

# ROBERT SPRAGUE

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OHIO TREASURER

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September 28, 2022

**TO:** Mike DeWine, Governor  
Ohio General Assembly

**FROM:** Robert Cole Sprague, Ohio Treasurer

**TREASURER OF STATE LEASE-REVENUE OBLIGATIONS**  
(Chapters 154 & 152 of the Ohio Revised Code)

**ANNUAL REPORT**

**AND**

**ACCOUNTANTS' REPORT**

**FISCAL YEAR 2022**  
(July 1, 2021 --- June 30, 2022)

**MENTAL HEALTH CAPITAL FACILITIES**  
**PARKS & RECREATION CAPITAL FACILITIES**  
**CULTURAL & SPORTS CAPITAL FACILITIES**  
**STATE CORRECTIONAL CAPITAL FACILITIES**  
**ADMINISTRATIVE CAPITAL FACILITIES**  
**JUVENILE CORRECTIONAL CAPITAL FACILITIES**  
**HIGHWAY SAFETY CAPITAL FACILITIES**  
**AND**  
**TRANSPORTATION CAPITAL FACILITIES**

**LEASE - REVENUE OBLIGATIONS  
ANNUAL REPORT  
For the period July 1, 2021 through June 30, 2022**

The Treasurer of State (“Treasurer”) makes this annual report for the Fiscal Year (“FY”) as of and for the period ended June 30, 2022 in accordance with Section 154.05(B) of the Ohio Revised Code (“Revised Code”) and its lease-revenue bond proceedings.

Chapter 154 of the Revised Code was enacted pursuant to the power granted to the General Assembly by the Ohio Constitution, and, in particular Section 2i of Article VIII, which authorizes the issuance of revenue obligations and other obligations for stated purposes, the owners and holders of which are not given the right to have excises or taxes levied by the General Assembly for payment of principal or interest. The Revised Code originally authorized the Ohio Public Facilities Commission (“Commission”) to issue obligations of the State to pay costs of capital facilities for (a) mental hygiene and retardation, (b) state supported and state assisted institutions of higher education, (c) parks and recreation, and (d) housing branches and agencies of state government (for which no specific authorization to issue obligations was ever granted and which was repealed in FY 2001). Amended Substitute House Bill 640 of the 123<sup>rd</sup> General Assembly, effective September 14, 2000, reassigned to the Treasurer the issuing authority (generally referred to herein as “Issuing Authority”) and functions and responsibilities of the Commission with respect to these special obligation (lease-revenue) bonds, including previously issued obligations.

Pursuant to House Bill 16 of the 126<sup>th</sup> General Assembly, effective July 1, 2005, all matters relating to the issuance of obligations for financing cultural and sports facilities, including all arts and sports obligations previously issued by the Ohio Building Authority, under Ohio Revised Code Chapter 152, were transferred to the Treasurer as Issuing Authority. The legislation transferred thirteen bond issuances with combined outstanding principal as of that date in the amount of \$184,150,000. Subsequent to July 1, 2005, all new issuances of cultural and sports facilities bonds are governed by Chapter 154 of the Ohio Revised Code, and the provisions thereof, as described above.

Pursuant to Amended Substitute House Bill 153 of the 129<sup>th</sup> General Assembly, effective January 1, 2012, all matters relating to the issuance of obligations for financing of capital facilities for housing branches and agencies of State government, which were previously issued by the Ohio Building Authority under Ohio Revised Code Chapter 152, were transferred to the Treasurer as Issuing Authority. The legislation transferred forty-one bond issuances with combined outstanding principal as of that date in the amount of \$1,514,920,000. Subsequent to January 1, 2012, all new issuances of bonds for facilities housing branches and agencies of State government are governed by Chapter 154 of the Ohio Revised Code, and the provisions thereof, as described above.

Pursuant to House Bill 497 of the 130<sup>th</sup> General Assembly, effective July 1, 2014, the Treasurer is authorized to issue and sell obligations for financing of transportation facilities. This authorization is in addition to the original issuance of obligations authorized by prior acts of the General Assembly. All new issuances of transportation facilities bonds are governed by Chapter 154 and section 307.021 of the Ohio Revised Code, and the provisions thereof, as described above.

The Treasurer may issue obligations only as authorized by the General Assembly, which has authorized lease-revenue obligations (“Obligations”) for capital facilities projects in aggregate principal amounts of up to \$2,000,000,000 for mental health facilities, \$1,303,400,000 for parks and recreation facilities, \$790,000,000 for cultural and sports facilities, \$2,737,000,000 for adult correctional facilities, \$430,000,000 for juvenile correctional facilities, \$2,169,700,000 for administrative facilities, \$140,285,000 for highway safety facilities, and \$385,000,000 for transportation facilities. Within these authorizations, the Treasurer issued the following Obligations during FY 2022:

<b>Bond Program &amp; Series No.</b>	<b>Amount</b>	<b>Dated Date</b>	<b>Final Maturity Date</b>
Cultural & Sports Facilities – 2021A <sup>1</sup>	\$ 56,785,000	08/31/2021	04/01/2032
Administrative Facilities – 2022A <sup>2</sup>	\$ 10,420,000	01/05/2022	04/01/2031
Parks & Recreation Facilities – 2022A <sup>1</sup>	\$ 75,000,000	01/05/2022	12/01/2031
Parks & Recreation Facilities – 2022B <sup>1</sup>	\$ 75,000,000	01/05/2022	12/01/2041

The principal and interest requirements related to the Obligations sold and delivered in FY 2022 are set forth in the attached Schedules 1 through 4. The Obligations issued in FY 2022 were sold at either public or private sale pursuant to Section 154.08 of the Ohio Revised Code. No bond anticipation notes were issued.

As of June 30, 2022, the Obligations that the Treasurer is authorized to issue were rated as follows:

	<b>Fitch<sup>3</sup></b>	<b>Moody’s</b>	<b>Standard &amp; Poor’s</b>
Mental Health Facilities	AA	Aa2	AA
Parks & Recreation Facilities	AA	Aa2	AA
Cultural & Sports Facilities	AA	Aa2	AA
Administrative Facilities	AA	Aa2	AA
Adult Correctional Facilities	AA	Aa2	AA
Juvenile Correctional Facilities	AA	Aa2	AA
Highway Safety Facilities <sup>4</sup>	-	-	-
Transportation Facilities	AA	Aa2	AA

<sup>1</sup> New money issuance.

<sup>2</sup> Refunding issuance.

<sup>3</sup> Fitch Ratings upgraded the lease-revenue obligations to AA+ on September 8, 2022.

<sup>4</sup> Highway Safety Facilities Bonds are no longer outstanding as of June 30, 2021.

As contemplated by the Revised Code, the financing arrangements for the eight categories of capital facilities -- mental health facilities, parks and recreation facilities, cultural and sports facilities, administrative facilities, adult correctional facilities, juvenile correctional facilities, highway safety facilities, and transportation facilities -- involve separate proceedings and separate leasing arrangements between the Commission (its only remaining responsibility with regard to the Obligations) and, respectively, the Ohio Department of Mental Health and Addiction Services, the Ohio Department of Developmental Disabilities, the Ohio Department of Natural Resources, the Ohio Facilities Construction Commission, the Ohio Department of Administrative Services, the Ohio Department of Rehabilitation and Correction, the Ohio Department of Youth Services, Department of Public Safety and the Ohio Department of Transportation (collectively, the “Using Agencies”), under which the Commission undertakes to finance capital facilities designated by or pursuant to acts of the General Assembly. In turn, the Using Agencies assume the management of those facilities intended for the particular agency’s use. Each Using Agency agrees, in accordance with the applicable lease and the supplements to it entered into in connection with each bond or note issuance, to pay rent in amounts sufficient to pay principal of and interest on the Obligations issued, to establish and maintain any applicable required reserve, and to pay incidental expenditures, such as bond issuance costs.

As provided in each lease, the agreement of the Using Agency to pay rent during any period for which appropriations may lawfully be made by the General Assembly is effective and binding only when and to the extent that funds have been appropriated and are available for that purpose and that period. Bondholders have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any call premium.

Trust agreements provide for additional security for the Obligations, each in form and content appropriate to the type of financing. The trustee for the parks and recreation and transportation facilities Obligations is US Bank (successor to National City Bank). The trustee for the mental health and administrative facilities Obligations is Huntington National Bank. The trustee for the cultural and sports, adult correctional, juvenile correctional, and highway safety facilities Obligations is Bank of New York Mellon.

For the biennium ending June 30, 2023, the General Assembly, by acts passed prior to July 1, 2022, appropriated the following amounts for rental payments under the lease agreements relating to the respective categories of Obligations:

Appropriation to:	Biennial Amount <sup>1</sup>	FY 2022	FY 2023
Dept. of Mental Health & Addiction Services	\$ 54,000,000	\$ 27,000,000	\$ 27,000,000
Dept. of Developmental Disabilities	54,000,000	27,000,000	27,000,000
Dept. of Natural Resources	140,500,000	64,000,000	76,500,000
Facilities Construction Commission	50,000,000	22,000,000	28,000,000
Dept. of Administrative Services	173,000,000	88,000,000	85,000,000
Dept. of Rehabilitation and Correction	170,000,000	85,000,000	85,000,000
Dept. of Youth Services	35,150,000	16,250,000	18,900,000
Dept. of Transportation	<u>36,861,728</u>	<u>16,562,000</u>	<u>20,299,728</u>
<b>Total Appropriation</b>	<b><u>\$ 713,511,728</u></b>	<b><u>\$ 345,812,000</u></b>	<b><u>\$ 367,699,728</u></b>

<sup>1</sup> Appropriations listed are in accordance with Amended Substitute House Bill 110 and Amended Substitute House Bill 74 as passed by the 134th General Assembly.

These appropriations have been, and in the Office of Budget and Management’s judgment will be, sufficient to pay amounts needed during the current biennium for bond service charges and expenditures payable from the respective administrative service funds.

The following table sets forth certain information with respect to the Obligations as required by Section 154.05 of the Revised Code.

**OBLIGATIONS AUTHORIZED -- ISSUED  
(AS OF JUNE 30, 2022)**

	<b>Mental Health Facilities</b>	<b>Parks &amp; Recreation Facilities</b>	<b>Cultural &amp; Sports Facilities</b>	<b>Administrative Facilities</b>
Authorized by General Assembly	\$2,000,000,000	\$1,303,400,000	\$790,000,000	\$2,169,700,000
Issued in Prior Fiscal Years (a)	\$1,817,085,000	\$939,000,000	\$683,690,000	\$2,069,900,000
Issued in FY2022 (b)	-	\$150,000,000	\$56,785,000	-
Authorized by General Assembly but not yet issued	\$182,915,000	\$214,400,000	\$49,525,000	\$99,800,000
Interest Paid FY2022	\$13,104,008	\$23,446,742	\$8,456,934	\$21,822,813
Principal Paid FY2022	\$41,585,000	\$23,730,000	\$19,075,000	\$61,745,000
Outstanding Principal (c)	\$266,920,000	\$595,785,000	\$177,940,000	\$516,565,000

	<b>Adult Correctional Facilities</b>	<b>Juvenile Correctional Facilities</b>	<b>Highway Safety Facilities</b>	<b>Transportation Facilities</b>
Authorized by General Assembly	\$2,737,000,000	\$430,000,000	\$140,285,000	\$385,000,000
Issued in Prior Fiscal Years (a)	\$2,346,500,000	\$400,000,000	\$140,285,000	\$326,590,000
Issued in FY2022 (b)	-	-	-	-
Authorized by General Assembly but not yet issued	\$390,500,000	\$30,000,000	-	\$58,410,000
Interest Paid FY2022	\$18,910,492	\$4,883,516	-	\$6,607,000
Principal Paid FY2022	\$50,860,000	\$14,140,000	-	\$9,915,000
Outstanding Principal (c)	\$553,660,000	\$93,965,000	-	\$122,225,000

- (a) Includes Obligations refunded; excludes refunding Obligations. Includes portions of Bond Anticipation Notes retired from rental payments.
- (b) Excludes refunding Obligations.
- (c) Includes refunding Obligations; excludes Obligations refunded.

The primary sources of moneys for payment of principal of and interest on outstanding Obligations in FY 2022, as in prior years, were funds appropriated by the General Assembly for that purpose. Original issue premium and accrued interest paid by original purchasers of bonds were applied to either bond service charges or the applicable improvement funds.

The amounts credited, in accordance with the leases and supplements, to the mental health, parks and recreation, cultural and sports, administrative building, adult correctional, juvenile

correctional, highway safety, and transportation facilities bond service funds, and to the administrative service funds (to pay expenditures, including issuing costs), during FY 2022, and the balances in those funds on June 30, 2022, are shown in the financial statements that follow. Except for moneys held for Obligations not yet presented for payment, amounts in those bond service funds are not restricted to payments of bond service charges on particular issues of Obligations. Amounts held in escrow for Obligations refunded are restricted to payment of debt service and any redemption premium on those refunded Obligations.

The amounts, and the dates by which funds must be made available, to make payment during FY 2023 of principal of and interest on the Obligations outstanding on June 30, 2022 (which excludes refunded Obligations) are as follows:

### FY 2023 Debt Service Payments

	<b>Mental Health Facilities</b>	<b>Parks &amp; Recreation Facilities<sup>1</sup></b>	<b>Cultural &amp; Sports Facilities</b>	<b>Administrative Facilities</b>
<b>Payment Dates</b>				
August 1, 2022	\$ 5,245,125.00	\$ 4,665,000.00	\$ -	\$ -
October 1, 2022	-	-	11,322,950.00	59,279,492.27
December 1, 2022	1,417,375.00	35,947,924.66	-	-
February 1, 2023	36,275,125.00	9,761,500.00	-	-
April 1, 2023	-	-	17,339,950.00	21,532,968.82
June 1, 2023	<u>11,757,375.00</u>	<u>10,701,575.34</u>	<u>-</u>	<u>-</u>
<b>Fiscal Year Total</b>	<b><u>\$ 54,695,000.00</u></b>	<b><u>\$ 61,076,000.00</u></b>	<b><u>\$ 28,662,900.00</u></b>	<b><u>\$ 80,812,461.09</u></b>

	<b>Adult Correctional Facilities<sup>2</sup></b>	<b>Juvenile Correctional Facilities</b>	<b>Transportation Facilities</b>
<b>Payment Dates</b>			
August 1, 2022	\$ -	\$ -	\$ -
October 1, 2022	59,080,344.95	8,666,537.50	3,055,625.00
December 1, 2022	-	-	-
February 1, 2023	-	-	-
April 1, 2023	14,297,780.74	6,579,312.50	13,470,625.00
June 1, 2023	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fiscal Year Total</b>	<b><u>\$ 73,378,125.69</u></b>	<b><u>\$ 15,245,850.00</u></b>	<b><u>\$ 16,526,250.00</u></b>

<sup>1</sup> These figures include estimated amounts of interest payable for Series 2020B and 2022B.

<sup>2</sup> These figures include estimated amounts of interest payable for Series 2016B, 2016C, 2019C, and 2021B.

The anticipated sources of payment of amounts for outstanding Obligations and for additional mental health, parks and recreation, cultural and sports, administrative building, adult correctional, juvenile correctional, and transportation facilities Obligations that may be issued during FY 2023 will be, pursuant to the respective leases and supplements, moneys available for the purpose in the respective bond service accounts and the moneys appropriated by the 134<sup>th</sup> General Assembly for the fiscal biennium ending June 30, 2023. These respective amounts have been and will be sufficient to pay during the biennium all principal and interest requirements on the Obligations outstanding as of June 30, 2022, principal and interest on additional Obligations that are projected to be issued in the biennium, and related applicable administrative and issuance expenditures.

# SCHEDULE 1

\$56,785,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2021A  
(Cultural and Sports Facilities Building Fund Projects)

Dated: 08/31/2021

Date	Principal	Interest	Debt Service
04/01/2022	4,060,000.00	1,611,659.03	5,671,659.03
10/01/2022	-	1,273,375.00	1,273,375.00
04/01/2023	4,260,000.00	1,273,375.00	5,533,375.00
10/01/2023	-	1,166,875.00	1,166,875.00
04/01/2024	4,475,000.00	1,166,875.00	5,641,875.00
10/01/2024	-	1,099,750.00	1,099,750.00
04/01/2025	4,605,000.00	1,099,750.00	5,704,750.00
10/01/2025	-	984,625.00	984,625.00
04/01/2026	4,835,000.00	984,625.00	5,819,625.00
10/01/2026	-	863,750.00	863,750.00
04/01/2027	5,080,000.00	863,750.00	5,943,750.00
10/01/2027	-	736,750.00	736,750.00
04/01/2028	5,335,000.00	736,750.00	6,071,750.00
10/01/2028	-	603,375.00	603,375.00
04/01/2029	5,600,000.00	603,375.00	6,203,375.00
10/01/2029	-	463,375.00	463,375.00
04/01/2030	5,880,000.00	463,375.00	6,343,375.00
10/01/2030	-	316,375.00	316,375.00
04/01/2031	6,175,000.00	316,375.00	6,491,375.00
10/01/2031	-	162,000.00	162,000.00
04/01/2032	6,480,000.00	162,000.00	6,642,000.00
<b>Total:</b>	<b>\$56,785,000.00</b>	<b>\$16,952,159.03</b>	<b>\$73,737,159.03</b>

Average Life (years)	6.052
Average Coupon	4.932652%

Net Interest Cost (NIC)	1.025447%
True Interest Cost (TIC)	0.881568%
Bond Yield for Arbitrage Purposes	0.820150%
All Inclusive Cost (AIC)	0.936621%

Issuer's Counsel: Dinsmore & Shohl LLP  
Bond Counsel: Shumaker Loop & Kendrick LLP  
Underwriter's Counsel: Ice Miller LLP  
Financial Advisor: Acacia Financial Group

## SCHEDULE 2

\$10,420,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2022A  
(Administrative Building Fund Projects)

Dated: 01/05/2022

Date	Principal	Interest	Debt Service
04/01/2022	-	100,999.24	100,999.24
10/01/2022	-	211,393.75	211,393.75
04/01/2023	-	211,393.75	211,393.75
10/01/2023	-	211,393.75	211,393.75
04/01/2024	-	211,393.75	211,393.75
10/01/2024	-	211,393.75	211,393.75
04/01/2025	1,505,000.00	211,393.75	1,716,393.75
10/01/2025	-	173,768.75	173,768.75
04/01/2026	1,585,000.00	173,768.75	1,758,768.75
10/01/2026	-	134,143.75	134,143.75
04/01/2027	1,660,000.00	134,143.75	1,794,143.75
10/01/2027	-	92,643.75	92,643.75
04/01/2028	-	92,643.75	92,643.75
10/01/2028	-	92,643.75	92,643.75
04/01/2029	1,845,000.00	92,643.75	1,937,643.75
10/01/2029	-	76,500.00	76,500.00
04/01/2030	1,875,000.00	76,500.00	1,951,500.00
10/01/2030	-	39,000.00	39,000.00
04/01/2031	1,950,000.00	39,000.00	1,989,000.00
<b>Total:</b>	<b>\$10,420,000.00</b>	<b>\$2,586,761.74</b>	<b>\$13,006,761.74</b>

Average Life (years)	6.44
Average Coupon	3.854555%

Net Interest Cost (NIC)	1.153972%
True Interest Cost (TIC)	1.049171%
Bond Yield for Arbitrage Purposes	0.968556%
All Inclusive Cost (AIC)	1.170601%

Issuer's Counsel: Dinsmore & Shohl LLP  
 Bond Counsel: Frost Brown Todd LLC  
 Underwriter's Counsel: McDonald Hopkins LLC  
 Financial Advisor: PFM Financial Advisors LLC



### SCHEDULE 3

\$75,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2022A  
(Parks & Recreation Improvement Fund Projects)

Dated: 01/05/2022

Date	Principal	Interest	Debt Service
06/01/2022	-	1,520,833.33	1,520,833.33
12/01/2022	5,930,000.00	1,875,000.00	7,805,000.00
06/01/2023	-	1,726,750.00	1,726,750.00
12/01/2023	6,230,000.00	1,726,750.00	7,956,750.00
06/01/2024	-	1,571,000.00	1,571,000.00
12/01/2024	6,550,000.00	1,571,000.00	8,121,000.00
06/01/2025	-	1,407,250.00	1,407,250.00
12/01/2025	6,890,000.00	1,407,250.00	8,297,250.00
06/01/2026	-	1,235,000.00	1,235,000.00
12/01/2026	7,240,000.00	1,235,000.00	8,475,000.00
06/01/2027	-	1,054,000.00	1,054,000.00
12/01/2027	7,610,000.00	1,054,000.00	8,664,000.00
06/01/2028	-	863,750.00	863,750.00
12/01/2028	8,000,000.00	863,750.00	8,863,750.00
06/01/2029	-	663,750.00	663,750.00
12/01/2029	8,410,000.00	663,750.00	9,073,750.00
06/01/2030	-	453,500.00	453,500.00
12/01/2030	8,845,000.00	453,500.00	9,298,500.00
06/01/2031	-	232,375.00	232,375.00
12/01/2031	9,295,000.00	232,375.00	9,527,375.00
<b>Total:</b>	<b>\$75,000,000.00</b>	<b>\$21,810,583.33</b>	<b>\$96,810,583.33</b>

Average Life (years)	5.816
Average Coupon	5.000000%

Net Interest Cost (NIC)	1.185907%
True Interest Cost (TIC)	1.032728%
Bond Yield for Arbitrage Purposes	0.968556%
All Inclusive Cost (AIC)	1.080276%

Issuer's Counsel: Dinsmore & Shohl LLP  
Bond Counsel: Frost Brown Todd LLC  
Underwriter's Counsel: McDonald Hopkins LLC  
Financial Advisor: PFM Financial Advisors LLC

## SCHEDULE 4

\$75,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2022B  
(Parks & Recreation Improvement Fund Projects)

Dated: 01/05/2022

Date	Principal	Interest	Debt Service
06/01/2022	-	906,164.38	906,164.38
12/01/2022	-	1,128,082.19	1,128,082.19
06/01/2023	-	1,121,917.81	1,121,917.81
12/01/2023	-	1,128,082.19	1,128,082.19
06/01/2024	-	1,125,522.12	1,125,522.12
12/01/2024	-	1,125,000.00	1,125,000.00
06/01/2025	-	1,121,395.69	1,121,395.69
12/01/2025	-	1,128,082.19	1,128,082.19
06/01/2026	-	1,121,917.81	1,121,917.81
12/01/2026	-	1,128,082.19	1,128,082.19
06/01/2027	-	1,121,917.81	1,121,917.81
12/01/2027	-	1,128,082.19	1,128,082.19
06/01/2028	-	1,125,522.12	1,125,522.12
12/01/2028	-	1,125,000.00	1,125,000.00
06/01/2029	-	1,121,395.69	1,121,395.69
12/01/2029	-	1,128,082.19	1,128,082.19
06/01/2030	-	1,121,917.81	1,121,917.81
12/01/2030	-	1,128,082.19	1,128,082.19
06/01/2031	-	1,121,917.81	1,121,917.81
12/01/2031	-	1,128,082.19	1,128,082.19
06/01/2032	-	1,125,522.12	1,125,522.12
12/01/2032	6,530,000.00	1,125,000.00	7,655,000.00
06/01/2033	-	1,023,759.50	1,023,759.50
12/01/2033	6,730,000.00	1,029,863.84	7,759,863.84
06/01/2034	-	923,562.74	923,562.74
12/01/2034	6,930,000.00	928,637.26	7,858,637.26
06/01/2035	-	819,897.53	819,897.53
12/01/2035	7,145,000.00	824,402.47	7,969,402.47
06/01/2036	-	715,306.82	715,306.82
12/01/2036	7,360,000.00	714,975.00	8,074,975.00
06/01/2037	-	602,638.04	602,638.04
12/01/2037	7,585,000.00	606,231.37	8,191,231.37
06/01/2038	-	489,455.34	489,455.34
12/01/2038	7,815,000.00	492,144.66	8,307,144.66
06/01/2039	-	372,551.51	372,551.51
12/01/2039	8,055,000.00	374,598.49	8,429,598.49
06/01/2040	-	252,867.30	252,867.30
12/01/2040	8,300,000.00	252,750.00	8,552,750.00
06/01/2041	-	127,839.11	127,839.11
12/01/2041	8,550,000.00	128,601.37	8,678,601.37
<b>Total:</b>	<b>\$75,000,000.00</b>	<b>\$35,214,851.04</b>	<b>\$110,214,851.04</b>

Average Life (years)	15.652
Average Coupon	2.999736%

Net Interest Cost (NIC)	3.008586%
True Interest Cost (TIC)	3.010993%
Bond Yield for Arbitrage Purposes	2.999759%
All Inclusive Cost (AIC)	3.035802%

Issuer's Counsel: Dinsmore & Shohl LLP  
 Bond Counsel: Frost Brown Todd LLC  
 Underwriter's Counsel: McDonald Hopkins LLC  
 Financial Advisor: PFM Financial Advisors LLC

The Accountants' Report and Financial Statements that follow are incorporated as part of this Annual Report.

The following Accountants' Report by Rea & Associates, Inc. is provided in accordance with the respective general bond resolutions adopted with regard to the State of Ohio mental health facilities, parks and recreation facilities, cultural and sports facilities, administrative facilities, adult correctional facilities, juvenile correctional facilities, highway safety facilities, and transportation facilities Obligations.

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LEASE REVENUE OBLIGATIONS GOVERNED BY  
OHIO REVISED CODE CHAPTER 154  
(STATE OF OHIO CHAPTER 154 BONDS)

FRANKLIN COUNTY

*REGULAR AUDIT*

FOR THE YEAR ENDED JUNE 30, 2022

*This audit report is subject to review and acceptance by the Auditor of State's office, and the requirements of Ohio Revised Code § 117.25 are not met until the Auditor of State certifies this report. This process will be completed by the Auditor of State in a reasonable timeframe and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards.*



Rea & associates

[www.reacpa.com](http://www.reacpa.com)

**STATE OF OHIO**  
**LEASE REVENUE OBLIGATIONS**  
**GOVERNED BY OHIO REVISED CODE CHAPTER 154**  
**Franklin County, Ohio**  
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## INDEPENDENT AUDITOR'S REPORT

Treasurer of the State of Ohio  
30 East Broad Street  
Columbus, Ohio 43215

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Debt Service Funds (the Funds) as held in the name of the Treasurer of the State of Ohio (the Treasurer) of the Mental Health Facilities, Parks and Recreation Facilities, Cultural and Sports Facilities, Adult Correctional Facilities, Administrative Facilities, Juvenile Correctional Facilities, Highway Safety Facilities, and the Transportation Facilities lease revenue bonds governed by the Ohio Revised Code Chapter 154, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Funds' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Funds of the Treasurer of the State of Ohio, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

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

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

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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Treasurer'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 Treasurer'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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Treasurer's basic financial statements.

The supplementary information presents additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022 on our consideration of the Treasurer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Treasurer'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 Treasurer's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Gahanna, Ohio  
September 26, 2022



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**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*(Unaudited)*

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This section of the annual financial report for the Chapter 154 Lease Revenue Obligations presents management's discussion and analysis of financial performance for the fiscal year ended June 30, 2022. The management's discussion and analysis section should be read in conjunction with the Chapter 154 Lease Revenue Obligations debt service funds' financial statements, which follow. Chapter 154 refers to a chapter in the Ohio Revised Code (Ohio's statutes) titled, *Financing for Certain Capital Facilities*.

**FINANCIAL HIGHLIGHTS**

- As of June 30, 2022, total debt service fund assets exceeded liabilities and deferred inflows of resources by \$9.0 million. The total combined ending fund balance, which is restricted for debt service, increased by \$4.9 million during fiscal year 2022.
- For fiscal year 2022, lease principal payments from state agency-lessees totaled \$223.5 million, and lease interest revenue was reported at \$97.9 million.
- During fiscal year 2022, the Ohio Treasurer issued \$206.8 million in new bonds with a total premium of \$30.6 million and \$10.4 million in refunding bonds with a total premium of \$1.9 million. In addition, \$221.1 million in bond principal and \$95.7 million in bond interest were paid to bondholders.

**OVERVIEW OF THE FUND FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Chapter 154 Lease Revenue Obligations debt service funds' financial statements. The fund financial statements include a Balance Sheet, a Statement of Revenues, Expenditures and Changes in Fund Balances, and accompanying notes.

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. Governmental fund financial statements have a focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The Ohio Treasurer uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All eight of the debt service funds listed below fall under the governmental fund classification:

- Mental Health Facilities Bond Service Fund
- Parks and Recreation Facilities Bond Service Fund
- Cultural and Sports Facilities Bond Service Fund
- Adult Correctional Facilities Bond Service Fund
- Administrative Facilities Bond Service Fund
- Juvenile Correctional Facilities Bond Service Fund
- Highway Safety Facilities Bond Service Fund
- Transportation Facilities Bond Service Fund

Debt service funds, by definition, account for resources accumulated and payments made for principal and interest on long-term debt. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*(Unaudited)*

In addition, supplementary financial information follows the notes. Supplementary financial information provides additional information that is considered to be useful to certain users of the financial statements.

**FINANCIAL ANALYSIS OF THE CHAPTER 154 LEASE REVENUE OBLIGATIONS DEBT SERVICE FUNDS**

A comparative balance sheet analysis follows:

**Balance Sheet**  
**Comparative Analysis**  
*(Dollars in 000s)*

	<u>As of</u> <u>06/30/22</u>	<u>As of</u> <u>06/30/21</u>	<u>Percentage</u> <u>Change</u>
<b>ASSETS:</b>			
Cash.....	\$ 525	\$ 537	-2.2%
Receivable from State Agencies:			
Lease Principal.....	2,327,060	2,342,820	-0.7%
Lease Interest.....	22,521	20,570	9.5%
<b>TOTAL ASSETS.....</b>	<u>\$ 2,350,106</u>	<u>\$ 2,363,927</u>	<u>-0.6%</u>
<b>LIABILITIES AND DEFERRED INFLOW OF RESOURCES:</b>			
Accounts Payable.....	\$ -	\$ 185	-100.0%
Deferred Inflow of Resources-Unavailable Revenue.....	2,341,101	2,359,606	-0.8%
<b>TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES.....</b>	<u>2,341,101</u>	<u>2,359,791</u>	<u>-0.8%</u>
<b>FUND BALANCES:</b>			
Restricted for Debt Service.....	9,005	4,136	117.7%
<b>TOTAL FUND BALANCES.....</b>	<u>9,005</u>	<u>4,136</u>	<u>117.7%</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES.....</b>	<u>\$ 2,350,106</u>	<u>\$ 2,363,927</u>	<u>-0.6%</u>

The decrease in lease principal and unavailable revenue at June 30, 2022 compared to June 30, 2021 is the result of the continued payoff of outstanding bond principal exceeding the amount the Treasurer issued in new bonds during the fiscal year.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*(Unaudited)*

The tables that follow compare debt service fund revenues, expenditures, and other financing sources/(uses) reported for fiscal year 2022 with fiscal year 2021 results.

**Revenue**  
**Comparative Analysis**  
*(Dollars in 000s)*

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>	<b>Percentage Change</b>
Lease Principal from State Agencies.....	\$ 223,475	\$ 209,160	6.8%
Lease Interest from State Agencies.....	97,866	87,551	11.8%
Administrative and Other Fees.....	2,162	4,447	-51.4%
<b>TOTAL REVENUES.....</b>	<b>\$ 323,503</b>	<b>\$ 301,158</b>	<b>7.4%</b>

A significant portion of debt service fund revenues for fiscal year 2022 were comprised of lease principal and interest from state agencies. Lease interest increased for fiscal year 2022 primarily due to an increase in debt service requirements during the year. Lease principal increased for fiscal year 2022 primarily due to varying maturity schedules for the outstanding bonds. The decrease in administrative and other fees was attributable to a decrease in new bond issuances and refunding issuances in fiscal year 2022 compared to fiscal year 2021.

**Expenditures**  
**Comparative Analysis**  
*(Dollars in 000s)*

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>	<b>Percentage Change</b>
Administrative Costs.....	\$ 415	\$ 350	18.6%
Bond Issuance Costs.....	1,458	3,724	-60.8%
Debt Service:			
Principal.....	221,050	211,485	4.5%
Interest.....	95,711	88,157	8.6%
<b>TOTAL Expenditures.....</b>	<b>\$ 318,634</b>	<b>\$ 303,716</b>	<b>4.9%</b>

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*(Unaudited)*

A significant portion of total reported expenditures for fiscal year 2022 were for debt service payments principal and interest. Bond issuance costs decreased for fiscal year 2022 because of a decrease in bond principal issued in fiscal year 2022.

**Other Financing Sources/(Uses)**  
**Comparative Analysis**  
*(Dollars in 000s)*

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>	<b>Percentage Change</b>
Bond Proceeds:			
Principal.....	\$ 206,785	\$ 496,940	-58.4%
Premium.....	30,614	97,527	-68.6%
Refunding Bond Proceeds:			
Principal.....	10,420	66,760	-84.4%
Premium.....	1,870	709	163.8%
Payments to Refunding Escrow Agent.....	(12,146)	(66,871)	-81.8%
Financing Provided to			
State Agencies Under Leases.....	(237,543)	(595,065)	-60.1%
<b>TOTAL OTHER</b>			
<b>FINANCING SOURCES/(USES).....</b>	<b>\$ -</b>	<b>\$ -</b>	

The decrease in new money bond proceeds (principal and premium) and financing provided to state agencies are the result of three smaller bond issuances versus six larger bond issuances in fiscal year 2021. The decrease in refunding bond proceeds (principal and interest) and payments to refunding escrow agent are the result of refunding issuances involving one bond series versus refunding issuances involving three series of bonds during fiscal year 2021.

**BUDGETARY HIGHLIGHTS**

None of the debt service funds presented in the fund financial statements is required to have a legally adopted budget, and therefore, no budgetary comparisons have been included in this report.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2022*  
*(Unaudited)*

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**ECONOMIC FACTORS**

- Generally, interest rates affect the pricing of new bond issues. As of June 30, 2022, the Federal Reserve's Federal Open Market Committee (FOMC) has set the target for the federal funds rate at 1.50% - 1.75%.
- The balances of Chapter 154 Lease Revenue Bonds authorized, but unissued, as of June 30, 2022, were as follows (dollars in thousands):

<b><u>Bond Type</u></b>	<b><u>Authorized, but Unissued</u></b>
Mental Health Facilities	\$ 182,915
Parks and Recreation Facilities	214,400
Cultural and Sports Facilities	49,525
Adult Correctional Facilities	390,500
Administrative Facilities	99,800
Juvenile Correctional Facilities	30,000
Highway Safety Facilities	-
Transportation Facilities	<u>58,410</u>
<b>Total</b>	<b><u>\$ 1,025,550</u></b>

- House Bill 687 of the 134<sup>th</sup> General Assembly, the capital improvements budget for fiscal years 2023-2024, was passed by the legislature and signed by the Governor in June 2022, with an effective date of September 13, 2022. Certain appropriations became effective June 14, 2022. Given the state's strong fiscal position, the capital budget is structured so that \$1.5 billion can be used to pay for capital projects with cash instead of issuing state bonds. The decision to use cash will be made on a project by project basis.

**CONTACTING THE OHIO TREASURER'S FINANCIAL MANAGEMENT**

This financial report is designed to provide an overview of the financial activities of the Chapter 154 Lease Revenue Obligations. If you have questions about this report or need additional financial information, please contact the Office of Debt Management, Ohio Treasurer's Office, 30 East Broad Street, 9<sup>th</sup> Floor, Columbus, Ohio 43215.

## **FINANCIAL STATEMENTS**

State of Ohio  
Chapter 154 Lease Revenue Obligations  
Debt Service Funds  
Balance Sheet  
As of June 30, 2022  
(Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
<b>ASSETS:</b>									
Cash.....	\$ 12	\$ 128	\$ 29	\$ 247	\$ 47	\$ 36	\$ -	\$ 26	\$ 525
Receivable from State Agencies:									
Lease Principal.....	266,920	595,785	177,940	553,660	516,565	93,965	-	122,225	2,327,060
Lease Interest.....	4,558	3,324	2,172	4,604	5,276	1,085	-	1,502	22,521
<b>TOTAL ASSETS.....</b>	<b>\$ 271,490</b>	<b>\$ 599,237</b>	<b>\$ 180,141</b>	<b>\$ 558,511</b>	<b>\$ 521,888</b>	<b>\$ 95,086</b>	<b>\$ -</b>	<b>\$ 123,753</b>	<b>\$ 2,350,106</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>									
Unavailable Revenue.....	267,148	594,959	180,112	558,264	521,841	95,050	-	123,727	2,341,101
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>267,148</b>	<b>594,959</b>	<b>180,112</b>	<b>558,264</b>	<b>521,841</b>	<b>95,050</b>	<b>-</b>	<b>123,727</b>	<b>2,341,101</b>
<b>FUND BALANCES:</b>									
Restricted for Debt Service.....	4,342	4,278	29	247	47	36	-	26	9,005
<b>TOTAL FUND BALANCES.....</b>	<b>4,342</b>	<b>4,278</b>	<b>29</b>	<b>247</b>	<b>47</b>	<b>36</b>	<b>-</b>	<b>26</b>	<b>9,005</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 271,490</b>	<b>\$ 599,237</b>	<b>\$ 180,141</b>	<b>\$ 558,511</b>	<b>\$ 521,888</b>	<b>\$ 95,086</b>	<b>\$ -</b>	<b>\$ 123,753</b>	<b>\$ 2,350,106</b>



State of Ohio  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2022  
(Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
<b>REVENUES:</b>									
Lease Principal Payments from State Agencies.....	\$ 41,585	\$ 26,155	\$ 19,075	\$ 50,860	\$ 61,745	\$ 14,140	\$ -	\$ 9,915	\$ 223,475
Lease Interest from State Agencies.....	14,841	22,432	8,425	18,957	21,784	4,846	-	6,581	97,866
Administrative and Other Fees.....	41	1,005	511	254	245	66	-	40	2,162
<b>TOTAL REVENUES.....</b>	<b>56,467</b>	<b>49,592</b>	<b>28,011</b>	<b>70,071</b>	<b>83,774</b>	<b>19,052</b>	<b>-</b>	<b>16,536</b>	<b>323,503</b>
<b>EXPENDITURES:</b>									
Administrative Costs.....	28	99	27	140	55	29	23	14	415
Bond Issue Costs.....	-	872	450	-	136	-	-	-	1,458
Debt Service:									
Principal.....	41,585	23,730	19,075	50,860	61,745	14,140	-	9,915	221,050
Interest.....	13,104	21,878	8,457	18,960	21,821	4,884	-	6,607	95,711
<b>TOTAL EXPENDITURES.....</b>	<b>54,717</b>	<b>46,579</b>	<b>28,009</b>	<b>69,960</b>	<b>83,757</b>	<b>19,053</b>	<b>23</b>	<b>16,536</b>	<b>318,634</b>
<b>EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES.....</b>	<b>1,750</b>	<b>3,013</b>	<b>2</b>	<b>111</b>	<b>17</b>	<b>(1)</b>	<b>(23)</b>	<b>-</b>	<b>4,869</b>
<b>OTHER FINANCING SOURCES/(USES):</b>									
Bond Proceeds:									
Principal.....	-	150,000	56,785	-	-	-	-	-	206,785
Premium.....	-	16,948	13,666	-	-	-	-	-	30,614
Refunding Bond Proceeds:									
Principal.....	-	-	-	-	10,420	-	-	-	10,420
Premium.....	-	-	-	-	1,870	-	-	-	1,870
Payments to Refunding Escrow Agent.....	-	-	-	-	(12,146)	-	-	-	(12,146)
Financing Provided to									
State Agencies Under Leases:									
Parks and Recreation Capital Facilities.....	-	(166,948)	-	-	-	-	-	-	(166,948)
Cultural and Sports Capital Facilities.....	-	-	(70,451)	-	-	-	-	-	(70,451)
Administrative Facilities.....	-	-	-	-	(144)	-	-	-	(144)
<b>TOTAL OTHER FINANCING SOURCES/(USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,750</b>	<b>3,013</b>	<b>2</b>	<b>111</b>	<b>17</b>	<b>(1)</b>	<b>(23)</b>	<b>-</b>	<b>4,869</b>
<b>FUND BALANCE, JULY 1.....</b>	<b>2,592</b>	<b>1,265</b>	<b>27</b>	<b>136</b>	<b>30</b>	<b>37</b>	<b>23</b>	<b>26</b>	<b>4,136</b>
<b>FUND BALANCE, JUNE 30.....</b>	<b>\$ 4,342</b>	<b>\$ 4,278</b>	<b>\$ 29</b>	<b>\$ 247</b>	<b>\$ 47</b>	<b>\$ 36</b>	<b>\$ -</b>	<b>\$ 26</b>	<b>\$ 9,005</b>

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**  
*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

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**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying debt service fund financial statements for the Chapter 154 Lease Revenue Obligations have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted 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*. Significant accounting policies are as follows:

**A. Reporting Entity**

In 1969, the Ohio General Assembly enacted Chapter 154, Ohio Revised Code, pursuant to Section 2i of Article VIII of the Ohio Constitution. This constitutional provision authorizes the issuance of revenue and other obligations, the owners and holders of which are not given the right to have excises or taxes levied by the General Assembly for payment of principal or interest.

The Ohio Public Facilities Commission (Commission) was created at that time and was initially authorized to issue obligations of the State of Ohio to pay costs of capital facilities for (a) state-supported and state-assisted higher education institutions, (b) mental hygiene and retardation, and (c) parks and recreation. Under Section 154.23, Ohio Revised Code, enacted in 1980, the Commission was also authorized to issue obligations to pay costs of capital facilities for the housing of branches and agencies of state government. The General Assembly, however, never granted specific dollar authorization to the Commission to issue obligations for this additional purpose, and in 2000, Section 154.23, Ohio Revised Code, was repealed.

Effective on September 14, 2000, Amended Substitute House Bill 640 of the 123<sup>rd</sup> General Assembly reassigned the issuing authority and functions of the Commission with respect to the obligations to the Ohio Treasurer (Treasurer). The Treasurer succeeded the Commission as issuer with all responsibilities and obligations under the bond proceedings relative to the previously issued obligations. Under the authority of this legislation, the Treasurer has the authority to issue obligations only in such amounts as are previously authorized by the General Assembly, and the proceeds are to be applied only to capital improvements designated by or pursuant to action by the General Assembly. The financing arrangements for such obligations for capital improvements so designated involve separate bond proceedings and lease arrangements between the Commission (its only remaining responsibility relating to the obligations) and the respective state agencies, including the Department of Mental Health and Addiction Services and the Department of Developmental Disabilities for mental health facilities, and the Department of Natural Resources for parks and recreation facilities.

Pursuant to House Bill 16 of the 126<sup>th</sup> General Assembly which became effective on July 1, 2005, all matters relative to the issuance of obligations for the financing of Cultural and Sports Facilities, including all related obligations previously issued by the Ohio Building Authority under Chapter 152, Ohio Revised Code, were transferred to the Treasurer, including the lease agreements with the Cultural Facilities Commission. Subsequent to July 1, 2005, all new issuances of Cultural and Sports Facilities bonds were to be governed by the provisions of Chapter 154, Ohio Revised Code, as previously described above. Effective September 29, 2013, House Bill 59 of the 130<sup>th</sup> General Assembly abolished the Cultural Facilities Commission and transferred all assets and lease agreements with the Treasurer to the Ohio Facilities Construction Commission.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

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Amended Substitute House Bill 153, as enacted by the 129<sup>th</sup> General Assembly and effective January 1, 2012, provided that the Treasurer replace the Ohio Building Authority (the Authority) in all matters relating to the issuance of obligations for the financing of capital facilities for housing branches and agencies of State government. The legislation also provided that the Treasurer succeeds to all of the duties, powers, obligations and functions of the Authority relating to bonds previously issued by the Authority.

As part of the Treasurer succeeding in all matters of the Authority, the Treasurer assumed the following:

*Community College Intercept Program* –In fiscal year 2013, the Treasurer issued \$4,125 of bonds at rates from 2.0% to 4.0%, with payments due through 2033 on behalf of Rhodes State College (the College). Since the College is a proprietary component unit of the State of Ohio, its financial statements report the assets and debt financed through the Authority or Treasurer. Accordingly, the Treasurer’s Debt Service Fund financial statements do not include the College’s activity. At June 30, 2022, \$2,715 of College bonds were outstanding.

The Treasurer, a constitutional member of the State’s executive branch who is separately elected, is considered to be part of the primary government within the State of Ohio’s financial reporting entity. In addition, the Ohio Public Facilities Commission, a legally separate organization from the State, meets the definition of a component unit of the State of Ohio’s financial reporting entity, since the voting majority of its governing board is composed of state elected and appointed officials, and the Commission provides services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, benefits the State. Consequently, the debt service fund financial statements presented herein are also included in the State of Ohio’s Annual Comprehensive Financial Report and are reported as part of the State of Ohio’s primary government, as explained further in Note 4.

**B. Fund Accounting and Basis of Presentation**

The Debt Management Section of the Treasurer’s Office uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Transactions related to certain functions or activities are reported in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information about the debt service activities of the Chapter 154 Lease Revenue Obligations at a more detailed level. In governmental accounting, debt service funds are classified as governmental funds.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances.

The following debt service funds are presented in separate columns in the fund financial statements:

*Mental Health Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Mental Health Lease Revenue Bonds issued under the authority of Chapter 154, Ohio Revised Code.

*Parks and Recreation Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Parks and Recreation Facilities Lease Revenue Bonds issued under the authority of Chapter 154, Ohio Revised Code.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

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*Cultural and Sports Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Cultural and Sports Facilities Lease Revenue Bonds issued under the authority of Chapter 154, Ohio Revised Code. These bonds were previously issued by the Ohio Building Authority under Chapter 152 of the Ohio Revised Code.

*Adult Correctional Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Adult Correctional Facilities Lease Revenue Bonds authorized by Chapter 154, Ohio Revised Code. These bonds were previously issued by the Ohio Building Authority under Chapter 152 of the Ohio Revised Code.

*Administrative Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Administrative Facilities Lease Revenue Bonds authorized by Chapter 154, Ohio Revised Code. These bonds were previously issued by the Ohio Building Authority under Chapter 152 of the Ohio Revised Code.

*Juvenile Correctional Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Juvenile Correctional Facilities Lease Revenue Bonds authorized by Chapter 154, Ohio Revised Code. These bonds were previously issued by the Ohio Building Authority under Chapter 152 of the Ohio Revised Code.

*Highway Safety Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Highway Safety Facilities Lease Revenue Bonds authorized by Chapter 154, Ohio Revised Code. These bonds were previously issued by the Ohio Building Authority under Chapter 152 of the Ohio Revised Code.

*Transportation Facilities Bond Service Fund* — This fund accounts for the debt service activities of the Transportation Facilities Revenue Bonds authorized by Chapter 154, Ohio Revised Code. The transportation facilities bond program was established in House Bill 497 of the 130<sup>th</sup> General Assembly.

### **C. Measurement Focus and Basis of Accounting**

The debt service funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The debt service funds use the modified accrual basis of accounting. On a modified accrual basis, revenue, including lease interest, and other financing sources, pertaining to lease principal receipts, are recorded in the fiscal year in which the resources are measurable and become available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues and other financing sources are considered to be available when they are collectible within 60 days of the fiscal year-end.

In governmental fund financial statements, leases receivable and deferred amounts are used to account for leases. Only the portion of lease receivables that represents other financing sources that are measurable and available is recognized in the debt service funds. The remainder, or the noncurrent portion, of the receivable is deferred.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

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The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as amortization, are not recognized in the debt service funds.

Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made in the subsequent fiscal year, soon after June 30 (i.e., generally within less than one month of year-end).

**D. Budget**

None of the debt service funds presented in the fund financial statements is required to have a legally adopted budget, and therefore, no budgetary comparisons have been included in this report.

**E. Leases**

Receivables are reported for principal and interest due under lease agreements between the Ohio Public Facilities Commission and the state agencies that are required to make the payments. Lease principal and interest receivable not collectible within 60 days are reported as unavailable revenue. Additional disclosures on lease-related receivables can be found in Note 3.

**F. Fund Balance**

Fund balance restricted for debt service represents amounts that are legally segregated for debt service.

**G. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**NOTE 2 — DEPOSITS**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Treasurer will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2022 the Treasurer's deposits were held by Trustees. The bank balance of deposits was \$525. Of the bank balance, \$484 was insured or collateralized.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

**NOTE 3 — LEASES**

The primary sources of payments, as contemplated under the respective bond and note proceedings, for meeting bond interest and principal requirements and establishing and maintaining any funded "required reserve" and meeting any note interest and principal (partial) requirements, are rents paid to the Treasurer by the following from moneys appropriated for such purposes by the General Assembly:

- Ohio Department of Mental Health and Addiction Services and Ohio Department of Developmental Disabilities – Mental Health Facilities
- Ohio Department of Natural Resources – Parks and Recreation Facilities
- Ohio Facilities Construction Commission – Cultural and Sports Facilities
- Ohio Department of Administrative Services – Administrative Facilities
- Ohio Department of Rehabilitation and Correction – Adult Correctional Facilities
- Ohio Department of Youth Services – Juvenile Correctional Facilities
- Ohio Department of Transportation – Transportation Facilities

The respective obligations of each of the eight state agencies to make such rental payments pursuant to the respective leases with the Ohio Public Facilities Commission are expressly made subject to the availability of appropriations for such purposes. Each lease terminates when the Treasurer has paid or retired all of the bonds or bond anticipation notes contemplated by that lease for the respective category of facilities.

For the 2022-23 fiscal biennium, the 134th General Assembly appropriated the amounts necessary from the General Revenue Fund to meet the payments required under such leases. The appropriated amounts and the lease amounts paid during fiscal year 2022 are detailed in the schedule on the following page. Such amounts were paid into the Treasurer’s respective Bond Service Funds that are established to receive rental and other payments and to make payments of bond service charges (principal, interest, and administrative costs).

	<u>2022-2023 Biennium Appropriations</u>	<u>Principal, Interest, and Administrative Fees Paid</u>
Ohio Department of Mental Health and Addiction Services and Ohio Department of Developmental Disabilities – Mental Health Facilities	\$ 108,000	\$ 54,717
Ohio Department of Natural Resources – Parks and Recreation Facilities	140,500	45,707
Ohio Facilities Construction Commission – Cultural and Sports Facilities	50,000	27,559
Ohio Department of Rehabilitation and Correction – Adult Correctional Facilities	170,000	69,960
Ohio Department of Administrative Services – Administrative Facilities	173,000	83,621
Ohio Department of Youth Services – Juvenile Correctional Facilities	35,150	19,053
Ohio Department of Transportation – Transportation Facilities	36,862	16,536

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

There were additional unappropriated funds available to supplement the rental payments required under the respective bond proceedings for the payment of the lease revenue obligations. These funds were composed of interest earnings, capitalized interest, and net original issue premium on bond sales.

The respective bond service accounts under the trust agreements for the bonds are restricted to payments of principal and interest on the bonds issued and outstanding under those respective trust agreements. No debt service reserve funds have been established for the outstanding Chapter 154 lease revenue bonds.

As of June 30, 2022, future payments to be received from the state agencies responsible for making the requisite payments under the lease agreements are detailed in the following schedule by debt service fund.

**Schedule of Future Payments**  
**Under Lease Agreements with State Agencies**  
**as of June 30, 2022**

<b>Year Ending June 30,</b>	<b>Mental Health Facilities Bond Service</b>	<b>Parks and Recreation Facilities Bond Service</b>	<b>Cultural and Sports Facilities Bond Service</b>	<b>Adult Correctional Facilities Bond Service</b>
2023.....	\$ 54,683	\$ 58,147	\$ 28,634	\$ 69,762
2024.....	51,703	58,268	30,835	68,213
2025.....	45,191	58,268	30,827	63,668
2026.....	38,764	58,279	26,836	40,247
2027.....	32,114	55,399	26,841	40,449
2028-2032.....	102,454	261,644	73,545	189,438
2033-2037.....	-	156,170	-	153,209
2038-2042.....	-	128,084	-	53,743
	<u>324,909</u>	<u>834,259</u>	<u>217,518</u>	<u>678,729</u>
Amount Representing Interest.....	(57,989)	(238,474)	(39,578)	(125,069)
<b>Leases Receivable, as of June 30, 2022.....</b>	<u>\$ 266,920</u>	<u>\$ 595,785</u>	<u>\$ 177,940</u>	<u>\$ 553,660</u>

*Continued*

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**  
*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

**Schedule of Future Payments**  
**Under Lease Agreements with State Agencies**  
**as of June 30, 2022 *Continued***

<b>Year Ending June 30,</b>	<b>Administrative Facilities Bond Service</b>	<b>Juvenile Correctional Facilities Bond Service</b>	<b>Transportation Facilities Bond Service</b>	<b>Total</b>
2023.....	\$ 80,766	\$ 15,210	\$ 16,500	\$ 323,702
2024.....	70,751	15,277	16,521	311,568
2025.....	65,106	15,321	16,524	294,905
2026.....	42,436	9,257	16,519	232,338
2027.....	42,486	9,262	16,523	223,074
2028-2032.....	195,019	35,908	66,313	924,321
2033-2037.....	140,623	16,971	8,379	475,352
2038-2042.....	55,241	5,432	-	242,500
	<u>692,428</u>	<u>122,638</u>	<u>157,279</u>	<u>3,027,760</u>
Amount Representing Interest.....	(175,863)	(28,673)	(35,054)	(700,700)
<b>Leases Receivable, as of June 30, 2022.....</b>	<u>\$ 516,565</u>	<u>\$ 93,965</u>	<u>\$ 122,225</u>	<u>\$ 2,327,060</u>

A summary of the unavailable portion of leases receivable by debt service fund as of June 30, 2022 is presented in the table below:

	<b>Mental Health Facilities Bond Service</b>	<b>Parks &amp; Recreation Facilities Bond Service</b>	<b>Cultural &amp; Sports Facilities Bond Service</b>	<b>Adult Correctional Facilities Bond Service</b>
Lease Principal .....	\$ 266,920	\$ 593,360	\$ 177,940	\$ 553,660
Lease Interest .....	228	1,599	2,172	4,604
Total Unavailable Revenue as of June 30, 2022.....	<u>\$ 267,148</u>	<u>\$ 594,959</u>	<u>\$ 180,112</u>	<u>\$ 558,264</u>

*Continued*



**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**  
*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

*Continued from the previous page*

	<b>Administrative Facilities Bond Service</b>	<b>Juvenile Correctional Facilities Bond Service</b>	<b>Transportation Facilities Bond Service</b>	<b>Total Debt Service Funds</b>
Lease Principal .....	\$ 516,565	\$ 93,965	\$ 122,225	\$ 2,324,635
Lease Interest .....	5,276	1,085	1,502	16,466
Total Unavailable Revenue as of June 30, 2022.....	\$ 521,841	\$ 95,050	\$ 123,727	\$ 2,341,101

**NOTE 4 — CONSOLIDATION OF DEBT SERVICE FUND BALANCES IN THE STATE OF OHIO’S ANNUAL COMPREHENSIVE FINANCIAL REPORT**

The Ohio Office of Budget and Management will consolidate the accompanying financial statements of the debt service funds in the financial statements presented in the State of Ohio’s Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

When the debt service funds’ financial statements are consolidated at the state level, the leases receivable, both principal and interest, and unavailable revenue balances will not be reported on the State’s balance sheet for governmental funds, since the lease agreements are between organizations included within the State’s primary government. The accounting treatment at the state level is in conformity with the guidance provided in Section L20 of the GASB’s *Codification of Governmental Accounting and Financial Reporting Standards*.

**NOTE 5 — IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2022, Chapter 154 Lease Revenue Bonds has implemented GASB Statement No. 87, *Leases*, certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and certain provisions of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of Chapter 154 Lease Revenue Bonds.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraphs 13 and 14 of GASB Statement No. 93 did not have an effect on the financial statements of Chapter 154 Lease Revenue Bonds.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Debt Service Funds**

*Notes to the Financial Statements*  
*For the Fiscal Year Ended June 30, 2022*  
*(Dollars in 000s)*

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GASB Statement No. 97 requirements that are related to a) the accounting and financial reporting for Section 457 plans and 2) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Chapter 154 Lease Revenue Bonds.

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**SUPPLEMENTARY INFORMATION**

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
 Schedule of Net Position - Accrual Basis  
 As of June 30, 2022  
 (Dollars in 000s)

	<b>Total Debt Service Funds</b>
<b>ASSETS:</b>	
Cash.....	\$ 525
Receivables from State Agencies:	
Leases.....	2,327,060
Unamortized Lease Premium/Discount, Net.....	262,848
Interest.....	22,521
<b>TOTAL ASSETS.....</b>	<b>2,612,954</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>	
Deferred Charge on Refunding.....	8,515
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES.....</b>	<b>8,515</b>
<b>LIABILITIES:</b>	
Bond Interest Payable.....	23,046
Bonds Payable, Net of Premiums and Discount:	
Due in One Year.....	275,231
Due in More Than One Year.....	2,323,192
<b>TOTAL LIABILITIES.....</b>	<b>2,621,469</b>
<b>NET POSITION</b>	
Restricted for Debt Service.....	-
<b>TOTAL NET POSITION.....</b>	<b>\$ -</b>

State of Ohio  
Chapter 154 Lease Revenue Obligations  
Schedule of Activities - Accrual Basis  
For the Fiscal Year Ended June 30, 2022  
(Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
<b>EXPENSES:</b>									
Administrative.....	\$ 28	\$ 99	\$ 27	\$ 140	\$ 55	\$ 29	\$ -	\$ 14	\$ 392
Bond Issue Costs.....	-	872	450	-	136	-	-	-	1,458
Interest on Debt.....	5,743	12,134	3,088	11,119	15,821	2,743	-	3,892	54,540
<b>TOTAL EXPENSES.....</b>	<b>5,771</b>	<b>13,105</b>	<b>3,565</b>	<b>11,259</b>	<b>16,012</b>	<b>2,772</b>	<b>-</b>	<b>3,906</b>	<b>56,390</b>
<b>PROGRAM REVENUES:</b>									
Charges for Services (1).....	5,771	13,105	3,565	11,259	16,012	2,772	-	3,906	56,390
<b>TOTAL PROGRAM REVENUES.....</b>	<b>5,771</b>	<b>13,105</b>	<b>3,565</b>	<b>11,259</b>	<b>16,012</b>	<b>2,772</b>	<b>-</b>	<b>3,906</b>	<b>56,390</b>
<b>NET EXPENSE AND CHANGES IN NET POSITION.....</b>									
	-	-	-	-	-	-	-	-	-
<b>NET POSITION, JULY 1.....</b>									
	-	-	-	-	-	-	-	-	-
<b>NET POSITION, JUNE 30.....</b>									
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(1) Includes interest charges from leases receivable (due from state agencies) and administrative and other fees.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
Reconciliation Schedule Between the Balance Sheet  
and the Schedule of Net Position  
As of June 30, 2022  
*(Dollars in 000s)*

<b>Fund Balance per Debt Service Funds' Balance Sheet</b>	<b>\$ <u>9,005</u></b>
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Amounts reported in the Schedule of Net Position are different from the Balance Sheet because:

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the debt service fund.

Leases Receivable from State Agencies:	
Lease Principal	2,324,635
Lease Interest	<u>16,466</u>
	<u>2,341,101</u>

The following are not financial resources, and therefore are not reported in the fund.

Unamortized Lease Premium/Discount, Net	262,848
	<u>262,848</u>

The accounting loss reported as a deferred outflow of resources is applicable to future reporting periods and is not reported on the fund statements.	8,515
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The following liabilities are not due and payable in the current period, and, therefore, are not reported in the debt service funds.

Bonds Payable	(2,598,423)
Bond Interest Payable	<u>(23,046)</u>
	<u>(2,621,469)</u>

<b>Net Position per Schedule of Net Position</b>	<b>\$ <u>-</u></b>
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**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
**Reconciliation Schedule Between**  
Statement of Revenues, Expenditures and Changes in Fund Balances  
and the Schedule of Activities  
For the Fiscal Year Ended June 30, 2022  
(Dollars in 000s)

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**Net Change in Fund Balance per Debt Service Funds'**  
**Statement of Revenues, Expenditures and Changes in Fund Balances** **\$ 4,869**

Amounts reported in the Schedule of Activities is different from the Debt Service Funds' Statement of Revenue, Expenditures and Changes in Fund Balances because:

Lease principal and interest revenues are unavailable revenue in the debt service funds. During the fiscal year, unavailable revenue changed by the following amounts.

Lease Principal	(18,185)
Lease Interest	(319)
	<u>(18,504)</u>

Increases and decreases in unamortized lease premiums/discounts are not reported in the debt service funds

Unamortized Lease Premium/Discount, Net	(11,065)
	<u>(11,065)</u>

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

Bonds	(206,785)
Refunding Bonds	(10,420)
Premiums	(32,484)
	<u>(249,689)</u>

Repayments and refundings of long-term debt are reported as expenditures or other financing uses in the debt service funds, but the repayments and refundings reduce long-term liabilities in the Schedule of Net Position. During the fiscal year, these amounts consisted of:

Debt Principal Refundings	11,915
Scheduled Debt Principal Retirements	221,050
	<u>232,965</u>

Some expenses reported in the Schedule of Activities are not reported as expenditures in the debt service funds. Under the modified accrual basis of accounting used for debt service funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Schedule of Activities, however, which is presented on the accrual basis, expenses and liabilities 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:

Increase in Bond Interest Payable	(2,146)
Decrease in Accounts Payable	23
Amortization of Bond Premiums/Accretion of Bond Discounts, Net	46,430
Amortization of Deferred Refunding Amount	(2,883)
	<u>41,424</u>

**Change in Net Position per Schedule of Activities** **\$ -**

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**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Future Payments*  
*Under Lease Agreements with State Agencies*  
*As of June 30, 2022*  
*(Dollars in 000s)*

<b>Year Ending June 30,</b>	<b>Mental Health Facilities</b>	<b>Parks and Recreation Facilities</b>	<b>Cultural and Sports Facilities</b>	<b>Adult Correctional Facilities</b>	<b>Administrative Facilities</b>	<b>Juvenile Correctional Facilities</b>	<b>Transportation Facilities</b>	<b>Total</b>
2023.....	\$ 54,683	\$ 58,147	\$ 28,634	\$ 69,762	\$ 80,766	\$ 15,210	\$ 16,500	\$ 323,702
2024.....	51,703	58,268	30,835	68,213	70,751	15,277	16,521	311,568
2025.....	45,191	58,268	30,827	63,668	65,106	15,321	16,524	294,905
2026.....	38,764	58,279	26,836	40,247	42,436	9,257	16,519	232,338
2027.....	32,114	55,399	26,841	40,449	42,486	9,262	16,523	223,074
2028-2032.....	102,454	261,644	73,545	189,438	195,019	35,908	66,313	924,321
2033-2037.....	-	156,170	-	153,209	140,623	16,971	8,379	475,352
2038-2042.....	-	128,084	-	53,743	55,241	5,432	-	242,500
	324,909	834,259	217,518	678,729	692,428	122,638	157,279	3,027,760
Amount Representing Interest...	(57,989)	(238,474)	(39,578)	(125,069)	(175,863)	(28,673)	(35,054)	(700,700)
Lease Principal.....	266,920	595,785	177,940	553,660	516,565	93,965	122,225	2,327,060
Premium/(Discount), Net.....	43,022	67,006	29,198	42,720	56,691	10,656	13,555	262,848
<b>Leases Receivable, as of June 30, 2022.....</b>	<b>\$ 309,942</b>	<b>\$ 662,791</b>	<b>\$ 207,138</b>	<b>\$ 596,380</b>	<b>\$ 573,256</b>	<b>\$ 104,621</b>	<b>\$ 135,780</b>	<b>\$ 2,589,908</b>

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding*  
*As of June 30, 2022*  
*(Dollars in 000s)*

Outstanding Chapter 154 Lease Revenue Obligations as of June 30, 2022 are in the form of fully registered bonds that mature in various amounts and at various dates and bear interest payable semiannually at various interest rates. The bonds mature after specified dates and are subject to redemption prior to maturity, in whole or in part.

As of June 30, 2022, the Chapter 154 Lease Revenue Obligations had the following credit ratings assigned by the major bond rating agencies:

	Fitch*	Moody's	Standard & Poor's
Mental Health Facilities	AA	Aa2	AA
Parks and Recreation Facilities	AA	Aa2	AA
Cultural and Sports Facilities	AA	Aa2	AA
Adult Correctional Facilities	AA	Aa2	AA
Administrative Facilities	AA	Aa2	AA
Juvenile Correctional Facilities	AA	Aa2	AA
Transportation Facilities	AA	Aa1	AA

\*Fitch Ratings upgraded the lease-revenue obligations to AA+ on September 8, 2022

Through June 30, 2022, the Ohio General Assembly has authorized issuance of Chapter 154 Lease Revenue Obligations, including bonds and bond anticipation notes for capital facilities, in the following amounts. The amounts below include new debt authorizations included in the House Bill 529 of the 132<sup>nd</sup> General Assembly and the 2022-23 operating budget bills, House Bill 110 of the 134<sup>th</sup> General Assembly.

<u>Bond Program</u>	<u>Total</u>
Mental Health Facilities	\$ 2,000
Parks and Recreation Facilities	1,303
Cultural and Sports Facilities	790
Adult Correctional Facilities	2,737
Administrative Facilities	2,170
Juvenile Correctional Facilities	430
Highway Safety Facilities	140
Transportation Facilities	385
<b>Total Authorization</b>	<b>\$ 9,955</b>

Details on bonds issued through June 30, 2022 are displayed in the following tables. Bond amounts issued in accordance with the above authorization amounts are listed under the "Original Issues at Par" column. Bond issue authorization limits do not apply to refunding issues. The final maturity dates and average effective interest rates reported on the following tables represent data valid at the time of the original issue; this data has not been adjusted for the effects of any refunding issues that occurred subsequent to the original bond series issue.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding*  
*As of June 30, 2022*  
*(Dollars in 000s)*

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**Mental Health Facilities Bonds**

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<b>Series</b>	<b>Original Issues at Par</b>	<b>Refunding Issues at Par</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Average Effective Interest Rate</b>	<b>Outstanding Balance at Par, as of June 30, 2022</b>
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$1,442,085	\$452,790	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2013A	25,000	-	03/07/2013	02/01/2023	3.55%	2,875
2015A	50,000	-	03/05/2015	02/01/2025	4.95%	17,500
2016A	50,000	-	06/28/2016	06/01/2026	4.86%	23,600
2017A	-	17,765	11/07/2017	02/01/2024	4.74%	12,095
2018A	50,000	-	04/26/2018	06/01/2028	5.00%	33,095
2020A	50,000	-	03/10/2020	02/01/2030	5.00%	41,635
2021A	150,000	-	05/18/2021	02/01/2031	5.00%	136,120
<b>Total</b>	<u>\$1,817,085</u>	<u>\$470,555</u>				<u>\$ 266,920</u>

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**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding*  
*As of June 30, 2022*  
*(Dollars in 000s)*

**Parks and Recreation Facilities Bonds**

<b>Series</b>	<b>Original Issues at Par</b>	<b>Refunding Issues at Par</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Average Effective Interest Rate*</b>	<b>Outstanding Balance at Par, as of June 30, 2022</b>
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 408,000	\$ 118,305	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2015A	40,000	-	03/05/2015	02/01/2030	4.98%	24,745
2016A	80,000	-	03/31/2016	02/01/2031	4.99%	54,925
2016B	-	10,415	06/28/2016	08/01/2025	4.81%	10,415
2016C	100,000	-	10/06/2016	12/01/2031	4.86%	73,935
2017A	100,000	-	12/14/2017	12/01/2032	5.00%	80,185
2018A	100,000	-	11/15/2018	12/01/2038	5.00%	90,580
2020A	54,000	2,300	08/12/2020	12/01/2032	5.00%	54,000
2020B	57,000	-	08/12/2020	12/01/2040	3.00%	57,000
2022A	75,000	-	01/05/2022	12/01/2031	5.00%	75,000
2022B	75,000	-	01/05/2022	12/01/2041	3.00%	75,000
<b>Total</b>	<u>\$ 1,089,000</u>	<u>\$ 131,020</u>				<u>\$ 595,785</u>

\*The interest rate for the Series 2020B and 2022B bonds is set on a weekly basis and the above rate is as of June 30, 2022. The rate is set on Tuesdays, and remains effective Wednesday through the following Tuesday (for a total period of 7 days). The rates for the Series 2020B and 2022B bonds are determined by a remarketing agent.

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding*  
*As of June 30, 2022*  
*(Dollars in 000s)*

**Cultural and Sports Facilities Bonds**

Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2022
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 486,690	\$ 64,985	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2013A	18,000	-	03/07/2013	04/01/2023	4.73%	2,195
2015B	30,000	-	08/12/2015	04/01/2025	5.00%	10,885
2016A	40,000	-	08/25/2016	10/01/2026	4.80%	22,305
2017A	30,000	-	12/14/2017	10/01/2027	5.00%	19,760
2019A	35,000	-	05/16/2019	04/01/2029	5.00%	26,070
2020A	44,000	-	09/24/2020	10/01/2030	5.00%	44,000
2021A	56,785	-	08/31/2021	04/01/2032	4.93%	52,725
<b>Total</b>	<u>\$ 740,475</u>	<u>\$ 64,985</u>				<u>\$ 177,940</u>

**Adult Correctional Facilities Bonds**

Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate*	Outstanding Balance at Par, as of June 30, 2022
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,899,880	\$ 1,530,975	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2012A	-	17,360	05/17/2012	04/01/2023	5.00%	3,820
2013A	-	47,320	03/07/2013	10/01/2024	5.00%	19,385
2015A	-	10,030	02/26/2015	10/01/2022	5.00%	2,210
2015B	70,000	-	11/19/2015	10/01/2035	4.98%	39,245
2016A	-	20,565	05/25/2016	10/01/2028	4.95%	16,755
2016B	32,320	-	10/26/2016	10/01/2036	3.00%	32,320
2016C	32,300	-	10/26/2016	10/01/2036	3.00%	32,300
2017A	100,000	-	11/07/2017	10/01/2037	4.96%	85,095
2017B	-	62,320	11/07/2017	10/01/2030	4.93%	57,235
2019A	-	25,350	07/09/2019	10/01/2024	5.00%	15,965
2019B	53,000	-	08/07/2019	10/01/2032	5.00%	46,910
2019C	45,000	-	08/07/2019	10/01/2039	3.00%	45,000
2020A	-	57,055	03/10/2020	10/01/2033	1.95%	45,580
2021A	57,000	-	04/21/2021	10/01/2030	5.00%	54,840
2021B	57,000	-	04/21/2021	10/01/2040	3.00%	57,000
<b>Total</b>	<u>\$ 2,346,500</u>	<u>\$ 1,770,975</u>				<u>\$ 553,660</u>

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding*  
*As of June 30, 2022*  
*(Dollars in 000s)*

\*The interest rates for the Adult Correctional Facilities Bonds Series 2016B, 2016C, 2019C, and 2021B bonds are set on a weekly basis and the above rates are as of June 30, 2022. The rates are set on Tuesdays, and are effective Wednesday through the following Tuesday (for a total period of 7 days). The rates for the Series 2016B, 2019C, and 2021B bonds are determined by a remarketing agent. The rate for the Series 2016C bonds is established in a bid process that is held on the Clarity Bidrate Alternative Trading System. Subscribers to the Clarity System can submit bids to purchase Series 2016C bonds, and the weekly rate is the lowest interest rate at which the entire principal amount of the Series 2016C bonds would be sold based on the bids submitted.

<b>Administrative Facilities Bonds</b>						
	<b>Original Issues at Par</b>	<b>Refunding Issues at Par</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Average Effective Interest Rate</b>	<b>Outstanding Balance at Par, as of June 30, 2022</b>
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,703,000	\$ 1,199,573	Various	Various	Various	\$ —
<b>Outstanding bonds:</b>						
2013A	-	48,660	04/11/2013	10/01/2023	4.95%	11,185
2015A	61,930	-	01/28/2015	04/01/2035	4.31%	52,695
2015B	18,070	-	01/28/2015	04/01/2025	2.59%	5,885
2015C	-	11,185	02/26/2015	10/01/2022	2.95%	485
2016A	-	31,095	05/25/2016	10/01/2028	4.95%	21,115
2017A	70,000	-	04/19/2017	04/01/2037	4.91%	53,785
2017B	-	30,790	11/07/2017	10/01/2029	4.86%	23,425
2018A	63,000	-	11/15/2018	10/01/2038	4.96%	63,000
2019A	-	25,935	07/09/2019	10/01/2024	5.00%	5,175
2019B	-	22,270	11/05/2019	10/01/2029	4.85%	18,935
2020A	-	71,460	03/10/2020	10/01/2032	1.91%	50,260
2020B	68,750	-	04/30/2020	04/01/2040	5.00%	68,750
2020C	7,210	-	04/30/2020	04/01/2025	1.81%	7,210
2020D	-	58,960	08/12/2020	10/01/2036	1.32%	49,125
2021A	77,940	-	05/18/2021	04/01/2041	5.00%	75,115
2022A	-	10,420	01/05/2022	04/01/2031	3.86%	10,420
<b>Total</b>	<u>\$2,069,900</u>	<u>\$1,510,348</u>				<u>\$ 516,565</u>

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding*  
*As of June 30, 2022*  
*(Dollars in 000s)*

**Juvenile Correctional Facilities Bonds**

	<b>Original Issues at Par</b>	<b>Refunding Issues at Par</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Average Effective Interest Rate</b>	<b>Outstanding Balance at Par, as of June 30, 2022</b>
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 297,000	\$ 216,140	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2013A	15,000	-	01/30/2013	10/01/2026	4.24%	1,135
2015B	20,000	-	03/05/2015	04/01/2030	3.90%	12,140
2017A	-	10,515	12/14/2017	10/01/2026	4.39%	9,260
2018A	35,000	-	04/26/2018	04/01/2033	5.00%	28,165
2019A	33,000	-	11/05/2019	04/01/2039	4.95%	30,695
2019B	-	13,205	11/05/2019	10/01/2024	4.95%	8,370
2020A	-	5,500	09/24/2020	10/01/2024	4.34%	4,200
<b>Total</b>	<u>\$400,000</u>	<u>\$245,360</u>				<u>\$ 93,965</u>

**Transportation Facilities Bonds**

	<b>Original Issues at Par</b>	<b>Refunding Issues at Par</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Average Effective Interest Rate</b>	<b>Outstanding Balance at Par, as of June 30, 2022</b>
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$155,800	\$ —	Various	Various	Various	\$ —
<i>Outstanding Bonds:</i>						
2015A	84,300	—	01/28/2015	04/01/2030	4.93%	52,640
2018A	86,490	—	02/21/2018	04/01/2033	5.00%	69,585
<b>Total</b>	<u>\$326,590</u>	<u>\$ —</u>				<u>\$ 122,225</u>

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**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Changes in Bonds Payable Balance*  
*For the Year Ended June 30, 2022*  
*(Dollars in 000s)*

	<b>Mental Health Facilities Bond Service</b>	<b>Parks and Recreation Facilities Bond Service</b>	<b>Cultural and Sports Facilities Bond Service</b>	<b>Adult Correctional Facilities Bond Service</b>	<b>Administrative Facilities Bond Service</b>	<b>Juvenile Correctional Facilities Bond Service</b>	<b>Transportation Facilities Bond Service</b>	<b>Total</b>
Outstanding Balance, June 30, 2021.....	\$ 360,602	\$ 530,140	\$ 161,580	\$ 658,349	\$ 648,235	\$ 120,940	\$ 148,286	\$2,628,132
Additions:								
New Issuances:								
Bond Principal .....	-	150,000	56,785	-	-	-	-	206,785
Bond Premium .....	-	16,948	13,666	-	-	-	-	30,614
Refunding Issuances:								
Bond Principal .....	-	-	-	-	10,420	-	-	10,420
Bond Premium .....	-	-	-	-	1,870	-	-	1,870
Total Additions .....	-	166,948	70,451	-	12,290	-	-	249,689
Deductions:								
Bond Principal Repayments .....	41,585	23,730	19,075	50,860	61,745	14,140	9,915	221,050
Refunded Bonds:								
Bond Principal .....	-	-	-	-	11,915	-	-	11,915
Bond Premium .....	-	-	-	-	624	-	-	624
Deferred Refunding Amount	-	-	-	-	-	-	-	-
Amortization of Premium .....	9,073	10,130	5,818	8,673	7,450	2,074	2,591	45,809
Total Deductions .....	50,658	33,860	24,893	59,533	81,734	16,214	12,506	279,398
<b>Outstanding Balance, June 30, 2022...</b>	<b>\$ 309,944</b>	<b>\$ 663,228</b>	<b>\$ 207,138</b>	<b>\$ 598,816</b>	<b>\$ 578,791</b>	<b>\$ 104,726</b>	<b>\$ 135,780</b>	<b>\$2,598,423</b>
Amount Due in One Year .....	\$ 50,894	\$ 45,781	\$ 26,155	\$ 59,363	\$ 67,529	\$ 12,700	\$ 12,809	\$ 275,231
Amount Due in More Than One Year .....	259,050	617,447	180,983	539,453	511,262	92,026	122,971	2,323,192
<b>Outstanding Balance, June 30, 2022...</b>	<b>\$ 309,944</b>	<b>\$ 663,228</b>	<b>\$ 207,138</b>	<b>\$ 598,816</b>	<b>\$ 578,791</b>	<b>\$ 104,726</b>	<b>\$ 135,780</b>	<b>\$2,598,423</b>

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Future Debt Service Funding Requirements*  
*As of June 30, 2022*  
*(Dollars in 000s) Continued*

Fiscal Year Ending June 30,	Mental Health Facilities			Parks & Recreation Facilities			Cultural Facilities		
	Principal	Interest	Total	Principal	Interest*	Total	Principal	Interest	Total
2023	\$ 41,370	\$ 13,325	\$ 54,695	\$ 34,615	\$ 23,532	\$ 58,147	\$ 20,030	\$ 8,633	\$ 28,663
2024	40,425	11,278	51,703	36,360	21,908	58,268	23,325	7,509	30,834
2025	35,935	9,256	45,191	38,215	20,053	58,268	24,410	6,418	30,828
2026	31,305	7,460	38,765	40,175	18,104	58,279	21,655	5,181	26,836
2027	26,220	5,894	32,114	39,270	16,129	55,399	22,760	4,081	26,841
2028-2032	91,665	10,789	102,454	212,965	48,679	261,644	65,760	7,785	73,545
2033-2037	-	-	-	108,620	47,550	156,170	-	-	-
2038-2042	-	-	-	85,565	42,519	128,084	-	-	-
	266,920	58,002	324,922	595,785	238,474	834,259	177,940	39,607	217,547
Premium/Discount, Net	43,024	-	43,024	67,443	-	67,443	29,198	-	29,198
<b>Total, as of June 30, 2022</b>	<b>\$ 309,944</b>	<b>\$ 58,002</b>	<b>\$ 367,946</b>	<b>\$ 663,228</b>	<b>\$ 238,474</b>	<b>\$ 901,702</b>	<b>\$ 207,138</b>	<b>\$ 39,607</b>	<b>\$ 246,745</b>

Fiscal Year Ending June 30,	Adult Correctional Facilities			Administrative Facilities			Juvenile Correctional Facilities		
	Principal	Interest*	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 51,490	\$ 18,520	\$ 70,010	\$ 60,225	\$ 20,587	\$ 80,812	\$ 10,910	\$ 4,336	\$ 15,246
2024	51,790	16,423	68,213	51,840	18,911	70,751	11,470	3,807	15,277
2025	49,220	14,448	63,668	47,570	17,536	65,106	12,070	3,251	15,321
2026	27,360	12,887	40,247	26,160	16,276	42,436	6,430	2,827	9,257
2027	28,810	11,639	40,449	27,455	15,031	42,486	6,745	2,517	9,262
2028-2032	151,425	38,013	189,438	139,520	55,499	195,019	27,395	8,513	35,908
2033-2037	140,745	12,463	153,208	113,695	26,928	140,623	13,895	3,076	16,971
2038-2042	52,820	923	53,743	50,100	5,141	55,241	5,050	382	5,432
	553,660	125,316	678,976	516,565	175,909	692,474	93,965	28,709	122,674
Premium/Discount, Net	45,156	-	45,156	62,226	-	62,226	10,761	-	10,761
<b>Total, as of June 30, 2022</b>	<b>\$ 598,816</b>	<b>\$ 125,316</b>	<b>\$ 724,132</b>	<b>\$ 578,791</b>	<b>\$ 175,909</b>	<b>\$ 754,700</b>	<b>\$ 104,726</b>	<b>\$ 28,709</b>	<b>\$ 133,435</b>

*Continued*

**State of Ohio**  
**Chapter 154 Lease Revenue Obligations**  
*Schedule of Future Debt Service Funding Requirements*  
*As of June 30, 2022*  
*(Dollars in 000s) Continued*

Fiscal Year Ending June 30,	Transportation Facilities			Total Chapter 154 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 10,415	\$ 6,111	\$ 16,526	\$ 229,055	\$ 95,044	\$ 324,099
2024	10,930	5,590	16,520	226,140	85,426	311,566
2025	11,480	5,044	16,524	218,900	76,006	294,906
2026	12,050	4,470	16,520	165,135	67,205	232,340
2027	12,655	3,868	16,523	163,915	59,159	223,074
2028-2032	56,715	9,598	66,313	745,445	178,876	924,321
2033-2037	7,980	399	8,379	384,935	90,416	475,351
2038-2042	-	-	-	193,535	48,965	242,500
	122,225	35,080	157,305	2,327,060	701,097	3,028,157
Premium/Discount, Net	13,555	-	13,555	271,363	-	271,363
<b>Total, as of June 30, 2022</b>	<b>\$ 135,780</b>	<b>\$ 35,080</b>	<b>\$ 170,860</b>	<b>\$ 2,598,423</b>	<b>\$ 701,097</b>	<b>\$ 3,299,520</b>

\*The future interest payments for Adult Correctional Facilities, shown above, include interest on the Series 2016B, 2016C, 2019C, and 2021B variable rate bonds. The future interest payments for Parks and Recreation Facilities, shown above, include interest on the Series 2020B and 2022B variable rate bonds. The interest of these bonds are based on the effective interest rates as of June 30, 2022.

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**STATE OF OHIO**  
**CHAPTER 154 LEASE REVENUE OBLIGATIONS**  
**Schedule of Refunding Issues and Prior Years' Defeasances**  
**As of and For the Year Ended June 30, 2022**  
*(Dollars in 000s)*

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**Refunding Issues**

During fiscal year 2022, one refunding issue was transacted whereby the Treasurer refunded a lease revenue bond issue. The net proceeds of the refunding bond, after payment of underwriting fees and bond issue costs, was deposited in escrow with a trustee pending the bond's maturity or call date. A resulting economic gain or loss from the refunding represents the difference between the present values of the debt service payments on the old and new debt. Detail on the refunding bond transaction is discussed below.

On January 5, 2022, the Treasurer refunded one series of previously issued bonds to reduce the State's total debt service payments by issuing \$10,420 of 2022A Administrative Facilities refunding bonds. The overall transaction resulted in an economic gain of \$2,081 and total issuance costs and underwriter's discount of \$143. The refunding resulted in the Treasurer decreasing its total debt service payments over the life of the bonds by \$2,197.

*2022A Administrative Facilities Bonds* – The 2022A Administrative Facilities Bonds, with an average interest rate of 3.855%, refunded \$11,915 in principal, plus interest of the 2012A Administrative Facilities Bonds due on April 1, 2022 through April 1, 2031. The refunded bonds had an average interest rate of 3.73%.

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**STATE OF OHIO**  
**CHAPTER 154 LEASE REVENUE OBLIGATIONS**  
**Schedule of Refunding Issues and Prior Years' Defeasances**  
**As of and For the Year Ended June 30, 2022**  
*(Dollars in 000s)*

**Prior Years' Defeasances**

The Treasurer has defeased certain Chapter 154 Lease Revenue Obligations by placing the net 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 financial statements of the Chapter 154 Lease Revenue Obligations. The following table details bonds refunded in fiscal years 2022 and prior, which are considered to be defeased and no longer outstanding as of June 30, 2022.

<u>Refunded Issue</u>	<u>Principal Yet to be Paid as of June 30, 2022</u>	<u>Scheduled Redemption Date</u>
Adult Correctional Facilities:		
2015B	\$ 16,385	October 1, 2022
	<u>\$ 16,385</u>	
Administrative Facilities:		
2013A	\$ 6,025	April 1, 2023
2015C	1,795	October 1, 2022
2016A	4,180	October 1, 2026
2017A	5,410	April 1, 2027
2017B	2,390	October 1, 2027
2019A	5,440	October 1, 2023
2019A	5,720	October 1, 2024
	<u>\$ 30,960</u>	
Juvenile Correctional Facilities:		
2013A	\$ 5,160	October 1, 2022
	<u>\$ 5,160</u>	
Total	<u>\$ 52,505</u>	

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Treasurer of the State of Ohio  
30 East Broad Street  
Columbus, Ohio 43215

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Debt Service Funds (the Funds), as held in the name of the Treasurer of State of Ohio (the Treasurer) of the Mental Health Facilities, Parks and Recreation Facilities, Cultural and Sports Facilities, Adult Correctional Facilities, Administrative Facilities, Juvenile Correctional Facilities, Highway Safety Facilities, and the Transportation Facilities lease revenue bonds governed by the Ohio Revised Code Chapter 154, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Funds’ basic financial statements, and have issued our report thereon dated September 26, 2022.

**Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Gahanna, Ohio  
September 26, 2022