</u>	<u>\$ 505,954</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 \$504.6 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, 2023, 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 .....	\$ -	\$ 607	\$ 66,253	\$ 2,518,118	\$ 45,625	\$ 2,630,603
Job, Family and Other Human Services ..	-	-	-	5,680	-	5,680
Buckeye Tobacco Settlement						
Financing Authority Revenue Bonds....	23,163	-	-	-	-	23,163
Pandemic Relief Funds.....	133,253	-	-	-	-	133,253
Nonmajor Governmental Funds .....	172,888	625	-	317,575	-	491,088
Workers' Compensation .....	7,901	-	-	-	-	7,901
Lottery Commission .....	1,885	-	-	1,464,225	-	1,466,110
Unemployment Compensation .....	11,227	7,204	-	-	-	18,431
Total.....	<u>\$ 350,317</u>	<u>\$ 8,436</u>	<u>\$ 66,253</u>	<u>\$ 4,305,598</u>	<u>\$ 45,625</u>	<u>\$ 4,776,229</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 2023, the discretely presented component units reported \$2.39 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:

<b>Primary Government</b> <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 .....	\$ -	\$ 14,659	\$ 251,568	\$ 2,132,104	\$ 3,315	\$ 2,386,987
Job, Family and Other Human Services ...	-	1,618	-	-	-	-
Nonmajor Governmental Funds .....	820	2,620	-	-	-	-
Total Primary Government.....	<u>\$ 820</u>	<u>\$ 18,897</u>	<u>\$ 251,568</u>	<u>\$ 2,132,104</u>	<u>\$ 3,315</u>	<u>\$ 2,386,987</u>

<b>Discretely Presented Component Units</b> <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.....	\$ -	\$ -	\$ 251,568
Ohio State University .....	636	-	555,418
Nonmajor Discretely Presented Component Units .....	18,261	316	1,580,001
Total Discretely Presented Component Units .....	<u>\$ 18,897</u>	<u>\$ 316</u>	<u>\$ 2,386,987</u>



**NOTE 8 CAPITAL ASSETS**

**A. Primary Government**

Capital asset activity, including lease and subscription-based information technology (IT) assets, for the year ended June 30, 2023, reported for the primary government was as follows (dollars in thousands):

	<b>Primary Government - Governmental Activities</b>			
	Balance			Balance
	July 1, 2022, Restated	Increases	Decreases	June 30, 2023
<b>Capital Assets Not Being Depreciated/Amortized:</b>				
Land .....	\$ 2,658,835	\$ 41,379	\$ (2,800)	\$ 2,697,414
Buildings .....	65,311	-	-	65,311
Land Improvements .....	1,439	-	-	1,439
Construction-in-Progress .....	3,160,911	844,396	(615,400)	3,389,907
<b>Infrastructure:</b>				
<b>Highway Network:</b>				
General Subsystem .....	9,124,726	34,670	(4,273)	9,155,123
Priority Subsystem .....	9,307,147	22,663	-	9,329,810
Bridge Network .....	2,950,890	(10,502)	(15,708)	2,924,680
<b>Total Capital Assets Not Being Depreciated/Amortized...</b>	<b>27,269,259</b>	<b>932,606</b>	<b>(638,181)</b>	<b>27,563,684</b>
<b>Other Capital Assets:</b>				
Buildings .....	4,480,974	268,473	(12,557)	4,736,890
Land Improvements .....	599,170	(967)	(3,013)	595,190
Machinery and Equipment .....	1,989,482	559,622	(94,355)	2,454,749
Vehicles .....	536,876	57,316	(37,827)	556,365
<b>Infrastructure:</b>				
Parks, Recreation and Natural Resources Network...	353,090	44,822	-	397,912
<b>Leases:</b>				
Buildings .....	155,917	43,198	(660)	198,455
Land .....	2,627	630	-	3,257
Machinery and Equipment .....	3,614	2,102	(230)	5,486
Subscription IT.....	49,769	26,110	-	75,879
<b>Total Other Capital Assets at Historical Cost.....</b>	<b>8,171,519</b>	<b>1,001,306</b>	<b>(148,642)</b>	<b>9,024,183</b>
<b>Less Accumulated Depreciation/Amortization for:</b>				
Buildings .....	2,804,965	73,552	(10,692)	2,867,825
Land Improvements .....	415,938	19,183	(2,343)	432,778
Machinery and Equipment .....	1,361,042	164,660	(52,681)	1,473,021
Vehicles .....	371,352	53,114	(35,335)	389,131
<b>Infrastructure:</b>				
Parks, Recreation and Natural Resources Network...	74,653	8,101	-	82,754
<b>Leases:</b>				
Buildings .....	29,095	38,719	(512)	67,302
Land .....	209	326	-	535
Machinery and Equipment .....	434	1,212	(230)	1,416
Subscription IT.....	-	16,630	-	16,630
<b>Total Accumulated Depreciation/Amortization .....</b>	<b>5,057,688</b>	<b>375,497</b>	<b>(101,793)</b>	<b>5,331,392</b>
<b>Other Capital Assets, Net .....</b>	<b>3,113,831</b>	<b>625,809</b>	<b>(46,849)</b>	<b>3,692,791</b>
<b>Governmental Activities - Capital Assets, Net.....</b>	<b>\$ 30,383,090</b>	<b>\$ 1,558,415</b>	<b>\$ (685,030)</b>	<b>\$ 31,256,475</b>



**NOTE 8 CAPITAL ASSETS (Continued)**

	<b>Primary Government - Business-Type Activities</b>			
	Balance July 1, 2022, Restated	Increases	Decreases	Balance June 30, 2023
	Capital Assets Not Being Depreciated/Amortized:			
Land .....	\$ 9,466	\$ -	\$ -	\$ 9,466
Construction-In Progress .....	-	2,857	-	2,857
Total Capital Assets Not Being Depreciated/Amortized .....	9,466	2,857	-	12,323
Other Capital Assets:				
Buildings .....	209,439	-	-	209,439
Machinery and Equipment .....	159,818	2,446	(2,417)	159,847
Vehicles .....	3,507	240	(321)	3,426
Leases:				
Buildings .....	24,349	4,598	(70)	28,877
Machinery and Equipment .....	51	74	(14)	111
Subscription IT .....	8,587	745	-	9,332
Total Other Capital Assets at Historical Cost .....	405,751	8,103	(2,822)	411,032
Less Accumulated Depreciation/Amortization for:				
Buildings .....	203,037	779	-	203,816
Machinery and Equipment .....	98,879	15,232	(2,366)	111,745
Vehicles .....	2,471	337	(289)	2,519
Leases:				
Buildings .....	12,319	3,353	(70)	15,602
Machinery and Equipment .....	23	34	(13)	44
Subscription IT .....	2,987	2,298	-	5,285
Total Accumulated Depreciation/Amortization .....	319,716	22,033	(2,738)	339,011
Other Capital Assets, Net .....	86,035	(13,930)	(84)	72,021
Business-Type Activities - Capital Assets, Net .....	\$ 95,501	\$ (11,073)	\$ (84)	\$ 84,344



**NOTE 8 CAPITAL ASSETS (Continued)**

For fiscal year 2023, the State charged depreciation expense relating to capital assets and amortization expense relating to lease and subscription IT assets to the following functions (dollars in thousands):

	<b><i>Depreciation/ Amortization Expense</i></b>
<b><i>Governmental Activities:</i></b>	
Primary, Secondary and Other Education.....	\$ 2,028
Higher Education Support.....	159
Public Assistance and Medicaid.....	65,650
Health and Human Services.....	17,552
Justice and Public Protection.....	90,440
Environmental Protection and Natural Resources.....	35,142
Transportation.....	100,446
General Government.....	63,026
Community and Economic Development.....	8,852
Total Depreciation/Amortization Expense for Governmental Activities.....	<u>383,295</u>
Gains (Losses) on Capital Asset Disposals Included in Depreciation.....	(7,798)
Fiscal Year 2023 Increases to Accumulated Depreciation/Amortization.....	<u>\$ 375,497</u>
<b><i>Business-Type Activities:</i></b>	
Workers' Compensation.....	\$ 17,046
Lottery Commission.....	2,994
Tuition Trust Authority.....	12
Office of Auditor of State.....	1,818
Total Depreciation/Amortization Expense for Business-Type Activities.....	<u>21,870</u>
Gains (Losses) on Capital Asset Disposals Included in Depreciation.....	163
Fiscal year 2023 Increase to Accumulated Depreciation/Amortization.....	<u>\$ 22,033</u>

As of June 30, 2023, the State considered the following governmental capital asset balances as being impaired and removed from service (dollars in thousands):

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

**B. Major Discretely Presented Component Units**

Capital asset activity, including lease and subscription IT assets, for the year ended June 30, 2023, reported for major discretely presented component unit funds with significant capital asset balances was as follows (dollars in thousands):



**NOTE 8 CAPITAL ASSETS (Continued)**

	<b>Major Discretely Presented Component Units</b>			
	Balance			Balance June 30, 2023
	July 1, 2022, Restated	Increases	Decreases	
<b>Ohio State University:</b>				
Capital Assets Not Being Depreciated/Amortized:				
Land .....	\$ 169,775	\$ 12,149	\$ (2,024)	\$ 179,900
Construction-In Progress .....	1,919,933	1,182,114	(905,961)	2,196,086
Patents and Trademarks .....	18,465	-	-	18,465
<b>Total Capital Assets Not Being Depreciated/Amortized.....</b>	<b>2,108,173</b>	<b>1,194,263</b>	<b>(907,985)</b>	<b>2,394,451</b>
Other Capital Assets:				
Buildings .....	7,837,589	730,212	(26,134)	8,541,667
Land Improvements .....	1,030,967	59,328	(776)	1,089,519
Machinery, Equipment and Vehicles .....	1,911,126	176,205	(87,882)	1,999,449
Library Books and Publications .....	202,901	4,525	(729)	206,697
Leases:				
Buildings .....	285,081	165,785	(5,636)	445,230
Machinery and Equipment .....	50,523	9,736	(1,328)	58,931
Subscription IT .....	241,566	35,368	-	276,934
<b>Total Other Capital Assets at Historical Cost.....</b>	<b>11,559,753</b>	<b>1,181,159</b>	<b>(122,485)</b>	<b>12,618,427</b>
Less Accumulated Depreciation/Amortization for:				
Buildings .....	3,794,864	279,548	(20,665)	4,053,747
Land Improvements .....	498,848	43,023	(255)	541,616
Machinery, Equipment and Vehicles .....	1,434,620	148,388	(70,050)	1,512,958
Library Books and Publications .....	181,282	4,644	(453)	185,473
Leases:				
Buildings .....	33,674	31,728	(983)	64,419
Machinery and Equipment.....	20,271	11,194	-	31,465
Subscription IT.....	58,623	61,040	-	119,663
<b>Total Accumulated Depreciation/Amortization .....</b>	<b>6,022,182</b>	<b>579,565</b>	<b>(92,406)</b>	<b>6,509,341</b>
<b>Other Capital Assets, Net .....</b>	<b>5,537,571</b>	<b>601,594</b>	<b>(30,079)</b>	<b>6,109,086</b>
<b>Total Capital Assets, Net .....</b>	<b>\$ 7,645,744</b>	<b>\$1,795,857</b>	<b>\$ (938,064)</b>	<b>\$ 8,503,537</b>
Less: Lease Assets netted against deferred inflow s				
for lease-leaseback.....	13,123			9,820
<b>Ohio State University - Capital Assets, Net.....</b>	<b>\$ 7,632,621</b>			<b>\$ 8,493,717</b>

For fiscal year 2023, Ohio State University reported approximately \$580 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 assets and/or liabilities, net OPEB assets and/or liabilities, expenses, and deferrals. For the year ended June 30, 2023, the State recognized total pension expense for all retirement plans of \$971.6 million, net pension liabilities of \$6.86 billion, net pension assets of \$50.3 million, deferred outflows of \$2.45 billion, and deferred inflows of \$101.7 million. The State also recognized total OPEB expense of \$(225) million, net OPEB liabilities of \$372.3 million, net OPEB assets of \$9.2 million, deferred outflows of \$557.1 million, and deferred inflows of \$364.6 million.



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

**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:

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



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

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.

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 2023, which are the same for the defined benefit, defined contribution, and combined plans, were as follows:





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

	Contribution Rates	
	Employee Share	Employer Share
<u>Regular Employees:</u>		
July 1, 2022 through June 30, 2023.....	10.00%	14.00%
<u>Law Enforcement Employees:</u>		
July 1, 2022 through June 30, 2023.....	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, 2023, the State reports a liability of \$6.29 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 \$50.3 million for the Combined Plan. Ohio State University discretely presented component unit reports liabilities of \$3.11 billion for its proportionate share of the net pension liability for the Traditional Plan. The net pension liability/asset was measured as of December 31, 2022. 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, 2022. 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, 2022, the State’s proportion was 21.31 percent for the Traditional Plan based on employer contributions of \$463 million, as compared to the December 31, 2021, proportion of 21.14 percent. For the Combined Plan, the State’s proportion at December 31, 2022, was 21.34 percent based on employer contributions of \$12.4 million, as compared to the December 31, 2021, proportion of 20 percent. The proportion for the Traditional Plan for Ohio State University discretely presented component unit was 10.6 percent based on employer contributions totaling \$268.8 million, compared to 10.4 percent for 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, 2023, the State recognized pension expense of \$920.6 million for the Traditional Plan and \$5.6 million for the Combined Plan. Ohio State University discretely presented component unit, recognized \$552.6 million in pension expense for the OPERS and STRS plans combined.



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

At June 30, 2023, the State reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources (dollars in thousands):

Traditional Plan	Pension	
	Primary Government	Ohio State University
Deferred Outflow of Resources:		
Differences Between Expected and Actual Experience .....	\$ 209,178	\$ 109,052
Changes of Assumptions .....	66,684	35,116
Net Difference Between Projected and Actual Earnings		
on Pension Plan Investments .....	1,790,424	922,149
Change in Employers' Proportionate Share .....	52,575	239
Contributions Subsequent to the Measurement Date .....	195,633	129,627
<b>Total .....</b>	<b>\$ 2,314,494</b>	<b>\$ 1,196,183</b>
Deferred Inflow of Resources:		
Change in Employers' Proportionate Share .....	\$ (27,712)	\$ (1,228)
Differences Between Expected and Actual Experience .....	(203)	(4,734)
<b>Total .....</b>	<b>\$ (27,915)</b>	<b>\$ (5,962)</b>
Combined Plan	Primary Government	
Deferred Outflow of Resources:		
Differences Between Expected and Actual Experience .....	\$ 3,003	
Change in Employers' Proportionate Share .....	160	
Net Difference Between Projected and Actual Earnings		
on Pension Plan Investments .....	17,806	
Change in Assumptions .....	3,235	
Contributions Subsequent to the Measurement Date .....	4,728	
<b>Total .....</b>	<b>\$ 28,932</b>	
Deferred Inflow of Resources:		
Change in Employers' Proportionate Share .....	\$ (3,965)	
Differences Between Expected and Actual Experience .....	(6,982)	
<b>Total .....</b>	<b>\$ (10,947)</b>	

Deferred Outflows of Resources of \$195.6 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, 2024. Deferred Outflows of Resources of \$4.7 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, 2024. Ohio State University, a discretely presented component unit, will recognize \$129.6 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:		
2024.....	\$ 266,981	\$ 131,525
2025.....	418,947	214,469
2026.....	526,023	268,611
2027.....	878,999	444,216
2028.....	(3)	283
Thereafter.....	(1)	1,490

Combined Plan	Primary Government
Year Ended June 30:	
2024.....	\$ 18
2025.....	2,557
2026.....	3,810
2027.....	6,993
2028.....	(589)
Thereafter.....	468

**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 retirees and eligible dependents. Authority to establish and amend OPEB benefits is provided in Chapter 145 of the Ohio Revised Code as well.

Retirees enrolled in Medicare A and B, non-Medicare retirees, and eligible Traditional Pension Plan and Combined Plan retirees, can participate in the OPERS Connector (a vendor selected by OPERS) to assist with evaluation, selection, and purchase of a health care plan on the open market. Eligible retirees may receive a monthly allowance in a health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses. The non-Medicare retiree monthly base allowance will be \$1,200 and \$350 per month for Medicare retirees. 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 for both non-Medicare and Medicare retirees. When OPERS health care enrolled members become Medicare-eligible, they must enroll in Medicare Part A and Medicare Part B.

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. 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 65 with at least 20 years of qualifying health care service credit.

The Member Directed Plan has a portion of the employer contribution credited to an individual retiree medical account and 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.



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

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 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 2022 and 2023 was zero percent for the Traditional Plan. Effective July 1, 2022, OPERS increased the portion of the employer contribution rate allocated to health care funding from zero percent, from the prior year, to two percent for fiscal year 2023 for the Combined Plan. The employer contribution to the Member Directed Plan participants' health care accounts for 2022 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, 2023, the State reports a liability of \$134 million for its proportionate share of the net OPEB liability compared to an asset of \$659 million at June 30, 2022. Ohio State University discretely presented component unit reports liabilities of \$68.1 million for its proportionate share of the net OPEB liability, as compared to a \$335.8 million asset as of June 30, 2022. The net OPEB liability was measured as of December 31, 2022. The Plan's total OPEB liability used to calculate the Plan's net OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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 liability 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, 2022, the State's proportion was 21.25 percent based on total employer contributions to OPERS of \$495 million, as compared to the December 31, 2021, proportion of 21.04 percent. The proportion for the Ohio State University discretely presented component unit was 10.8 percent based on employer contributions totaling \$268.8 million, compared to 10.7 percent for the previous fiscal year. For purposes of measuring the net OPEB liability, 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, 2023, the State recognized OPEB expense of \$(216.1) million. Ohio State University discretely presented component unit, recognized \$(310.4) million in OPEB expense for the OPERS and STRS plans combined. At June 30, 2023, 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:		
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments .....	\$ 265,536	\$ 137,288
Changes of Assumptions .....	130,854	66,516
Change in Employers' Proportionate Share .....	11,037	43
Total .....	<u>\$ 407,427</u>	<u>\$ 203,847</u>
Deferred Inflow of Resources:		
Differences Between Expected and Actual Experience .....	\$ (33,423)	\$ (16,974)
Changes of Assumptions .....	(10,781)	(5,433)
Change in Employers' Proportionate Share .....	(2,346)	(5)
Total .....	<u>\$ (46,550)</u>	<u>\$ (22,412)</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, 2024.

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:		
2024.....	\$ 52,396	\$ 23,956
2025.....	97,036	49,797
2026.....	82,909	42,345
2027.....	128,536	65,337

**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 2023, and then becomes 2.05 percent simple.



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

	OPEB
Wage Inflation .....	2.75%
Salary Increases (including wage inflation) .....	2.75%-10.75%
Single Discount Rate .....	5.22%
Investment Rate of Return .....	6.00%
Municipal Bond Rate .....	4.05%
Health Care Cost Trend Rate .....	5.50% initial, 3.50% ultimate in 2036
Actuarial Cost Method .....	Individual Entry Age

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. In 2021, information from the study led to changes in both demographic and economic assumptions, the most notable reductions being the actuarially assumed rate of return from 7.2 percent to 6.9 percent, a reduction in the wage inflation rate from 3.25 percent to 2.75 percent, and a reduction in long-term expected price inflation from 2.5 percent to 2.35 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 2023 to 2.05 percent simple. The discount rate used to measure the total pension liability was 6.9 percent, unchanged from the prior year. 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 5.22 percent was used to measure the Plan’s total OPEB liability on the measurement date of December 31, 2022, compared to 6 percent 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 4.05 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 2054. The health care investment rate was applied to projected costs to 2054, and the municipal bond rate was applied to all health care costs after that date.

For the actuarial assumption tables above, Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employees Mortality Table (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all mortality tables mentioned above, the base year is 2010 and the mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to those tables.

The actuarial assumptions used in the December 31, 2022, 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, 2022, and December 31, 2021, 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:



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

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 .....	22%	2.62%	34%	2.56%
Domestic Equity .....	22%	4.60%	26%	4.60%
Real Estate .....	13%	3.27%	7%	4.70%
Private Equity .....	15%	7.53%	0%	0.00%
International Equities .....	21%	5.51%	25%	5.51%
Risk Parity .....	2%	4.37%	2%	4.37%
Other Investments .....	5%	3.27%	6%	1.84%
Total Fund .....	100%		100%	

\*Geometric

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, 2022, 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 .....	\$ 9,427,732	\$ 6,293,687	\$ 3,686,722
Ohio State University .....	4,680,448	3,107,816	1,800,066
<u>Combined Plan</u>			
Net Pension (Asset):			
Primary Government .....	\$ (26,244)	\$ (50,288)	\$ (69,343)

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 5.22 percent, as of December 31, 2022. The table below shows the expected net OPEB liability/(asset) if it were calculated using a discount rate that is one percentage point lower (4.22 percent) or one percentage point higher (6.22 percent) than the current single discount rate (dollars in thousands):

	OPEB		
	1% Decrease 4.22%	Current Single Discount Rate 5.22%	1% Increase 6.22%
Net OPEB Liability/(Asset):			
Primary Government .....	\$ 32,077	\$ 133,974	\$ (131,737)
Ohio State University .....	231,607	68,101	(66,914)

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 2023 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):



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

	OPEB		
	Current Health		
	1%	Care Cost Trend Rate Assumption	1%
	Decrease		Increase
Net OPEB Liability/(Asset):			
Primary Government .....	\$ 125,576	\$ 133,974	\$ 143,425
Ohio State University .....	63,784	68,101	72,849

**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, 2023, the State had no significant liabilities relative to existing ERI agreements with state employees covered by OPERS. During fiscal year 2023, 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. Effective August 1, 2023, or after, any member can retire with unreduced benefits with five years of service credit and age 65, or 35 years of service credit at any age. 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.





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

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, multiplied by years of credited service, or 2.5 percent of final average salary if the member has 35 or more years of contributing service credit. Each year over 30 years is incrementally increased by 0.1 percent, starting at 2.5 percent for the 31<sup>st</sup> year of contributing service up to a maximum 3.3 percent for the 39<sup>th</sup> year.

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 2023 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 are deposited into the member's individual account. Effective July 1, 2022, employers place 11.09 percent of salary into the members individual account and 2.91 percent of salary is allocated to pay for unfunded liabilities. 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.



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

At June 30, 2023, the State reports a liability of \$79.2 million for its proportionate share of the net pension liability, as compared to \$47 million at June 30, 2022. Ohio State University discretely presented component unit reports a net pension liability of \$1.11 billion for its proportionate share, as compared to \$638.6 million at June 30, 2022. The net pension liability was measured as of June 30, 2022. The Plan's total pension liability was used to calculate the net pension liability, as determined by an actuarial valuation as of June 30, 2022. 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, 2023, the State's proportion of .36 percent remained the same as the prior year, based on employer contributions totaling \$6.5 million. Ohio State University's proportionate share was 5 percent, unchanged from the prior year, based on employer contributions of \$95.3 million.

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, 2023, the State recognized pension expense of \$7.8 million.

At June 30, 2023, 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
<b>Deferred Outflows of Resources:</b>		
Differences Between Expected and Actual Experience .....	\$ 1,014	\$ 14,171
Changes of Assumptions .....	9,481	131,980
Differences Between Projected and Actual Investment Earnings .....	2,757	38,521
Change in Employer Proportionate Share .....	94	1,689
Employer Contributions Subsequent to the Measurement Date .....	6,366	91,842
<b>Total .....</b>	<b>\$ 19,712</b>	<b>\$ 278,203</b>
<b>Deferred Inflows of Resources:</b>		
Differences Between Expected and Actual Experience .....	\$ (303)	\$ (4,235)
Changes of Assumptions .....	(7,136)	(99,220)
Change in Employer Proportionate Share .....	(1,373)	-
<b>Total .....</b>	<b>\$ (8,812)</b>	<b>\$ (103,455)</b>

Deferred Outflows of Resources of \$6.4 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, 2024. Ohio State University discretely presented component unit will recognize \$91.8 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):



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

	Pension	
	Primary Government	Ohio State University
Year Ended June 30:		
2024.....	\$ (387)	\$ 2,775
2025.....	(582)	(3,222)
2026.....	(2,531)	(29,245)
2027.....	8,034	112,598

**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. Health care premiums will be reduced by a Medicare Part B Premium credit beginning in 2023. Retirees enrolled in the Defined Contribution Plan receive no postemployment health care benefits.

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 2023. 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, 2023, the State reports a net OPEB asset of \$9.2 million for its proportionate share, as compared to \$7.7 million at June 30, 2022. Ohio State University discretely presented component unit reports a net OPEB asset of \$128.9 million for its proportionate share, as compared to \$105.3 million as of June 30, 2022. The net OPEB asset was measured as of June 30, 2022. The Plan’s total OPEB liability was used to calculate the net OPEB asset determined by an actuarial valuation as of June 30, 2022. 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, 2023, the State’s proportion of 0.36 percent remained the same as the prior year, based on employer contributions totaling \$6.5 million. Ohio State University’s proportionate share was 5 percent, unchanged from the prior year, based on employer contributions of \$95.3 million.

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, 2023, the State recognized OPEB expense of \$(1.73) million.

At June 30, 2023, 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):



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

	OPEB	
	Primary Government	Ohio State University
Deferred Outflows of Resources:		
Differences Between Expected and Actual Experience .....	\$ 134	\$ 1,869
Changes of Assumptions .....	393	5,493
Differences Between Projected and Actual Investment Earnings .....	161	2,245
Change in Employer Proportionate Share .....	17	65
Total .....	<u>\$ 705</u>	<u>\$ 9,672</u>
Deferred Inflows of Resources:		
Differences Between Expected and Actual Experience .....	\$ (1,386)	\$ (19,365)
Changes of Assumptions .....	(6,544)	(91,432)
Change in Employer Proportionate Share .....	(151)	(1)
Total .....	<u>\$ (8,081)</u>	<u>\$ (110,798)</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, 2024.

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:		
2024.....	\$ (2,180)	\$ (29,075)
2025.....	(2,159)	(28,654)
2026.....	(995)	(14,428)
2027.....	(411)	(6,177)
2028.....	(539)	(7,723)
Thereafter.....	(1,092)	(15,069)

**Actuarial Assumptions for Pension and OPEB Liabilities**

The total pension and OPEB liabilities in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions, respectively, applied to all periods included in the measurement:



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

		Pension	
Actuarial Cost Method	Entry Age Normal		
Inflation	2.50	percent	
Salary Increases	2.5 to 8.5	percent, varies by service	
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	2.5 to 8.5	percent, varies by service	
Payroll Increases	3.00	percent	
Investment Rate of Return	7.00	percent, net of OPEB plan investment expenses, including inflation	
Municipal Bond Yield	3.54	percent as of June 30, 2022	
Discount Rate	7.00	percent, based on a blend of 3.54% municipal bond yield/expected return	
COLA or Ad Hoc COLA	0	percent	
Health Care Cost Trends	-68.78 to -5.47	percent; 3.94 percent ultimate	

Pension and OPEB mortality rates were based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. The disabled rates are based on the Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020. The actuarial assumptions used in the valuation were adopted by the board based on the results of an actuarial experience study for July 1, 2015, through June 30, 2021.

The pension and OPEB actuarial assumptions used in this valuation for fiscal year 2022 are the same as the prior year except projected salary increases from the prior year of 12.5 percent for age 20 to 2.5 percent at age 65, changed to a range of 2.5 to 8.5 percent. The total pension liability for 2022 was determined by an actuarial valuation as of June 30, 2022, using actuarial assumptions related to inflation of 2.5 percent, investments rate of return of 7.00 percent, and zero percent for COLA.

An estimated 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:

Asset Class	Pension and OPEB	
	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity .....	26%	6.60%
International Equity .....	22%	6.80%
Alternatives .....	19%	7.38%
Fixed Income .....	22%	1.75%
Real Estate .....	10%	5.75%
Liquidity Reserves .....	1%	1.00%
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, 2022.



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

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, 2022, 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 .....	\$ 119,681	\$ 79,225	\$ 45,013
Ohio State University .....	1,672,281	1,107,005	628,956

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, 2022. 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, 2022. 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 .....	\$ (8,531)	\$ (9,228)	\$ (9,825)
Ohio State University .....	(119,204)	(128,942)	(137,284)

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		
	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Net OPEB Liability/(Asset):			
Primary Government .....	\$ (9,572)	\$ (9,228)	\$ (8,794)
Ohio State University .....	(133,745)	(128,942)	(122,881)

Economic assumption changes since the last valuation include 2022 healthcare trend updates to reflect emerging claims and recoveries experience. Salary increase rates were updated based on the 2021 experience study and were changed from age based to service based.



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

**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, 2022, 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.

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, 2022

Active Members .....	1,380
Retirees Receiving Benefits .....	1,852
Retirees not Receiving Benefits .....	49
	3,281



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

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, 2022, were 26.5 percent and 14 percent, respectively. Employee contribution rates drop to 13 percent in 2023. During calendar year 2022, 3.4 percent of the employers' contributions funded postemployment health care, compared to zero percent the prior year. Starting January 1, 2023, zero percent 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, 2021, using key actuarial assumptions, methods, and other inputs as of December 31, 2022. 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.

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

Fiscal year ending December 31, 2022	Pension
Total Pension Liability:	
Service Cost .....	\$ 19,112
Interest on the Total Pension Liability .....	93,506
Difference Between Expected and Actual Experience .....	9,926
Benefit Payments .....	(88,662)
Net Change in Total Pension Liability .....	33,882
Total Pension Liability - Beginning .....	1,314,959
Total Pension Liability - Ending (a) .....	\$ 1,348,841
Plan Fiduciary Net Position:	
Employer Contributions .....	\$ 28,972
Employee Contributions .....	18,004
Pension Plan Net Investment Income .....	(96,156)
Benefit Payments .....	(88,662)
Pension Plan Administrative Expense .....	(1,331)
Net Change in Plan Fiduciary Net Position .....	(139,173)
Plan Fiduciary Net Position - Beginning .....	1,000,316
Plan Fiduciary Net Position - Ending (b) .....	\$ 861,143
Net Pension Liability - Ending (a) - (b) .....	\$ 487,698
Plan Fiduciary Net Position as a Percentage of Total Pension Liability .....	63.84%
Covered Payroll* .....	\$ 112,477
Net Pension Liability as a Percentage of Covered Payroll .....	433.60%
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, 2023, the State recognized pension expense of \$37.7 million. The amount of employer contributions from the State for the calendar year ended December 31, 2022, totaled \$29 million for pension. At June 30, 2023, the State reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources (dollars in thousands):

	<u>Pension</u>
Deferred Outflows of Resources:	
Differences Between Expected and Actual Experience ....	\$ 10,325
Net Difference Between Projected and Actual	
Earnings on Pension Plan Investments .....	49,170
Changes of Assumptions .....	7,594
Contributions Subsequent to Measurement Date .....	16,046
Total .....	<u>\$ 83,135</u>
Deferred Inflows of Resources:	
Difference Between Expected and Actual Experience .....	\$ (5,766)
Changes of Assumptions .....	(48,271)
Total .....	<u>\$ (54,037)</u>

Deferred Outflows of Resources of \$16 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, 2024. 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):

	<u>Pension</u>
Year Ending June 30:	
2024.....	\$ (49,879)
2025.....	8,047
2026.....	19,475
2027.....	35,409

**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 2022, the employer's contribution rate for postemployment health care benefits was 3.7 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.



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

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

Fiscal year ending December 31, 2022	OPEB
Total OPEB Liability:	
Service Cost .....	\$ 18,271
Interest on the Total OPEB Liability .....	12,959
Difference Between Expected and Actual Experience .....	(5,747)
Assumption Changes .....	(177,048)
Benefit Payments .....	(5,851)
Net Change in Total OPEB Liability .....	(157,416)
Total OPEB Liability - Beginning .....	510,843
Total OPEB Liability - Ending (a) .....	\$ 353,427
Plan Fiduciary Net Position:	
Employer Contributions .....	\$ 3,890
Net Investment Income .....	(12,854)
Benefit Payments (includes refunds of employee contributions) .....	(5,851)
OPEB Plan Administrative Expense .....	(178)
Net Change in Plan Fiduciary Net Position .....	(14,993)
Plan Fiduciary Net Position - Beginning .....	130,129
Plan Fiduciary Net Position - Ending (b) .....	\$ 115,136
Net OPEB Liability - Ending (a) - (b) .....	\$ 238,291
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability .....	32.58%
Covered Payroll* .....	\$ 112,477
Net OPEB Liability as a Percentage of Covered Payroll .....	211.86%
Notes to Schedule: .....	N/A

\*Includes members of the DROP.

For the year ended June 30, 2023, the State recognized OPEB expense of \$(7.2) million. At June 30, 2023, 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 .....	\$ 3,534
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments .....	6,573
Changes of Assumptions .....	138,776
Total .....	\$ 148,883
Deferred Inflows of Resources:	
Difference Between Expected and Actual Experience .....	\$ (48,711)
Changes of Assumptions .....	(261,303)
Total .....	\$ (310,014)

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, 2024.



**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):

	OPEB
Year Ending June 30:	
2024.....	\$ (35,452)
2025.....	(30,959)
2026.....	(15,085)
2027.....	(49,170)
2028.....	(30,465)

**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, 2022, 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, 2021, actuarial valuation date for funding purposes and a December 31, 2022, 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 2010-2026 using Scale MP-2021 for pension, and mortality improvements from 2010-2025 using Scale MP-2020 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.

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 .....	4%	0.30%
Domestic Equity .....	20%	4.30%
Global Equity .....	22%	6.30%
Non-US Equity .....	6%	4.40%
Opportunistic Fixed Income .....	9%	3.00%
Core Fixed Income .....	6%	1.60%
Real Estate .....	8%	7.60%
Private Equity .....	15%	8.20%
Absolute Return .....	6%	3.90%
Real Assets .....	4%	5.60%
Total Fund .....	100%	

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



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

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 4.31 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, employee contribution rates of 14 percent of payroll for 2022 and 13 percent for 2023 and each year thereafter, and administrative expenses projected to future periods using an assumed growth rate of 2.5 percent. 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 4.31 percent on municipal bonds, was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2022.

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, 2022, 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%
\$ 639,488	\$ 487,698	\$ 360,340

Net OPEB Liability uses a single discount rate of 4.51 percent as compared to a single discount rate of 2.49 percent as of measurement date December 31, 2021. 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 4.31 percent. The municipal bond rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by the S&P Dow Jones Indices and prescribed it for use in determining the discount rate under GASB accounting rules as of the measurement date. The projection of cash flows used to determine this Single Discount Rate assumed no contributions, total payroll for the initial projection year consists of active membership payroll as of the valuation date who are expected to be actively employed on the measurement date, and average administrative expenses of the two most recent years were projected to increase 2.5 percent annually and allocated to employees based on the change in percentage of total membership attributable to each group. Based on these assumptions, the OPEB Plan's fiduciary net position was projected to fund expected benefits 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 (3.51 percent) or one percentage point higher (5.51 percent) than the current assumption (dollars in thousands):



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

OPEB		
1% Decrease	Current Single Discount Rate	1% Increase
3.51%	4.51%	5.51%
\$ 299,761	\$ 238,291	\$ 189,757

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		
1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
\$ 183,173	\$ 238,291	\$ 309,928

**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, 2023, 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, 2023, 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, 2023, 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, 2023, for the ARP follow (dollars in thousands):

<u>Major Component Unit:</u>	<u>OPERS</u>	<u>STRS</u>
Ohio State University:		
Employer Contributions .....	\$ 35,275	\$ 43,381
Employee Contributions .....	30,514	63,729

**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, 2023, the General Assembly had authorized the issuance of \$6.51 billion in Common Schools Capital Facilities Bonds, of which \$5.61 billion has been issued. As of June 30, 2023, the General Assembly had also authorized the issuance of \$5.26 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, 2023, 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, 2023, the General Assembly had authorized \$5.2 billion of these bonds to be sold (excluding any amounts for unaccreted discount on capital appreciation bonds at issuance), of which \$4.69 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, 2023, 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 \$521 million, as of June 30, 2023, 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, 2023, the General Assembly had authorized the issuance of \$900 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, 2023, 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, 2023, are presented in the following table. 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, 2023. 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, 2023  
(dollars in thousands)**

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Common Schools Capital Facilities .....	2004-23	1.3%-5.0%	2041	\$2,280,664	\$ 903,900
Higher Education Capital Facilities .....	2011-21	0.9%-5.3%	2041	2,050,374	880,555
Highway Capital Improvements .....	2010-22	3.0%-5.0%	2037	831,526	334,240
Infrastructure Improvements .....	2010-23	1.3%-5.5%	2042	1,982,420	505,274
Coal Research and Development .....	2015-20	4.0%-5.0%	2030	19,884	8,000
Natural Resources Capital Facilities .....	2010-20	3.0%-5.0%	2035	103,680	36,380
Conservation Projects .....	2010-23	2.0%-5.0%	2035	315,761	217,375
Third Frontier Research and Development .....	2014-20	1.9%-5.0%	2029	175,360	229,000
Veterans' Compensation .....	2020	1.8%-2.1%	2026	10,520	116,090
Total General Obligation Bonds .....				<u>\$7,770,189</u>	<u>\$3,230,814</u>

Future Funding of Fixed-Rate Bonds:

Year Ending June 30,	Principal	Interest	Total
2024.....	\$ 779,440	\$ 305,860	\$ 1,085,300
2025.....	743,720	269,609	1,013,329
2026.....	613,445	237,084	850,529
2027.....	540,040	210,231	750,271
2028.....	509,485	185,887	695,372
2029-2033.....	2,202,655	607,074	2,809,729
2034-2038.....	1,285,090	212,232	1,497,322
2039-2043.....	253,165	21,994	275,159
Total Fixed-Rate Bonds .....	<u>\$ 6,927,040</u>	<u>\$ 2,049,971</u>	<u>\$ 8,977,011</u>

Future Funding of Variable-Rate Bonds:

Year Ending June 30,	Principal	Interest	Interest Rate Swaps, Net	Total
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>\$ 78,995</u>	<u>\$ 4,387</u>	<u>\$ 414</u>	<u>\$ 83,796</u>
Total General Obligation Bonds .....	\$7,006,035			
Unamortized Premium/(Discount), Net.....	764,154			
Total.....	<u>\$7,770,189</u>			

For the year ended June 30, 2023, NOTE 15 summarizes changes in general obligation bonds.

**Hedging Derivative Instruments**

As of June 30, 2023, approximately \$53.4 million of Infrastructure Improvement Bonds and Common Schools Bonds have associated cash flow hedges with a fair value of \$174 thousand. The value of these bonds is reported as part of the Bonds and Notes Payable section and the 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 \$2.2 million during fiscal year 2023. 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:

<b>Hedging Derivative Instruments</b>							
<b>As of June 30, 2023</b>							
<i>(dollars in thousands)</i>							
Issue	Type of Cash Flow Hedge	Notional Amount	Underlying Index	Counterparty's Sw ap Rate at 06/30/2023	State's Sw ap Rate at 06/30/2023	Effective Date	Termination (Maturity) Date
Common Schools, Series 2003D	Pay-fixed interest rate sw ap	\$14,225	LIBOR (see terms below )	3.63%	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	\$19,610	LIBOR (see terms below )	3.63%	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: A2/A+/A+ US Bank National Association							
Terms: 65% of 1-month LIBOR + 25 basis points							
Common Schools, Series 2006C	Pay-fixed interest rate sw ap	\$19,610	LIBOR (see terms below )	3.63%	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							

These swaps expose the State to basis risk with interest rate changes. The State is 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.

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.



**NOTE 10 GENERAL OBLIGATION BONDS (Continued)**

The State retains the right to terminate any swap agreement at the fair 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 2023, there were four 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 2023, the State paid cash to optionally redeem the debt outstanding for certain maturities in four bond series. The amounts are defeased and no longer outstanding.

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, 2023, Common School Bonds of \$26.2 million, Higher Education Bonds of \$173.5 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, 2023  
(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 2022A....	12/21/2022	\$ 62,235	2.59%	\$ 67,145	\$ 67,329	\$ 7,394 / 7 yrs	\$ 6,622
Conservation, Series 2022A.....	12/21/2022	25,100	2.62%	26,975	27,308	2,366 / 9 yrs	2,114
Infrastructure, Series 2022B.....	12/21/2022	54,740	2.62%	59,660	60,377	5,418 / 9 yrs	4,729
Infrastructure, Series 2022C.....	12/21/2022	58,260	2.63%	62,700	63,304	4,210 / 10 yrs	3,703
Total .....		<u>\$200,335</u>		<u>\$ 216,480</u>	<u>\$218,318</u>		<u>\$ 17,168</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 \$3.13 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 2035 are estimated at approximately \$941.8 million. For fiscal year 2023, principal and interest payments on the revenue bonds was \$135.4 million and pledged receipts was \$132.4 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, 2023, the total principal and interest payments remaining to be paid on the bonds was \$9.17 billion. Principal and interest paid and total net tobacco settlement receipts for fiscal year 2023 were \$298.5 million and \$293.7 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, 2023, 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, 2023**  
*(dollars in thousands)*

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Treasurer of State: State Infrastructure Bank .....	2015-23	0.3%-5.0%	2035	\$ 859,587
Buckeye Tobacco Settlement Financing Authority.....	2020	1.5%-5.6%	2057	5,485,148
Total Revenue Bonds and Notes .....				<u>\$6,344,735</u>

**Primary Government-Governmental Activities**  
**Future Funding Requirements for Revenue Bonds and Notes**  
**As of June 30, 2023**  
*(dollars in thousands)*

Year Ending June 30,	Principal	Interest	Total
2024.....	\$ 361,915	\$ 248,443	\$ 610,358
2025.....	235,240	232,534	467,774
2026.....	208,570	223,324	431,894
2027.....	217,805	214,118	431,923
2028.....	228,750	203,862	432,612
2029-2033.....	1,099,590	850,249	1,949,839
2034-2038.....	1,081,020	594,065	1,675,085
2039-2043.....	1,351,565	311,854	1,663,419
2044-2048.....	854,459	1,028,270	1,882,729
2049-2050.....	109,247	457,052	566,299
	<u>5,748,161</u>	<u>4,363,771</u>	<u>10,111,932</u>
Unamortized Premium/(Discount), Net.....	596,574	-	596,574
Total .....	<u>\$6,344,735</u>	<u>\$ 4,363,771</u>	<u>\$10,708,506</u>

For the year ended June 30, 2023, 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 2023.

**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, 2023, 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, 2023**  
*(dollars in thousands)*

Year Ending June 30,	Ohio State University		
	Principal	Interest	Total
2024.....	\$ 688,642	\$ 180,225	\$ 868,867
2025.....	85,262	151,585	236,847
2026.....	72,266	146,964	219,230
2027.....	75,175	142,770	217,945
2028.....	80,554	138,393	218,947
2029 – 2033.....	303,431	633,443	936,874
2034 – 2038.....	221,524	560,390	781,914
2039 – 2043.....	888,778	397,712	1,286,490
2044 – 2048.....	542,751	257,022	799,773
2049 – 2053.....	127,350	177,304	304,654
2054 – 2058.....	250,000	155,420	405,420
2059 – 2063.....	-	120,000	120,000
2064 – 2068.....	-	120,000	120,000
2069 – 2073.....	-	120,000	120,000
2074 – 2078.....	-	120,000	120,000
2079 – 2083.....	-	120,000	120,000
2084 – 2088.....	-	120,000	120,000
2089 – 2093.....	-	120,000	120,000
2094 – 2098.....	-	120,000	120,000
2099 – 2103.....	-	120,000	120,000
2104 – 2108.....	-	120,000	120,000
2109 – 2113.....	500,000	72,000	572,000
	<u>3,835,733</u>	<u>4,213,228</u>	<u>8,048,961</u>
Unamortized Premium/(Discount), Net.....	170,780	-	170,780
Total.....	<u>\$4,006,513</u>	<u>\$ 4,213,228</u>	<u>\$8,219,741</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, 2023, fair value, counterparty credit rating, and what fixed rate the University pays, with the respective information as: Swap one \$28.5 million, A1/A+, and 1.19 percent and Swap two \$27.3 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, 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 Operating special revenue fund, 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, 2023, are presented in the following tables:

**Primary Government-Governmental Activities**  
**Summary of Special Obligation Bonds**  
**As of June 30, 2023**  
*(dollars in thousands)*

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized but Unissued
Treasurer of State Lease Rental Bonds.....	2013-2023	0.63-5.00%	2042	\$2,337,492	\$1,971,285
Total Special Obligation Bonds.....				<u>\$2,337,492</u>	<u>\$1,971,285</u>

**Future Funding of Special Obligation Bonds:**

Year Ending June 30,	Principal	Interest	Total
2024.....	\$ 223,115	\$ 94,901	\$ 318,016
2025.....	221,460	85,656	307,116
2026.....	167,825	76,614	244,439
2027.....	166,735	68,316	235,051
2028.....	168,780	60,040	228,820
2029-2033.....	671,220	193,267	864,487
2034-2038.....	356,525	106,473	462,998
2039-2042.....	133,050	41,512	174,562
	<u>2,108,710</u>	<u>726,779</u>	<u>2,835,489</u>
Unamortized Premium/(Discount), Net.....	228,782	-	228,782
Total .....	<u>\$ 2,337,492</u>	<u>\$ 726,779</u>	<u>\$ 3,064,271</u>

For the year ended June 30, 2023, NOTE 15 summarizes changes in special obligation bonds.

There were no refundings during fiscal year 2023.

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, 2023, \$23.1 million of lease rental special obligations bonds are outstanding and considered defeased.

**NOTE 13 CERTIFICATES OF PARTICIPATION**

As of June 30, 2023, approximately \$222.4 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).



**NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)**

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, 2023, 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, 2023**  
*(dollars in thousands)*

	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
<b>Attorney General:</b>				
Bureau of Criminal Investigation Records System (BCIRS).....	2021	0.4%-1.0%	2027	\$ 9,445
Debt Collection System (DCS).....	2022	2.0%-5.0%	2037	24,278
<b>Department of Administrative Services:</b>				
Enterprise Data Center Solutions (EDCS).....	2015-20	1.4%-5.0%	2030	55,093
Multi-Agency Radio Communications System (MARCS) .....	2021	0.4%-1.3%	2028	31,465
Ohio Administrative Knowledge System (OAKS) .....	2017	5.0%	2027	9,376
State Taxation Accounting and Revenue System (STARS).....	2021	0.5%-1.2%	2027	9,035
Unemployment Insurance System (UIS).....	2020	2.5%-5.0%	2030	10,093
<b>Secretary of State:</b>				
Voting Systems Acquisitions (VSA).....	2019-21	5.0%	2030	71,423
<b>Treasurer of State:</b>				
Treasury Management Systems (TMS).....	2015	5.0%	2025	2,188
Total Certificates of Participation .....				<u>\$ 222,396</u>

Future Commitments for Certificate of Participation Obligations:			
Year Ending June 30,	Principal	Interest	Total
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.....	25,340	2,460	27,800
2029-2033.....	32,690	3,500	36,190
2034-2038.....	7,215	629	7,844
	<u>207,005</u>	<u>28,613</u>	<u>235,618</u>
Unamortized Premium, Net.....	15,391	-	15,391
Total .....	<u>\$ 222,396</u>	<u>\$ 28,613</u>	<u>\$ 251,009</u>

For the year ended June 30, 2023, NOTE 15 summarizes changes in COP obligations.

**Refundings and Defeasances**

There were no refundings of COP obligations during fiscal year 2023.





**NOTE 14 OTHER NONCURRENT LIABILITIES**

As of June 30, 2023, 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):

<b>Non-Current Liabilities</b>	
<b>Governmental Activities:</b>	
Compensated Absences .....	\$ 591,744
Net Pension Liability .....	6,426,468
Net OPEB Liability .....	362,983
Lease Liability .....	138,659
Subscription Liability .....	59,249
Financed Purchase Obligations .....	15,367
Derivative Instruments .....	(293)
Pollution Remediation Liabilities .....	1,693
Infrastructure, Capital Assets .....	273,105
Liability for Escheat Property .....	348,965
Total Governmental Activities .....	8,217,940
<b>Business-Type Activities:</b>	
Compensated Absences .....	50,588
Net Pension Liability .....	434,143
Net OPEB Liability .....	9,282
Lease Liability .....	13,803
Subscription Liability .....	4,388
Workers' Compensation:	
Benefits Payable .....	11,709,099
Other .....	1,879,865
Prize Awards Payable .....	320,648
Tuition Benefits Payable .....	61,900
Total Business-Type Activities .....	14,483,716
Total Primary Government .....	\$ 22,701,656

For the year ended June 30, 2023, 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, 2023, was \$642.3 million, of which \$591.7 million is allocable to governmental activities and \$50.6 million is allocable to business-type activities.

As of June 30, 2023, major discretely presented component units reported a total of \$242.2 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 \$6.86 billion, as of June 30, 2023, for the primary government of which \$6.43 billion is allocable to governmental activities and \$434.1 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 \$372.3 million as of June 30, 2023, for the primary government of which \$363 million is allocable to governmental activities and \$9.3 million is allocable to business-type 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 OPERS and SHPRS, whereas STRS resulted in a net OPEB asset. See NOTE 9 for further details.



**NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)**

**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, 2023, are as follows (dollars in thousands):

Year Ending June 30,	Financed Purchases		
	Governmental Activities		
	Principal	Interest	Total
2024.....	\$ 6,266	\$ 355	\$ 6,621
2025.....	4,639	205	4,844
2026.....	2,619	110	2,729
2027.....	1,020	56	1,076
2028.....	580	24	604
2029.....	243	4	247
Total Future Financed Purchase Payments.....	<u>\$ 15,367</u>	<u>\$ 754</u>	<u>\$ 16,121</u>

As of June 30, 2023, the primary government had the following capital assets under financed purchase arrangements (dollars in thousands):

	Capital Assets
	Governmental Activities
Equipment.....	\$ 4,080
Vehicles.....	32,465
Total.....	<u>\$ 36,545</u>

**D. Lease Liability**

The State's primary government leases buildings, 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 2023 that were not included as part of the lease liability.

The primary government's total lease liabilities for fiscal year 2023 were approximately \$152.5 million of which \$138.7 million is allocable to governmental activities and \$13.8 million is allocable to business-type activities.

Future principal and interest payments related to lease commitments for the primary government, as of June 30, 2023, are as follows (dollars in thousands):



**NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)**

	<b>Primary Government</b>		
	Principal	Interest	Total
<i>Governmental Activities Future Lease Payments:</i>			
Year Ending June 30,			
2024.....	\$ 26,987	\$ 1,598	\$ 28,585
2025.....	25,138	1,240	26,378
2026.....	18,057	950	19,007
2027.....	18,018	711	18,729
2028.....	13,365	501	13,866
2029-2033.....	29,798	961	30,759
2034-2038.....	2,736	318	3,054
2039-2043.....	1,779	194	1,973
2044-2048.....	1,123	120	1,243
2049-2053.....	1,043	61	1,104
2054-2058.....	615	10	625
Total Future Lease Payments.....	<u>\$ 138,659</u>	<u>\$ 6,664</u>	<u>\$ 145,323</u>

<i>Business-Type Activities Future Lease Payments:</i>			
Year Ending June 30,	Principal	Interest	Total
2024.....	\$ 3,561	\$ 451	\$ 4,012
2025.....	3,639	378	4,017
2026.....	1,697	239	1,936
2027.....	1,765	167	1,932
2028.....	1,536	96	1,632
2029-2033.....	1,605	32	1,637
Total Future Lease Payments.....	<u>\$ 13,803</u>	<u>\$ 1,363</u>	<u>\$ 15,166</u>

Future principal and interest payments related to lease commitments for the major discretely presented component unit funds, as of June 30, 2023, (dollars in thousands):

	<b>Major Discretely Presented Component Units</b>		
	Principal	Interest	Total
<i>Ohio State University Future Lease Payments:</i>			
Year Ending June 30,			
2024.....	\$ 13,564	\$ 3,138	\$ 16,702
2025.....	9,696	2,789	12,485
2026.....	7,266	2,474	9,740
2027.....	7,378	2,199	9,577
2028.....	7,155	1,902	9,057
2029-2033.....	22,461	6,394	28,855
2034-2038.....	2,552	4,884	7,436
2039-2043.....	3,967	4,102	8,069
2044-2048.....	5,140	3,029	8,169
2049-2053.....	5,194	1,758	6,952
2054-2058.....	3,125	651	3,776
2059-2063.....	1,061	307	1,368
2064-2068.....	2,325	130	2,455
Total Future Lease Payments.....	<u>\$ 90,884</u>	<u>\$ 33,757</u>	<u>\$124,641</u>

The major discretely presented component unit reported \$90.9 million in total lease liabilities for fiscal year 2023.



**NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)**

**E. Subscription-Based Information Technology Arrangements**

For the fiscal year ended June 30, 2023, the State implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which requires reporting of certain subscription information technology (IT) liabilities not previously reported. This standard is based on the foundational principle that SBITAs are financings of the right-to-use the underlying asset.

A SBITA under GASB 96 is an arrangement that conveys the right to use another entity's IT software, alone or in combination with tangible capital assets for a specified period. The present value of future SBITA payments over the entirety of the SBITA term, which includes extension periods if it is probable the extension will be exercised, are reported as subscription assets and liabilities. There were no significant variable SBITAs, termination penalties, or residual value guarantee payments recorded by the State during fiscal year 2023 that were not included as part of the subscription liability.

The primary government's total subscription liabilities for fiscal year 2023 were approximately \$63.6 million of which \$59.2 million is allocable to governmental activities and \$4.4 million is allocable to business-type activities.

Future principal and interest payments related to SBITA commitments for the primary government, as of June 30, 2023, are as follows (dollars in thousands):

	<b>Primary Government</b>		
	Principal	Interest	Total
<i>Governmental Activities Future Subscription Payments:</i>			
Year Ending June 30,			
2024.....	\$ 18,658	\$ 1,857	\$ 20,515
2025.....	14,448	1,270	15,718
2026.....	10,514	838	11,352
2027.....	3,850	489	4,339
2028.....	2,001	369	2,370
2029-2033.....	8,024	1,042	9,066
2034-2038.....	1,754	55	1,809
Total Future Lease Payments.....	<u>\$ 59,249</u>	<u>\$ 5,920</u>	<u>\$ 65,169</u>
<i>Business-Type Activities Future Subscription Payments:</i>			
Year Ending June 30,			
2024.....	\$ 2,647	\$ 91	\$ 2,738
2025.....	1,692	28	1,720
2026.....	49	49	98
Total Future Lease Payments.....	<u>\$ 4,388</u>	<u>\$ 168</u>	<u>\$ 4,556</u>

Future principal and interest payments related to SBITA commitments for the major discretely presented component unit funds, as of June 30, 2023, (dollars in thousands):



**NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)**

Year Ending June 30,	Major Discretely Presented Component Units		
	Principal	Interest	Total
Ohio State University Future Subscription Payments:			
2024.....	\$ 23,566	\$ 1,071	\$ 24,637
2025.....	16,916	521	17,437
2026.....	4,177	238	4,415
2027.....	4,332	100	4,432
Total Future Lease Payments.....	\$ 48,991	\$ 1,930	\$ 50,921

The major discretely presented component unit reported \$49 million in total subscription liabilities for fiscal year 2023.

**F. Derivative Instruments**

For governmental activities, the State has reported \$293 thousand of investment and hedging derivative instruments as of June 30, 2023. Additional information regarding the State’s derivative instruments is included in NOTE 4, NOTE 10, and NOTE 18.

**G. Pollution Remediation Liabilities**

The State recognizes a liability for pollution remediation in the amount of \$1.7 million, as of June 30, 2023. 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.

**H. Infrastructure, Capital Assets**

The State records a liability for the Portsmouth Bypass Highway. Since the completion of construction in fiscal year 2019, the State has recognized payments of \$156.6 million. As of June 30, 2023, the liability totaled approximately \$273.1 million.

**I. 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, 2023, 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.

**J. Estimated Claims Payable**

The State had no estimated claims payable to report at June 30, 2023.

**K. 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, 2023, the liability totaled approximately \$349 million.

**L. 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, 2023, in the amount of approximately \$11.71 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.



**NOTE 14 OTHER NONCURRENT LIABILITIES (Continued)**

**M. 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, 2023, the prize awards payable totals \$320.6 million.

Future payments of prize awards, stated at present value, as of June 30, 2023, follow (dollars in thousands):

Year Ending June 30,	
2024.....	\$ 46,462
2025.....	35,017
2026.....	30,115
2027.....	29,215
2028.....	28,333
2029-2033.....	123,515
2034-2038.....	51,290
2039-2043.....	30,491
2044-2048.....	10,000
	<u>384,438</u>
Unamortized Discount .....	(63,790)
Net Prize Liability .....	<u>\$ 320,648</u>

**N. Tuition Benefits Payable**

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund was approximately \$61.9 million, as of June 30, 2023. 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: 4.38 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, 2023, the fair value of actuarial net position available for the payment of the tuition benefits payable was \$143.2 million.

**O. Other Liabilities**

The Workers' Compensation Enterprise Fund reports approximately \$1.88 billion in other noncurrent liabilities, as of June 30, 2023, of which 1) \$1.64 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) \$155.7 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) \$80.8 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, 2023, are presented for the primary government in the following table:

<b>Primary Government</b>					
<b>Changes in Noncurrent Liabilities</b>					
<b>For the Fiscal Year Ended June 30, 2023</b>					
<i>(dollars in thousands)</i>					
	Balance June 30, 2022, Restated	Additions	Reductions	Balance June 30, 2023	Amount Due Within One Year
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds (NOTE 10) .....	\$ 8,690,205	\$ 420,379	\$ 1,340,395	\$ 7,770,189	\$ 828,810
Revenue Bonds and Notes (NOTE 11) .....	6,418,245	123,722	197,232	6,344,735	363,075
Special Obligation Bonds (NOTE 12) .....	2,598,423	60,455	321,386	2,337,492	264,505
Total Bonds and Notes Payable .....	<u>17,706,873</u>	<u>604,556</u>	<u>1,859,013</u>	<u>16,452,416</u>	<u>1,456,390</u>
Certificates of Participation (NOTE 13) .....	263,151	-	40,755	222,396	37,754
Other Noncurrent Liabilities (NOTE 14):					
Compensated Absences .....	575,588	413,141	396,985	591,744	78,494
Net Pension Liability .....	2,070,390	4,356,078	-	6,426,468	-
Net OPEB Liability .....	380,714	124,692	142,423	362,983	-
Lease Liability .....	132,420	14,338	8,099	138,659	26,986
Subscription Liability .....	49,769	26,110	16,630	59,249	18,641
Financed Purchase Obligations .....	18,116	4,910	7,659	15,367	6,266
Derivative Instruments .....	2,831	-	3,124	(293)	-
Pollution Remediation Liabilities .....	1,770	-	77	1,693	65
Infrastructure, Capital Assets .....	297,301	-	24,196	273,105	24,715
Liability for Escheat Property .....	325,270	126,791	103,096	348,965	113,944
Total Other Noncurrent Liabilities .....	<u>3,854,169</u>	<u>5,066,060</u>	<u>702,289</u>	<u>8,217,940</u>	<u>269,111</u>
Total Noncurrent Liabilities .....	<u>\$ 21,824,193</u>	<u>\$ 5,670,616</u>	<u>\$ 2,602,057</u>	<u>\$ 24,892,752</u>	<u>\$ 1,763,255</u>
<b>Business-Type Activities:</b>					
Other Noncurrent Liabilities (NOTE 14):					
Compensated Absences .....	\$ 51,102	\$ 26,975	\$ 27,489	\$ 50,588	\$ 5,924
Net Pension Liability .....	130,144	303,999	-	434,143	-
Net OPEB Liability .....	-	9,282	-	9,282	-
Lease Liability .....	13,642	4,491	4,330	13,803	5,025
Subscription Liability .....	5,869	743	2,224	4,388	2,136
Workers' Compensation:					
Benefits Payable .....	11,739,893	1,890,860	1,921,654	11,709,099	1,283,589
Other:					
Adjustment Expenses Liability .....	1,633,300	349,460	343,860	1,638,900	458,559
Miscellaneous .....	322,583	131,299	212,917	240,965	144,228
Prize Awards Payable .....	328,903	35,707	43,962	320,648	38,148
Tuition Benefits Payable .....	79,300	-	17,400	61,900	13,700
Total Other Noncurrent Liabilities .....	<u>\$ 14,304,736</u>	<u>\$ 2,752,816</u>	<u>\$ 2,573,836</u>	<u>\$ 14,483,716</u>	<u>\$ 1,951,309</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 2023, 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)
<b>Governmental Activities:</b>	
Primary, Secondary and Other Education .....	\$ 344,897
Higher Education Support .....	146,993
Health and Human Services .....	280
Environmental Protection and Natural Resources .....	1,643
Transportation.....	36,514
Community and Economic Development.....	96,930
Total Interest Expense Charged to Governmental Functions .....	<u>\$ 627,257</u>

**B. Major Discretely Presented Component Units**

Changes in noncurrent liabilities, for the year ended June 30, 2023, 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, 2023  
(dollars in thousands)**

	Balance June 30, 2022, Restated			Additions	Reductions	Balance June 30, 2023		Amount Due Within One Year
<b>Ohio Facilities Construction Commission</b>								
Intergovernmental Payable.....	\$ 633,622	\$ 416,426	\$ 224,539	\$ 825,509	\$ 305,565			
Compensated Absences* .....	1,497	1,053	858	1,692	250			
Total .....	<u>\$ 635,119</u>	<u>\$ 417,479</u>	<u>\$ 225,397</u>	<u>\$ 827,201</u>	<u>\$ 305,815</u>			
<b>Ohio State University:</b>								
Compensated Absences* .....	\$ 236,684	\$ 30,547	\$ 26,771	\$ 240,460	\$ 26,771			
Lease Liability*.....	89,019	35,811	33,946	90,884	13,563			
Subscription Liability*.....	41,147	35,368	27,524	48,991	23,566			
Net Pension Liability* .....	1,497,793	2,717,028	-	4,214,821	-			
Net OPEB Liability* .....	15,661	76,359	-	92,020	-			
Advance from Concessionaire* .....	963,663	18,749	23,596	958,816	-			
Other Liabilities* .....	630,557	492,615	535,297	587,875	65,426			
Revenue Bonds & Notes Payable**.....	4,043,589	427,815	464,891	4,006,513	688,642			
Total .....	<u>\$ 7,518,113</u>	<u>\$3,834,292</u>	<u>\$1,112,025</u>	<u>\$10,240,380</u>	<u>\$ 817,968</u>			

\*Liability is reported under the "Refund and Other Liabilities" account. \*\*See Note 11.

**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, Loan Servicing Office, under Chapter 166, Ohio Revised Code. As of June 30, 2023, no liability has been recorded in the accompanying financial statements for guarantees extended to defaulted organizations. See NOTE 14.J 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, 2023, revenue bonds and notes outstanding that represent conduit debt for the State were as follows (dollars in thousands):

	Outstanding Amount
<b>Primary Government:</b>	
Department of Development:	
Ohio Enterprise Bond Program .....	\$ 156,275
Ohio Department of Transportation:	
State Transportation Infrastructure Bond Fund Program.....	70,330
Total Primary Government .....	<u>\$ 226,605</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, 2023, 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	Financing Authority Bonds	Pandemic Relief Funds	Nonmajor Governmental Funds	
<b>Fund Balance:</b>						
<i>Nonspendable</i>						
Inventories.....	\$ 21,142	\$ -	\$ -	\$ 16,870	\$ 242,667	\$ 280,679
Advances to Local Government.....	25,735	-	-	-	-	25,735
Total Nonspendable.....	46,877	-	-	16,870	242,667	306,414
<i>Restricted</i>						
Primary, Secondary and Other Education.....	-	-	-	-	97,535	97,535
Higher Education Support.....	112,310	-	-	-	6,504	118,814
Public Assistance and Medicaid.....	-	27,216	-	-	385,768	412,984
Health and Human Services.....	-	-	-	-	84,489	84,489
Justice and Public Protection.....	46,237	3,466	-	-	34,397	84,100
Environmental Protection/Natural Resources.....	10,956	-	-	-	400,890	411,846
Transportation.....	-	-	-	-	10,796	10,796
Transit Project Loans.....	-	-	-	-	252,268	252,268
Highway Construction/Preservation.....	-	-	-	-	1,871,633	1,871,633
General Government.....	7,544	39,494	-	-	73,400	120,438
Community and Economic Development.....	54,989	-	-	-	546,240	601,229
Grants/Loans-Local Govt Capital Projects.....	1,013,582	-	-	-	-	1,013,582
Local Government Road/Bridge Improvements..	238,570	-	-	-	-	238,570
Capital Outlay.....	-	-	-	-	438,183	438,183
Debt Service.....	-	-	3,924,620	-	8,528	3,933,148
Total Restricted.....	1,484,188	70,176	3,924,620	-	4,210,631	9,689,615
<i>Committed</i>						
Primary, Secondary and Other Education.....	-	-	-	-	369,613	369,613
Higher Education Support.....	-	-	-	-	1,614	1,614
Public Assistance and Medicaid.....	-	1,321,761	-	-	85,890	1,407,651
Health and Human Services.....	303	-	-	-	18,576	18,879
Justice and Public Protection.....	3,178	1,280	-	-	133,204	137,662
Environmental Protection/Natural Resources.....	-	-	-	-	222,234	222,234
Transportation.....	-	-	-	-	4,366	4,366
General Government.....	80,235	29,243	-	-	126,977	236,455
Community and Economic Development.....	193,858	-	-	-	194,804	388,662
Business Development Loans.....	614,995	-	-	-	-	614,995
Total Committed.....	892,569	1,352,284	-	-	1,157,278	3,402,131
<i>Assigned</i>						
Primary, Secondary and Other Education.....	51,302	-	-	-	-	51,302
Higher Education Support.....	29,350	-	-	-	-	29,350
Public Assistance and Medicaid.....	2,115,307	-	-	-	-	2,115,307
Health and Human Services.....	186,123	-	-	-	-	186,123
Justice and Public Protection.....	385,185	-	-	-	-	385,185
Environmental Protection/Natural Resources.....	133,871	-	-	-	-	133,871
General Government.....	1,172,798	-	148	-	-	1,172,946
Escheat Investments for Mortgage Insurance/ Minority Contractor Bonding/Housing Loans....	2,403,418	-	-	-	-	2,403,418
Community and Economic Development.....	535,195	-	-	-	-	535,195
Total Assigned.....	7,012,549	-	148	-	-	7,012,697
<i>Unassigned</i>						
	10,285,174	(2,192)	-	-	(2,352)	10,280,630
Total Fund Balance.....	\$ 19,721,357	\$ 1,420,268	\$ 3,924,768	\$ 16,870	\$ 5,608,224	\$ 30,691,487



**NOTE 17 FUND DEFICITS AND FUND BALANCE REPORTING (Continued)**

As of June 30, 2023, the Budget Stabilization Fund had a fund balance of \$3.5 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, 2023 (dollars in thousands):

**Primary Government:**

Nonmajor Proprietary Fund:

Office of Auditor of State.....	\$ (36,077)
<b>Total Primary Government.....</b>	<b><u>\$ (36,077)</u></b>

**Discretely Presented Component Units:**

Major Component Unit:

Ohio Facilities Construction Commission .....	\$ (3,614,172)
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Nonmajor Component Units:

Ohio Capital Fund.....	(111,236)
<b>Total Component Units.....</b>	<b><u>\$ (3,725,408)</u></b>

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, 2023, follow (dollars in thousands):

<b>Primary Government - Deferred Outflows of Resources</b>					
	Net Pension and OPEB Liability/Asset	Hedging Derivative Instruments	Loss on Debt Refundings	Resources of a Future Period	Total
<b>Governmental Activities:</b>					
Major Governmental Funds:					
Buckeye Tobacco Settlement Financing					
Authority Revenue Bonds.....	\$ -	\$ -	\$ -	\$ 3,562,532	\$ 3,562,532
<b>Total Governmental Activities .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,562,532</b>	<b>3,562,532</b>
Reconciliation of fund level statements to government-wide statements due to basis differences.....					
	2,813,517	(174)	159,876	-	2,973,219
<b>Total Governmental Activities .....</b>	<b><u>\$ 2,813,517</u></b>	<b><u>\$ (174)</u></b>	<b><u>\$ 159,876</u></b>	<b><u>\$ 3,562,532</u></b>	<b><u>\$ 6,535,751</u></b>
<b>Business-Type Activities:</b>					
Major Proprietary Funds:					
Workers' Compensation.....	\$ 118,700	\$ -	\$ -	\$ -	\$ 118,700
Lottery Commission.....	22,079	-	-	-	22,079
Nonmajor Proprietary Funds .....	48,489	-	-	-	48,489
<b>Total Business-Type Activities .....</b>	<b><u>\$ 189,268</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 189,268</u></b>
<b>Total Primary Government.....</b>	<b><u>\$ 6,725,019</u></b>				

As of June 30, 2023, Ohio State University, a major discretely presented component unit, reported Deferred Outflows of Resources totaling approximately \$1.69 billion for net pension and OPEB liability/asset, \$19.8 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, 2023, are comprised of the following (dollars in thousands):

<b>Primary Government - Deferred Inflows of Resources</b>					
	Net Pension and OPEB Liability/Asset	Resources from the Sale of Future Revenues	Unavailable Resources and Other	Debt Refundings	Total
<b>Governmental Activities:</b>					
Major Governmental Funds:					
General .....	\$ -	\$ 661,563	\$ 230,556	\$ -	\$ 892,119
Job, Family and Other Human Services .....	-	-	99,677	-	99,677
Buckeye Tobacco Settlement Financing					
Authority Revenue Bonds.....	-	-	860,108	-	860,108
Nonmajor Governmental Funds .....	-	-	37,076	-	37,076
Total Governmental Activities .....	-	661,563	1,227,417	-	1,888,980
Reconciliation of fund level statements to government-wide statements due to basis differences.....					
	458,613	853,712	(1,227,417)	36,841	121,749
Total Governmental Activities .....	<u>\$ 458,613</u>	<u>\$ 1,515,275</u>	<u>\$ -</u>	<u>\$ 36,841</u>	<u>\$ 2,010,729</u>
<b>Business-Type Activities:</b>					
Major Proprietary Funds:					
Workers' Compensation.....	\$ 5,459	\$ -	\$ 759	\$ -	\$ 6,218
Lottery Compensation.....	465	-	-	-	465
Nonmajor Proprietary Funds .....	1,257	-	-	-	1,257
Total Business-Type Activities .....	<u>\$ 7,181</u>	<u>\$ -</u>	<u>\$ 759</u>	<u>\$ -</u>	<u>\$ 7,940</u>
Total Primary Government.....					<u>\$ 2,018,669</u>

As of June 30, 2023, Ohio Facilities Construction Commission, a major discretely presented component unit, reported Deferred Inflows of Resources totaling approximately \$2.9 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 \$242.6 million for net pension and OPEB liability/asset, \$95.2 million for gains on debt-related transactions, \$8.5 million for irrevocable split-interest agreements, \$345.2 million for leases, and \$378 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 \$230 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, 2022 (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, 2022, was as follows (dollars in thousands):

Cash and Investments .....	\$ 135,476
Other Assets .....	609
Total Assets .....	<u>\$ 136,085</u>
Total Liabilities .....	\$ 2,050
Total Net Position .....	134,035
Total Liabilities and Net Position .....	<u>\$ 136,085</u>
Total Revenues and Other Additions .....	\$ 5,761
Total Expenditures and Other Deductions .....	(36,592)
Change in Net Position .....	<u>\$ (30,831)</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 2023 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
<b>Local Community Colleges:</b>			
Cuyahoga .....	\$ 64,418	\$ 5,748	\$ 70,166
Eastern Gateway.....	19,386	1,605	20,991
Lakeland .....	18,431	1,393	19,824
Lorain County .....	29,654	3,257	32,911
Rio Grande .....	5,930	-	5,930
Sinclair .....	56,431	7,724	64,155
Total Local Community Colleges.....	<u>194,250</u>	<u>19,727</u>	<u>213,977</u>
<b>Technical Colleges:</b>			
Belmont .....	3,585	446	4,031
Central Ohio .....	11,506	264	11,770
Hocking .....	10,522	860	11,382
James A. Rhodes .....	10,289	838	11,127
Marion .....	7,680	1,436	9,116
Zane .....	6,887	1,485	8,372
North Central .....	9,346	-	9,346
Stark .....	31,295	1,110	32,405
Total Technical Colleges .....	<u>91,110</u>	<u>6,439</u>	<u>97,549</u>
Total .....	<u>\$ 285,360</u>	<u>\$ 26,166</u>	<u>\$ 311,526</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 2023, the State had the following related-party transactions with its related organizations:

- The General Fund reports a \$373 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 \$6.4 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. There are no legal proceedings, in the opinion of management after consultation with the Attorney General, likely to have a material adverse effect on the State's financial position.

### **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.

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. By early September 2021 (fiscal year 2022), the pandemic unemployment programs substantially ended thereby reducing the population of new claims overall, thus allowing the Department to catch up on the pandemic overload of claims processing, including overpayments identification, by fiscal year 2023.

During fiscal year 2023, Unemployment Compensation operating expenses related to benefits and claims amounted to \$710.7 million. The Department reported known fraud and non-fraud overpayments totaling \$72.8 million to the U.S. Department of Labor (DOL) as of June 30, 2023, down significantly from the prior year. Of the total overpayments reported to the DOL, \$31.6 million was fraud and \$41.2 million 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.



## **NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)**

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 \$1.36 billion. Despite being flagged as potential overpayments, until the claims are fully adjudicated, no determination can be made on the outcome. The Department increased the threshold level of scrutiny for potential overpayments to all unemployment claims to catch and prevent fraudulent activities. The higher-level of scrutiny, adding additional hurdles to clear before and while claimants receive benefits, adds time to the identification process.

### **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 2022 State of Ohio Single Audit (issued in March 2023), \$2.9 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, 2023.

### **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.

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 2023 Ohio received \$279.4 million, which is approximately \$42.7 million or 13.26 percent less than the pre-adjusted base payment for the year.





**NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)**

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, 2023, the estimated tobacco settlement receivable in the amount of \$860 million is included in “Other Receivables” reported for the governmental funds. The receivable includes \$685 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
2024.....	\$ 319,878
2025.....	318,116
2026.....	317,112
2027.....	316,762
2028.....	316,951
2029-2033.....	1,594,456
2034-2038.....	1,609,227
2039-2043.....	1,618,562
2044-2048.....	1,625,793
2049-2053.....	1,632,509
2054-2057.....	1,312,680
Total .....	<u>\$ 10,982,046</u>

**E. Construction Commitments**

As of June 30, 2023, the Ohio Department of Transportation had total contractual commitments of approximately \$3.34 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 \$2.15 billion, \$834.6 million, \$242.1 million, and \$116 million, respectively.



**NOTE 20 CONTINGENCIES AND COMMITMENTS (Continued)**

As of June 30, 2023, 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):

<b>Primary Government</b>	
Mental Health/Developmental Disabilities Facilities Improvements .....	\$ 90,918
Parks and Recreation Improvements .....	261,506
Administrative Services Building Improvements .....	86,570
Youth Services Building Improvements .....	15,039
Adult Correctional Building Improvements .....	232,477
Ohio Parks and Natural Resources .....	23,795
Total .....	<u>\$ 710,305</u>
<b>Major Discretely Presented Component Unit</b>	
Ohio State University .....	\$ 1,044,535

**F. Pollution Remediation Activities**

During fiscal year 2023, 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 the 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 \$1.7 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, 2023, no capital assets were created nor reported as a result of any pollution remediation process.

**G. Encumbrances**

At June 30, 2023, the State has significant encumbrances of \$2.32 billion in the General Fund, \$1.42 billion in the Job, Family and Other Human Services Special Revenue Fund, \$1.06 million in the Pandemic Relief Funds and \$6.33 billion in the nonmajor governmental funds.

**H. Colleges and Universities**

Due to timing issues, three nonmajor discretely presented component unit colleges/universities fiscal year 2023 independently audited reports were not available for inclusion in the State’s ACFR. As an alternative to use as an estimate, the State included the schools in the component unit statements as follows: Central State University - fiscal year 2022 audited report, Terra State Community College – fiscal year 2022 audited report, and Northwest State Community College – fiscal year 2023 unaudited report.



**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 \$11.71 billion is reported in the Fund as of June 30, 2023. 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 \$1.64 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 \$21.4 billion, as of June 30, 2023, and \$21.3 billion, as of June 30, 2022. For additional information, refer to the Fund's separately audited financial report, for the fiscal year ended June 30, 2023.

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:

<b>Primary Government</b>		
<b>Changes in Workers' Compensation Benefits Payable and Compensation Adjustment Expenses Liability</b>		
<b>Last Two Fiscal Years</b>		
<i>(dollars in millions)</i>		
	Fiscal Year 2023	Fiscal Year 2022
Benefits Payable and Compensation Adjustment Expenses Liability, as of July 1 .....	\$ 13,373	\$ 13,539
Incurred Compensation and Compensation Adjustment Benefits.....	1,547	1,400
Incurred Compensation and Compensation Adjustment Benefit Payments and Other Adjustments .....	(1,572)	(1,566)
Benefits Payable and Compensation Adjustment Expenses Liability, as of June 30 .....	<u>\$ 13,348</u>	<u>\$ 13,373</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, 2023, approximately \$317.6 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):

<b>Ohio Med PPO</b>		
	Fiscal Year 2023	Fiscal Year 2022
Claims Liabilities, as of July 1 .....	\$ 94,117	\$ 81,974
Incurred Claims .....	915,720	895,938
Claims Payments .....	(932,409)	(883,795)
Claims Liabilities, as of June 30 .....	<u>\$ 77,428</u>	<u>\$ 94,117</u>

As of June 30, 2023, the resources on deposit in the General Fund were more than the estimated claims liability by approximately \$240.2 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, 2023, the State issued major debt as detailed in the table below:

<b>Debt Issuances</b>			
<b>Subsequent to June 30, 2023</b>			
<i>(dollars in thousands)</i>			
	Date Issued	Net Interest Rate or True Interest Cost	Amount
<b>Primary Government:</b>			
<i>Ohio Public Facilities Commission (OPFC)-General Obligation Bonds:</i>			
Infrastructure Improvements, Refunding Series 2023A.....	12/12/2023 *	3.23%	\$ 201,670
Conservation Projects, Refunding Series 2023A.....	12/12/2023 *	2.91%	56,925
Common Schools Capital Facilities, Refunding Series 2023A.....	12/12/2023 *	3.02%	176,485
Total General Obligation Bonds.....			<u>435,080</u>
<i>Treasurer of State-General Obligation Bonds:</i>			
Highway Capital Improvement, Series Y	11/14/2023	3.62%	116,835
Total General Obligations Bonds.....			<u>116,835</u>
Total Primary Government.....			<u>\$ 551,915</u>
<b>Major Component Units:</b>			
<i>The Ohio State University:</i>			
General Receipt Bonds-Tax Exempt, Series 2023B.....	9/26/2023	5.00%	\$ 265,570
General Receipt Bonds-Tax Exempt, Refunding Series 2023C.....	9/26/2023	4.25-5.25%	111,885
General Receipt Bonds-Tax Exempt, Refunding Series 2023D-1.....	9/28/2023	Variable	125,000
General Receipt Bonds-Tax Exempt, Refunding Series 2023D-2.....	9/28/2023	Variable	150,000
Total The Ohio State University.....			<u>\$ 652,455</u>

\*Anticipated bond closing is 12/21/2023.





# Financial Section

## Required Supplementary Information



*Cincinnati Zoo*



**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	%
2023	8,390	60.68	3,492	25.25	1,420	10.27	525	3.80	13,827	100.00
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

**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	%
2023	14,874	50.24	7,117	24.04	6,926	23.39	689	2.33	29,606	100.00
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





**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
2023	\$497,517	\$622,193
2022	449,910	509,150
2021	427,159	483,633
2020	406,088	499,858
2019	444,620	443,984

**General Subsystem**

Fiscal Year	Estimated	Actual
2023	\$364,454	\$476,886
2022	303,681	360,818
2021	279,971	350,792
2020	293,150	398,642
2019	299,640	426,696

**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	%
2023	68,784	61.25	40,651	36.20	2,857	2.55	0	0.00	112,292	100.00
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



***Infrastructure Assets Accounted for Using the Modified Approach (Continued)***

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**Bridge Network**  
**Comparison of Estimated-to-Actual Maintenance and Preservation Costs**  
*(dollars in thousands)*

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Fiscal Year	Estimated	Actual
2023	\$324,959	\$368,699
2022	327,649	335,604
2021	369,529	396,994
2020	392,111	447,480
2019	424,377	451,586





**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 NINE YEARS <sup>(A)</sup>**

(dollars in thousands)

	2022	2021	2020
<b>Traditional Plan:</b>			
Employer's Proportion of the Collective Net Pension Liability.....	21.31%	21.14%	21.37%
Employer's Proportionate Share of the Collective Net Pension Liability.....	\$ 6,293,687	\$ 1,839,383	\$ 3,164,266
Covered Payroll.....	\$ 3,332,009	\$ 3,091,357	\$ 3,032,613
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll.....	188.89%	59.50%	104.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	75.74%	92.62%	86.88%
<b>Combined Plan:</b>			
Employer's Proportion of the Collective Net Pension/(Asset).....	21.34%	19.99%	19.85%
Employer's Proportionate Share of the Collective Net Pension/(Asset).....	\$ (50,288)	\$ (78,793)	\$ (57,311)
Covered Payroll.....	\$ 92,752	\$ 91,863	\$ 88,168
Employer's Proportionate Share of the Collective Net Pension/(Asset) as a Percentage of the Employer's Covered Payroll.....	54.22%	85.77%	65.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset.....	137.14%	169.88%	157.67%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.



2019	2018	2017	2016	2015	2014
20.82%	20.86%	20.85%	20.95%	20.65%	20.73%
\$ 4,115,589	\$ 5,714,426	\$ 3,271,382	\$ 4,736,652	\$ 3,561,458	\$ 2,496,359
\$ 2,952,641	\$ 2,862,809	\$ 2,791,773	\$ 2,754,860	\$ 2,589,575	\$ 2,608,075
139.39%	199.61%	117.18%	171.94%	137.53%	95.72%
82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
19.36%	19.59%	19.13%	19.67%	19.64%	20.23%
\$ (40,375)	\$ (21,905)	\$ (26,038)	\$ (10,623)	\$ (9,355)	\$ (7,577)
\$ 86,872	\$ 85,111	\$ 81,048	\$ 77,885	\$ 72,010	\$ 69,383
46.48%	25.74%	32.13%	13.64%	12.99%	10.92%
145.28%	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 NINE FISCAL YEARS <sup>(A)(B)</sup>**

*(dollars in thousands)*

	2023	2022	2021
<b>Traditional Plan:</b>			
Statutorily Required Employer Contribution.....	\$ 460,849	\$ 440,591	\$ 428,702
Actual Employer Contributions Received.....	460,849	440,591	428,702
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 3,279,241	\$ 3,135,204	\$ 3,050,925
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	14.05%	14.05%	14.05%
<b>Combined Plan:</b>			
Statutorily Required Employer Contribution.....	\$ 11,737	\$ 13,382	\$ 12,547
Actual Employer Contributions Received.....	11,737	13,382	12,547
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 83,517	\$ 95,227	\$ 89,294
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.).



2020	2019	2018	2017	2016	2015
\$ 421,955	\$ 407,968	\$ 383,973	\$ 343,330	\$ 314,599	\$ 308,797
421,955	407,968	383,973	343,330	314,599	308,797
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,003,237	\$ 2,903,850	\$ 2,834,015	\$ 2,794,847	\$ 2,613,331	\$ 2,573,692
14.05%	14.05%	13.55%	12.28%	12.04%	12.00%
\$ 12,317	\$ 12,139	\$ 11,345	\$ 9,977	\$ 9,366	\$ 8,587
12,317	12,139	11,345	9,977	9,366	8,587
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 87,664	\$ 86,407	\$ 83,734	\$ 81,219	\$ 77,801	\$ 71,573
14.05%	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 NINE YEARS <sup>(A)</sup>**

*(dollars in thousands)*

	2022	2021	2020
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.....	\$ 79,225	\$ 46,507	\$ 88,004
Covered Payroll.....	\$ 46,322	\$ 44,888	\$ 47,303
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll.....	171.03%	103.61%	186.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	78.90%	87.80%	75.50%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.





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2019	2018	2017	2016	2015	2014
0.36%	0.37%	0.38%	0.38%	0.39%	0.41%
\$ 80,186	\$ 81,261	\$ 90,418	\$ 126,919	\$ 107,522	\$ 99,431
\$ 42,360	\$ 42,066	\$ 41,881	\$ 39,990	\$ 40,509	\$ 41,996
189.30%	193.18%	215.89%	317.38%	265.43%	236.76%
77.40%	77.31%	75.29%	66.78%	72.10%	74.71%

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**STATE OF OHIO**  
**SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS**  
**STATE TEACHERS RETIREMENT SYSTEM**  
**FOR THE LAST NINE FISCAL YEARS <sup>(A)(B)</sup>**  
*(dollars in thousands)*

	2023	2022	2021
Statutorily Required Employer Contribution.....	\$ 6,485	\$ 6,284	\$ 6,141
Actual Employer Contributions Received.....	6,485	6,284	6,141
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 45,469	\$ 46,322	\$ 44,888
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	14.26%	13.57%	13.68%

**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.



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2020	2019	2018	2017	2016	2015
\$ 6,622	\$ 5,929	\$ 5,888	\$ 5,863	\$ 5,692	\$ 5,671
6,622	5,929	5,888	5,863	5,692	5,671
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 47,303	\$ 42,360	\$ 42,066	\$ 41,881	\$ 39,990	\$ 40,509
14.00%	14.00%	14.00%	14.00%	14.23%	14.00%

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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 NINE YEARS <sup>(A)</sup>  
(dollars in thousands)

	2022	2021	2020
<b>Total Pension Liability:</b>			
Service Cost.....	\$ 19,112	\$ 19,853	\$ 20,462
Interest on the Total Pension Liability.....	93,506	92,395	90,171
Benefit Changes.....	-	-	-
Difference between Expected and Actual Experience.....	9,926	(7,143)	5,922
Assumption Changes.....	-	-	-
Benefit Payments.....	(88,662)	(89,406)	(81,133)
Refunds.....	-	-	-
Net Change in Total Pension Liability.....	33,882	15,699	35,422
Total Pension Liability - Beginning.....	1,314,959	1,299,260	1,263,838
Total Pension Liability - Ending (a).....	<u>\$ 1,348,841</u>	<u>\$ 1,314,959</u>	<u>\$ 1,299,260</u>
<b>Plan Fiduciary Net Position:</b>			
Employer Contributions.....	\$ 28,972	\$ 30,090	\$ 32,855
Employee Contributions.....	18,004	16,489	18,107
Pension Plan Net Investment Income.....	(96,156)	136,722	121,213
Benefit Payments.....	(88,662)	(89,406)	(81,133)
Refunds.....	-	-	-
Pension Plan Administrative Expense.....	(1,331)	(971)	(1,509)
Other.....	-	-	-
Net Change in Plan Fiduciary Net Position.....	(139,173)	92,924	89,533
Plan Fiduciary Net Position - Beginning.....	1,000,316	907,392	817,859
Plan Fiduciary Net Position - Ending (b).....	<u>\$ 861,143</u>	<u>\$ 1,000,316</u>	<u>\$ 907,392</u>
Net Pension Liability - Ending (a) - (b).....	<u>\$ 487,698</u>	<u>\$ 314,643</u>	<u>\$ 391,868</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability.....	63.84%	76.07%	69.84%
Covered Payroll..... <sup>(B)</sup>	\$ 112,477	\$ 111,621	\$ 117,996
Net Pension Liability as a Percentage of Covered Payroll.....	433.60%	281.89%	332.10%

Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.

<sup>(B)</sup> Covered payroll includes Deferred Retirement Option Program (DROP) employees.



2019	2018	2017	2016	2015	2014
\$ 29,856	\$ 19,679	\$ 19,635	\$ 18,094	\$ 17,805	\$ 17,657
85,534	89,298	85,936	84,195	81,577	79,175
-	-	(5,681)	-	-	-
(7,403)	538	17,854	(8,633)	(6,366)	-
(241,353)	256,572	-	-	40,773	-
(75,134)	(71,577)	(75,393)	(65,720)	(66,213)	(64,526)
-	(717)	(1,075)	(1,731)	(858)	(2,177)
(208,500)	293,793	41,276	26,205	66,718	30,129
1,472,338	1,178,545	1,137,269	1,111,064	1,044,346	1,014,217
<u>\$ 1,263,838</u>	<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>
\$ 33,107	\$ 26,014	\$ 26,110	\$ 25,384	\$ 22,895	\$ 22,325
16,253	14,452	14,505	14,101	13,686	11,577
129,802	(37,810)	101,482	46,423	(5,702)	45,105
(75,134)	(71,577)	(75,393)	(65,721)	(66,213)	(64,526)
-	(717)	(1,075)	(1,731)	(858)	(2,177)
(1,650)	(1,436)	(1,437)	(1,353)	(1,084)	(1,031)
-	199	479	357	839	421
102,378	(70,875)	64,671	17,460	(36,437)	11,694
715,481	786,356	721,685	704,225	740,662	728,968
<u>\$ 817,859</u>	<u>\$ 715,481</u>	<u>\$ 786,356</u>	<u>\$ 721,685</u>	<u>\$ 704,225</u>	<u>\$ 740,662</u>
<u>\$ 445,979</u>	<u>\$ 756,857</u>	<u>\$ 392,189</u>	<u>\$ 415,584</u>	<u>\$ 406,839</u>	<u>\$ 303,684</u>
64.71%	48.59%	66.72%	63.46%	63.38%	70.92%
\$ 118,370	\$ 116,010	\$ 112,705	\$ 108,789	\$ 99,983	\$ 99,212
376.77%	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)

	2023	2022	2021	2020	2019
Actuarially Determined Contribution.....	\$ 28,708	\$ 31,938	\$ 32,265	\$ 31,270	\$ 26,014
Actual Employer Contributions Received.....	28,972	30,090	32,855	33,107	26,014
Difference.....	<u>\$ (264)</u>	<u>\$ 1,848</u>	<u>\$ (590)</u>	<u>\$ (1,837)</u>	<u>\$ -</u>
Covered Payroll..... (A)	\$ 112,477	\$ 111,621	\$ 117,996	\$ 118,371	\$ 116,010
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	25.76%	26.96%	27.84%	27.97%	22.42%

**Notes:**

- (A) Covered payroll includes Deferred Retirement Option Program (DROP) employees.
- (B) State Highway Patrol Retirement System (SHPRS), a Fiduciary Component Unit, reports on a December 31 calendar yearend. The Independently audited SHPRS December 31 information is included in the State's June 30 report. Therefore, the fiscal year and measurement date reporting will be the same.

<b>Actuarial Assumptions</b>	
Valuation Date	December 31, 2021
Notes	Actuarially determined contribution amounts for the measurement period ending on December 31, 2022 are calculated as of December 31, 2020 (for the period beginning January 1, 2021 and ending on December 31, 2021) and December 31, 2021 (for the period beginning January 1, 2022 and ending on December 31, 2022). The actuarial assumptions and methods as of December 31, 2021 were used to determine the actuarially determined Employer contribution amounts reported for the fiscal year ending on December 31, 2022.
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	24 years
Asset Valuation Method	Four-year smoothed market with a 20 percent corridor
Inflation	3.0 percent wage inflation; 2.5 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.



<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 25,349	\$ 24,407	\$ 22,446	\$ 29,767	\$ 35,430
26,110	25,383	22,895	22,325	22,908
<u>\$ (761)</u>	<u>\$ (976)</u>	<u>\$ (449)</u>	<u>\$ 7,442</u>	<u>\$ 12,522</u>
\$ 112,705	\$ 108,789	\$ 99,983	\$ 99,212	\$ 98,520
23.17%	23.33%	22.90%	22.50%	23.25%



**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 SIX YEARS <sup>(A)</sup>**

*(dollars in thousands)*

<b>All Plans:</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Employer's Proportion of the Collective Net OPEB Liability/(Asset).....	21.25%	21.04%	21.25%
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset).....	\$ 133,974	\$ (658,986)	\$ (378,552)
Covered Payroll.....	\$ 3,506,430	\$ 3,253,569	\$ 3,187,089
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset) as a Percentage of the Employer's Covered Payroll.....	3.82%	20.25%	11.88%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset).....	94.79%	128.23%	115.57%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.





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2019	2018	2017
20.71%	20.75%	20.74%
\$ 2,859,959	\$ 2,704,808	\$ 2,252,428
\$ 3,103,935	\$ 2,986,152	\$ 2,915,630
92.14%	90.58%	77.25%
47.80%	46.33%	54.14%

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**STATE OF OHIO**

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS  
 OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 FOR THE LAST SIX FISCAL YEARS <sup>(A)(B)</sup>

(dollars in thousands)

	2023	2022	2021
Actuarially Determined Employer Contribution.....	\$ 48,749	\$ 44,755	\$ 209,912
Actual Employer Contributions Received.....	0	0	0
Difference.....	<u>\$ 48,749</u>	<u>\$ 44,755</u>	<u>\$ 209,912</u>
Covered Payroll.....	\$ 3,468,339	\$ 3,321,619	\$ 3,225,871
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.).



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2020	2019	2018
\$ 177,136	\$ 176,568	\$ 153,362
0	0	18,802
<u>\$ 177,136</u>	<u>\$ 176,568</u>	<u>\$ 134,560</u>
\$ 3,173,961	\$ 3,070,283	\$ 2,994,040
0.00%	0.00%	0.63%

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**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 SIX YEARS <sup>(A)</sup>*

*(dollars in thousands)*

	2022	2021	2020
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).....	\$ (9,228)	\$ (7,669)	\$ (6,392)
Covered Payroll.....	\$ 46,322	\$ 44,888	\$ 47,303
Employer's Proportionate Share of the Collective Net OPEB Liability/(Asset) as a Percentage of the Employer's Covered Payroll.....	19.92%	17.08%	13.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset).....	230.73%	174.73%	182.13%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.



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2019	2018	2017
0.36%	0.37%	0.38%
\$ (6,005)	\$ (5,939)	\$ 14,850
\$ 42,360	\$ 42,066	\$ 40,918
14.18%	14.12%	36.29%
174.74%	176.00%	47.11%

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**STATE OF OHIO**  
 SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS  
 STATE TEACHERS RETIREMENT SYSTEM  
 FOR THE LAST SIX FISCAL YEARS <sup>(A)</sup>  
 (dollars in thousands)

	2023	2022	2021
Actuarially Determined Employer Contribution.....	\$ -	\$ -	\$ -
Actual Employer Contributions Received.....	-	-	-
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll..... <sup>(B)</sup>	\$ 45,469	\$ 46,322	\$ 44,888
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	0.00%	0.00%	0.00%

**Notes:**

- <sup>(A)</sup> This table will present ten years of information as it becomes available.
- <sup>(B)</sup> 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.



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2020	2019	2018
\$ -	\$ -	\$ 910
-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910</u>
\$ 47,303	\$ 42,360	\$ 42,066
0.00%	0.00%	0.00%

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**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 SIX YEARS <sup>(A)</sup>  
(dollars in thousands)

	2022	2021	2020
<b>Total OPEB Liability:</b>			
Service Cost.....	\$ 18,271	\$ 29,981	\$ 19,270
Interest on the Total OPEB Liability.....	12,959	15,920	19,150
Benefit Changes.....	-	(142,052)	-
Difference between Expected and Actual Experience.....	(5,747)	5,301	(26,654)
Assumption Changes.....	(177,048)	(144,182)	167,137
Benefit Payments, including refunds of employee contributions.....	(5,851)	(6,161)	(8,303)
Net Change in Total OPEB Liability.....	(157,416)	(241,193)	170,600
Total OPEB Liability - Beginning.....	510,843	752,036	581,436
Total OPEB Liability - Ending (a).....	<u>\$ 353,427</u>	<u>\$ 510,843</u>	<u>\$ 752,036</u>
<b>Plan Fiduciary Net Position:</b>			
Employer Contributions.....	\$ 3,890	\$ -	\$ -
Employee Contributions.....	-	-	-
Net Investment Income.....	(12,854)	17,794	16,141
Benefit Payments, including refunds of employee contributions.....	(5,851)	(6,161)	(8,303)
Administrative Expense.....	(178)	(126)	(201)
Net Change in Plan Fiduciary Net Position.....	(14,993)	11,507	7,637
Plan Fiduciary Net Position - Beginning.....	130,129	118,622	110,986
Plan Fiduciary Net Position - Ending (b).....	<u>\$ 115,136</u>	<u>\$ 130,129</u>	<u>\$ 118,623</u>
Net OPEB Liability - Ending (a) - (b).....	<u>\$ 238,291</u>	<u>\$ 380,714</u>	<u>\$ 633,413</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	32.58%	25.47%	15.77%
Covered Payroll..... <sup>(B)</sup>	\$ 112,477	\$ 111,621	\$ 117,996
Net OPEB Liability as a Percentage of Covered Payroll.....	211.86%	341.08%	536.81%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.

<sup>(B)</sup> Covered payroll includes Deferred Retirement Option Program (DROP) employees.





	2019	2018	2017
\$	18,125	\$ 26,137	\$ 23,657
	16,992	19,663	19,243
	-	-	709
	(26,860)	(74,912)	(1,204)
	122,197	(68,878)	46,862
	(8,619)	(8,539)	(9,434)
	<u>121,835</u>	<u>(106,529)</u>	<u>79,833</u>
	459,601	566,130	486,297
\$	<u>581,436</u>	<u>\$ 459,601</u>	<u>\$ 566,130</u>
\$	-	\$ 4,623	\$ 4,640
	-	-	-
	18,006	(5,852)	14,467
	(8,619)	(8,538)	(9,433)
	(229)	(204)	(204)
	<u>9,158</u>	<u>(9,971)</u>	<u>9,470</u>
	101,828	111,799	102,329
\$	<u>110,986</u>	<u>\$ 101,828</u>	<u>\$ 111,799</u>
\$	<u>470,450</u>	<u>\$ 357,773</u>	<u>\$ 454,331</u>
	19.09%	22.16%	19.75%
\$	118,370	\$ 116,010	\$ 112,705
	397.44%	308.39%	403.11%



STATE OF OHIO

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS

STATE HIGHWAY PATROL RETIREMENT SYSTEM

FOR THE LAST SIX FISCAL YEARS (A)(C)

(dollars in thousands)

	2023	2022	2021	2020	2019
Actuarially Determined Contribution.....	\$ 10,788	\$ 15,435	\$ 17,304	\$ 15,228	\$ 22,105
Actual Employer Contributions Received.....	3,890	-	-	-	4,623
Difference.....	\$ 6,898	\$ 15,435	\$ 17,304	\$ 15,228	\$ 17,482
Covered Payroll..... (B)	\$ 112,477	\$ 111,621	\$ 117,996	\$ 118,370	\$ 116,010
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	3.46%	0.00%	0.00%	0.00%	3.99%

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 (SHPRS), a Fiduciary Component Unit, reports on a December 31 calendar yearend. The Independently audited SHPRS December 31 information is included in the State's June 30 report. Therefore, the fiscal year and measurement date reporting will be the same.

**Actuarial Assumptions**

Valuation Date	December 31, 2021, projected to December 31, 2022
Notes	Actuarially determined contribution amounts for the measurement period ending on December 31, 2022 are calculated as of December 31, 2020 (for the period beginning July 1, 2019 and ending on December 31, 2021) and December 31, 2021 (for the period beginning January 1, 2022 and ending on December 31, 2022). The actuarial assumptions and methods as of December 31, 2021 were used to determine the actuarially determined Employer contribution amounts reported for the second half of the fiscal year ending on December 31, 2021.
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	3.0 percent wage inflation; 2.5 percent price inflation
Salary Increases	3.8 percent to 13.5 percent, includes wage 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-2021 and a base year of 2010.



2018
<u>\$ 30,774</u>
4,640
<u>\$ 26,134</u>
\$ 112,705

4.12%



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, 2023  
(dollars in thousands)

	GENERAL			VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)
	BUDGET		ACTUAL	
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Income Taxes.....	\$ 10,647,168	\$ 11,228,067	\$ 11,292,275	\$ 64,208
Sales Taxes.....	13,623,869	13,736,969	13,773,107	36,138
Corporate and Public Utility Taxes.....	3,470,162	3,610,268	3,614,895	4,627
Motor Vehicle Fuel Taxes.....	1,387,581	1,387,581	1,387,581	—
Cigarette Taxes.....	872,300	817,900	827,422	9,522
Other Taxes.....	820,899	882,799	920,910	38,111
Licenses, Permits and Fees.....	1,391,703	1,409,003	1,408,614	(389)
Sales, Services and Charges.....	272,830	272,830	292,121	19,291
Federal Government.....	13,610,028	13,610,028	13,099,449	(510,579)
Tobacco Settlement.....	41,971	41,971	42,096	125
Investment Income.....	202,967	332,467	417,533	85,066
Other.....	3,078,622	3,132,228	3,019,866	(112,362)
<b>TOTAL REVENUES.....</b>	<b>49,420,100</b>	<b>50,462,111</b>	<b>50,095,869</b>	<b>(366,242)</b>
<b>BUDGETARY EXPENDITURES:</b>				
<b>CURRENT OPERATING:</b>				
Primary, Secondary and Other Education.....	10,589,253	10,648,664	10,596,311	52,353
Higher Education Support.....	3,494,182	3,495,710	2,875,921	619,789
Public Assistance and Medicaid.....	22,409,336	23,800,240	20,526,117	3,274,123
Health and Human Services.....	1,099,919	1,114,384	1,039,394	74,990
Justice and Public Protection.....	4,154,076	4,283,010	4,091,554	191,456
Environmental Protection and Natural Resources.....	252,845	266,786	247,680	19,106
Transportation.....	131,444	251,538	250,949	589
General Government.....	2,763,198	3,022,895	2,633,972	388,923
Community and Economic Development.....	4,478,835	5,792,943	4,586,594	1,206,349
<b>CAPITAL OUTLAY.....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>DEBT SERVICE.....</b>	<b>1,491,200</b>	<b>1,605,980</b>	<b>1,546,984</b>	<b>58,996</b>
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<b>50,864,288</b>	<b>54,282,150</b>	<b>48,395,476</b>	<b>5,886,674</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>	<b>(1,444,188)</b>	<b>(3,820,039)</b>	<b>1,700,393</b>	<b>5,520,432</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bonds, Notes, and COPs Issued.....	200,000	200,000	200,000	—
Transfers-in.....	2,539,192	2,545,892	1,535,607	(1,010,285)
Transfers-out.....	(2,941,285)	(2,941,285)	(2,421,780)	519,505
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(202,093)</b>	<b>(195,393)</b>	<b>(686,173)</b>	<b>(490,780)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (1,646,281)</b>	<b>\$ (4,015,432)</b>	<b>1,014,220</b>	<b>\$ 5,029,652</b>
<b>BUDGETARY FUND BALANCES (DEFICITS), JULY 1.....</b>			13,400,582	
<b>Outstanding Encumbrances at Beginning of Fiscal Year.....</b>			1,869,840	
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....</b>			<b>\$ 16,284,642</b>	

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)
		\$ —				\$ —	
		—				—	
		—				—	
		—				—	
		937				—	
		3,073,522				—	
		—				—	
		11,714,492				3,501	
		—				—	
		27,220				80,513	
		2,626,032				5,143	
		<u>17,442,203</u>				<u>89,157</u>	
\$ —	\$ —	—	\$ —	\$ —	\$ 212,000	199,882	\$ 12,118
—	—	—	—	—	—	—	—
17,343,011	20,697,080	18,563,968	2,133,112	—	93,000	93,000	—
423,412	452,918	369,821	83,097	85,500	197,050	90,800	106,250
67,380	81,259	71,270	9,989	43,327	284,795	186,564	98,231
—	—	—	—	247,000	247,000	74,724	172,276
—	—	—	—	—	—	—	—
3,056	3,056	3,033	23	12,643	1,010,231	882,531	127,700
—	—	—	—	612,837	2,380,112	1,240,405	1,139,707
29,451	29,451	6,389	23,062	—	—	—	—
—	—	—	—	—	—	—	—
<u>\$ 17,866,310</u>	<u>\$ 21,263,764</u>	<u>19,014,481</u>	<u>\$ 2,249,283</u>	<u>\$ 1,001,307</u>	<u>\$ 4,424,188</u>	<u>2,767,906</u>	<u>\$ 1,656,282</u>
		<u>(1,572,278)</u>				<u>(2,678,749)</u>	
		—				—	
		3,581				67,747	
		<u>(8,029)</u>				<u>(134,748)</u>	
		<u>(4,448)</u>				<u>(67,001)</u>	
		<u>(1,576,726)</u>				<u>(2,745,750)</u>	
		(768,815)				4,109,382	
		<u>2,354,976</u>				<u>563,433</u>	
		<u>\$ 9,435</u>				<u>\$ 1,927,065</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 2023. 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 2023, whenever signed into law or otherwise legally authorized.

For fiscal year 2023, 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, 2023**  
*(dollars in thousands)*

	General	Job, Family & Other Human Services	Pandemic Relief Funds
Total Fund Balances — GAAP Basis .....	\$ 19,721,357	\$ 1,420,268	\$ 16,870
Less: Nonspendable Fund Balances.....	46,877	-	16,870
Less: Restricted Fund Balances.....	1,484,188	70,176	-
Less: Committed Fund Balances.....	892,569	1,352,284	-
Less: Assigned Fund Balances.....	7,012,549	-	-
Unassigned Fund Balances — GAAP Basis .....	<u>10,285,174</u>	<u>(2,192)</u>	<u>-</u>
<b>BASIS DIFFERENCES</b>			
Revenue Accruals/Adjustments:			
Cash Equity with Treasurer .....	733,795	(582)	-
Taxes Receivable .....	(2,016,588)	-	-
Intergovernmental Receivable .....	(502,542)	(221,223)	-
Loans Receivable, Net .....	(1,312,563)	-	-
Other Receivables .....	(536,300)	(921,656)	-
Unearned Revenue .....	-	761,235	2,980,545
Total Revenue Accruals/Adjustments .....	<u>(3,634,198)</u>	<u>(382,226)</u>	<u>2,980,545</u>
Expenditure Accruals/Adjustments:			
Cash Equity with Treasurer .....	(365,237)	(5,051)	(223)
Inventories .....	(21,142)	-	(16,870)
Other Assets .....	(41)	-	-
Accounts Payable .....	360,028	207,837	48,206
Accrued Liabilities .....	133,416	18,129	65
Medicaid Claims Payable .....	647,211	-	-
Intergovernmental Payable .....	1,641,002	135,188	-
Interfund Payable .....	397,431	8,099	438
Payable to Component Units .....	14,659	1,618	-
Refund and Other Liabilities .....	1,576,603	3,495	-
Liability for Escheat Property .....	348,965	-	-
Total Expenditure Accruals/Adjustments .....	<u>4,732,895</u>	<u>369,315</u>	<u>31,616</u>
Deferred Inflows of Resources.....	<u>892,119</u>	<u>99,677</u>	<u>-</u>
Other Adjustments:			
Fund Balance Reclassifications:			
From Unassigned (Non-GAAP Budgetary Basis) to:			
Nonspendable .....	46,877	-	16,870
Restricted.....	1,484,188	70,176	-
Committed .....	892,569	1,352,284	-
Assigned.....	7,012,549	-	-
Cash and Investments Held Outside State Treasury .....	(2,532,336)	(3,200)	-
Total Other Adjustments .....	<u>6,903,847</u>	<u>1,419,260</u>	<u>16,870</u>
Total Basis Differences .....	<u>8,894,663</u>	<u>1,506,026</u>	<u>3,029,031</u>
<b>TIMING DIFFERENCES</b>			
Encumbrances .....	<u>(2,895,195)</u>	<u>(1,494,399)</u>	<u>(1,101,966)</u>
Budgetary Fund Balances (Deficits) — Non-GAAP Basis ..	<u>\$ 16,284,642</u>	<u>\$ 9,435</u>	<u>\$ 1,927,065</u>





# Financial Section

## Combining Financial Statements and Schedules



*Marblehead Lighthouse*



## ***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, 2023  
 (dollars in thousands)

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 5,143,994	\$ 1,128	\$ 475,330
Cash and Cash Equivalents.....	43,994	400	—
Investments.....	16,686	7,043	16,520
Collateral on Lent Securities.....	945,457	207	87,365
Taxes Receivable .....	199,326	—	—
Intergovernmental Receivable.....	665,248	—	—
Loans Receivable, Net .....	215,056	—	—
Receivable from Component Units.....	820	—	—
Other Receivables .....	15,369	—	—
Inventories .....	242,667	—	—
<b>TOTAL ASSETS .....</b>	<b>\$ 7,488,617</b>	<b>\$ 8,778</b>	<b>\$ 579,215</b>
<b>LIABILITIES:</b>			
Accounts Payable .....	\$ 484,409	\$ 43	\$ 53,667
Accrued Liabilities.....	49,554	—	—
Medicaid Claims Payable.....	267,692	—	—
Obligations Under Securities Lending.....	945,457	207	87,365
Intergovernmental Payable.....	343,265	—	—
Interfund Payable.....	98,914	—	—
Payable to Component Units.....	2,620	—	—
Unearned Revenue.....	98,117	—	—
<b>TOTAL LIABILITIES.....</b>	<b>2,290,028</b>	<b>250</b>	<b>141,032</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>37,076</b>	<b>—</b>	<b>—</b>
<b>FUND BALANCES (DEFICITS):</b>			
Nonspendable.....	242,667	—	—
Restricted.....	3,763,920	8,528	438,183
Committed.....	1,157,278	—	—
Unassigned.....	(2,352)	—	—
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b>5,161,513</b>	<b>8,528</b>	<b>438,183</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES .....</b>	<b>\$ 7,488,617</b>	<b>\$ 8,778</b>	<b>\$ 579,215</b>

**TOTAL**

\$ 5,620,452  
44,394  
40,249  
1,033,029  
199,326  
665,248  
215,056  
820  
15,369  
242,667  
\$ 8,076,610

\$ 538,119  
49,554  
267,692  
1,033,029  
343,265  
98,914  
2,620  
98,117  
2,431,310  
37,076

242,667  
4,210,631  
1,157,278  
(2,352)  
5,608,224

\$ 8,076,610

# STATE OF OHIO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

### NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(dollars in thousands)

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>
<b>REVENUES:</b>			
Corporate and Public Utility Taxes.....	\$ 122,925	\$ —	\$ —
Motor Vehicle Fuel Taxes.....	1,190,167	—	—
Other Taxes.....	449,798	—	—
Licenses, Permits and Fees.....	966,151	—	—
Sales, Services and Charges.....	42,287	—	—
Federal Government.....	10,748,810	—	—
Investment Income (Loss).....	59,388	3,333	10,612
Other.....	758,171	—	1,780
<b>TOTAL REVENUES.....</b>	<b><u>14,337,697</u></b>	<b><u>3,333</u></b>	<b><u>12,392</u></b>
<b>EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
Primary, Secondary and Other Education.....	5,823,662	—	—
Higher Education Support.....	54,239	—	—
Public Assistance and Medicaid.....	2,870,598	—	—
Health and Human Services.....	1,147,985	—	—
Justice and Public Protection.....	484,546	—	—
Environmental Protection and Natural Resources.....	469,404	—	—
Transportation.....	3,163,276	—	—
General Government.....	431,475	—	—
Community and Economic Development.....	1,187,448	—	—
<b>CAPITAL OUTLAY.....</b>	<b>13,633</b>	<b>—</b>	<b>549,624</b>
<b>DEBT SERVICE.....</b>	<b>—</b>	<b>1,862,987</b>	<b>—</b>
<b>TOTAL EXPENDITURES.....</b>	<b><u>15,646,266</u></b>	<b><u>1,862,987</u></b>	<b><u>549,624</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b><u>(1,308,569)</u></b>	<b><u>(1,859,654)</u></b>	<b><u>(537,232)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Bonds, Notes, and COPs Issued.....	—	—	167,225
Refunding Bonds and COPs Issued.....	—	200,335	—
Payment to Refunded Bond and COPs Escrow Agents.....	—	(218,319)	—
Premiums/Discounts.....	—	24,222	12,775
Transfers-in.....	2,154,788	1,855,803	295,007
Transfers-out.....	(476,088)	—	(15,000)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b><u>1,678,700</u></b>	<b><u>1,862,041</u></b>	<b><u>460,007</u></b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>370,131</b>	<b>2,387</b>	<b>(77,225)</b>
<b>FUND BALANCES (DEFICITS), July 1 .....</b>	<b>4,784,955</b>	<b>6,141</b>	<b>515,408</b>
Increase (Decrease) for Changes in Inventories.....	6,427	—	—
<b>FUND BALANCES (DEFICITS), JUNE 30.....</b>	<b><u>\$ 5,161,513</u></b>	<b><u>\$ 8,528</u></b>	<b><u>\$ 438,183</u></b>

**TOTAL**

\$ 122,925  
1,190,167  
449,798  
966,151  
42,287  
10,748,810  
73,333  
759,951  
14,353,422

5,823,662  
54,239  
2,870,598  
1,147,985  
484,546  
469,404  
3,163,276  
431,475  
1,187,448  
563,257  
1,862,987  
18,058,877

(3,705,455)

167,225  
200,335  
(218,319)  
36,997  
4,305,598  
(491,088)  
4,000,748

**295,293**

5,306,504  
6,427

\$ 5,608,224





## ***NONMAJOR SPECIAL REVENUE FUNDS***

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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, 2023**  
(dollars in thousands)

	<b>EDUCATION</b>	<b>HIGHWAY OPERATING</b>	<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 508,170	\$ 2,009,572	\$ 1,088,584
Cash and Cash Equivalents.....	—	550	43,444
Investments.....	—	—	4,141
Collateral on Lent Securities.....	89,391	369,356	204,088
Taxes Receivable .....	—	168,365	26,387
Intergovernmental Receivable.....	118,051	214,583	23,809
Loans Receivable, Net .....	—	123,806	91,250
Receivable from Component Units.....	—	820	—
Other Receivables .....	—	7,364	—
Inventories .....	387	87,085	—
<b>TOTAL ASSETS .....</b>	<b>\$ 715,999</b>	<b>\$ 2,981,501</b>	<b>\$ 1,481,703</b>
<b>LIABILITIES:</b>			
Accounts Payable .....	\$ 20,338	\$ 323,815	\$ 92,289
Accrued Liabilities.....	1,678	20,738	7,223
Medicaid Claims Payable.....	—	—	—
Obligations Under Securities Lending.....	89,391	369,356	204,088
Intergovernmental Payable.....	117,138	—	121,699
Interfund Payable.....	1,652	47,436	3,903
Payable to Component Units.....	494	305	451
Unearned Revenue.....	1,138	—	18,757
<b>TOTAL LIABILITIES.....</b>	<b>231,829</b>	<b>761,650</b>	<b>448,410</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>—</b>	<b>5,944</b>	<b>—</b>
<b>FUND BALANCES (DEFICITS):</b>			
Nonspendable.....	387	87,085	—
Restricted.....	111,833	2,124,226	647,847
Committed.....	371,950	2,596	385,446
Unassigned.....	—	—	—
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b>484,170</b>	<b>2,213,907</b>	<b>1,033,293</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES .....</b>	<b>\$ 715,999</b>	<b>\$ 2,981,501</b>	<b>\$ 1,481,703</b>

<b>HEALTH</b>	<b>MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES</b>	<b>HIGHWAY SAFETY</b>	<b>NATURAL RESOURCES</b>	<b>WILDLIFE AND WATERWAYS SAFETY</b>	<b>TOTAL</b>
\$ 144,928	\$ 660,975	\$ 70,632	\$ 598,148	\$ 62,985	\$ 5,143,994
—	—	—	—	—	43,994
—	—	—	12,545	—	16,686
26,638	121,486	12,982	109,939	11,577	945,457
62	—	—	—	4,512	199,326
39,110	269,695	—	—	—	665,248
—	—	—	—	—	215,056
—	—	—	—	—	820
3,998	—	—	4,007	—	15,369
155,195	—	—	—	—	242,667
<b>\$ 369,931</b>	<b>\$ 1,052,156</b>	<b>\$ 83,614</b>	<b>\$ 724,639</b>	<b>\$ 79,074</b>	<b>\$ 7,488,617</b>
\$ 20,590	\$ 8,656	\$ 1,052	\$ 12,383	\$ 5,286	\$ 484,409
3,539	4,717	1,679	7,371	2,609	49,554
—	267,692	—	—	—	267,692
26,638	121,486	12,982	109,939	11,577	945,457
31,844	72,584	—	—	—	343,265
1,641	31,869	2,149	4,848	5,416	98,914
614	368	1	59	328	2,620
2,599	64,467	—	11,156	—	98,117
87,465	571,839	17,863	145,756	25,216	2,290,028
—	31,132	—	—	—	37,076
155,195	—	—	—	—	242,667
104,628	365,647	6,669	391,166	11,904	3,763,920
22,643	85,890	59,082	187,717	41,954	1,157,278
—	(2,352)	—	—	—	(2,352)
282,466	449,185	65,751	578,883	53,858	5,161,513
<b>\$ 369,931</b>	<b>\$ 1,052,156</b>	<b>\$ 83,614</b>	<b>\$ 724,639</b>	<b>\$ 79,074</b>	<b>\$ 7,488,617</b>

# STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	EDUCATION	HIGHWAY OPERATING	COMMUNITY AND ECONOMIC DEVELOPMENT
<b>REVENUES:</b>			
Corporate and Public Utility Taxes.....	\$ —	\$ —	\$ 122,925
Motor Vehicle Fuel Taxes.....	—	1,157,358	7,200
Other Taxes.....	50,041	—	331,388
Licenses, Permits and Fees.....	40,394	63,764	554,327
Sales, Services and Charges.....	—	309	25,437
Federal Government.....	4,519,718	1,694,172	869,328
Investment Income.....	9,639	39,568	5,151
Other.....	2,355	83,181	63,691
<b>TOTAL REVENUES.....</b>	<b>4,622,147</b>	<b>3,038,352</b>	<b>1,979,447</b>
<b>EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
Primary, Secondary and Other Education.....	5,823,321	—	341
Higher Education Support.....	46,457	—	7,782
Public Assistance and Medicaid.....	4,178	—	—
Health and Human Services.....	1,312	—	—
Justice and Public Protection.....	11,463	—	408,492
Environmental Protection and Natural Resources.....	—	—	390
Transportation.....	—	3,160,899	2,377
General Government.....	240	—	425,024
Community and Economic Development.....	—	—	1,174,568
<b>CAPITAL OUTLAY.....</b>	<b>—</b>	<b>—</b>	<b>7,494</b>
<b>TOTAL EXPENDITURES.....</b>	<b>5,886,971</b>	<b>3,160,899</b>	<b>2,026,468</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(1,264,824)</b>	<b>(122,547)</b>	<b>(47,021)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers-in.....	1,464,540	578,993	97,128
Transfers-out.....	(142)	(338,563)	(122,967)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,464,398</b>	<b>240,430</b>	<b>(25,839)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>199,574</b>	<b>117,883</b>	<b>(72,860)</b>
<b>FUND BALANCES (DEFICITS), July 1 .....</b>	<b>284,596</b>	<b>2,081,521</b>	<b>1,107,572</b>
Increase (Decrease) for Changes in Inventories.....	—	14,503	(1,419)
<b>FUND BALANCES (DEFICITS), JUNE 30.....</b>	<b>\$ 484,170</b>	<b>\$ 2,213,907</b>	<b>\$ 1,033,293</b>

<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>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 122,925
—	—	—	—	25,609	1,190,167
6,760	—	—	61,609	—	449,798
19,603	68,588	12,161	153,558	53,756	966,151
—	280	4,088	11,458	715	42,287
949,547	2,581,963	28,508	72,659	32,915	10,748,810
530	7	1,153	2,643	697	59,388
59,902	450,761	27,487	67,515	3,279	758,171
<b>1,036,342</b>	<b>3,101,599</b>	<b>73,397</b>	<b>369,442</b>	<b>116,971</b>	<b>14,337,697</b>
—	—	—	—	—	5,823,662
—	—	—	—	—	54,239
31,455	2,834,965	—	—	—	2,870,598
924,132	222,439	102	—	—	1,147,985
1,262	—	63,110	219	—	484,546
—	—	—	348,124	120,890	469,404
—	—	—	—	—	3,163,276
1,215	—	—	4,996	—	431,475
3,927	—	—	8,953	—	1,187,448
—	—	—	—	6,139	13,633
<b>961,991</b>	<b>3,057,404</b>	<b>63,212</b>	<b>362,292</b>	<b>127,029</b>	<b>15,646,266</b>
<b>74,351</b>	<b>44,195</b>	<b>10,185</b>	<b>7,150</b>	<b>(10,058)</b>	<b>(1,308,569)</b>
7,001	5,724	11	390	1,001	2,154,788
(458)	(8)	—	(13,950)	—	(476,088)
<b>6,543</b>	<b>5,716</b>	<b>11</b>	<b>(13,560)</b>	<b>1,001</b>	<b>1,678,700</b>
<b>80,894</b>	<b>49,911</b>	<b>10,196</b>	<b>(6,410)</b>	<b>(9,057)</b>	<b>370,131</b>
208,229	399,274	55,555	585,293	62,915	4,784,955
(6,657)	—	—	—	—	6,427
<b>\$ 282,466</b>	<b>\$ 449,185</b>	<b>\$ 65,751</b>	<b>\$ 578,883</b>	<b>\$ 53,858</b>	<b>\$ 5,161,513</b>

# 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, 2023  
 (dollars in thousands)

	EDUCATION		
	BUDGET		VARIANCE WITH FINAL BUDGET
	FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
<b>REVENUES:</b>			
Corporate and Public Utility Taxes.....		\$ —	
Motor Vehicle Fuel Taxes.....		—	
Other Taxes.....		28,520	
Licenses, Permits and Fees.....		40,394	
Sales, Services and Charges.....		21,521	
Federal Government.....		4,479,393	
Investment Income.....		9,639	
Other.....		13,694	
<b>TOTAL REVENUES.....</b>		<b>4,593,161</b>	
<b>BUDGETARY EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
Primary, Secondary and Other Education.....	\$ 7,020,626	5,835,861	\$ 1,184,765
Higher Education Support.....	71,382	59,076	12,306
Public Assistance and Medicaid.....	4,434	4,269	165
Health and Human Services.....	1,767	1,528	239
Justice and Public Protection.....	22,194	16,157	6,037
Environmental Protection and Natural Resources.....	—	—	—
Transportation.....	—	—	—
General Government.....	259	259	—
Community and Economic Development.....	—	—	—
<b>CAPITAL OUTLAY.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>DEBT SERVICE.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<b>\$ 7,120,662</b>	<b>5,917,150</b>	<b>\$ 1,203,512</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>		<b>(1,323,989)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers-in.....		1,564,605	
Transfers-out.....		(100,142)	
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>		<b>1,464,463</b>	
<b>NET CHANGE IN FUND BALANCES.....</b>		<b>140,474</b>	
<b>BUDGETARY FUND BALANCES</b>			
(DEFICITS), JULY 1.....		232,041	
Outstanding Encumbrances at Beginning of Fiscal Year...		62,716	
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....</b>		<b>\$ 435,231</b>	

<b>HIGHWAY OPERATING</b>			<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>		
		<b>VARIANCE WITH FINAL BUDGET</b>			<b>VARIANCE WITH FINAL BUDGET</b>
<b>BUDGET</b>		<b>POSITIVE/ (NEGATIVE)</b>	<b>BUDGET</b>		<b>POSITIVE/ (NEGATIVE)</b>
<b>FINAL</b>	<b>ACTUAL</b>		<b>FINAL</b>	<b>ACTUAL</b>	
	\$ —			\$ 122,915	
	1,138,540			7,200	
	—			335,793	
	63,764			553,159	
	606			24,982	
	1,640,980			870,529	
	39,568			5,151	
	189,527			87,325	
	<u>3,072,985</u>			<u>2,007,054</u>	
\$ —	—	\$ —	\$ 6,936	6,250	\$ 686
—	—	—	8,000	7,782	218
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	703,775	530,405	173,370
—	—	—	667	400	267
8,111,390	6,620,898	1,490,492	8,444	6,739	1,705
—	—	—	491,618	466,696	24,922
—	—	—	2,375,373	2,101,273	274,100
—	—	—	73,843	34,166	39,677
164,835	148,896	15,939	—	—	—
<u>\$ 8,276,225</u>	<u>6,769,794</u>	<u>\$ 1,506,431</u>	<u>\$ 3,668,656</u>	<u>3,153,711</u>	<u>\$ 514,945</u>
	<u>(3,696,809)</u>			<u>(1,146,657)</u>	
	578,993			105,485	
	(189,666)			(129,084)	
	<u>389,327</u>			<u>(23,599)</u>	
	<u>(3,307,482)</u>			<u>(1,170,256)</u>	
	(1,175,048)			171,711	
	<u>3,084,522</u>			<u>969,358</u>	
	<u>\$ (1,398,008)</u>			<u>\$ (29,187)</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, 2023

(dollars in thousands)

(continued)

	<b>HEALTH</b>		
	<b>BUDGET</b>		<b>VARIANCE WITH FINAL BUDGET</b>
	<b>FINAL</b>	<b>ACTUAL</b>	<b>POSITIVE/ (NEGATIVE)</b>
<b>REVENUES:</b>			
Corporate and Public Utility Taxes.....		\$ —	
Motor Vehicle Fuel Taxes.....		—	
Other Taxes.....		6,760	
Licenses, Permits and Fees.....		19,603	
Sales, Services and Charges.....		576	
Federal Government.....		720,998	
Investment Income.....		530	
Other.....		110,310	
<b>TOTAL REVENUES.....</b>		<b>858,777</b>	
<b>BUDGETARY EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
Primary, Secondary and Other Education.....	\$ —	—	\$ —
Higher Education Support.....	—	—	—
Public Assistance and Medicaid.....	49,167	35,998	13,169
Health and Human Services.....	1,511,812	1,054,551	457,261
Justice and Public Protection.....	5,837	2,422	3,415
Environmental Protection and Natural Resources.....	—	—	—
Transportation.....	—	—	—
General Government.....	1,757	1,246	511
Community and Economic Development.....	8,394	7,484	910
<b>CAPITAL OUTLAY.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>DEBT SERVICE.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<b>\$ 1,576,967</b>	<b>1,101,701</b>	<b>\$ 475,266</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>		<b>(242,924)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers-in.....		7,001	
Transfers-out.....		(458)	
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>		<b>6,543</b>	
<b>NET CHANGE IN FUND BALANCES.....</b>		<b>(236,381)</b>	
<b>BUDGETARY FUND BALANCES</b>			
(DEFICITS), JULY 1.....		(188,033)	
Outstanding Encumbrances at Beginning of Fiscal Year...		312,927	
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....</b>		<b>\$ (111,487)</b>	



<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>
	\$ —			\$ —	
	—			—	
	—			—	
	68,725			12,158	
	280			4,093	
	2,752,075			28,508	
	7			1,153	
	465,411			28,358	
	<u>3,286,498</u>			<u>74,270</u>	
\$ —	—	\$ —	\$ —	—	\$ —
—	—	—	—	—	—
4,025,586	3,566,082	459,504	—	—	—
410,928	362,803	48,125	200	102	98
—	—	—	143,366	92,818	50,548
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ 4,436,514</u>	<u>3,928,885</u>	<u>\$ 507,629</u>	<u>\$ 143,566</u>	<u>92,920</u>	<u>\$ 50,646</u>
	<u>(642,387)</u>			<u>(18,650)</u>	
	5,724			11	
	(8)			—	
	<u>5,716</u>			<u>11</u>	
	<u>(636,671)</u>			<u>(18,639)</u>	
	(11,778)			32,987	
	<u>634,711</u>			<u>28,983</u>	
	<u>\$ (13,738)</u>			<u>\$ 43,331</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, 2023

(dollars in thousands)

(continued)

	<b>NATURAL RESOURCES</b>		
	<b>BUDGET</b>		<b>VARIANCE WITH FINAL BUDGET</b>
	<b>FINAL</b>	<b>ACTUAL</b>	<b>POSITIVE/ (NEGATIVE)</b>
<b>REVENUES:</b>			
Corporate and Public Utility Taxes.....		\$ —	
Motor Vehicle Fuel Taxes.....		—	
Other Taxes.....		61,009	
Licenses, Permits and Fees.....		163,577	
Sales, Services and Charges.....		12,237	
Federal Government.....		75,019	
Investment Income.....		2,643	
Other.....		72,146	
<b>TOTAL REVENUES.....</b>		<b>386,631</b>	
<b>BUDGETARY EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
Primary, Secondary and Other Education.....	\$ —	—	\$ —
Higher Education Support.....	—	—	—
Public Assistance and Medicaid.....	—	—	—
Health and Human Services.....	—	—	—
Justice and Public Protection.....	339	228	111
Environmental Protection and Natural Resources.....	678,282	571,983	106,299
Transportation.....	—	—	—
General Government.....	5,930	5,379	551
Community and Economic Development.....	9,202	9,197	5
<b>CAPITAL OUTLAY.....</b>	<b>10</b>	<b>10</b>	<b>—</b>
<b>DEBT SERVICE.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<b>\$ 693,763</b>	<b>586,797</b>	<b>\$ 106,966</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>		<b>(200,166)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers-in.....		4,527	
Transfers-out.....		(18,087)	
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>		<b>(13,560)</b>	
<b>NET CHANGE IN FUND BALANCES.....</b>		<b>(213,726)</b>	
<b>BUDGETARY FUND BALANCES</b>			
(DEFICITS), JULY 1.....		455,954	
Outstanding Encumbrances at Beginning of Fiscal Year...		136,479	
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....</b>		<b>\$ 378,707</b>	

<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>	
	\$ —			\$ 122,915	
	25,561			1,171,301	
	—			432,082	
	53,635			975,015	
	1,605			65,900	
	32,915			10,600,417	
	697			59,388	
	6,197			972,968	
	<u>120,610</u>			<u>14,399,986</u>	
\$ —	—	\$ —	\$ 7,027,562	5,842,111	\$ 1,185,451
—	—	—	79,382	66,858	12,524
—	—	—	4,079,187	3,606,349	472,838
—	—	—	1,924,707	1,418,984	505,723
—	—	—	875,511	642,030	233,481
167,576	157,858	9,718	846,525	730,241	116,284
—	—	—	8,119,834	6,627,637	1,492,197
—	—	—	499,564	473,580	25,984
—	—	—	2,392,969	2,117,954	275,015
45,703	12,656	33,047	119,556	46,832	72,724
—	—	—	164,835	148,896	15,939
<u>\$ 213,279</u>	<u>170,514</u>	<u>\$ 42,765</u>	<u>\$ 26,129,632</u>	<u>21,721,472</u>	<u>\$ 4,408,160</u>
	<u>(49,904)</u>			<u>(7,321,486)</u>	
	8,238			2,274,584	
	<u>(7,237)</u>			<u>(444,682)</u>	
	<u>1,001</u>			<u>1,829,902</u>	
	<u>(48,903)</u>			<u>(5,491,584)</u>	
	32,132			(450,034)	
	<u>40,664</u>			<u>5,270,360</u>	
	<u>\$ 23,893</u>			<u>\$ (671,258)</u>	



## ***NONMAJOR DEBT SERVICE FUNDS***

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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, 2023  
 (dollars in thousands)

	GENERAL OBLIGATION BONDS	INFRASTRUCTURE BANK REVENUE BONDS	LEASE RENTAL SPECIAL OBLIGATION BONDS
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 1,128	\$ —	\$ —
Cash and Cash Equivalents.....	—	—	400
Investments.....	—	7,019	—
Collateral on Lent Securities.....	207	—	—
<b>TOTAL ASSETS .....</b>	<b>\$ 1,335</b>	<b>\$ 7,019</b>	<b>\$ 400</b>
<b>LIABILITIES:</b>			
Accounts Payable .....	\$ —	\$ —	\$ 43
Obligations Under Securities Lending.....	207	—	—
<b>TOTAL LIABILITIES.....</b>	<b>207</b>	<b>—</b>	<b>43</b>
<b>FUND BALANCES (DEFICITS):</b>			
Restricted.....	1,128	7,019	357
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b>1,128</b>	<b>7,019</b>	<b>357</b>
<b>TOTAL LIABILITIES AND FUND BALANCES .....</b>	<b>\$ 1,335</b>	<b>\$ 7,019</b>	<b>\$ 400</b>

<b>CERTIFICATES OF PARTICIPATION</b>		<b>TOTAL</b>	
\$	—	\$	1,128
	—		400
	24		7,043
	—		207
<b>\$</b>	<b>24</b>	<b>\$</b>	<b>8,778</b>
<hr/>			
\$	—	\$	43
	—		207
	—		250
	24		8,528
	24		8,528
<b>\$</b>	<b>24</b>	<b>\$</b>	<b>8,778</b>

# STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	GENERAL OBLIGATION BONDS	INFRASTRUCTURE BANK REVENUE BONDS	LEASE RENTAL SPECIAL OBLIGATION BONDS
<b>REVENUES:</b>			
Investment Income.....	\$ 1,497	\$ 1,793	\$ —
<b>TOTAL REVENUES.....</b>	<b>1,497</b>	<b>1,793</b>	<b>—</b>
<b>EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
DEBT SERVICE.....	1,312,064	136,174	369,910
<b>TOTAL EXPENDITURES.....</b>	<b>1,312,064</b>	<b>136,174</b>	<b>369,910</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(1,310,567)</b>	<b>(134,381)</b>	<b>(369,910)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Refunding Bonds and COPs Issued.....	200,335	—	—
Payment to Refunded Bond and COPs Escrow Agents.....	(218,319)	—	—
Premiums/Discounts.....	20,045	3,722	455
Transfers-in.....	1,309,408	132,355	369,287
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,311,469</b>	<b>136,077</b>	<b>369,742</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>902</b>	<b>1,696</b>	<b>(168)</b>
<b>FUND BALANCES (DEFICITS), July 1.....</b>	<b>226</b>	<b>5,323</b>	<b>525</b>
<b>FUND BALANCES (DEFICITS), JUNE 30.....</b>	<b>\$ 1,128</b>	<b>\$ 7,019</b>	<b>\$ 357</b>



<u>CERTIFICATES OF PARTICIPATION</u>	<u>TOTAL</u>
\$ 43	\$ 3,333
<u>43</u>	<u>3,333</u>
44,839	1,862,987
<u>44,839</u>	<u>1,862,987</u>
<u>(44,796)</u>	<u>(1,859,654)</u>
—	200,335
—	(218,319)
—	24,222
44,753	1,855,803
<u>44,753</u>	<u>1,862,041</u>
<u>(43)</u>	<u>2,387</u>
<u>67</u>	<u>6,141</u>
<u>\$ 24</u>	<u>\$ 8,528</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, 2023  
 (dollars in thousands)

	GENERAL OBLIGATION BONDS		
			VARIANCE WITH FINAL BUDGET
	BUDGET FINAL	ACTUAL	POSITIVE/ (NEGATIVE)
<b>REVENUES:</b>			
Investment Income.....		\$ 1,498	
Other.....		1,151,761	
<b>TOTAL REVENUES.....</b>		<b>1,153,259</b>	
<b>BUDGETARY EXPENDITURES:</b>			
DEBT SERVICE.....	\$ 1,349,955	1,310,005	\$ 39,950
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<b>\$ 1,349,955</b>	<b>1,310,005</b>	<b>\$ 39,950</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>		<b>(156,746)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers-in.....		157,647	
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>		<b>157,647</b>	
<b>NET CHANGE IN FUND BALANCES.....</b>		<b>901</b>	
<b>BUDGETARY FUND BALANCES (DEFICITS), JULY 1.....</b>			
		227	
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....</b>			
		<b>\$ 1,128</b>	



## ***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.

### **Capital Facilities and Improvements Fund**

The Capital Facilities and Improvements Fund accounts for general and special obligation bond proceeds that finance the construction of Mental Health and Developmental Disabilities Facilities Improvements, Parks and Recreation Improvements, Administrative Services Building Improvements, Youth Services Building Improvements, Adult Correctional Building Improvements, Ohio Parks and Natural Resources, and Transportation Building Improvements.

### **Highway Capital Improvements Fund**

The Highway Capital Improvement Fund accounts for general obligation bond proceeds that finance capital improvements to the state highway system.

### **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), and the Debt Collection System (DCS).

**STATE OF OHIO**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2023**  
*(dollars in thousands)*

	<b>INFRASTRUCTURE BANK OBLIGATIONS</b>	<b>CAPITAL FACILITIES AND IMPROVEMENTS</b>	<b>HIGHWAY CAPITAL IMPROVEMENTS</b>
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 90,637	\$ 346,615	\$ 38,078
Investments.....	—	—	—
Collateral on Lent Securities.....	16,659	63,707	6,999
<b>TOTAL ASSETS .....</b>	<b><u>\$ 107,296</u></b>	<b><u>\$ 410,322</u></b>	<b><u>\$ 45,077</u></b>
<b>LIABILITIES:</b>			
Accounts Payable .....	\$ 3,949	\$ 43,690	\$ 5,231
Obligations Under Securities Lending.....	16,659	63,707	6,999
<b>TOTAL LIABILITIES.....</b>	<b><u>20,608</u></b>	<b><u>107,397</u></b>	<b><u>12,230</u></b>
<b>FUND BALANCES (DEFICITS):.....</b>			
Restricted.....	86,688	302,925	32,847
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b><u>86,688</u></b>	<b><u>302,925</u></b>	<b><u>32,847</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES .....</b>	<b><u>\$ 107,296</u></b>	<b><u>\$ 410,322</u></b>	<b><u>\$ 45,077</u></b>

<b>CERTIFICATES OF PARTICIPATION PROJECTS</b>	<b>TOTAL</b>
\$ —	\$ 475,330
16,520	16,520
—	87,365
<b>\$ 16,520</b>	<b>\$ 579,215</b>
\$ 797	\$ 53,667
—	87,365
797	141,032
15,723	438,183
15,723	438,183
<b>\$ 16,520</b>	<b>\$ 579,215</b>

# STATE OF OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	<u>INFRASTRUCTURE BANK OBLIGATIONS</u>	<u>CAPITAL FACILITIES AND IMPROVEMENTS</u>	<u>HIGHWAY CAPITAL IMPROVEMENTS</u>
<b>REVENUES:</b>			
Investment Income (Loss).....	\$ 1,548	\$ 6,976	\$ 1,539
Other.....	—	1,780	—
<b>TOTAL REVENUES.....</b>	<b><u>1,548</u></b>	<b><u>8,756</u></b>	<b><u>1,539</u></b>
<b>EXPENDITURES:</b>			
<b>CURRENT OPERATING:</b>			
CAPITAL OUTLAY.....	66,545	394,810	72,542
<b>TOTAL EXPENDITURES.....</b>	<b><u>66,545</u></b>	<b><u>394,810</u></b>	<b><u>72,542</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b><u>(64,997)</u></b>	<b><u>(386,054)</u></b>	<b><u>(71,003)</u></b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Bonds, Notes, and COPs Issued.....	114,360	52,865	—
Premiums/Discounts.....	5,640	7,135	—
Transfers-in.....	15,000	280,007	—
Transfers-out.....	(15,000)	—	—
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b><u>120,000</u></b>	<b><u>340,007</u></b>	<b><u>—</u></b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>55,003</b>	<b>(46,047)</b>	<b>(71,003)</b>
<b>FUND BALANCES (DEFICITS), July 1 .....</b>	<b><u>31,685</u></b>	<b><u>348,972</u></b>	<b><u>103,850</u></b>
<b>FUND BALANCES (DEFICITS), JUNE 30.....</b>	<b><u>\$ 86,688</u></b>	<b><u>\$ 302,925</u></b>	<b><u>\$ 32,847</u></b>



<b>CERTIFICATES OF PARTICIPATION PROJECTS</b>	<b>TOTAL</b>
\$ 549	\$ 10,612
<u>—</u>	<u>1,780</u>
<b>549</b>	<b>12,392</b>
<u>15,727</u>	<u>549,624</u>
<b>15,727</b>	<b>549,624</b>
<u>(15,178)</u>	<u>(537,232)</u>
—	167,225
—	12,775
—	295,007
—	(15,000)
<u>—</u>	<u>460,007</u>
<b>(15,178)</b>	<b>(77,225)</b>
<u>30,901</u>	<u>515,408</u>
<b>15,723</b>	<b>438,183</b>

# 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, 2023  
 (dollars in thousands)

	<b>INFRASTRUCTURE BANK OBLIGATIONS</b>		
			<b>VARIANCE WITH FINAL BUDGET</b>
	<b>BUDGET</b>		<b>POSITIVE/ (NEGATIVE)</b>
	<b>FINAL</b>	<b>ACTUAL</b>	
<b>REVENUES:</b>			
Investment Income.....		\$ 1,549	
Other.....		—	
<b>TOTAL REVENUES.....</b>		<b>1,549</b>	
<b>BUDGETARY EXPENDITURES:</b>			
CAPITAL OUTLAY.....	\$ 257,714	194,940	\$ 62,774
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<b>\$ 257,714</b>	<b>194,940</b>	<b>\$ 62,774</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>		<b>(193,391)</b>	
<b>OTHER FINANCING SOURCES (USES):</b>			
Bonds, Notes, and COPs Issued.....		120,000	
Transfers-in.....		15,000	
Transfers-out.....		(15,000)	
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>		<b>120,000</b>	
<b>NET CHANGE IN FUND BALANCES.....</b>		<b>(73,391)</b>	
<b>BUDGETARY FUND BALANCES</b>			
(DEFICITS), JULY 1.....		(75,450)	
Outstanding Encumbrances at Beginning of Fiscal Year...		115,218	
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....</b>		<b>\$ (33,623)</b>	

<u>CAPITAL FACILITIES AND IMPROVEMENTS</u>			<u>HIGHWAY CAPITAL 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>
	\$ 6,976			\$ 1,539	
	1,779			—	
	<u>8,755</u>			<u>1,539</u>	
\$ 2,336,102	1,080,671	\$ 1,255,431	\$ 269,009	192,081	\$ 76,928
<u>\$ 2,336,102</u>	<u>1,080,671</u>	<u>\$ 1,255,431</u>	<u>\$ 269,009</u>	<u>192,081</u>	<u>\$ 76,928</u>
	<u>(1,071,916)</u>			<u>(190,542)</u>	
	60,000			—	
	280,007			—	
	—			—	
	<u>340,007</u>			<u>—</u>	
	<u>(731,909)</u>			<u>(190,542)</u>	
	(175,486)			19,048	
	<u>543,426</u>			<u>91,717</u>	
	<u>\$ (363,969)</u>			<u>\$ (79,777)</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, 2023

(dollars in thousands)

(continued)

	<u>TOTAL</u>		<u>VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE)</u>
	<u>BUDGET</u>		
	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>			
Investment Income.....		\$ 10,064	
Other.....		1,779	
<b>TOTAL REVENUES.....</b>		<u>11,843</u>	
<b>BUDGETARY EXPENDITURES:</b>			
CAPITAL OUTLAY.....	\$ 2,862,825	1,467,692	\$ 1,395,133
<b>TOTAL BUDGETARY EXPENDITURES.....</b>	<u>\$ 2,862,825</u>	<u>1,467,692</u>	<u>\$ 1,395,133</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....</b>		<u>(1,455,849)</u>	
<b>OTHER FINANCING SOURCES (USES):</b>			
Bonds, Notes, and COPs Issued.....		180,000	
Transfers-in.....		295,007	
Transfers-out.....		(15,000)	
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>		<u>460,007</u>	
<b>NET CHANGE IN FUND BALANCES.....</b>		<b>(995,842)</b>	
<b>BUDGETARY FUND BALANCES</b>			
(DEFICITS), JULY 1.....		(231,888)	
Outstanding Encumbrances at Beginning of Fiscal Year...		<u>750,361</u>	
<b>BUDGETARY FUND BALANCES</b>			
(DEFICITS), JUNE 30.....		<u>\$ (477,369)</u>	

## ***NONMAJOR ENTERPRISE FUNDS***

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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, 2023

(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 1,151	\$ 33,364	\$ 34,515
Cash and Cash Equivalents.....	6,724	—	6,724
Collateral on Lent Securities.....	212	6,132	6,344
Restricted Assets:			
Investments.....	13,700	—	13,700
Intergovernmental Receivable.....	—	5,203	5,203
Interfund Receivable.....	—	1,329	1,329
Other Receivables.....	1,455	—	1,455
<b>TOTAL CURRENT ASSETS.....</b>	<b>23,242</b>	<b>46,028</b>	<b>69,270</b>
<b>NONCURRENT ASSETS:</b>			
Restricted Assets:			
Investments.....	150,032	—	150,032
Other Assets.....	34	1,203	1,237
Capital Assets Being Depreciated, Net.....	14	3,815	3,829
Capital Assets Not Being Depreciated.....	—	2,857	2,857
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>150,080</b>	<b>7,875</b>	<b>157,955</b>
<b>TOTAL ASSETS.....</b>	<b>173,322</b>	<b>53,903</b>	<b>227,225</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>1,554</b>	<b>46,935</b>	<b>48,489</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>174,876</b>	<b>100,838</b>	<b>275,714</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable.....	859	445	1,304
Accrued Liabilities.....	517	3,461	3,978
Obligations Under Securities Lending.....	212	6,132	6,344
Unearned Revenue.....	—	1,299	1,299
Benefits Payable.....	13,700	—	13,700
Refund and Other Liabilities.....	—	3,413	3,413
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>15,288</b>	<b>14,750</b>	<b>30,038</b>
<b>NONCURRENT LIABILITIES:</b>			
Benefits Payable.....	48,200	—	48,200
Refund and Other Liabilities.....	3,523	120,996	124,519
<b>TOTAL NONCURRENT LIABILITIES.....</b>	<b>51,723</b>	<b>120,996</b>	<b>172,719</b>
<b>TOTAL LIABILITIES.....</b>	<b>67,011</b>	<b>135,746</b>	<b>202,757</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>88</b>	<b>1,169</b>	<b>1,257</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>67,099</b>	<b>136,915</b>	<b>204,014</b>
<b>NET POSITION (DEFICITS):</b>			
Net Investment in Capital Assets.....	14	3,847	3,861
Unrestricted.....	107,763	(39,924)	67,839
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 107,777</b>	<b>\$ (36,077)</b>	<b>\$ 71,700</b>

# 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, 2023

(dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
<b>OPERATING REVENUES:</b>			
Charges for Sales and Services.....	\$ 5,936	\$ 46,836	\$ 52,772
Investment Income.....	3,411	—	3,411
Other.....	17,400	177	17,577
<b>TOTAL OPERATING REVENUES.....</b>	<b>26,747</b>	<b>47,013</b>	<b>73,760</b>
<b>OPERATING EXPENSES:</b>			
Costs of Sales and Services.....	—	89,410	89,410
Administration.....	9,745	2,701	12,446
Benefits and Claims.....	16,617	—	16,617
Depreciation.....	12	1,818	1,830
<b>TOTAL OPERATING EXPENSES.....</b>	<b>26,374</b>	<b>93,929</b>	<b>120,303</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>373</b>	<b>(46,916)</b>	<b>(46,543)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment Income.....	—	20	20
Interest Expense.....	—	(36)	(36)
<b>TOTAL NONOPERATING REVENUES (EXPENSES).....</b>	<b>—</b>	<b>(16)</b>	<b>(16)</b>
<b>INCOME (LOSS) BEFORE GAIN (LOSS) AND TRANSFERS.....</b>	<b>373</b>	<b>(46,932)</b>	<b>(46,559)</b>
Transfers-in.....	—	45,625	45,625
<b>TOTAL GAIN (LOSS) AND TRANSFERS.....</b>	<b>—</b>	<b>45,625</b>	<b>45,625</b>
<b>NET INCOME (LOSS).....</b>	<b>373</b>	<b>(1,307)</b>	<b>(934)</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated).....</b>	<b>107,404</b>	<b>(34,770)</b>	<b>72,634</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 107,777</b>	<b>\$ (36,077)</b>	<b>\$ 71,700</b>

**STATE OF OHIO**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**  
(dollars in thousands)

	<b>TUITION TRUST AUTHORITY</b>	<b>OFFICE OF AUDITOR OF STATE</b>	<b>TOTAL NONMAJOR PROPRIETARY FUNDS</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers.....	\$ —	\$ 36,941	\$ 36,941
Cash Received from Interfund Services Provided.....	—	10,070	10,070
Other Operating Cash Receipts.....	5,622	91	5,713
Cash Payments to Suppliers for Goods and Services.....	(5,609)	2,459	(3,150)
Cash Payments to Employees for Services.....	(2,992)	(84,161)	(87,153)
Cash Payments for Interfund Services Used.....	(632)	(5,093)	(5,725)
Other Operating Cash Payments.....	(16,617)	—	(16,617)
<b>NET CASH FLOWS PROVIDED (USED) BY</b>			
<b>OPERATING ACTIVITIES.....</b>	<b>(20,228)</b>	<b>(39,693)</b>	<b>(59,921)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers-in .....	—	45,409	45,409
<b>NET CASH FLOWS PROVIDED (USED) BY</b>			
<b>NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>—</b>	<b>45,409</b>	<b>45,409</b>
<b>CASH FLOWS FROM CAPITAL, LEASE, SUBSCRIPTION, AND RELATED FINANCING ACTIVITIES:</b>			
Payments on Leases.....	—	(1,013)	(1,013)
Payments on Subscriptions.....	—	(382)	(382)
Interest Paid .....	—	(37)	(37)
Acquisition and Construction of Capital Assets .....	—	(2,804)	(2,804)
Proceeds from Sales of Capital Assets .....	—	1	1
<b>NET CASH FLOWS PROVIDED (USED) BY</b>			
<b>CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>—</b>	<b>(4,235)</b>	<b>(4,235)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Investments.....	(17,284)	—	(17,284)
Proceeds from the Sales and Maturities of Investments .....	34,320	—	34,320
Investment Income Received .....	830	20	850
<b>NET CASH FLOWS PROVIDED (USED) BY</b>			
<b>INVESTING ACTIVITIES.....</b>	<b>17,866</b>	<b>20</b>	<b>17,886</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS.....</b>	<b>(2,362)</b>	<b>1,501</b>	<b>(861)</b>
<b>CASH AND CASH EQUIVALENTS, JULY 1 .....</b>	<b>10,237</b>	<b>31,863</b>	<b>42,100</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30 .....</b>	<b>\$ 7,875</b>	<b>\$ 33,364</b>	<b>\$ 41,239</b>



STATE OF OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 NONMAJOR PROPRIETARY FUNDS -- ENTERPRISE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	TUITION TRUST AUTHORITY	OFFICE OF AUDITOR OF STATE	TOTAL NONMAJOR PROPRIETARY FUNDS
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating Income (Loss).....	\$ 373	\$ (46,916)	\$ (46,543)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income.....	(3,411)	—	(3,411)
Depreciation/Amortization.....	(1)	1,818	1,817
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	—	33,336	33,336
Interfund Receivable.....	—	(216)	(216)
Other Receivables.....	(313)	—	(313)
Increase (Decrease) in Liabilities:			
Accounts Payable.....	377	(29,091)	(28,714)
Accrued Liabilities.....	22	426	448
Unearned Revenue.....	—	52	52
Benefits Payable.....	(17,400)	—	(17,400)
Refund and Other Liabilities.....	125	898	1,023
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES.....</b>	<b>\$ (20,228)</b>	<b>\$ (39,693)</b>	<b>\$ (59,921)</b>
<b>NONCASH INVESTING, CAPITAL, LEASE, AND FINANCING ACTIVITIES:</b>			
Acquiring an Asset through Lease/Subscription/Financed Purchase.....	—	1,877	1,877
Other Capital Asset Gain/(Loss).....	—	14	14
Construction in Progress - Accounts Payable.....	—	262	262



## ***PRIVATE-PURPOSE TRUST FUNDS***

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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, 2023  
 (dollars in thousands)

	VARIABLE COLLEGE SAVINGS PLAN	STABLE PROGRAM	TOTAL
<b>ASSETS:</b>			
Cash and Cash Equivalents.....	\$ 351,517	\$ —	\$ 351,517
Investments (at fair value):			
Mutual Funds.....	15,308,373	346,112	15,654,485
Other Receivables.....	117,839	1,077	118,916
<b>TOTAL ASSETS.....</b>	<b>15,777,729</b>	<b>347,189</b>	<b>16,124,918</b>
<b>LIABILITIES:</b>			
Accrued Liabilities.....	4,445	404	4,849
Refund and Other Liabilities.....	121,139	550	121,689
<b>TOTAL LIABILITIES.....</b>	<b>125,584</b>	<b>954</b>	<b>126,538</b>
<b>NET POSITION (DEFICITS):</b>			
Restricted for:			
Individuals, Organizations and Other Governments.....	15,652,145	346,235	15,998,380
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 15,652,145</b>	<b>\$ 346,235</b>	<b>\$ 15,998,380</b>

# STATE OF OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	VARIABLE COLLEGE SAVINGS PLAN	STABLE PROGRAM	TOTAL
<b>ADDITIONS:</b>			
Contributions from:			
Plan Participants.....	\$ 2,780,561	\$ 124,135	\$ 2,904,696
Total Contributions.....	2,780,561	124,135	2,904,696
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments.....	916,738	8,021	924,759
Interest, Dividends and Other.....	523,323	10,494	533,817
Total Investment Income.....	1,440,061	18,515	1,458,576
Less: Investment Expense.....	36,626	790	37,416
Net Investment Income.....	1,403,435	17,725	1,421,160
<b>TOTAL ADDITIONS.....</b>	<b>4,183,996</b>	<b>141,860</b>	<b>4,325,856</b>
<b>DEDUCTIONS:</b>			
Distributions to Shareholders, Plans, Participants.....	2,833,129	54,226	2,887,355
<b>TOTAL DEDUCTIONS.....</b>	<b>2,833,129</b>	<b>54,226</b>	<b>2,887,355</b>
<b>CHANGE IN NET POSITION RESTRICTED FOR:</b>			
Individuals, Organizations and Other Governments.....	1,350,867	87,634	1,438,501
<b>TOTAL CHANGE IN NET POSITION.....</b>	<b>1,350,867</b>	<b>87,634</b>	<b>1,438,501</b>
<b>NET POSITION (DEFICITS), JULY 1 .....</b>	<b>14,301,278</b>	<b>258,601</b>	<b>14,559,879</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 15,652,145</b>	<b>\$ 346,235</b>	<b>\$ 15,998,380</b>



## ***CUSTODIAL FUNDS***

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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, 2023

(dollars in thousands)

	LOCAL GOVERNMENT TAX	CHILD SUPPORT	OTHER
<b>ASSETS:</b>			
Cash Equity with Treasurer.....	\$ 317,628	\$ 2,967	\$ 2,274
Cash and Cash Equivalents.....	—	62,379	42,504
Investments (at fair value):			
U.S. Government and Agency Obligations.....	—	—	14,944
State Treasury Asset Reserve of Ohio (STAR Ohio).....	—	6,321	10,646
Collateral on Lent Securities.....	58,529	547	267
<b>TOTAL ASSETS.....</b>	<b>376,157</b>	<b>72,214</b>	<b>70,635</b>
<b>LIABILITIES:</b>			
Obligations Under Securities Lending.....	58,529	547	267
Intergovernmental Payable.....	317,628	—	—
Refund and Other Liabilities.....	—	65,346	19,615
<b>TOTAL LIABILITIES.....</b>	<b>376,157</b>	<b>65,893</b>	<b>19,882</b>
<b>NET POSITION (DEFICITS):</b>			
Restricted for:			
Individuals, Organizations and Other Governments.....	—	6,321	50,753
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ —</b>	<b>\$ 6,321</b>	<b>\$ 50,753</b>



**TOTAL**

\$ 322,869  
104,883

14,944  
16,967  
59,343

**519,006**

59,343  
317,628  
84,961

**461,932**

57,074

**\$ 57,074**

# STATE OF OHIO

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS - CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 (dollars in thousands)

	LOCAL GOVERNMENT TAX	CHILD SUPPORT	OTHER
<b>ADDITIONS:</b>			
Contributions from:			
Employees.....	\$ —	\$ —	\$ 1,524,242
<b>Total Contributions.....</b>	<b>—</b>	<b>—</b>	<b>1,524,242</b>
Investment Income:			
Interest, Dividends and Other.....	—	248	1,377
<b>Total Investment Income.....</b>	<b>—</b>	<b>248</b>	<b>1,377</b>
Capital Share and Individual Account Transactions:			
Shares Sold.....	—	—	17,885
Shares Redeemed.....	—	—	(15,386)
<b>Net Capital Share and Individual Account Transactions.....</b>	<b>—</b>	<b>—</b>	<b>2,499</b>
Tax Collections for Local Governments.....	4,709,968	—	—
Child Support Collections.....	—	1,751,413	—
Detainee / Resident Home Personal Accounts.....	—	—	93,576
Other Organizations' Accounts.....	—	—	229,382
Miscellaneous.....	—	—	3,536
<b>TOTAL ADDITIONS.....</b>	<b>4,709,968</b>	<b>1,751,661</b>	<b>1,854,612</b>
<b>DEDUCTIONS:</b>			
Distributions to Shareholders, Plans, Participants.....	—	—	1,524,242
Tax Distributions to Local Governments.....	4,709,968	—	—
Child Support Payments.....	—	1,751,413	—
Detainee / Resident Home Personal Accounts.....	—	—	95,864
Other Organizations' Accounts.....	—	—	228,920
Miscellaneous.....	—	262	844
<b>TOTAL DEDUCTIONS.....</b>	<b>4,709,968</b>	<b>1,751,675</b>	<b>1,849,870</b>
<b>CHANGE IN NET POSITION RESTRICTED FOR:</b>			
Individuals, Organizations and Other Governments.....	—	(14)	4,742
<b>TOTAL CHANGE IN NET POSITION.....</b>	<b>—</b>	<b>(14)</b>	<b>4,742</b>
<b>NET POSITION (DEFICITS), JULY 1.....</b>	<b>—</b>	<b>6,335</b>	<b>46,011</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ —</b>	<b>\$ 6,321</b>	<b>\$ 50,753</b>

**TOTAL**

\$ 1,524,242  
1,524,242

1,625  
1,625

17,885  
(15,386)  
2,499

4,709,968  
1,751,413  
93,576  
229,382  
3,536  
**8,316,241**

1,524,242  
4,709,968  
1,751,413  
95,864  
228,920  
1,106  
**8,311,513**

4,728  
4,728  
52,346  
**\$ 57,074**

## ***NONMAJOR DISCRETELY PRESENTED COMPONENT UNIT FUNDS***

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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, 2022. 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, 2022.

### **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.

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**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.

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**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, 2023**  
(dollars in thousands)

	<b>OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION (as of 12/31/22)</b>	<b>OHIO AIR QUALITY DEVELOPMENT AUTHORITY (as of 12/31/22)</b>	<b>OHIO CAPITAL FUND</b>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash Equity with Treasurer.....	\$ —	\$ 1,445	\$ —
Cash and Cash Equivalents.....	93,082	1,300	835
Investments.....	222,024	1,305	—
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	20,993	20,320	—
Investments.....	62,007	—	—
Intergovernmental Receivable.....	—	—	—
Loans Receivable, Net.....	—	—	—
Receivable from Primary Government.....	—	—	—
Other Receivables.....	28,742	24	—
Inventories.....	4,823	—	—
Other Assets.....	2,399	9	—
<b>TOTAL CURRENT ASSETS.....</b>	<b>434,070</b>	<b>24,403</b>	<b>835</b>
<b>NONCURRENT ASSETS:</b>			
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	—	—	—
Investments.....	192,082	—	—
Investments.....	—	4,487	46,605
Loans Receivable, Net.....	—	—	—
Other Receivables.....	47,038	—	—
Other Assets.....	11,573	91	—
Capital Assets Being Depreciated, Net.....	1,600,754	63	—
Capital Assets Not Being Depreciated.....	171,880	—	—
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>2,023,327</b>	<b>4,641</b>	<b>46,605</b>
<b>TOTAL ASSETS.....</b>	<b>2,457,397</b>	<b>29,044</b>	<b>47,440</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>53,344</b>	<b>165</b>	<b>—</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>2,510,741</b>	<b>29,209</b>	<b>47,440</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable.....	26,572	41	—
Accrued Liabilities.....	27,260	23	12,779
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	—
Refund and Other Liabilities.....	44,560	48	—
Payable to Primary Government.....	316	—	—
Bonds and Notes Payable.....	49,795	—	15,852
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>148,503</b>	<b>112</b>	<b>28,631</b>
<b>NONCURRENT LIABILITIES:</b>			
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	—
Refund and Other Liabilities.....	36,351	37	81,011
Bonds and Notes Payable.....	2,223,335	—	49,034
<b>TOTAL NONCURRENT LIABILITIES.....</b>	<b>2,259,686</b>	<b>37</b>	<b>130,045</b>
<b>TOTAL LIABILITIES.....</b>	<b>2,408,189</b>	<b>149</b>	<b>158,676</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>95,643</b>	<b>302</b>	<b>—</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2,503,832</b>	<b>451</b>	<b>158,676</b>
<b>NET POSITION (DEFICITS):</b>			
Net Investment in Capital Assets.....	1,219,318	11	—
<b>Restricted for:</b>			
Transportation.....	216,996	—	—
Community and Economic Development.....	—	20,320	—
<b>Nonexpendable:</b>			
Scholarships and Fellowships.....	—	—	—
Research.....	—	—	—
Endowments and Quasi-Endowments.....	—	—	—
Loans, Grants and Other College and University Purposes.....	—	—	—
<b>Expendable:</b>			
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.....	(1,429,405)	8,427	(111,236)
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 6,909</b>	<b>\$ 28,758</b>	<b>\$ (111,236)</b>



	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY
\$	\$	\$	\$	\$	\$
64,124	97,018	188,324	168,941	17,039	13,687
872,302	204,369	386,781	744,236	169,423	276,288
250,787	—	—	—	—	—
—	—	—	—	—	—
—	—	5,034	3,839	—	—
11,197	1,647	896	2,561	729	987
—	126	1,001	3,775	—	—
27,168	117,119	67,928	60,770	16,832	14,708
112,395	2,339	3,088	1,757	563	534
10,050	24,058	14,594	10,971	1,256	3,427
<u>1,348,023</u>	<u>446,676</u>	<u>667,646</u>	<u>996,850</u>	<u>205,842</u>	<u>309,631</u>
—	—	21,086	19,057	638	—
—	1,379,656	—	714,172	3,550	19,793
84,451	531,366	927,743	—	320,340	279,172
110,892	12,500	7,329	873	2,491	1,411
—	86,889	77,531	18,231	10,926	10,605
805,002	488,134	27,882	18,958	11,396	17,053
18,716	1,731,904	1,064,042	1,271,765	562,171	554,192
—	162,552	107,982	111,873	57,649	20,908
<u>1,019,061</u>	<u>4,393,001</u>	<u>2,233,595</u>	<u>2,154,929</u>	<u>969,161</u>	<u>903,134</u>
<u>2,367,084</u>	<u>4,839,677</u>	<u>2,901,241</u>	<u>3,151,779</u>	<u>1,175,003</u>	<u>1,212,765</u>
—	285,966	136,810	111,289	82,679	77,509
<u>2,367,084</u>	<u>5,125,643</u>	<u>3,038,051</u>	<u>3,263,068</u>	<u>1,257,682</u>	<u>1,290,274</u>
29,338	91,566	46,533	52,806	7,415	16,901
453,298	29,724	29,504	16,505	21,020	13,556
—	—	—	—	—	—
—	97,520	39,104	13,997	10,266	12,438
5,655	115,808	16,220	16,602	4,885	12,804
—	—	—	—	—	—
85,755	41,770	13,438	38,460	19,697	7,606
<u>574,046</u>	<u>376,388</u>	<u>144,799</u>	<u>138,370</u>	<u>63,283</u>	<u>63,305</u>
—	10,490	—	—	—	3,573
—	6,784	—	—	—	—
204,739	910,781	430,917	351,359	230,146	245,889
1,386,185	1,010,675	606,515	583,286	332,172	260,936
<u>1,590,924</u>	<u>1,938,730</u>	<u>1,037,432</u>	<u>934,645</u>	<u>562,318</u>	<u>510,398</u>
<u>2,164,970</u>	<u>2,315,118</u>	<u>1,182,231</u>	<u>1,073,015</u>	<u>625,601</u>	<u>573,703</u>
—	126,751	83,310	66,797	92,465	28,282
<u>2,164,970</u>	<u>2,441,869</u>	<u>1,265,541</u>	<u>1,139,812</u>	<u>718,066</u>	<u>601,985</u>
9,201	695,025	662,292	747,628	267,530	323,943
—	—	—	—	—	—
5,000	—	—	—	—	—
—	251,837	—	—	—	87,422
—	76,270	—	—	—	758
—	636,895	301,558	419,335	190,022	12,019
—	422,017	11,134	—	—	38,604
—	81,689	15,798	73,424	888	61,976
—	130,963	2,987	3,645	46,722	610
—	42,158	83,125	25,145	—	52,581
—	125,002	9,313	6,707	—	—
—	35,853	9,662	68,834	—	—
—	—	—	—	632	—
—	18,937	18,225	—	—	50,581
—	90,330	165,188	—	106,854	6,758
—	7,614	8,596	13,871	—	—
—	158,244	21,404	104,205	—	—
187,913	(89,060)	463,228	660,462	(73,032)	53,037
<u>\$ 202,114</u>	<u>\$ 2,683,774</u>	<u>\$ 1,772,510</u>	<u>\$ 2,123,256</u>	<u>\$ 539,616</u>	<u>\$ 688,289</u>

(continued)

**STATE OF OHIO**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS**  
**JUNE 30, 2023**  
(dollars in thousands)  
(continued)

	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —
Cash and Cash Equivalents.....	46,167	97,878	18,457
Investments.....	472,234	—	200,102
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	—	—	—
Investments.....	—	—	—
Intergovernmental Receivable.....	4,886	11,404	—
Loans Receivable, Net.....	—	869	802
Receivable from Primary Government.....	1,312	3,532	—
Other Receivables.....	37,388	107,068	29,243
Inventories.....	1,088	11,171	—
Other Assets.....	7,310	5,625	3,660
<b>TOTAL CURRENT ASSETS.....</b>	<b>570,385</b>	<b>237,547</b>	<b>252,264</b>
<b>NONCURRENT ASSETS:</b>			
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	4,486	2,096	—
Investments.....	8,151	405,278	—
Investments.....	176,418	315,407	128,431
Loans Receivable, Net.....	13,379	716	2,646
Other Receivables.....	28,425	7,385	8,176
Other Assets.....	31,473	30,413	11,993
Capital Assets Being Depreciated, Net.....	817,227	484,011	615,843
Capital Assets Not Being Depreciated.....	88,020	53,958	78,060
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>1,167,579</b>	<b>1,299,264</b>	<b>845,149</b>
<b>TOTAL ASSETS.....</b>	<b>1,737,964</b>	<b>1,536,811</b>	<b>1,097,413</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>163,164</b>	<b>208,015</b>	<b>79,968</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>1,901,128</b>	<b>1,744,826</b>	<b>1,177,381</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable.....	29,610	48,494	9,393
Accrued Liabilities.....	38,776	46,187	4,698
Intergovernmental Payable.....	—	1,970	—
Unearned Revenue.....	23,437	33,548	8,141
Refund and Other Liabilities.....	16,742	45,094	19,985
Payable to Primary Government.....	—	—	—
Bonds and Notes Payable.....	17,597	18,131	9,825
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>126,162</b>	<b>193,424</b>	<b>52,042</b>
<b>NONCURRENT LIABILITIES:</b>			
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	901
Refund and Other Liabilities.....	497,739	599,055	289,570
Bonds and Notes Payable.....	347,071	220,385	363,951
<b>TOTAL NONCURRENT LIABILITIES.....</b>	<b>844,810</b>	<b>819,440</b>	<b>654,422</b>
<b>TOTAL LIABILITIES.....</b>	<b>970,972</b>	<b>1,012,864</b>	<b>706,464</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>68,462</b>	<b>107,621</b>	<b>32,679</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>1,039,434</b>	<b>1,120,485</b>	<b>739,143</b>
<b>NET POSITION (DEFICITS):</b>			
Net Investment in Capital Assets.....	514,290	248,096	250,420
<b>Restricted for:</b>			
Transportation.....	—	—	—
Community and Economic Development.....	—	—	—
<b>Nonexpendable:</b>			
Scholarships and Fellowships.....	—	83,959	52,859
Research.....	—	16,507	896
Endowments and Quasi-Endowments.....	127,107	—	20,292
Loans, Grants and Other College and University Purposes.....	—	68,758	1,505
<b>Expendable:</b>			
Scholarships and Fellowships.....	—	108,305	29,856
Research.....	—	16,793	1,116
Instructional Department Uses.....	—	—	9,621
Student and Public Services.....	—	—	4,531
Academic Support.....	—	85,829	—
Debt Service.....	—	22,984	—
Capital Purposes.....	—	8,198	—
Endowments and Quasi-Endowments.....	—	—	—
Current Operations.....	—	—	—
Loans, Grants and Other College and University Purposes.....	157,375	17,764	36,686
Unrestricted.....	62,922	(52,852)	30,456
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 861,694</b>	<b>\$ 624,341</b>	<b>\$ 438,238</b>

YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY	NORTHEAST OHIO MEDICAL UNIVERSITY	CENTRAL STATE UNIVERSITY Audited FY2022	TERRA STATE COMMUNITY COLLEGE Audited FY2022
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
22,671	87,508	5,065	9,686	7,210	1,378
274,115	11,703	—	28,444	—	262
—	—	—	—	—	—
—	—	—	—	—	—
1,521	6,532	—	2,548	—	45
—	1,401	197	541	—	77
1,332	2,616	—	597	—	29
14,425	17,764	7,842	6,875	22,522	6,065
60	74	11	161	—	8
3,949	4,019	403	3,580	1,903	176
<b>318,073</b>	<b>131,617</b>	<b>13,518</b>	<b>52,432</b>	<b>31,635</b>	<b>8,040</b>
9	—	2,005	297	2,791	—
97,912	—	19,851	—	—	—
15,274	216,216	8,437	98,152	6,685	5,684
—	2,511	—	5,630	—	—
9,553	4,954	482	9,464	3,726	—
6,776	12,815	4,102	3,160	4,491	692
207,765	323,691	73,038	276,649	135,193	27,545
25,075	4,924	21,315	4,859	6,228	547
<b>362,364</b>	<b>565,111</b>	<b>129,230</b>	<b>398,211</b>	<b>159,114</b>	<b>34,468</b>
<b>680,437</b>	<b>696,728</b>	<b>142,748</b>	<b>450,643</b>	<b>190,749</b>	<b>42,508</b>
<b>47,522</b>	<b>49,085</b>	<b>12,436</b>	<b>19,857</b>	<b>13,332</b>	<b>3,180</b>
<b>727,959</b>	<b>745,813</b>	<b>155,184</b>	<b>470,500</b>	<b>204,081</b>	<b>45,688</b>
6,086	11,437	845	2,300	2,645	2,311
6,690	6,137	1,587	6,883	3,915	—
854	—	—	—	—	—
7,088	23,663	1,391	7,102	14,585	2,356
18,242	15,942	2,284	6,424	2,346	43
—	—	—	—	—	—
3,554	6,315	1,043	4,027	1,845	155
<b>42,514</b>	<b>63,494</b>	<b>7,150</b>	<b>26,736</b>	<b>25,336</b>	<b>4,865</b>
—	—	—	—	—	—
—	—	—	9,895	—	—
140,292	178,878	40,702	140,937	18,669	9,774
60,595	38,404	18,426	145,132	15,659	4,675
<b>200,887</b>	<b>217,282</b>	<b>59,128</b>	<b>295,964</b>	<b>34,328</b>	<b>14,449</b>
<b>243,401</b>	<b>280,776</b>	<b>66,278</b>	<b>322,700</b>	<b>59,664</b>	<b>19,314</b>
<b>20,470</b>	<b>40,579</b>	<b>6,590</b>	<b>11,192</b>	<b>23,107</b>	<b>9,051</b>
<b>263,871</b>	<b>321,355</b>	<b>72,868</b>	<b>333,892</b>	<b>82,771</b>	<b>28,365</b>
160,488	269,137	62,968	44,300	123,539	23,220
—	—	—	—	—	—
—	—	—	—	—	—
—	25,582	5,107	7,260	7,991	2,976
—	5,794	—	—	—	—
130,038	—	—	18,217	—	—
—	25,014	6,375	—	—	—
3,738	25,163	2,113	—	2,772	2,273
739	3,164	14	—	—	—
5,785	26,266	—	—	—	—
3,207	1,863	—	—	—	692
4,161	18,201	—	—	—	—
—	—	—	—	—	—
3,441	2,101	—	—	—	315
41,478	—	—	—	—	—
1,517	—	—	19,523	—	—
2,101	25,841	10,197	—	—	127
107,395	(3,668)	(4,458)	47,308	(12,992)	(12,280)
<b>\$ 464,088</b>	<b>\$ 424,458</b>	<b>\$ 82,316</b>	<b>\$ 136,608</b>	<b>\$ 121,310</b>	<b>\$ 17,323</b>

(continued)

# STATE OF OHIO

COMBINING STATEMENT OF NET POSITION  
 NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS  
 JUNE 30, 2023  
 (dollars in thousands)  
 (continued)

	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COLLEGE	EDISON STATE COMMUNITY COLLEGE
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —
Cash and Cash Equivalents.....	17,822	11,661	3,285
Investments.....	139,985	27,482	966
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	—	—	—
Investments.....	—	—	—
Intergovernmental Receivable.....	—	860	—
Loans Receivable, Net.....	—	2	—
Receivable from Primary Government.....	—	608	—
Other Receivables.....	42,494	3,786	2,534
Inventories.....	1,828	100	8
Other Assets.....	3,059	621	374
<b>TOTAL CURRENT ASSETS.....</b>	<b>205,188</b>	<b>45,120</b>	<b>7,167</b>
<b>NONCURRENT ASSETS:</b>			
<b>Restricted Assets:</b>			
Cash and Cash Equivalents.....	1,041	—	—
Investments.....	62,479	—	3,373
Investments.....	108,798	—	2,300
Loans Receivable, Net.....	—	—	—
Other Receivables.....	2,010	—	—
Other Assets.....	10,550	1,754	955
Capital Assets Being Depreciated, Net.....	155,404	51,096	21,021
Capital Assets Not Being Depreciated.....	47,853	4,019	1,119
<b>TOTAL NONCURRENT ASSETS.....</b>	<b>388,135</b>	<b>56,869</b>	<b>28,768</b>
<b>TOTAL ASSETS.....</b>	<b>593,323</b>	<b>101,989</b>	<b>35,935</b>
<b>DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>38,672</b>	<b>8,157</b>	<b>6,681</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES.....</b>	<b>631,995</b>	<b>110,146</b>	<b>42,616</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable.....	2,654	1,377	460
Accrued Liabilities.....	6,175	1,411	1,226
Intergovernmental Payable.....	—	7	—
Unearned Revenue.....	8,794	394	853
Refund and Other Liabilities.....	21,418	402	471
Payable to Primary Government.....	—	—	—
Bonds and Notes Payable.....	10,974	230	265
<b>TOTAL CURRENT LIABILITIES.....</b>	<b>50,015</b>	<b>3,821</b>	<b>3,275</b>
<b>NONCURRENT LIABILITIES:</b>			
Intergovernmental Payable.....	—	—	—
Unearned Revenue.....	—	—	—
Refund and Other Liabilities.....	192,695	35,021	19,692
Bonds and Notes Payable.....	133,952	2,655	869
<b>TOTAL NONCURRENT LIABILITIES.....</b>	<b>326,647</b>	<b>37,676</b>	<b>20,561</b>
<b>TOTAL LIABILITIES.....</b>	<b>376,662</b>	<b>41,497</b>	<b>23,836</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>45,328</b>	<b>8,065</b>	<b>1,760</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES.....</b>	<b>421,990</b>	<b>49,562</b>	<b>25,596</b>
<b>NET POSITION (DEFICITS):</b>			
Net Investment in Capital Assets.....	144,080	51,166	18,948
<b>Restricted for:</b>			
Transportation.....	—	—	—
Community and Economic Development.....	—	—	—
<b>Nonexpendable:</b>			
Scholarships and Fellowships.....	31,779	—	—
Research.....	—	—	—
Endowments and Quasi-Endowments.....	—	10,600	238
Loans, Grants and Other College and University Purposes.....	—	—	—
<b>Expendable:</b>			
Scholarships and Fellowships.....	14,036	15,720	—
Research.....	—	—	—
Instructional Department Uses.....	—	123	—
Student and Public Services.....	—	53	—
Academic Support.....	—	—	—
Debt Service.....	—	—	—
Capital Purposes.....	46,853	541	—
Endowments and Quasi-Endowments.....	—	—	1,691
Current Operations.....	—	—	—
Loans, Grants and Other College and University Purposes.....	—	—	357
Unrestricted.....	(26,743)	(17,619)	(4,214)
<b>TOTAL NET POSITION (DEFICITS).....</b>	<b>\$ 210,005</b>	<b>\$ 60,584</b>	<b>\$ 17,020</b>

SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE <i>Unaudited</i>	OWENS STATE COMMUNITY COLLEGE	TOTAL NONMAJOR COMPONENT UNITS
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,445
9,349	13,311	5,156	969	13,131	1,015,054
—	—	43,404	1,286	28,032	4,104,743
—	—	—	—	—	292,100
—	—	—	—	—	62,007
—	624	9	502	132	37,936
—	—	—	—	—	21,906
—	1,928	677	706	22	18,261
3,438	2,155	5,065	5,213	8,206	655,374
9	—	105	1,003	—	141,125
665	137	925	115	1,343	104,628
<u>13,461</u>	<u>18,155</u>	<u>55,341</u>	<u>9,794</u>	<u>50,866</u>	<u>6,454,579</u>
784	—	3,000	98	—	57,388
2,984	—	—	—	—	2,909,281
—	1,925	13,301	7,038	19,730	3,317,960
—	—	—	—	—	160,378
—	—	—	—	—	325,395
825	807	3,712	1,258	3,342	1,509,207
17,940	16,267	73,338	15,158	71,581	10,186,374
3,821	980	5,150	5,456	13,783	998,011
<u>26,354</u>	<u>19,979</u>	<u>98,501</u>	<u>29,008</u>	<u>108,436</u>	<u>19,463,994</u>
<u>39,815</u>	<u>38,134</u>	<u>153,842</u>	<u>38,802</u>	<u>159,302</u>	<u>25,918,573</u>
<u>4,340</u>	<u>2,588</u>	<u>11,675</u>	<u>4,668</u>	<u>11,379</u>	<u>1,432,481</u>
<u>44,155</u>	<u>40,722</u>	<u>165,517</u>	<u>43,470</u>	<u>170,681</u>	<u>27,351,054</u>
—	780	2,618	566	6,256	399,004
243	1,091	5,447	628	3,309	738,072
—	—	—	—	—	2,831
—	2,049	4,692	517	3,716	315,651
1,215	68	1,849	656	2,046	371,809
—	—	—	—	—	316
795	—	3,111	—	—	350,240
<u>2,253</u>	<u>3,988</u>	<u>17,717</u>	<u>2,367</u>	<u>15,327</u>	<u>2,177,923</u>
—	—	—	—	—	14,063
—	—	—	—	—	17,580
13,451	10,910	51,853	22,647	53,194	4,806,309
7,360	—	15,980	—	—	7,827,252
<u>20,811</u>	<u>10,910</u>	<u>67,833</u>	<u>22,647</u>	<u>53,194</u>	<u>12,665,204</u>
<u>23,064</u>	<u>14,898</u>	<u>85,550</u>	<u>25,014</u>	<u>68,521</u>	<u>14,843,127</u>
<u>2,798</u>	<u>2,613</u>	<u>17,705</u>	<u>4,537</u>	<u>17,726</u>	<u>913,833</u>
<u>25,862</u>	<u>17,511</u>	<u>103,255</u>	<u>29,551</u>	<u>86,247</u>	<u>15,756,960</u>
13,605	17,247	59,692	20,613	85,364	6,032,121
—	—	—	—	—	216,996
—	—	—	—	—	25,320
—	662	—	1,675	2,401	561,510
—	—	—	—	—	100,225
3,017	—	7,809	—	—	1,877,147
—	—	—	—	470	573,877
341	1,180	—	4,865	1,517	445,654
—	—	—	—	—	206,753
—	—	—	35	—	244,839
—	—	—	—	—	151,368
—	—	—	—	—	222,540
—	—	1,334	—	—	24,950
—	388	—	371	—	149,951
—	—	7,316	—	—	419,615
—	—	—	48	—	51,169
—	—	—	89	695	535,085
1,330	3,734	(13,889)	(13,777)	(6,013)	(245,026)
<u>\$ 18,293</u>	<u>\$ 23,211</u>	<u>\$ 62,262</u>	<u>\$ 13,919</u>	<u>\$ 84,434</u>	<u>\$ 11,594,094</u>

# STATE OF OHIO

COMBINING STATEMENT OF ACTIVITIES  
 NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
 (dollars in thousands)

	OHIO TURNPIKE AND INFRASTRUCTURE COMMISSION (as of 12/31/22)	OHIO AIR QUALITY DEVELOPMENT AUTHORITY (as of 12/31/22)	OHIO CAPITAL FUND
<b>EXPENSES:</b>			
Transportation.....	\$ 151,255	\$ —	\$ —
Community and Economic Development.....	—	1,664	886
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.....	94,846	—	4,574
Depreciation.....	85,147	60	—
Other.....	—	—	—
<b>TOTAL EXPENSES.....</b>	<b>331,248</b>	<b>1,724</b>	<b>5,460</b>
<b>PROGRAM REVENUES:</b>			
Charges for Services, Fees, Fines and Forfeitures.....	378,582	1,289	—
Operating Grants, Contributions and Restricted Investment Income.....	—	20,085	—
Capital Grants, Contributions and Restricted Investment Income.....	—	—	—
<b>TOTAL PROGRAM REVENUES.....</b>	<b>378,582</b>	<b>21,374</b>	<b>—</b>
<b>NET PROGRAM (EXPENSE) REVENUE .....</b>	<b>47,334</b>	<b>19,650</b>	<b>(5,460)</b>
<b>GENERAL REVENUES:</b>			
Unrestricted Investment Income.....	2,858	(296)	(4,952)
State Assistance.....	3,315	—	—
Other.....	—	—	—
<b>TOTAL GENERAL REVENUES.....</b>	<b>6,173</b>	<b>(296)</b>	<b>(4,952)</b>
<b>ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>CHANGE IN NET POSITION.....</b>	<b>53,507</b>	<b>19,354</b>	<b>(10,412)</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated).....</b>	<b>(46,598)</b>	<b>9,404</b>	<b>(100,824)</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 6,909</b>	<b>\$ 28,758</b>	<b>\$ (111,236)</b>

<b>JOB/</b>	<b>UNIVERSITY</b>	<b>OHIO</b>	<b>MIAMI</b>	<b>UNIVERSITY</b>	<b>BOWLING GREEN</b>
<b>SOHIO</b>	<b>OF</b>	<b>UNIVERSITY</b>	<b>UNIVERSITY</b>	<b>OF</b>	<b>STATE</b>
	<b>CINCINNATI</b>			<b>AKRON</b>	<b>UNIVERSITY</b>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
2,013,173	—	—	—	—	—
—	395,365	222,166	192,822	93,319	152,947
—	227,831	47,908	17,030	15,484	13,375
—	104,170	40,628	13,923	10,985	6,230
—	148,495	69,622	57,638	25,241	25,039
—	88,238	62,421	33,761	11,414	19,870
—	167,015	69,994	76,633	39,191	42,404
—	80,261	54,415	31,983	16,232	27,284
—	14,772	21,651	34,811	20,084	17,867
—	139,478	77,640	114,724	38,596	70,453
—	—	—	—	—	—
48,971	42,734	25,883	21,914	13,964	8,694
8,352	171,793	67,228	76,909	41,583	44,220
—	1,782	(5,459)	4,458	(31)	36,394
<b>2,070,496</b>	<b>1,581,934</b>	<b>754,097</b>	<b>676,606</b>	<b>326,062</b>	<b>464,777</b>
1,784,663	1,110,113	286,778	509,310	133,357	247,761
—	251,114	55,293	80,850	36,646	68,587
—	10,168	1,466	1,607	504	6,819
<b>1,784,663</b>	<b>1,371,395</b>	<b>343,537</b>	<b>591,767</b>	<b>170,507</b>	<b>323,167</b>
<b>(285,833)</b>	<b>(210,539)</b>	<b>(410,560)</b>	<b>(84,839)</b>	<b>(155,555)</b>	<b>(141,610)</b>
41,485	21,636	119,203	93,648	35,701	47,392
—	246,377	207,099	94,934	98,759	94,934
3,795	1,365	231,854	—	30,355	7,972
<b>45,280</b>	<b>269,378</b>	<b>558,156</b>	<b>188,582</b>	<b>164,815</b>	<b>150,298</b>
—	1,457	9,470	22,192	32	11,270
<b>(240,553)</b>	<b>60,296</b>	<b>157,066</b>	<b>125,935</b>	<b>9,292</b>	<b>19,958</b>
442,667	2,623,478	1,615,444	1,997,321	530,324	668,331
<b>\$ 202,114</b>	<b>\$ 2,683,774</b>	<b>\$ 1,772,510</b>	<b>\$ 2,123,256</b>	<b>\$ 539,616</b>	<b>\$ 688,289</b>

(continued)

# STATE OF OHIO

## COMBINING STATEMENT OF ACTIVITIES NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(dollars in thousands)

(continued)

	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
<b>EXPENSES:</b>			
Transportation.....	\$ —	\$ —	\$ —
Community and Economic Development.....	—	—	—
Education and General:			
Instruction and Departmental Research.....	252,957	189,278	136,073
Separately Budgeted Research.....	24,153	51,814	16,505
Public Service.....	10,811	10,208	5,493
Academic Support.....	62,995	58,171	32,935
Student Services.....	44,923	27,990	23,134
Institutional Support.....	69,145	43,780	47,436
Operation and Maintenance of Plant.....	49,901	28,089	23,356
Scholarships and Fellowships.....	50,489	15,139	12,724
Auxiliary Enterprises.....	94,719	69,261	35,635
Hospitals.....	—	495,285	—
Interest on Long-Term Debt.....	5,853	13,493	7,080
Depreciation.....	58,181	63,257	37,946
Other.....	(13,477)	12,935	1,104
<b>TOTAL EXPENSES.....</b>	<b>710,650</b>	<b>1,078,700</b>	<b>379,421</b>
<b>PROGRAM REVENUES:</b>			
Charges for Services, Fees, Fines and Forfeitures.....	395,544	700,786	207,931
Operating Grants, Contributions and Restricted Investment Income.....	85,258	71,325	46,531
Capital Grants, Contributions and Restricted Investment Income.....	—	267	—
<b>TOTAL PROGRAM REVENUES.....</b>	<b>480,802</b>	<b>772,378</b>	<b>254,462</b>
<b>NET PROGRAM (EXPENSE) REVENUE .....</b>	<b>(229,848)</b>	<b>(306,322)</b>	<b>(124,959)</b>
<b>GENERAL REVENUES:</b>			
Unrestricted Investment Income.....	43,774	41,890	15,153
State Assistance.....	182,798	138,239	89,308
Other.....	26,388	131,727	20,833
<b>TOTAL GENERAL REVENUES.....</b>	<b>252,960</b>	<b>311,856</b>	<b>125,294</b>
<b>ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>CHANGE IN NET POSITION.....</b>	<b>23,112</b>	<b>5,534</b>	<b>335</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated).....</b>	<b>838,582</b>	<b>618,807</b>	<b>437,903</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 861,694</b>	<b>\$ 624,341</b>	<b>\$ 438,238</b>



YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY	NORTHEAST OHIO MEDICAL UNIVERSITY	CENTRAL STATE UNIVERSITY Audited FY2022	TERRA STATE COMMUNITY COLLEGE Audited FY2022
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
60,538	96,278	15,742	25,360	14,609	4,646
4,953	17,113	—	10,052	7,643	—
5,411	10,038	5,048	6,561	9,711	599
18,106	26,066	2,040	9,799	8,142	487
13,169	16,262	3,338	2,743	9,141	1,794
20,631	23,282	8,919	9,946	14,299	7,485
19,394	15,017	3,935	8,258	8,152	1,165
36,702	8,305	4,729	849	5,023	96
27,710	19,188	6,529	7,386	15,012	531
—	—	—	—	—	—
1,863	881	540	10,010	839	229
17,976	21,571	6,288	15,824	7,962	1,467
—	248	—	—	(3,755)	8
<b>226,453</b>	<b>254,249</b>	<b>57,108</b>	<b>106,788</b>	<b>96,778</b>	<b>18,507</b>
116,805	115,952	20,035	42,853	15,984	4,342
44,313	64,219	4,334	28,350	24,887	4,212
2,149	2,533	—	—	—	—
<b>163,267</b>	<b>182,704</b>	<b>24,369</b>	<b>71,203</b>	<b>40,871</b>	<b>8,554</b>
<b>(63,186)</b>	<b>(71,545)</b>	<b>(32,739)</b>	<b>(35,585)</b>	<b>(55,907)</b>	<b>(9,953)</b>
25,675	3,931	3,128	9,989	(909)	(789)
52,227	92,027	20,574	32,693	18,010	6,383
421	21,179	11,142	19,784	44,784	4,734
<b>78,323</b>	<b>117,137</b>	<b>34,844</b>	<b>62,466</b>	<b>61,885</b>	<b>10,328</b>
8	—	—	542	—	—
<b>15,145</b>	<b>45,592</b>	<b>2,105</b>	<b>27,423</b>	<b>5,978</b>	<b>375</b>
448,943	378,866	80,211	109,185	115,332	16,948
<b>\$ 464,088</b>	<b>\$ 424,458</b>	<b>\$ 82,316</b>	<b>\$ 136,608</b>	<b>\$ 121,310</b>	<b>\$ 17,323</b>

(continued)

# STATE OF OHIO

## COMBINING STATEMENT OF ACTIVITIES NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(dollars in thousands)

(continued)

	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COLLEGE	EDISON STATE COMMUNITY COLLEGE
<b>EXPENSES:</b>			
Transportation.....	\$ —	\$ —	\$ —
Community and Economic Development.....	—	—	—
Education and General:			
Instruction and Departmental Research.....	85,660	14,009	7,889
Separately Budgeted Research.....	—	—	—
Public Service.....	40,180	2,581	596
Academic Support.....	7,719	1,200	695
Student Services.....	22,142	4,958	2,903
Institutional Support.....	43,722	7,129	9,779
Operation and Maintenance of Plant.....	19,368	3,009	1,735
Scholarships and Fellowships.....	17,079	2,563	728
Auxiliary Enterprises.....	8,216	1,357	7
Hospitals.....	—	—	—
Interest on Long-Term Debt.....	2,685	85	141
Depreciation.....	13,888	2,692	1,689
Other.....	66	—	46
<b>TOTAL EXPENSES.....</b>	<b>260,725</b>	<b>39,583</b>	<b>26,208</b>
<b>PROGRAM REVENUES:</b>			
Charges for Services, Fees, Fines and Forfeitures.....	156,321	8,961	7,183
Operating Grants, Contributions and Restricted Investment Income.....	44,749	13,065	1,366
Capital Grants, Contributions and Restricted Investment Income.....	—	295	—
<b>TOTAL PROGRAM REVENUES.....</b>	<b>201,070</b>	<b>22,321</b>	<b>8,549</b>
<b>NET PROGRAM (EXPENSE) REVENUE .....</b>	<b>(59,655)</b>	<b>(17,262)</b>	<b>(17,659)</b>
<b>GENERAL REVENUES:</b>			
Unrestricted Investment Income.....	4,849	2,056	81
State Assistance.....	81,663	17,051	11,535
Other.....	12,780	21	4,289
<b>TOTAL GENERAL REVENUES.....</b>	<b>99,292</b>	<b>19,128</b>	<b>15,905</b>
<b>ADDITIONS (DEDUCTIONS) TO ENDOWMENTS AND PERMANENT FUND PRINCIPAL.....</b>	<b>—</b>	<b>268</b>	<b>—</b>
<b>CHANGE IN NET POSITION.....</b>	<b>39,637</b>	<b>2,134</b>	<b>(1,754)</b>
<b>NET POSITION (DEFICITS), JULY 1 (as restated).....</b>	<b>170,368</b>	<b>58,450</b>	<b>18,774</b>
<b>NET POSITION (DEFICITS), JUNE 30.....</b>	<b>\$ 210,005</b>	<b>\$ 60,584</b>	<b>\$ 17,020</b>

SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE <i>Unaudited</i>	OWENS STATE COMMUNITY COLLEGE	TOTAL NONMAJOR COMPONENT UNITS
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 151,255
—	—	—	—	—	2,015,723
5,046	4,870	24,325	19,450	27,428	2,040,777
—	—	—	—	246	454,107
3,027	—	2,199	30	1,941	290,370
2,216	1,164	5,015	1,199	2,788	566,772
1,906	1,112	4,692	3,017	6,302	405,230
2,407	3,982	12,985	7,228	12,346	739,738
1,276	1,803	7,495	1,511	6,342	409,981
1,992	1,599	1,797	2,500	1,568	273,067
1,264	—	882	1,063	579	730,230
—	—	—	—	—	495,285
323	—	707	—	—	306,309
950	1,111	3,984	1,556	5,804	757,438
2,062	—	1,402	15	120	37,918
<b>22,469</b>	<b>15,641</b>	<b>65,483</b>	<b>37,569</b>	<b>65,464</b>	<b>9,674,200</b>
5,990	3,923	15,929	18,647	27,288	6,316,327
3,466	5,733	20,318	5,465	3,615	983,781
—	—	—	—	—	25,808
<b>9,456</b>	<b>9,656</b>	<b>36,247</b>	<b>24,112</b>	<b>30,903</b>	<b>7,325,916</b>
<b>(13,013)</b>	<b>(5,985)</b>	<b>(29,236)</b>	<b>(13,457)</b>	<b>(34,561)</b>	<b>(2,348,284)</b>
532	316	2,330	687	1,832	511,200
8,224	8,135	33,446	12,816	29,454	1,580,001
3,071	210	5,063	—	7,898	589,665
<b>11,827</b>	<b>8,661</b>	<b>40,839</b>	<b>13,503</b>	<b>39,184</b>	<b>2,680,866</b>
—	—	—	—	88	45,327
<b>(1,186)</b>	<b>2,676</b>	<b>11,603</b>	<b>46</b>	<b>4,711</b>	<b>377,909</b>
19,479	20,535	50,659	13,873	79,723	11,216,185
<b>\$ 18,293</b>	<b>\$ 23,211</b>	<b>\$ 62,262</b>	<b>\$ 13,919</b>	<b>\$ 84,434</b>	<b>\$ 11,594,094</b>

**STATE OF OHIO**  
**BALANCE SHEET**  
**OHIO FACILITIES CONSTRUCTION COMMISSION**  
**DISCRETELY PRESENTED COMPONENT UNIT**  
**JUNE 30, 2023**  
(dollars in thousands)

	<b>OHIO FACILITIES CONSTRUCTION COMMISSION</b>
<b>ASSETS:</b>	
Cash Equity with Treasurer.....	\$ 119,028
Investments.....	6,786
Collateral on Lent Securities.....	21,877
<b>TOTAL ASSETS.....</b>	<b>\$ 147,691</b>
<b>LIABILITIES:</b>	
Accounts Payable.....	\$ 4,510
Accrued Liabilities.....	528
Obligations Under Securities Lending.....	21,877
Intergovernmental Payable.....	825,509
Refund and Other Liabilities.....	6,786
<b>TOTAL LIABILITIES.....</b>	<b>859,210</b>
<b>DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2,900,970</b>
<b>FUND BALANCES (DEFICITS):</b>	
Restricted for:	
Community and Economic Development.....	1,875
Unassigned.....	(3,614,364)
<b>TOTAL FUND BALANCES (DEFICITS).....</b>	<b>(3,612,489)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES .....</b>	<b>\$ 147,691</b>

# STATE OF OHIO

RECONCILIATION OF THE BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 OHIO FACILITIES CONSTRUCTION COMMISSION  
 DISCRETELY PRESENTED COMPONENT UNIT  
 JUNE 30, 2023  
 (dollars in thousands)

**OHIO FACILITIES  
 CONSTRUCTION  
 COMMISSION**

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**Total Fund Balances (Deficits).....** **\$ (3,612,489)**

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:

*Machinery and Equipment, net of \$3,925 accumulated depreciation.....* 9

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

*Refund and Other Liabilities-Compensated Absences.....* (1,692)

**Total Net Position (Deficits).....** **\$ (3,614,172)**

# 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, 2023  
 (dollars in thousands)

	<b>OHIO FACILITIES CONSTRUCTION COMMISSION</b>
<b>REVENUES:</b>	
State Assistance.....	\$ 251,568
Investment Income.....	5,359
Other.....	17,149
<b>TOTAL REVENUES.....</b>	<b><u>274,076</u></b>
<b>EXPENDITURES:</b>	
<b>CURRENT OPERATING:</b>	
Primary, Secondary and Other Education.....	404,844
Community and Economic Development.....	30,459
<b>TOTAL EXPENDITURES.....</b>	<b><u>435,303</u></b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b><u>(161,227)</u></b>
<b>FUND BALANCES (DEFICITS), JULY 1 .....</b>	<b><u>(3,451,262)</u></b>
<b>FUND BALANCES (DEFICITS), JUNE 30.....</b>	<b><u>\$ (3,612,489)</u></b>

# 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, 2023  
 (dollars in thousands)

**OHIO FACILITIES  
 CONSTRUCTION  
 COMMISSION**

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**Net Change in Fund Balances**..... **\$ (161,227)**

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)

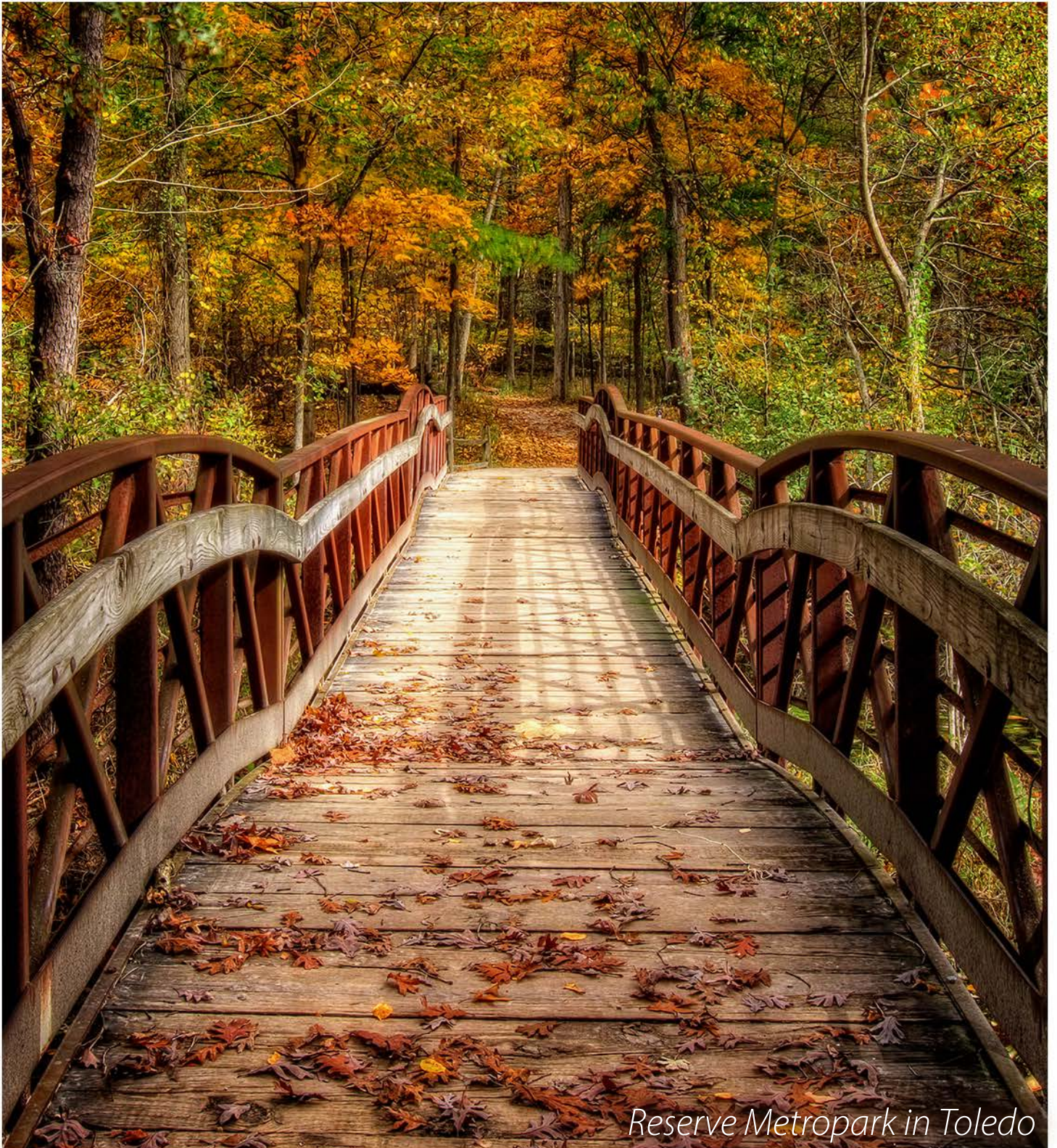
Expenses for compensated absences reported in the Statement of Activities are not reported as expenditures in the governmental funds. .... (195)

**Change in Net Position**..... **\$ (161,424)**





# Statistical Section



*Reserve Metropark in Toledo*





## ***STATISTICAL SECTION***

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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>
<b>Financial Trends</b> .....	260-273
<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>	
<b>Revenue Capacity</b> .....	274-287
<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>	
<b>Debt Capacity</b> .....	288-295
<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>	
<b>Economic and Demographic Information</b> .....	296-299
<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>	
<b>Operating Information</b> .....	300-307
<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>	

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**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)*

	2023	2022	2021	2020
<b>GOVERNMENTAL ACTIVITIES:</b>				
Net Investment in Capital Assets.....	\$ 27,135,969	\$ 26,177,771	\$ 25,297,331	\$ 24,838,706
Restricted for:				
Primary, Secondary and Other Education.....	391,876	86,776	135,713	101,891
Higher Education Support.....	576,009	339,108	76,044	7,710
Public Assistance and Medicaid.....	475,017	494,579	442,377	419,930
Health and Human Services.....	310,377	320,599	487,403	192,898
Justice and Public Protection.....	91,667	95,377	166,156	99,642
Environmental Protection and Natural Resources.....	733,646	622,140	417,404	339,004
Transportation.....	3,558,877	3,180,287	2,849,466	2,421,542
General Government.....	136,718	217,773	280,968	245,143
Community and Economic Development.....	1,708,954	1,337,910	1,049,749	855,297
Total Restricted Net Position.....	<u>7,983,141</u>	<u>6,694,549</u>	<u>5,905,280</u>	<u>4,683,057</u>
Unrestricted.....	<u>5,065,921</u>	<u>864,459</u>	<u>(5,376,159)</u>	<u>(10,968,244)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION.....</b>	<b><u>\$ 40,185,031</u></b>	<b><u>\$ 33,736,779</u></b>	<b><u>\$ 25,826,452</u></b>	<b><u>\$ 18,553,519</u></b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Net Investment in Capital Assets.....	\$ 78,735	\$ 77,842	\$ 91,810	\$ 111,342
Restricted for:				
Workers' Compensation.....	7,714,809	7,426,828	9,275,737	11,466,770
Lottery Prizes.....	—	84,147	91,013	99,467
Unemployment Compensation.....	1,853,853	1,298,737	—	—
Tuition Trust Authority.....	107,763	107,391	114,227	108,561
Total Restricted Net Position.....	<u>9,676,425</u>	<u>8,917,103</u>	<u>9,480,977</u>	<u>11,674,798</u>
Unrestricted.....	<u>389,004</u>	<u>240,306</u>	<u>(774,386)</u>	<u>(146,253)</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION.....</b>	<b><u>\$ 10,144,164</u></b>	<b><u>\$ 9,235,251</u></b>	<b><u>\$ 8,798,401</u></b>	<b><u>\$ 11,639,887</u></b>
<b>PRIMARY GOVERNMENT:</b>				
Net Investment in Capital Assets.....	\$ 27,214,704	\$ 26,255,613	\$ 25,389,141	\$ 24,950,048
Restricted.....	17,659,566	15,611,652	15,386,257	16,357,855
Unrestricted.....	5,454,925	1,104,765	(6,150,545)	(11,114,497)
<b>TOTAL PRIMARY GOVERNMENT NET POSITION.....</b>	<b><u>\$ 50,329,195</u></b>	<b><u>\$ 42,972,030</u></b>	<b><u>\$ 34,624,853</u></b>	<b><u>\$ 30,193,406</u></b>

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.

2019	2018	2017	2016	2015	2014
\$ 24,458,022	\$ 24,363,007	\$ 24,140,366	\$ 23,925,328	\$ 23,396,447	\$ 22,627,911
133,130	139,583	95,110	148,740	110,978	137,427
14,444	23,579	25,999	26,255	25,974	26,320
459,789	500,747	736,002	810,132	746,730	508,588
126,724	116,726	143,264	103,534	81,982	54,834
38,126	159,884	160,990	132,257	122,305	30,570
359,593	275,626	191,591	199,490	199,409	160,607
1,919,480	2,534,052	3,369,425	3,191,913	3,370,828	3,238,716
218,522	277,782	266,681	169,286	200,748	133,877
659,085	529,084	424,992	329,909	243,166	164,784
<u>3,928,893</u>	<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>(11,132,056)</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>\$ 17,254,859</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>
\$ 134,728	\$ 162,367	\$ 176,237	\$ 186,037	\$ 159,466	\$ 129,804
11,178,867	9,791,094	9,603,996	8,596,001	9,125,985	9,334,215
57,181	27,954	46,998	77,464	66,332	73,751
1,303,856	974,990	644,872	315,980	—	—
105,906	97,366	97,985	74,559	89,896	73,631
<u>12,645,810</u>	<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>78,530</u>	<u>64,432</u>	<u>154,915</u>	<u>131,660</u>	<u>(163,314)</u>	<u>(670,679)</u>
<u>\$ 12,859,068</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>
\$ 24,592,750	\$ 24,525,374	\$ 24,316,603	\$ 24,111,365	\$ 23,555,913	\$ 22,757,715
16,574,703	15,448,467	15,807,905	14,175,520	14,384,333	13,937,320
(11,053,526)	(12,722,708)	(10,417,010)	(8,957,457)	(9,344,065)	(6,499,358)
<u>\$ 30,113,927</u>	<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>

**STATE OF OHIO**  
**CHANGES IN NET POSITION**  
**FOR THE LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
*(dollars in thousands)*

	2023	2022	2021
<b>EXPENSES:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
Primary, Secondary and Other Education.....	\$ 17,000,395	\$ 16,400,029	\$ 14,679,666
Higher Education Support.....	2,802,275	2,788,935	3,008,618
Public Assistance and Medicaid.....	43,665,114	42,082,978	37,646,142
Health and Human Services.....	2,411,658	2,546,325	1,898,068
Justice and Public Protection.....	4,531,559	3,790,026	3,303,035
Environmental Protection and Natural Resources.....	793,528	540,237	457,657
Transportation.....	2,483,326	2,221,820	2,565,694
General Government.....	1,981,880	1,668,268	2,085,214
Community and Economic Development.....	4,956,127	4,747,009	4,003,838
Interest on Long-Term Debt (excludes interest charged as program expense).....	76,937	85,327	91,499
<b>TOTAL GOVERNMENTAL ACTIVITIES EXPENSES.....</b>	<b>80,702,799</b>	<b>76,870,954</b>	<b>69,739,431</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
Workers' Compensation.....	1,693,103	1,541,747	6,845,396
Lottery Commission.....	4,292,276	4,121,684	4,091,517
Unemployment Compensation.....	710,732	1,756,889	14,539,576
Tuition Trust Authority.....	26,374	34,934	31,902
Office of Auditor of State.....	93,965	65,508	41,946
<b>TOTAL BUSINESS-TYPE ACTIVITIES EXPENSES.....</b>	<b>6,816,450</b>	<b>7,520,762</b>	<b>25,550,337</b>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES.....</b>	<b>\$ 87,519,249</b>	<b>\$ 84,391,716</b>	<b>\$ 95,289,768</b>
<b>PROGRAM REVENUES:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
Charges for Services, Fees, Fines and Forfeitures:			
Public Assistance and Medicaid.....	\$ 3,633,909	\$ 3,650,826	\$ 3,516,188
Justice and Public Protection.....	1,219,054	1,257,009	1,197,262
General Government.....	763,835	773,768	662,303
Community and Economic Development.....	531,373	382,070	465,365
Other Activities.....	637,476	767,487	668,264
Operating Grants, Contributions and Restricted Investment Income/(Loss).....	42,606,974	43,901,582	36,859,973
Capital Grants, Contributions and Restricted Investment Income/(Loss).....	1,615,242	1,391,676	1,485,791
<b>TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES.....</b>	<b>51,007,863</b>	<b>52,124,418</b>	<b>44,855,146</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
Charges for Services, Fees, Fines and Forfeitures:			
Workers' Compensation.....	1,400,621	1,253,126	1,176,954
Lottery Commission.....	5,815,879	5,624,131	5,515,487
Unemployment Compensation.....	1,240,120	1,327,301	1,264,495
Other Activities.....	52,949	53,820	51,552
Operating Grants, Contributions and Restricted Investment Income/(Loss).....	662,859	(385,607)	16,042,228
<b>TOTAL BUSINESS-TYPE ACTIVITIES PROGRAM REVENUES.....</b>	<b>9,172,428</b>	<b>7,872,771</b>	<b>24,050,716</b>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES.....</b>	<b>\$ 60,180,291</b>	<b>\$ 59,997,189</b>	<b>\$ 68,905,862</b>

	2020	2019	2018	2017	2016	2015	2014
\$	13,500,953	\$ 13,115,806	\$ 13,244,868	\$ 13,227,781	\$ 12,728,780	\$ 12,767,328	\$ 12,287,325
	2,696,257	2,731,166	2,771,493	2,760,035	2,603,480	2,536,850	2,474,851
	32,728,623	30,187,506	30,454,468	29,873,408	29,103,304	28,265,942	25,283,157
	1,922,794	1,926,151	1,744,243	1,636,753	1,656,750	1,576,185	1,579,156
	4,213,200	4,383,344	3,670,780	3,883,836	3,587,845	3,210,965	3,385,337
	505,950	557,249	567,788	571,532	586,001	507,889	419,539
	2,661,529	2,715,640	2,598,688	2,860,338	2,602,708	2,660,362	2,706,248
	1,331,397	1,223,453	951,063	946,923	948,796	921,426	835,785
	3,498,595	3,386,936	3,458,487	3,256,655	3,353,699	3,518,678	3,448,735
	98,824	102,143	97,799	94,290	99,819	102,980	103,283
	<b>63,158,122</b>	<b>60,329,394</b>	<b>59,559,677</b>	<b>59,111,551</b>	<b>57,271,182</b>	<b>56,068,605</b>	<b>52,523,416</b>
	2,772,348	2,113,612	2,227,977	2,419,185	3,322,700	2,533,883	2,417,674
	3,209,778	3,242,547	3,022,690	2,882,887	2,866,920	2,724,306	2,310,169
	9,765,240	841,040	929,460	985,624	1,021,152	1,034,060	1,444,870
	44,813	50,778	57,115	63,711	67,385	71,801	72,215
	95,221	102,347	81,574	91,100	78,917	70,032	70,586
	<b>15,887,400</b>	<b>6,350,324</b>	<b>6,318,816</b>	<b>6,442,507</b>	<b>7,357,074</b>	<b>6,434,082</b>	<b>6,315,514</b>
\$	<b>79,045,522</b>	<b>66,679,718</b>	<b>65,878,493</b>	<b>65,554,058</b>	<b>64,628,256</b>	<b>62,502,687</b>	<b>58,838,930</b>
\$	2,887,667	\$ 2,663,006	\$ 2,680,920	\$ 1,746,969	\$ 1,946,102	\$ 1,438,860	\$ 1,506,096
	1,091,454	1,125,871	1,129,008	1,135,411	1,103,131	1,071,484	1,030,928
	438,463	500,983	460,910	532,489	557,775	480,796	548,649
	447,166	402,064	343,546	500,766	571,317	519,685	506,511
	639,319	591,294	615,324	641,013	749,346	709,606	632,883
	28,234,460	25,555,901	25,162,423	25,070,684	24,721,794	23,965,473	21,454,316
	1,509,920	1,481,791	1,424,697	1,442,906	1,430,936	1,398,463	1,523,237
	<b>35,248,449</b>	<b>32,320,910</b>	<b>31,816,828</b>	<b>31,070,238</b>	<b>31,080,401</b>	<b>29,584,367</b>	<b>27,202,620</b>
	1,257,429	1,299,895	1,172,347	1,554,566	1,451,585	1,962,587	2,093,962
	4,294,220	4,423,668	4,153,363	3,933,361	3,987,235	3,776,450	3,288,039
	1,162,361	1,154,235	1,253,015	1,311,094	1,178,304	1,228,403	1,270,232
	52,382	51,387	54,954	55,109	57,035	52,811	57,531
	9,011,299	2,303,277	1,402,895	1,959,320	1,444,535	609,269	3,398,375
	<b>15,777,691</b>	<b>9,232,462</b>	<b>8,036,574</b>	<b>8,813,450</b>	<b>8,118,694</b>	<b>7,629,520</b>	<b>10,108,139</b>
\$	<b>51,026,140</b>	<b>41,553,372</b>	<b>39,853,402</b>	<b>39,883,688</b>	<b>39,199,095</b>	<b>37,213,887</b>	<b>37,310,759</b>

(continued)

**STATE OF OHIO**  
**CHANGES IN NET POSITION**  
**FOR THE LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*  
*(dollars in thousands)*  
*(continued)*

	2023	2022	2021
<b>NET (EXPENSE) REVENUE:</b>			
Governmental Activities.....	\$ (29,694,936)	\$ (24,746,536)	\$ (24,884,285)
Business-Type Activities.....	2,355,978	352,009	(1,499,621)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE).....</b>	<b>\$ (27,338,958)</b>	<b>\$ (24,394,527)</b>	<b>\$ (26,383,906)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
<b>TAXES:</b>			
Income.....	\$ 11,355,352	\$ 11,235,422	\$ 9,852,014
Sales.....	13,762,859	13,249,466	12,338,794
Corporate and Public Utility.....	3,757,184	3,498,582	3,137,355
Cigarette.....	826,786	883,080	928,637
Other.....	1,372,015	1,203,927	1,165,968
Restricted for Transportation Purposes:			
Motor Vehicle Fuel Taxes.....	2,651,100	2,669,589	2,547,613
<b>TOTAL TAXES.....</b>	<b>33,725,296</b>	<b>32,740,066</b>	<b>29,970,381</b>
Tobacco Settlement.....	413,591	337,502	362,378
Escheat Property.....	291,051	234,764	230,265
Unrestricted Investment Income.....	262,470	(569,669)	(22,994)
Other.....	41	756	723
Gain (Loss) on Extinguishment of Debt.....	3,922	(500)	—
Transfers-Internal Activities.....	1,446,817	(85,997)	1,342,535
<b>TOTAL GOVERNMENTAL ACTIVITIES.....</b>	<b>36,143,188</b>	<b>32,656,922</b>	<b>31,883,288</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
Unrestricted Investment Income.....	20	5	7
Other.....	—	—	552
Gain on Extinguishment of Debt.....	—	25	111
Transfers-Internal Activities.....	(1,446,817)	85,997	(1,342,535)
<b>TOTAL BUSINESS-TYPE ACTIVITIES.....</b>	<b>(1,446,797)</b>	<b>86,027</b>	<b>(1,341,865)</b>
<b>TOTAL PRIMARY GOVERNMENT.....</b>	<b>\$ 34,696,391</b>	<b>\$ 32,742,949</b>	<b>\$ 30,541,423</b>
<b>CHANGE IN NET POSITION:</b>			
Governmental Activities.....	\$ 6,448,252	\$ 7,910,386	\$ 6,999,003
Business-Type Activities.....	909,181	438,036	(2,841,486)
<b>TOTAL PRIMARY GOVERNMENT .....</b>	<b>\$ 7,357,433</b>	<b>\$ 8,348,422</b>	<b>\$ 4,157,517</b>

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.

Balances have been restated for prior period adjustments, corrections, and reclassifications, when practical or material.



2020	2019	2018	2017	2016	2015	2014
\$ (27,909,673)	\$ (28,008,484)	\$ (27,742,849)	\$ (28,041,313)	\$ (26,190,781)	\$ (26,484,238)	\$ (25,320,796)
(109,709)	2,882,138	1,717,758	2,370,943	761,620	1,195,438	3,792,625
<b>\$ (28,019,382)</b>	<b>\$ (25,126,346)</b>	<b>\$ (26,025,091)</b>	<b>\$ (25,670,370)</b>	<b>\$ (25,429,161)</b>	<b>\$ (25,288,800)</b>	<b>\$ (21,528,171)</b>
\$ 8,793,396	\$ 9,532,285	\$ 8,474,637	\$ 8,021,202	\$ 7,984,708	\$ 8,906,476	\$ 8,356,216
11,000,053	10,791,460	10,358,501	10,804,340	10,548,038	10,170,995	9,386,554
2,964,107	3,072,683	2,843,017	2,754,290	2,737,316	2,687,540	2,682,274
913,712	917,278	939,953	979,973	1,008,677	808,270	813,056
1,104,710	1,074,712	1,024,397	1,019,058	1,006,342	953,339	888,059
2,593,158	1,874,409	1,891,116	1,952,512	1,798,483	1,827,134	1,782,437
<b>27,369,136</b>	<b>27,262,827</b>	<b>25,531,621</b>	<b>25,531,375</b>	<b>25,083,564</b>	<b>25,353,754</b>	<b>23,908,596</b>
324,269	343,125	352,355	350,378	341,130	284,267	362,472
194,814	147,736	158,770	159,585	161,904	220,486	192,184
210,539	235,370	24,741	2,975	70,897	36,462	1,733
67	20	17	30	1,683	275	839
—	—	—	—	—	1,276	—
1,109,508	1,141,335	1,168,236	1,031,738	1,160,878	1,082,061	955,721
<b>29,208,333</b>	<b>29,130,413</b>	<b>27,235,740</b>	<b>27,076,081</b>	<b>26,820,056</b>	<b>26,978,581</b>	<b>25,421,545</b>
21	24	15	12	8	5	3
15	38	—	—	—	—	11
—	—	—	4,085	502,586	402,562	281,938
(1,109,508)	(1,141,335)	(1,168,236)	(1,031,738)	(1,160,878)	(1,082,061)	(955,721)
<b>(1,109,472)</b>	<b>(1,141,273)</b>	<b>(1,168,221)</b>	<b>(1,027,641)</b>	<b>(658,284)</b>	<b>(679,494)</b>	<b>(673,769)</b>
<b>\$ 28,098,861</b>	<b>\$ 27,989,140</b>	<b>\$ 26,067,519</b>	<b>\$ 26,048,440</b>	<b>\$ 26,161,772</b>	<b>\$ 26,299,087</b>	<b>\$ 24,747,776</b>
\$ 1,298,660	\$ 1,121,929	\$ (507,109)	\$ (965,232)	\$ 629,275	\$ 494,343	\$ 100,749
(1,219,181)	1,740,865	549,537	1,343,302	103,336	515,944	3,118,856
<b>\$ 79,479</b>	<b>\$ 2,862,794</b>	<b>\$ 42,428</b>	<b>\$ 378,070</b>	<b>\$ 732,611</b>	<b>\$ 1,010,287</b>	<b>\$ 3,219,605</b>

**STATE OF OHIO**  
**CHANGES IN FUND BALANCES FOR GOVERNMENTAL FUNDS**  
**FOR THE LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*  
*(dollars in thousands)*

	2023	2022	2021	2020	2019
<b>REVENUES:</b>					
Income Taxes.....	\$ 11,437,657	\$ 11,204,590	\$ 9,843,394	\$ 8,777,091	\$ 9,503,674
Sales Taxes.....	13,762,859	13,249,466	12,338,794	11,000,053	10,791,460
Corporate and Public Utility Taxes.....	3,757,184	3,498,582	3,137,355	2,964,107	3,072,683
Motor Vehicle Fuel Taxes.....	2,651,100	2,669,589	2,547,613	2,593,159	1,874,409
Cigarette Taxes.....	826,786	883,080	928,637	913,712	917,278
Other Taxes.....	1,372,015	1,203,927	1,165,968	1,104,710	1,074,712
Licenses, Permits and Fees.....	5,398,475	5,208,166	4,800,553	4,302,210	4,043,779
Sales, Services and Charges.....	172,381	166,969	125,181	146,829	154,222
Federal Government.....	43,328,675	44,873,771	38,148,796	29,335,110	26,813,932
Tobacco Settlement.....	321,475	309,831	308,689	289,064	298,121
Escheat Property.....	291,051	234,764	230,265	194,814	147,736
Investment Income.....	818,136	(532,631)	65,799	423,991	485,415
Other .....	1,379,810	1,771,575	1,706,045	1,173,435	1,206,735
<b>TOTAL REVENUES.....</b>	<b>85,517,604</b>	<b>84,741,679</b>	<b>75,347,089</b>	<b>63,218,285</b>	<b>60,384,156</b>
<b>EXPENDITURES:</b>					
Current Operating:					
Primary, Secondary and					
Other Education.....	16,755,812	16,172,847	14,454,715	13,186,680	12,689,272
Higher Education Support.....	2,701,699	2,681,337	2,898,468	2,568,093	2,585,035
Public Assistance and Medicaid.....	43,590,179	42,293,202	37,835,781	32,682,274	30,105,826
Health and Human Services.....	2,283,027	2,555,958	2,420,162	1,770,136	1,689,843
Justice and Public Protection.....	4,410,093	4,240,484	4,141,065	3,866,732	3,659,939
Environmental Protection and					
Natural Resources.....	616,375	581,518	504,780	448,235	420,258
Transportation.....	3,218,155	2,846,847	2,845,423	2,708,547	2,627,115
General Government.....	1,866,936	1,888,269	2,409,469	1,211,884	1,007,616
Community and Economic					
Development.....	4,880,156	4,688,811	3,956,794	3,402,872	3,268,371
Capital Outlay.....	568,073	499,463	512,291	740,143	820,209
Debt service:					
Principal.....	1,358,590	1,349,810	1,010,970	1,381,785	1,249,145
Interest.....	802,855	747,419	744,103	1,027,375	843,917
<b>TOTAL EXPENDITURES.....</b>	<b>83,051,950</b>	<b>80,545,965</b>	<b>73,734,021</b>	<b>64,994,756</b>	<b>60,966,546</b>
<b>EXCESS (DEFICIENCY) OF</b>					
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES.....</b>	<b>2,465,654</b>	<b>4,195,714</b>	<b>1,613,068</b>	<b>(1,776,471)</b>	<b>(582,390)</b>

2018	2017	2016	2015	2014
\$ 8,463,731	\$ 8,035,064	\$ 7,996,349	\$ 8,906,259	\$ 8,411,694
10,358,501	10,804,340	10,548,038	10,170,995	9,386,554
2,843,017	2,754,290	2,737,316	2,687,540	2,682,274
1,891,116	1,952,512	1,798,483	1,827,134	1,782,437
939,953	979,973	1,008,677	808,270	813,056
1,024,397	1,019,058	1,006,342	953,339	888,059
4,004,408	3,281,235	3,498,903	3,000,470	3,058,221
152,991	149,800	145,147	115,672	107,676
26,294,572	26,258,500	26,281,700	24,533,971	22,920,755
331,911	270,680	300,051	285,916	331,129
158,770	159,585	161,904	220,486	208,508
157,172	74,314	113,375	62,431	21,356
1,194,775	1,219,676	1,392,958	1,307,559	1,126,759
<u>57,815,314</u>	<u>56,959,027</u>	<u>56,989,243</u>	<u>54,880,042</u>	<u>51,738,478</u>
12,881,773	12,836,664	12,383,787	12,385,866	11,908,976
2,627,892	2,620,509	2,467,060	2,400,039	2,335,509
30,327,824	29,666,058	28,937,506	28,632,189	25,302,660
1,643,314	1,528,658	1,560,412	1,519,151	1,586,232
3,495,950	3,444,724	3,324,692	3,195,731	3,091,789
442,004	420,190	411,046	413,028	403,119
2,518,937	2,689,150	2,841,556	2,835,705	2,647,937
898,737	827,684	875,371	782,777	794,985
3,344,971	3,156,209	3,226,354	3,431,424	3,329,205
771,797	673,399	678,594	510,109	379,698
1,196,470	1,209,865	1,199,620	1,229,971	1,177,305
806,468	796,699	802,556	729,002	732,849
<u>60,956,137</u>	<u>59,869,809</u>	<u>58,708,554</u>	<u>58,064,992</u>	<u>53,690,264</u>
<u>(3,140,823)</u>	<u>(2,910,782)</u>	<u>(1,719,311)</u>	<u>(3,184,950)</u>	<u>(1,951,786)</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)

	2023	2022	2021	2020	2019
<b>OTHER FINANCING SOURCES (USES):</b>					
Bonds, Notes and COPs Issued.....	\$ 344,015	\$ 491,090	\$ 1,282,480	\$ 1,192,590	\$ 1,001,327
Refunding Bonds and COPs Issued.....	200,335	158,455	318,995	6,372,546	—
Payment to Refunded Bond and COPs					
Escrow Agents.....	(218,319)	(199,411)	(479,744)	(6,655,367)	—
Premiums.....	60,207	132,821	344,496	821,820	156,207
Capital Leases.....	—	—	1,634	1,042	792
Leases, Subscriptions and Financed Purchases.....	45,065	24,365	—	—	—
Transfers-in.....	4,730,604	4,340,543	3,744,154	3,802,681	4,036,526
Transfers-out.....	(3,283,787)	(4,426,540)	(2,401,619)	(2,693,173)	(2,895,191)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,878,120</b>	<b>521,323</b>	<b>2,810,396</b>	<b>2,842,139</b>	<b>2,299,661</b>
<b>NET CHANGE IN FUND BALANCES.....</b>					
	<b>\$ 4,343,774</b>	<b>\$ 4,717,037</b>	<b>\$ 4,423,464</b>	<b>\$ 1,065,668</b>	<b>\$ 1,717,271</b>
Debt Service as a Percentage of Noncapital Expenditures.....	2.6%	2.6%	2.4%	3.7%	3.5%
<b>Additional Information:</b>					
Increase (Decrease) for Changes in Inventories.....	\$ (4,990)	\$ (73,887)	\$ 90,087	\$ 55,914	\$ 14,738

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.

2018	2017	2016	2015	2014
\$ 1,937,489	\$ 1,391,350	\$ 1,070,000	\$ 1,110,591	\$ 1,347,005
748,540	—	473,270	254,590	407,540
(925,161)	—	(584,504)	(382,933)	(479,249)
454,339	220,157	273,422	219,999	207,372
198	540	—	—	2,196
—	—	—	—	—
4,055,349	3,579,105	3,751,704	3,673,216	3,426,036
(2,887,113)	(2,547,367)	(2,590,826)	(2,591,155)	(2,470,315)
<u>3,383,641</u>	<u>2,643,785</u>	<u>2,393,066</u>	<u>2,284,308</u>	<u>2,440,585</u>
<u>\$ 242,818</u>	<u>\$ (266,997)</u>	<u>\$ 673,755</u>	<u>\$ (900,642)</u>	<u>\$ 488,799</u>
3.3%	3.4%	3.5%	3.4%	3.6%
\$ (16,831)	\$ (19,689)	\$ 26,495	\$ 924	\$ 14,593

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**STATE OF OHIO**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FOR THE LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*  
*(dollars in thousands)*

	2023	2022	2021	2020	2019
<b>GENERAL FUND:</b>					
Nonspendable.....	\$ 46,877	\$ 37,680	\$ 47,018	\$ 60,524	\$ 55,497
Restricted.....	1,484,188	1,410,363	1,605,009	1,410,994	1,592,716
Committed.....	892,569	863,606	837,568	764,322	728,698
Assigned.....	7,012,549	6,437,294	3,856,376	3,207,189	2,885,896
Unassigned.....	10,285,174	6,893,958	5,717,927	2,924,183	2,455,345
<b>TOTAL GENERAL FUND.....</b>	<b>19,721,357</b>	<b>15,642,901</b>	<b>12,063,898</b>	<b>8,367,212</b>	<b>7,718,152</b>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>					
Nonspendable, reported in:					
Special Revenue Funds.....	259,537	213,068	324,566	139,742	92,572
Restricted, reported in:					
Special Revenue Funds.....	3,834,096	3,579,893	3,096,738	2,715,280	2,257,872
Debt Service Funds.....	3,933,148	4,060,197	4,191,849	4,315,820	4,435,344
Capital Projects Funds.....	438,183	515,408	700,159	539,100	564,484
Committed, reported in:					
Special Revenue Funds.....	2,509,562	2,341,755	1,339,378	845,279	738,669
Assigned.....	148	155	—	—	—
Unassigned, reported in:					
Special Revenue Funds.....	(4,544)	(674)	(6,674)	—	(1,079)
Capital Projects Funds.....	—	—	—	—	(5,163)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS.....</b>	<b>10,970,130</b>	<b>10,709,802</b>	<b>9,646,016</b>	<b>8,555,221</b>	<b>8,082,699</b>
<b>TOTAL GOVERNMENTAL FUNDS.....</b>	<b>\$ 30,691,487</b>	<b>\$ 26,352,703</b>	<b>\$ 21,709,914</b>	<b>\$ 16,922,433</b>	<b>\$ 15,800,851</b>

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.

2018	2017	2016	2015	2014
\$ 52,267	\$ 43,576	\$ 45,953	\$ 49,655	\$ 69,787
1,465,460	1,370,010	1,270,315	1,153,828	1,462,971
772,528	739,749	820,878	803,551	773,730
2,539,407	2,995,792	2,653,290	2,585,575	2,366,979
667,887	239,478	863,925	411,190	1,255,489
<b>5,497,549</b>	<b>5,388,605</b>	<b>5,654,361</b>	<b>5,003,799</b>	<b>5,928,956</b>
84,330	94,241	109,665	80,141	76,987
2,277,693	2,348,843	2,326,231	2,197,584	2,460,777
4,524,129	4,634,898	4,764,200	4,869,269	4,989,278
910,048	512,771	528,827	672,113	474,897
777,030	864,815	746,685	606,055	631,086
—	—	—	—	—
(1,937)	(1,318)	(428)	(306)	(163)
—	—	—	—	—
<b>8,571,293</b>	<b>8,454,250</b>	<b>8,475,180</b>	<b>8,424,856</b>	<b>8,632,862</b>
<b>\$ 14,068,842</b>	<b>\$ 13,842,855</b>	<b>\$ 14,129,541</b>	<b>\$ 13,428,655</b>	<b>\$ 14,561,818</b>

# 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)

	2023	2022	2021	2020	2019
<b>REVENUES:</b>					
Income Taxes.....	\$ 11,437,657	\$ 11,204,590	\$ 9,843,394	\$ 8,777,052	\$ 9,503,588
Sales Taxes.....	13,762,859	13,249,466	12,338,794	11,000,053	10,791,460
Corporate and Public Utility Taxes .....	3,634,259	3,414,271	3,092,343	2,895,596	2,984,810
Motor Vehicle Fuel Tax.....	1,460,933	1,484,728	1,429,435	1,391,745	1,153,540
Cigarette Taxes .....	826,786	883,080	928,637	913,712	917,278
Other Taxes .....	921,318	806,270	794,540	756,390	722,801
Licenses, Permits and Fees .....	1,408,437	1,384,825	1,329,822	1,175,303	1,200,753
Sales, Services and Charges .....	130,094	137,033	98,976	112,172	115,337
Federal Government .....	12,459,415	11,592,484	12,272,448	10,064,078	9,404,643
Tobacco Settlement.....	42,096	1,896	252	214	386
Escheat Property .....	291,051	234,764	230,265	194,814	147,736
Investment Income .....	622,129	(570,453)	31,450	351,873	416,878
Other .....	287,555	500,382	560,049	258,146	294,125
<b>TOTAL REVENUES .....</b>	<b>47,284,589</b>	<b>44,323,336</b>	<b>42,950,405</b>	<b>37,891,148</b>	<b>37,653,335</b>
<b>EXPENDITURES:</b>					
Current Operating .....	41,172,479	38,810,884	38,782,210	36,005,625	34,554,711
Capital Outlay .....	-	-	-	-	-
<b>TOTAL EXPENDITURES .....</b>	<b>41,172,479</b>	<b>38,810,884</b>	<b>38,782,210</b>	<b>36,005,625</b>	<b>34,554,711</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES .....</b>					
	<b>6,112,110</b>	<b>5,512,452</b>	<b>4,168,195</b>	<b>1,885,523</b>	<b>3,098,624</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Bonds, Notes and COPs Issued.....	176,790	237,945	737,411	497,000	617,435
Premiums .....	23,210	57,055	188,996	115,596	89,878
Capital Leases.....	-	-	1,634	1,042	792
Leases, Subscriptions and Financed Purchases	45,065	24,365	-	-	-
Transfers-in .....	350,317	232,722	281,440	312,304	531,759
Transfers-out .....	(2,630,603)	(2,488,874)	(1,908,638)	(2,165,522)	(2,119,050)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(2,035,221)</b>	<b>(1,936,787)</b>	<b>(699,157)</b>	<b>(1,239,580)</b>	<b>(879,186)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>					
	<b>4,076,889</b>	<b>3,575,665</b>	<b>3,469,038</b>	<b>645,943</b>	<b>2,219,438</b>
<b>FUND BALANCES, JULY 1 (as restated).....</b>					
	15,642,901	12,067,376	8,600,905	7,718,152	5,497,549
Increase (Decrease) for Changes in Inventories .....	1,567	(140)	(6,045)	3,117	1,165
<b>FUND BALANCES, JUNE 30 .....</b>	<b>\$ 19,721,357</b>	<b>\$ 15,642,901</b>	<b>\$ 12,063,898</b>	<b>\$ 8,367,212</b>	<b>\$ 7,718,152</b>

**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.



	2018	2017	2016	2015	2014
\$	8,463,620	\$ 8,034,901	\$ 7,995,959	\$ 8,895,192	\$ 8,398,840
	10,358,501	10,804,340	10,547,926	10,166,332	9,380,762
	2,776,908	2,697,003	2,670,854	2,597,993	2,680,923
	1,139,218	1,175,285	1,109,241	1,114,542	1,091,123
	939,953	979,973	1,008,677	808,270	813,056
	694,845	706,841	691,250	648,099	661,870
	1,186,458	748,344	706,064	734,839	722,403
	121,708	93,120	85,579	76,208	68,918
	9,239,529	11,593,813	11,309,010	8,942,561	8,313,226
	117	449	2,953	94	38,620
	158,770	159,585	161,904	220,486	208,508
	111,458	41,986	93,014	47,438	8,662
	309,746	270,734	354,151	244,296	246,632
	<b>35,500,831</b>	<b>37,306,374</b>	<b>36,736,582</b>	<b>34,496,350</b>	<b>32,633,543</b>
	34,908,401	36,730,447	34,842,685	33,941,965	30,970,485
	-	-	-	-	734
	<b>34,908,401</b>	<b>36,730,447</b>	<b>34,842,685</b>	<b>33,941,965</b>	<b>30,971,219</b>
	<b>592,430</b>	<b>575,927</b>	<b>1,893,897</b>	<b>554,385</b>	<b>1,662,324</b>
	855,000	849,941	530,000	460,000	800,000
	93,912	71,161	56,696	48,536	28,310
	198	540	-	-	2,196
	-	-	-	-	-
	629,232	292,078	286,624	321,156	221,697
	(2,062,561)	(2,054,788)	(2,116,780)	(2,072,234)	(2,026,789)
	<b>(484,219)</b>	<b>(841,068)</b>	<b>(1,243,460)</b>	<b>(1,242,542)</b>	<b>(974,586)</b>
	<b>108,211</b>	<b>(265,141)</b>	<b>650,437</b>	<b>(688,157)</b>	<b>687,738</b>
	5,388,605	5,654,361	5,004,435	5,695,511	5,240,486
	733	(615)	(511)	(3,555)	732
\$	<b>5,497,549</b>	<b>5,388,605</b>	<b>5,654,361</b>	<b>5,003,799</b>	<b>5,928,956</b>

# 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Personal Income Tax Revenue.....	\$11,438	\$11,205	\$9,843	\$8,777	\$9,504
Personal Income(A).....	<u>\$679,232</u>	<u>\$665,374</u>	<u>\$627,231</u>	<u>\$586,784</u>	<u>\$569,727</u>
Average Effective State Income Tax Rate.....	<u>1.68%</u>	<u>1.68%</u>	<u>1.57%</u>	<u>1.50%</u>	<u>1.67%</u>
<u>SALES TAX</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
State Sales Tax Revenue.....	\$13,763	\$13,249	\$12,339	\$11,000	\$10,791

Source:

U.S. Department of Commerce, Bureau of Economic Analysis  
Ohio Office of Budget and Management

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**Note:**

(A) Data presented is as of December 31 of the given fiscal year.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$8,464	\$8,035	\$7,996	\$8,906	\$8,412
<u>\$544,828</u>	<u>\$517,918</u>	<u>\$505,950</u>	<u>\$489,695</u>	<u>\$472,846</u>
<u>1.55%</u>	<u>1.55%</u>	<u>1.58%</u>	<u>1.82%</u>	<u>1.78%</u>

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$10,359	\$10,804	\$10,548	\$10,171	\$9,387

# STATE OF OHIO

## PERSONAL INCOME BY INDUSTRY, EFFECTIVE TAX RATE, EXEMPTIONS, AND INCOME TAX RATES FOR THE LAST TEN CALENDAR YEARS

### STATE PERSONAL INCOME BY INDUSTRY

<i>(dollars in millions)</i>	2022	2021	2020	2019	2018
Services.....	\$ 194,859	\$ 181,664	\$ 167,823	\$ 168,726	\$ 162,998
Manufacturing.....	63,596	60,267	57,126	59,254	58,528
Government.....	65,878	63,228	62,376	61,287	59,721
Wholesale and Retail Trade.....	53,898	50,310	46,399	45,863	44,369
Finance, Insurance, and Real Estate.....	34,166	34,856	33,565	32,430	31,650
Construction.....	28,148	28,402	26,000	24,984	24,072
Transportation and Public Utilities.....	25,453	25,677	23,637	22,642	20,990
Other .....	213,234	220,970	210,305	171,598	167,399
Total Personal Income.....	<u>\$ 679,232</u>	<u>\$ 665,374</u>	<u>\$ 627,231</u>	<u>\$ 586,784</u>	<u>\$ 569,727</u>
Average Effective State Income Tax Rate.....	<u>1.68%</u>	<u>1.68%</u>	<u>1.57%</u>	<u>1.50%</u>	<u>1.67%</u>

### EXEMPTIONS BY CALENDAR YEAR

Exemptions	2022	2021	2020	2019	2018
Personal/Dependent Exemption:					
\$0-\$40,000.....	2,400	2,400	2,400	2,350	2,350
\$40,001-80,000.....	2,150	2,150	2,150	2,100	2,100
\$80,001 and above.....	1,900	1,900	1,900	1,850	1,850
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.

2017	2016	2015	2014	2013
\$ 157,563	\$ 149,264	\$ 147,288	\$ 142,532	\$ 137,541
55,478	54,677	54,536	52,490	50,541
58,272	57,702	56,281	54,715	53,485
43,680	42,530	42,141	40,997	39,565
30,219	27,024	26,349	28,766	27,397
23,727	20,997	19,967	18,837	17,523
19,090	19,605	17,363	15,129	15,207
156,799	146,119	142,025	136,229	131,587
<u>\$ 544,828</u>	<u>\$ 517,918</u>	<u>\$ 505,950</u>	<u>\$ 489,695</u>	<u>\$ 472,846</u>
<u>1.55%</u>	<u>1.55%</u>	<u>1.58%</u>	<u>1.82%</u>	<u>1.78%</u>

2017	2016	2015	2014	2013
2,300	2,250	2,200	2,200	1,700
2,050	2,000	1,950	1,950	1,700
1,800	1,750	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)	2022 (B)	2021	2020	2019
Tax Bracket 1.....	0.000%	0.000%	0.000%	0.000%
Tax Bracket 2.....	2.765%	2.765%	2.850%	2.850%
Tax Bracket 3.....	3.226%	3.226%	3.326%	3.326%
Tax Bracket 4.....	3.688%	3.688%	3.802%	3.802%
Tax Bracket 5.....	3.990%	3.990%	4.413%	4.413%
Tax Bracket 6.....	(E)	(E)	4.797%	4.797%
Tax Bracket 7.....			(D)	(D)
Tax Bracket 8.....				
Tax Bracket 9.....				

### TAX BRACKETS BY CALENDAR YEAR

Ohio Income Tax Brackets (A)	2022 (B)	2021	2020	2019
Tax Bracket 1.....	\$0-\$26,050	\$0- \$25,000	\$0- \$22,150	\$0- \$21,750
Tax Bracket 2.....	26,051-46,100	25,001- 44,250	22,151- 44,250	21,751- 43,450
Tax Bracket 3.....	46,100-92,150	44,250- 88,450	44,250- 88,450	43,450- 86,900
Tax Bracket 4.....	92,150-115,300	88,450-110,650	88,450-110,650	86,900-108,700
Tax Bracket 5.....	115,300 & above	110,650 & above	110,650- 221,300	108,700- 217,400
Tax Bracket 6.....	(E)	(E)	221,300 & above	217,400 & above
Tax Bracket 7.....			(D)	(D)
Tax Bracket 8.....				
Tax Bracket 9.....				

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 2022 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 six tax brackets.

2018	2017	2016	2015	2014	2013
0.000%	0.000%	0.495%	0.495%	0.528%	0.537%
1.980%	1.980%	0.990%	0.990%	1.057%	1.074%
2.476%	2.476%	1.980%	1.980%	2.113%	2.148%
2.969%	2.969%	2.476%	2.476%	2.642%	2.686%
3.465%	3.465%	2.969%	2.969%	3.169%	3.222%
3.960%	3.960%	3.465%	3.465%	3.698%	3.760%
4.597%	4.597%	3.960%	3.960%	4.226%	4.296%
4.997%	4.997%	4.597%	4.597%	4.906%	4.988%
(C)	(C)	4.997%	4.997%	5.333%	5.421%

2018	2017	2016	2015	2014	2013
\$0- \$10,850	\$0- \$10,650	\$0- \$5,250	\$0- \$5,200	\$0- \$5,200	\$0- \$5,200
10,851- 16,300	10,651- 16,000	5,250- 10,500	5,200- 10,400	5,200- 10,400	5,200- 10,400
16,300- 21,750	16,000- 21,350	10,500- 15,800	10,400- 15,650	10,400- 15,650	10,400- 15,650
21,750- 43,450	21,350- 42,650	15,800- 21,100	15,650- 20,900	15,650- 20,900	15,650- 20,900
43,450- 86,900	42,650- 85,300	21,100- 42,100	20,900- 41,700	20,900- 41,700	20,900- 41,700
86,900- 108,700	85,300- 106,650	42,100- 84,200	41,700- 83,350	41,700- 83,350	41,700- 83,350
108,700- 217,400	106,650- 213,350	84,200- 105,300	83,350- 104,250	83,350- 104,250	83,350- 104,250
217,400 & above	213,350 & above	105,300- 210,600	104,250- 208,500	104,250- 208,500	104,250- 208,500
(C)	(C)	210,600 & 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 2021 WITH COMPARATIVES FOR TAX YEAR 2012 (NINE YEARS PRIOR)

2021 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	\$385,154,315	351,116	6.11%
100,001-200,000	112,858,845	835,829	14.55%
80,001-100,000	38,418,107	429,425	7.48%
40,001-80,000	89,762,000	1,566,103	27.27%
20,001-40,000	37,252,753	1,245,457	21.69%
15,001-20,000	5,746,698	329,093	5.73%
10,001-15,000	4,407,248	351,424	6.12%
5,001-10,000	2,401,147	319,283	5.56%
5,000 & Under	746,156	315,344	5.49%
	<u>\$676,747,269</u>	<u>5,743,074</u>	<u>100.00%</u>

2012 TAX YEAR

Income Level	Federal Adjusted Gross Income (in thousands)	Ohio Tax Returns	
		Number	Percentage of Total Returns
\$200,001 & Above	\$171,513,115	172,328	3.24%
100,001-200,000	68,402,454	518,722	9.75%
80,001-100,000	32,409,407	362,980	6.82%
40,001-80,000	78,329,977	1,370,844	25.77%
20,001-40,000	37,553,397	1,279,522	24.04%
15,001-20,000	7,044,317	403,748	7.59%
10,001-15,000	5,427,027	433,910	8.15%
5,001-10,000	3,129,725	414,649	7.79%
5,000 & Under	983,507	365,058	6.85%
	<u>\$404,792,926</u>	<u>5,321,761</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)
\$4,473,375	47.62%	1.16%
2,527,076	26.90%	2.24%
734,235	7.81%	1.91%
1,427,921	15.20%	1.59%
231,846	2.47%	0.62%
338	0.00%	0.01%
329	0.00%	0.01%
356	0.00%	0.01%
227	0.00%	0.03%
<u>\$9,395,703</u>	<u>100.00%</u>	1.39%

Ohio Income Tax Liability		
Tax Receipts (in thousands)	Percentage of Total Taxes	Effective Tax Rate (A)
\$3,640,002	40.27%	2.12%
2,184,919	24.18%	3.19%
868,488	9.61%	2.68%
1,741,058	19.26%	2.22%
541,064	5.99%	1.44%
47,362	0.52%	0.67%
14,294	0.16%	0.26%
268	0.00%	0.01%
159	0.00%	0.02%
<u>\$9,037,614</u>	<u>100.00%</u>	2.23%

# 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)

	2023	2022	2021	2020
Vendors' Sales.....	\$ 11,793,236	\$ 11,250,652	\$ 10,514,664	\$ 9,365,035
Motor Vehicles and Watercraft.....	2,027,498	1,983,014	1,893,763	1,526,635
Alcoholic Beverages.....	97,644	96,791	99,804	81,022
Delinquencies and Assessments.....	71,931	82,913	42,891	45,807
Permissive Taxes:				
County Levies.....	27,801	26,507	23,806	22,437
Transit Authorities.....	8,074	7,294	5,736	4,806
Total Sales Tax Revenue.....	<u>\$ 14,026,184</u>	<u>\$ 13,447,171</u>	<u>\$ 12,580,664</u>	<u>\$ 11,045,742</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

2019	2018	2017	2016	2015	2014
\$ 9,234,581	\$ 8,865,860	\$ 9,370,739	\$ 9,128,017	\$ 8,816,637	\$ 8,132,482
1,524,842	1,461,660	1,413,448	1,363,324	1,332,239	1,224,236
67,565	61,751	58,688	55,005	50,285	46,087
60,900	64,119	65,500	90,158	60,793	62,726
21,554	20,862	21,288	20,848	19,221	17,163
4,686	4,592	4,789	4,691	4,474	4,180
<u>\$ 10,914,128</u>	<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>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

	2023	2022	2021	2020	2019
<b>Active Employers by Type</b>					
Private.....	253,128	251,816	248,256	245,040	244,247
Public (Local).....	3,805	3,807	3,805	3,802	3,796
Public (State).....	113	114	114	114	115
Self-Insured.....	1,072	1,089	1,110	1,139	1,160
Black Lung.....	19	19	20	26	26
Marine Fund.....	126	125	131	129	128
Total.....	<u>258,263</u>	<u>256,970</u>	<u>253,436</u>	<u>250,250</u>	<u>249,472</u>
<b>Premium &amp; Assessment Income</b> <i>(dollars in thousands)</i>					
Premium & Assessment Income.....	\$ 1,427,518	\$ 1,268,024	\$ 1,198,066	\$ 1,263,961	\$ 1,322,274
Provision for Uncollectibles.....	(35,755)	(22,563)	(28,471)	(15,202)	(31,775)
Total Premium & Assessment Income.....	<u>\$ 1,391,763</u>	<u>\$ 1,245,461</u>	<u>\$ 1,169,595</u>	<u>\$ 1,248,759</u>	<u>\$ 1,290,499</u>
<b>Average Published Rate</b> per \$100 of Payroll:					
Private Employers.....	\$0.51	\$0.57	\$0.67	\$0.76	\$0.95
Public Employers-Taxing Districts.....	0.58	0.59	0.69	0.77	0.85

Source:

Ohio Bureau of Workers' Compensation Year-End Statistics Report

2018	2017	2016	2015	2014
236,591	237,249	239,331	247,829	249,602
3,784	3,796	3,796	3,807	3,815
115	121	121	121	121
1,173	1,166	1,178	1,180	1,197
28	28	31	34	36
121	114	138	135	146
<u>241,812</u>	<u>242,474</u>	<u>244,595</u>	<u>253,106</u>	<u>254,917</u>

\$ 1,202,517	\$ 1,574,212	\$ 1,456,855	\$ 1,993,706	\$ 2,142,549
(39,577)	(29,662)	(17,712)	(39,532)	(56,728)
<u>\$ 1,162,940</u>	<u>\$ 1,544,550</u>	<u>\$ 1,439,143</u>	<u>\$ 1,954,174</u>	<u>\$ 2,085,821</u>

\$0.95	\$1.10	\$1.07	\$1.17	\$1.30
0.97	1.03	1.03	1.12	1.23

**STATE OF OHIO**  
**LOTTERY COMMISSION ENTERPRISE FUND**  
**TICKET SALES BY MAJOR GAME TYPE**  
**FOR THE LAST TEN FISCAL YEARS**  
*(dollars in millions)*

	2023	2022	2021	2020	2019
Online Games:					
Pick 3.....	\$ 410.9	\$ 438.2	\$ 485.9	\$ 400.6	\$ 354.0
Pick 4.....	257.5	267.7	284.0	240.5	216.9
Pick 5.....	63.8	64.5	66.1	51.2	44.5
Rolling Cash 5.....	49.6	51.2	57.0	51.7	52.1
Classic Lotto/Kicker(A).....	32.1	36.6	28.0	28.8	31.4
Raffle.....	-	-	-	-	-
Kicker(A).....	-	-	-	-	-
Mega Millions/Megaplier(A).....	210.6	99.9	152.7	102.0	192.7
EZPLAY.....	105.4	110.7	112.2	88.4	100.4
Keno.....	640.4	621.6	577.4	439.4	453.9
Power Ball/Power Play.....	202.7	151.2	120.1	85.2	143.3
EZPLAY TAP(B).....	36.3	59.6	44.8	38.9	40.8
EZPLAY Touch & Win(C)(D).....	39.1	38.4	35.2	31.4	30.4
Lucky for Life(C).....	40.3	37.6	22.2	19.5	20.4
The Lucky One(E).....	36.2	32.6	28.7	20.1	16.9
Total Online Games.....	2,124.9	2,009.8	2,014.3	1,597.7	1,697.7
Instant Games.....	2,338.8	2,287.9	1,873.8	1,873.8	1,663.0
Total Ticket Sales.....	<u>\$ 4,463.7</u>	<u>\$ 4,297.7</u>	<u>\$ 3,888.1</u>	<u>\$ 3,471.5</u>	<u>\$ 3,360.7</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) In fiscal year 2015, the EZPLAY TAP game was introduced.
- (C) In fiscal year 2016, the EZPLAY QUICKENO and Lucky for Life was introduced.
- (D) In fiscal year 2018, EZPLAY QUICKENO was rebranded to EZPLAY Touch & Win.
- (E) In fiscal year 2018, the Lucky One was introduced.

	2018	2017	2016	2015	2014
\$	340.1	\$ 340.0	\$ 343.0	\$ 338.0	\$ 339.0
	205.1	201.0	200.3	192.8	185.8
	40.8	38.1	36.4	33.3	27.9
	53.0	55.5	60.3	62.6	63.4
	34.4	30.9	35.8	31.0	54.1
	-	3.6	-	7.0	1.0
	-	-	-	4.7	6.0
	120.1	93.3	102.2	113.3	133.4
	113.2	120.2	115.2	99.8	84.8
	421.1	396.3	365.9	329.5	298.1
	148.1	129.8	193.5	105.0	122.8
	31.8	30.0	31.5	24.0	-
	19.5	16.0	0.7	-	-
	20.7	19.9	14.1	-	-
	11.6	-	-	-	-
	<u>1,559.5</u>	<u>1,474.6</u>	<u>1,498.9</u>	<u>1,341.0</u>	<u>1,316.3</u>
	1,600.6	1,527.1	1,560.7	1,551.0	1,426.8
\$	<u><u>3,160.1</u></u>	<u><u>3,001.7</u></u>	<u><u>3,059.6</u></u>	<u><u>2,892.0</u></u>	<u><u>2,743.1</u></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	Subscription Liability
2023	\$ 7,770,189	\$ 6,344,735	\$ 2,337,492	\$ 222,396	\$ 15,367	\$ -	\$ 138,659	\$ 59,249
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	-	-

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

Capital Leases	Lease Liability	Subscription Liability	Total Primary Government	Percentage of Personal Income	Per Capita
\$ -	\$ 13,803	\$ 4,388	16,906,278	2.49%	1,438
-	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



# STATE OF OHIO

## RATIOS OF GENERAL AND SPECIAL OBLIGATION BONDED DEBT OUTSTANDING FOR THE LAST TEN FISCAL YEARS

Bonded Debt (dollars in thousands)					
As of June 30,	General Obligation Bonds	Special Obligation Bonds	Total Bonded Debt	Percentage of Personal Income	Per Capita Total Bonded Debt
2023	7,770,189	2,337,492	10,107,681	1.49%	860
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

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 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

# STATE OF OHIO

## ANNUAL LIMITATION ON DEBT SERVICE EXPENDITURES (BUDGETARY BASIS) FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

	2023	2022	2021(A)	2020	2019
Debt Service Expenditures.....	\$ 1,503,566	\$ 1,435,175	\$ 1,061,721	\$ 1,414,867	\$ 1,402,757
General Revenue Fund (GRF)					
Revenues and Transfers from the Lottery Enterprise Fund.....	\$ 43,778,291	\$ 41,894,141	\$ 40,723,295	\$ 34,551,772	\$ 34,921,508
Calculation of Annual 5% Debt Service Cap.....	\$ 2,188,915	\$ 2,094,707	\$ 2,036,165	\$ 1,727,589	\$ 1,746,075
Amount Under the Debt Service Expenditure Cap.....	\$ 685,349	\$ 659,532	\$ 974,444	\$ 312,722	\$ 343,318
Ratio of Debt Service Expenditures to Total GRF Revenues and Lottery Transfers.....	3.43%	3.43%	2.61%	4.09%	4.02%

### 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,338,396	\$ 1,328,277	\$ 1,314,513	\$ 1,278,259	\$ 1,237,701
\$ 33,642,813	\$ 35,218,700	\$ 34,997,700	\$ 32,463,100	\$ 30,137,140
\$ 1,682,141	\$ 1,760,935	\$ 1,749,885	\$ 1,623,155	\$ 1,506,857
\$ 343,745	\$ 432,658	\$ 435,372	\$ 344,896	\$ 269,156
3.98%	3.77%	3.76%	3.94%	4.11%

**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
2023	\$294,322	N/A	\$294,322	\$82,400	\$216,058	\$298,458	0.99
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

**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
2023	\$132,355	N/A	\$132,355	\$98,900	\$36,514	\$135,414	0.98
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

*(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)*

**Bureau of Workers' Compensation Revenue Bonds**  
**Issuer: Ohio Building Authority**

Fiscal Year	Workers' Compensation Enterprise Fund		Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
	Gross Revenues (D)	Direct Operating Expenses Exclusive of Depreciation		Principal	Interest	Total	
2014 (E)	\$5,107,570	\$2,408,977	\$2,698,593	\$15,200	\$751	\$15,951	169.18

Source:  
Ohio Office of Budget and Management

**Note (continued):**

- (D) Gross revenues consist of operating revenues and investment income.
- (E) The final debt service payments on the Bureau of Workers' Compensation Revenue Bonds were made during fiscal year 2014.

**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.
2022	333,288	1,394	11,756	(24)	\$65,470	\$57,777	88.2%
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%

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)
7,305	4.0%	1,742	12,253
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



**STATE OF OHIO**  
**PRINCIPAL EMPLOYERS**  
**FOR CALENDAR YEARS 2022 AND 2013**

Employer	2022			2013		
	Employees	Rank	Percentage of Total State Employment	Employees	Rank	Percentage of Total State Employment
United States Government	79,824	1	1.09%	76,666	1	1.15%
Cleveland Clinic	56,986	2	0.78%	41,400	4	0.62%
Wal-Mart	55,262	3	0.76%	49,700	2	0.75%
State of Ohio	46,228	4	0.63%	48,880	3	0.73%
Amazon.com, Inc	45,000	5	0.62%			
Kroger Company	44,077	6	0.60%	39,000	5	0.59%
The Ohio State University	35,656	7	0.49%	29,900	6	0.45%
University Hospitals Health System	30,891	8	0.42%	24,000	9	0.36%
Bon Secours Mercy Health	30,510	9	0.42%			
OhioHealth	30,488	10	0.42%			
Catholic Healthcare Partners				28,900	7	0.43%
Catholic Health Initiatives/Premier Health and TriHealth				25,800	8	0.39%
JP Morgan				23,200	10	0.35%

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			
	2023	2022	2021	2020
Primary, Secondary and Other Education.....	1,082	1,056	1,011	998
Higher Education Support.....	72	64	63	66
Public Assistance and Medicaid.....	2,340	1,881	1,112	2,032
Health and Human Services.....	7,835	7,725	8,053	8,279
Justice and Public Protection.....	18,637	18,544	19,031	20,026
Environmental Protection and Natural Resources.....	2,717	2,617	2,529	2,640
Transportation.....	4,823	4,790	4,780	4,860
General Government.....	4,373	4,330	4,453	4,568
Community and Economic Development.....	1,028	864	795	854
Workers' Compensation.....	1,559	1,531	1,615	1,718
Lottery Commission.....	374	376	371	377
Unemployment Compensation.....	599	873	1,525	654
Other.....	789	806	801	811
Total.....	46,228	45,457	46,139	47,883

Source:

Ohio Department of Administrative Services  
Ohio Department of Job and Family Services

2019	2018	2017	2016	2015	2014
998	982	997	1,014	950	971
67	68	69	72	71	73
2,176	2,209	2,229	2,202	2,259	2,638
8,244	8,195	8,273	8,303	8,128	8,290
20,102	20,189	20,285	20,194	20,114	19,827
2,620	2,630	2,662	2,606	2,651	2,700
4,925	4,874	4,917	4,873	4,884	4,913
4,643	4,635	4,705	4,705	4,739	4,826
866	861	990	870	853	870
1,721	1,721	1,744	1,778	1,784	1,842
387	375	378	378	376	355
581	636	703	744	786	524
808	821	817	818	805	806
<u>48,138</u>	<u>48,196</u>	<u>48,769</u>	<u>48,557</u>	<u>48,400</u>	<u>48,635</u>

**STATE OF OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**FOR THE LAST TEN FISCAL YEARS**

Function/Program	2023	2022	2021	2020	2019
<i>Primary, Secondary and Other Education</i>					
Ohio Department of Education:					
Fall Student Enrollment (Public Schools).....	1,742,376	1,743,143	1,727,048	1,779,475	1,782,974
Public School Districts (A).....	609	609	609	610	610
Community School Districts (A).....	334	324	315	313	320
Vocational School Districts.....	49	49	49	49	49
High School Graduation Rate (by School year).....	(I)	87.3%	87.0%	87.2%	85.9%
<i>Higher Education Support</i>					
Ohio Department of Higher Education (G):					
Student Enrollment at State-Assisted Institutions.....	422,918	491,323	492,702	492,424	490,082
State-Assisted Institutions.....	37	37	37	37	37
Ohio College Opportunity Grant Recipients.....	45,464	54,353	51,823	56,482	60,756
<i>Public Assistance and Medicaid</i>					
Ohio Department of Job and Family Services:					
Individuals Receiving Cash Assistance (OWF).....	72,982	75,336	91,920	93,904	90,247
Ohio Department of Medicaid:					
Individuals with Medicaid Coverage.....	3,513,461	3,328,899	3,109,148	2,830,520	2,866,000
Individuals on Medicaid Waiver.....	7,526	7,241	7,225	6,590	5,854
Ohio Department of Aging:					
Individuals on PASSPORT Waiver (H).....	22,994	23,056	24,404	24,209	24,014
Ohio Department of Developmental Disabilities:					
Individuals on DDD Waiver.....	43,220	42,299	41,972	41,293	40,349
<i>Health and Human Services</i>					
Ohio Department of Aging:					
Clients Served-PASSPORT (F).....	32,234	24,406	27,463	32,982	28,007
Clients Served-Congregate Meals (D).....	38,289	27,001	19,034	43,422	44,263
Clients Served-Home Delivered Meals.....	46,827	43,178	64,665	50,302	40,269
Clients Served-Transportation Provided.....	15,840	14,624	12,287	14,182	20,004
Ohio Department of Health:					
Average Monthly Caseload-Women, Infants, & Children.....	169,553	158,979	168,884	186,526	195,897
Ohio Department of Mental Health & Addiction Services:					
Clients Served (Addiction Services) (E).....	(I)	128,492	123,802	137,999	127,641
Facilities' Admissions.....	2,498	2,982	3,317	4,733	5,932
Facilities' Average Daily Residence Population.....	890	975	930	1,027	1,070
Individuals Served-Community Facilities (C).....	(I)	402,905	403,918	375,219	448,391
Ohio Department of Developmental Disabilities:					
Individuals Served-Community Facilities (C).....	105,767	98,626	95,431	94,885	94,768
Facilities' Average Daily Residence Population.....	618	629	617	618	640
<i>Justice and Public Protection</i>					
Ohio Department of Public Safety:					
Crashes Investigated.....	54,670	57,660	58,092	57,710	63,773
Total Arrests.....	396,103	406,156	457,378	420,955	570,520
Ohio Department of Rehabilitation and Correction:					
Inmate Population.....	44,376	43,511	43,046	46,657	49,031
<i>Environmental Protection and Natural Resources</i>					
Ohio Department of Natural Resources:					
Licenses and Registrations (B).....	2,205,909	2,125,454	2,255,360	2,308,423	2,232,201

2018	2017	2016	2015	2014
1,791,218	1,790,089	1,784,397	1,799,107	1,845,441
610	610	611	612	612
340	362	372	382	393
49	49	49	49	49
85.3%	84.1%	83.5%	83.0%	82.2%
490,243	491,402	492,555	498,276	510,794
37	37	37	37	37
69,454	68,495	76,171	80,344	86,435
101,602	103,900	108,262	114,913	124,033
3,007,745	3,083,568	3,024,213	2,960,279	2,509,360
5,819	5,503	5,630	6,896	10,715
25,083	23,111	23,106	21,492	38,771
39,627	38,487	36,627	35,119	34,411
28,215	28,048	28,064	27,513	43,593
45,085	45,435	46,473	47,225	47,384
39,546	38,781	38,130	37,441	35,298
18,968	19,691	20,818	20,058	20,095
212,420	224,816	237,987	246,142	252,253
139,464	154,870	112,777	97,673	94,685
5,948	6,542	6,933	7,282	7,761
1,068	1,050	1,028	1,027	1,021
535,022	415,639	417,963	—	—
92,980	93,892	94,056	514,579	546,041
661	701	806	926	942
66,485	65,726	66,027	68,967	70,170
634,084	578,579	642,268	606,888	603,094
49,379	50,174	51,001	50,407	50,420
2,299,572	2,308,438	2,346,769	2,345,788	2,426,968

(continued)

**STATE OF OHIO**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**FOR THE LAST TEN FISCAL YEARS**  
*(continued)*

Function/Program	2023	2022	2021	2020	2019
<i>Transportation</i>					
Ohio Department of Transportation:					
Pavement Resurfacing (in miles):					
Two-Lane.....	3,227	2,194	2,223	2,478	2,854
Four-Lane.....	1,332	1,135	1,003	942	625
Interstate.....	812	1,024	913	1,164	1,014
<i>Workers' Compensation</i>					
Ohio Bureau of Workers' Compensation:					
Claims Filed.....	78,215	80,681	75,834	81,863	96,604
Open Claims.....	529,926	555,931	579,101	609,965	646,379
<i>Lottery</i>					
Ohio Lottery Commission:					
Prize Awards Paid (in billions).....	\$ 2.89	\$ 2.79	\$ 2.84	\$ 2.26	\$ 2.14
Bonuses and Commissions Paid (in millions).....	\$ 292.7	\$ 282.1	\$ 296.3	\$ 233.6	\$ 223.4
Transfers to					
Lottery Profits Education Fund (in millions).....	\$ 1,022.0	\$ 968.9	\$ 958.6	\$ 846.3	\$ 810.1
<i>Unemployment Compensation</i>					
Ohio Department of Job and Family Services:					
Initial Claims.....	525,751	537,511	1,862,245	1,641,914	354,259
Continuing Claims.....	2,113,054	2,307,420	9,632,997	9,738,755	2,715,458

Source:

Various state agencies, as noted above.

**Note:**

- (A) The number of school districts include only those with enrollment.
- (B) Data includes hunting licenses, fishing licenses, permits, and boating licenses.
- (C) 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.
- (D) Department of Aging began using a new reporting system in fiscal year 2012, resulting in lower count for Congregate Meals served.
- (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 2015, a number of clients transferred from the PASSPORT program to the MyCare Ohio program.
- (G) In fiscal year 2016, the Ohio Board of Regents was renamed the Ohio Department of Higher Education.
- (H) Average total.
- (I) Data for the year indicated was not readily available.



2018	2017	2016	2015	2014
3,103	4,029	3,347	2,843	2,362
1,236	1,112	1,018	1,048	892
980	1,145	1,147	680	1,024
97,185	97,931	99,082	104,997	108,549
672,188	704,756	752,312	791,638	858,773
\$ 2.00	\$ 1.91	\$ 1.93	\$ 1.88	\$ 1.70
\$ 206.1	\$ 185.7	\$ 188.6	\$ 179.2	\$ 169.9
\$ 794.7	\$ 739.4	\$ 784.1	\$ 990.0	\$ 904.3
384,578	414,766	440,484	472,813	548,361
3,009,916	3,250,737	3,400,000	3,647,400	4,492,364

**STATE OF OHIO**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**FOR THE LAST TEN FISCAL YEARS**

Function/Program	2023	2022	2021	2020	2019
<i>Primary, Secondary and Other Education</i>					
Historical Sites Owned by the State.....	33	38	38	38	38
Historical Sites Jointly Owned by the State and the Ohio Historical Society.....	12	8	8	8	9
<i>Health and Human Services</i>					
Developmental Disabilities Institutions.....	8	8	8	8	8
Mental Health Institutions.....	6	6	6	6	6
<i>Justice and Public Protection</i>					
Rehabilitation and Correction Institutions.....	28	25	25	25	25
Youth Services Institutions.....	3	3	3	3	3
State Highway Patrol Structures.....	91	82	77	77	75
Number of Readiness Centers.....	49	49	49	57	48
<i>Environmental Protection and Natural Resources</i>					
Number of State Parks.....	75	75	75	75	75
Area of State Parks, Natural & Wildlife Lands (in acres).....	399,914	398,910	381,927	351,581	345,539
Area of State Forest Lands (in acres).....	203,469	203,398	202,114	201,695	200,690
<i>Transportation</i>					
Buildings.....	897	875	857	838	836
Number of Rest Stops.....	83	83	83	84	85
Licensed Vehicles.....	5,322	5,269	5,129	5,308	5,107
Infrastructure Assets(A):					
Pavement (in lane-miles):					
Priority Subsystem.....	13,827	13,827	13,829	13,803	13,724
General Subsystem.....	29,606	29,605	29,604	29,619	29,637
Bridges:					
Number of Bridges.....	14,232	14,185	14,265	14,352	14,344
Deck Area (in thousand square feet).....	112,292	108,644	109,007	108,401	108,195
<i>General Government</i>					
State Office Buildings (B).....	8	8	9	9	9
<i>Community and Economic Development</i>					
Permanent Agricultural Easement Land (in acres).....	104,715	101,630	95,916	83,549	75,996

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) 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.

2018	2017	2016	2015	2014
38	33	32	33	34
9	12	12	11	9
10	10	10	10	10
6	6	6	6	6
25	25	25	25	25
3	3	3	3	3
75	75	75	75	76
48	48	48	49	48
74	74	74	74	74
342,795	333,727	333,525	333,196	332,903
200,183	200,185	199,344	204,247	204,054
805	819	809	818	828
88	89	91	96	96
4,987	4,265	4,247	4,029	4,428
13,849	13,720	13,748	13,737	13,650
29,487	29,473	29,470	29,461	29,512
14,305	14,276	14,266	14,229	14,236
107,372	107,489	106,580	106,206	106,474
10	5	5	5	5
71,420	65,860	62,942	56,761	54,214



*Tyler Davidson Fountain*



# Office of Budget and Management

Mike DeWine, Governor  
Jon Husted, Lt. Governor

Kim Murnieks, Director

