

# ROBERT SPRAGUE

OHIO TREASURER

September 28, 2021

To: Municipal Securities Rulemaking Board  
[www.emma.msrb.org](http://www.emma.msrb.org)

**RE: Annual Information Filing for the Ohio Enterprise Bond Fund Program**

In accordance with the continuing disclosure agreement made pursuant to SEC Rule 15c2-12(b), the State of Ohio herein provides annual financial information and operating data regarding the State Economic Development Revenue Bonds (Ohio Enterprise Bond Fund Program) as of and for the Fiscal Year ending June 30, 2021. This information is based in part on information received from the Ohio Department of Development. No representation is made as to the materiality or completeness of that information. Other information relating to Fiscal Year 2021 or to subsequent periods may exist that an investor would consider to be important when making an investment decision. Further, no representation is made that this 2021 Annual Filing is indicative of financial or operating results of the Ohio Enterprise Bond Fund Program after the end of Fiscal Year 2021 or of future financial or operating results. **Please refer to the CUSIP & Outstanding Bonds Report for a list of all the outstanding bonds and CUSIPs associated with this program.**

Any questions concerning this filing should be directed to the Office of Debt Management at (614) 466-7752.

Sincerely,



Robert Cole Sprague  
Ohio Treasurer

## *Regarding This 2021 Annual Information Filing*

The information and expressions of opinion in this 2021 Annual Information Filing are subject to change without notice and the delivery of this information shall not, under any circumstances, give rise to any implications that there has been no change in the status of this information subsequent to June 30, 2021 or the date of this Filing.

	<b><u>Page</u></b>
Background & History of the Ohio Enterprise Bond Fund Program & Key Facts .....	1
Flow of Funds & Security for the Ohio Enterprise Bond Fund Bonds.....	2
Summary of Outstanding Bonds & Outstanding Reserves.....	3
Ohio Enterprise Bond Fund Program Obligations.....	4
Summary of All Current Borrower Payment Defaults .....	5
Summary of Chapter 166 Programs.....	5
Summary of Historical Chapter 166 Loan Program .....	8
Repayment Schedule for the Chapter 166 Loan Portfolio .....	9
Issuance of Additional Ohio Enterprise Bond Fund Bonds.....	10
Detailed Listing of All Ohio Enterprise Bond Fund Bonds.....	11
Detailed Listing of All Chapter 166 Loans Outstanding .....	21
CUSIP & Outstanding Bonds Report .....	23
Office of Loan Administration Financial Statements .....	28

## **BACKGROUND & HISTORY OF THE OHIO ENTERPRISE BOND FUND PROGRAM**

The Ohio Enterprise Bond Fund (OEBF)<sup>1</sup> Program is an economic development financing program sponsored by the Ohio Department of Development (DOD), formerly known as the Ohio Development Services Agency. The OEBF Program was created in 1988 and is rated “AA+” by Standard & Poor’s (S&P). On March 28, 2012, S&P raised the OEBF Program’s rating to “AA+” from “AA-”, based on S&P’s application of criteria adopted for long-term municipal pools. The rating reflects S&P’s assessment of the following characteristics:

- A very strong enterprise risk profile, given that the pool is managed by a nonprofit, non-stock public corporation and the loan program has no geographic concentration; and
- An extremely strong financial risk profile, with a loss coverage score, operating performance, and financial policies consistent with this profile.

As the issuer for the OEBF Program, the Ohio Treasurer issues bonds on a project-by-project basis. The OEBF Program finances fixed assets and receives a first mortgage and/or security interest on all funded projects. All transactions must be approved by DOD staff prior to the S&P rating request. The credit quality of the Borrowers has remained relatively constant throughout the 33-year history of the OEBF Program.

- The Borrowers range in size from large corporations with rated debt to small, unrated corporations.
- The projects funded through the OEBF Program are essential to the success of the Borrowers.

## **KEY FACTS**

- As of June 30, 2021, 136 bonds had been issued totaling \$704,510,000.
- As of June 30, 2021, 19 bond issues were outstanding for \$74,940,000.
- The size of individual bond issues has ranged from \$650,000 to \$15 million.
- Borrowers pay monthly. Bondholders are paid semi-annually or quarterly.
- No OEBF Program Bonds are in default.
- No OEBF Program Bonds have ever been in default.
- No Program Reserves have ever been accessed to cure a Borrower default.
- As of June 30, 2021:
  - Total Primary Reserves were \$15,300,858;
  - Total Program Reserves were \$10,880,512; and
  - Total 166 Loan Repayments pledged as additional security to the OEBF Bonds were \$201,836,559.

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<sup>1</sup> Any terms not defined herein have the meaning provided in the General Bond Order.

## **FLOW OF FUNDS & SECURITY FOR THE OHIO ENTERPRISE BOND FUND BONDS**

The OEBF Bonds are secured by a system of pooled debt service and reserve accounts. **They do not constitute an indebtedness of the State within the meaning of any constitutional or statutory limitations. Furthermore, such bonds neither constitute nor give rise to a charge against the general credit or taxing powers of the State; and neither the full faith and credit nor the taxing powers of the State are pledged to the payment of the OEBF Bonds or interest thereon.**

All Debt Service Charges on OEBF Bonds are payable from and secured equally and ratably by a pledge of the OEBF Accounts as follows:

- First, from any amounts on deposit in the Debt Service Account;
- Second, to the extent needed to cure defaults by a Contracting Party under its Project Financing Agreement, from any amounts on deposit in that Contracting Party's Collateral Proceeds Account;
- Third, to the extent needed to cure defaults by a Contracting Party under its Project Financing Agreement, from any amounts on deposit in the Contracting Party's Primary Reserve Account;
- Fourth, from any amounts in the First Half Account or the Second Half Account;
- Fifth, from any amounts in the Program Reserve Account;
- Sixth, from any amounts in the Primary Reserve Accounts of all Contracting Parties, on a pro rata basis (i.e., based on fractions, the numerator of which is the balance in each such Account and the denominator of which is the sum of the balances in all such Accounts); and
- Seventh, from any amounts in the Collateral Proceeds Accounts of all Contracting Parties, on a pro rata basis as described above.

Payments of Debt Service Charges on all OEBF Bonds will be equally and ratably secured by a pledge of the OEBF Accounts (but not the Program Transfer Account) without priority by reason of series designation, form, number, date of authorization, issuance, sale, execution, authentication, delivery, dated date or maturity; provided, however, that nothing prevents payment of Debt Service Charges on one or more series of OEBF Bonds from being otherwise secured and payable from sources or by property and instruments not applicable to any other series of OEBF Bonds or not being secured or protected from other sources or by other property, instruments or documents applicable to one or more series of OEBF Bonds.

If the principal of all outstanding OEBF Bonds has become due or has been declared due and payable, and at that time the balance in the OEBF Accounts (together with any other amounts available to make such payment) is insufficient to pay all amounts due on those Bonds, all such funds shall be applied to the payment of the principal and interest due and unpaid upon the OEBF Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installments of interest, or of any OEBF Bond over any other OEBF Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified in the OEBF Bonds. If the balance in the OEBF Accounts (together with any other amounts available to make such payment) is insufficient to pay all principal of, premium, if any, and interest due on OEBF Bonds at any time and at that time the principal of all OEBF Bonds has not become or been declared due, all such funds shall be applied first to pay, pro rata, the interest then due on all such OEBF Bonds, with any remaining balance applied to the pro rata payment of principal of the then due OEBF Bonds.

## **SUMMARY OF OUTSTANDING BONDS & OUTSTANDING RESERVES**

Below is a summary of outstanding OEBF Bonds and reserves of the OEBF Program as of the end of each calendar year from 2016, and for the first half of 2021.

<b>Outstanding Project Financing:</b>	<b>6/30/2021</b>	<b>12/31/2020</b>	<b>12/31/2019</b>	<b>12/31/2018</b>	<b>12/31/2017</b>	<b>12/31/2016</b>
<b>Number:</b>	19	21	25	30	36	42
<b>Principal:</b>	\$74,940,000	\$68,620,000	\$83,300,000	\$101,405,000	\$125,970,000	\$149,310,000

### **OHIO ENTERPRISE BOND FUND - SUMMARY OF OUTSTANDING RESERVES**

<b>Current Reserves</b>	<b>6/30/2021</b>	<b>12/31/2020</b>	<b>12/31/2019</b>	<b>12/31/2018</b>	<b>12/31/2017</b>	<b>12/31/2016</b>
<b>Primary Reserves</b>	\$15,300,858	\$13,902,538	\$17,508,938	\$18,552,541	\$23,298,708	\$27,468,629
<b>First Half Account <sup>(1)</sup></b>	\$3,542,972	\$6,186,825	\$8,929,131	\$28,555,535	\$25,382,082	\$25,304,930
<b>Second Half Account <sup>(1)</sup></b>	\$8,921,592	\$4,684,302	\$10,111,737	\$7,144,793	\$12,862,015	\$5,552,127
<b>Program Reserve</b>	\$10,880,512	\$10,833,628	\$10,717,975	\$10,576,479	\$10,453,528	\$10,355,004
<b>Program Transfer Account <sup>(2)</sup></b>	\$158,553,735	\$225,239,396	\$288,257,371	\$282,958,110	\$233,133,074	\$214,640,440

<sup>(1)</sup> Year end balances are as of November 30th of each year. June 30, 2021 balance is as of May 31st, 2021.

<sup>(2)</sup> Not pledged to the payment of Debt Service Charges, but covenanted to be used by DOD if needed.

Following a default in making payments on the OEBF Bonds, the OEBF Bonds are also payable from the Program Transfer Account to the extent funds are available therein and are not otherwise encumbered, and to the extent that the Director of Development and the State Controlling Board approve such transfer. However, the Program Transfer Account is not pledged and can be used for any purpose for which funds in the Facilities Establishment Fund can be used under the Ohio Revised Code (Revised Code) (as it presently exists or may exist if amended).

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## **OHIO ENTERPRISE BOND FUND PROGRAM OBLIGATIONS**

The total of all OEBF Bonds currently outstanding is \$74,940,000. The following table sets forth the debt service requirements for all outstanding OEBF Bonds as of June 30, 2021.

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Ohio Treasurer  
Ohio Enterprise Bond Fund  
Debt Service Schedule  
As of June 30, 2021

<b><u>Year</u></b>	<b><u>Principal Due</u></b>	<b><u>Interest Due</u></b>	<b><u>Total Debt Service</u></b>
2021	\$ 4,095,000	\$ 1,677,922	\$ 5,772,922
2022	6,435,000	3,060,544	9,495,544
2023	6,730,000	2,770,672	9,500,672
2024	7,665,000	2,461,795	10,126,795
2025	7,400,000	2,120,108	9,520,108
2026	6,425,000	1,802,251	8,227,251
2027	5,565,000	1,512,999	7,077,999
2028	4,030,000	1,272,075	5,302,075
2029	3,040,000	1,074,406	4,114,406
2030	2,830,000	956,053	3,786,053
2031	3,030,000	833,007	3,863,007
2032	3,165,000	691,574	3,856,574
2033	3,320,000	540,586	3,860,586
2034	3,625,000	392,116	4,017,116
2035	1,680,000	227,946	1,907,946
2036	1,520,000	173,010	1,693,010
2037	975,000	126,669	1,101,669
2038	1,010,000	95,563	1,105,563
2039	1,045,000	63,315	1,108,315
2040	1,080,000	30,043	1,110,043
2041	275,000	2,166	277,166
<b>Total</b>	<b>\$ 74,940,000</b>	<b>\$ 21,884,819</b>	<b>\$ 96,824,819</b>

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## **SUMMARY OF ALL CURRENT BORROWER PAYMENT DEFAULTS**

There are no Borrowers in payment default as of June 30, 2021. Additionally, through that date, all Bondholders have been paid as agreed since the inception of the OEBF Program in 1988.

## **SUMMARY OF CHAPTER 166 PROGRAMS**

### **General Information**

Under the Revised Code, moneys in the Facilities Establishment Fund can be used by the State to provide direct loans and to support guarantees of private loans to encourage and induce private sector capital projects for industry, commerce, distribution or research in the State, the operation of which will create or preserve jobs in the State. As with the OEBF Program, the proceeds of such direct loans and guaranteed loans are to be used only for the Allowable Costs of Project Facilities. Such proceeds may not be used for working capital. In addition, moneys in the Facilities Establishment Fund can be used by the State to acquire public facilities that comprise Project Facilities and to operate or contract for the operation of such facilities. Moneys transferred to the Facilities Establishment Fund from the State's Scrap Tire Management Fund created under Section 3734.82 of the Revised Code are required to be used exclusively for Project Facilities that involve the recovery of or recycling of energy from scrap tires.

The Revised Code also permits moneys in the Facilities Establishment Fund to be used for other economic development programs (the "Chapter 122 Programs") authorized by Chapter 122 of the Revised Code. To the extent moneys in the Facilities Establishment Fund are transferred to funds or used in connection with Chapter 122 Programs, any repayments or other moneys received in connection with such programs will not be pledged or available to repay OEBF Bonds. The proceeds of OEBF Bonds cannot be used for Chapter 122 Programs.

The General Assembly has authorized certain transfers of moneys involving the Facilities Establishment Fund for Chapter 122 Programs. The General Assembly, through Amended Substitute House Bill 110 of the 134th General Assembly, authorized the transfer from the Facilities Establishment Fund of (i) up to \$3,500,000 in each Fiscal Year of the 2022-2023 biennium to the Business Assistance Fund; (ii) up to \$2,000,000 in each Fiscal Year of the 2022-2023 biennium to the Capital Access Loan Fund; (iii) up to \$5,000,000 in each Fiscal Year of the 2022-2023 biennium to the Minority Business Enterprise Loan Fund; (iv) \$20,000,000 in Fiscal Year 2022 to the Rural Industrial Park Loan Fund; and (v) up to \$12,000,000 in Fiscal Year 2023 to the Ohio Maritime Assistance Fund.

The Facilities Establishment Fund consists of proceeds of bonds, repayments of loans and recoveries on loan guarantees, including interest thereon, made from the Facilities Establishment Fund (or the Loan Guarantee Fund discussed below), and proceeds of the sale, lease or other disposition of property acquired or constructed with moneys in the Facilities Establishment Fund that are not used to pay debt service charges on obligations or placed in reserves that are pledged to secure any such obligations.

The State initially funded the Facilities Establishment Fund with the issuance of \$70,000,000 of Economic Development Bonds, Series 1982 (the "1982 Liquor Profits Bonds") which were advance refunded and defeased by part of the proceeds from the issuance of \$160,000,000 of State of Ohio State Economic Development Bonds, Series 1983 (Liquor Profits) (the "1983 Liquor Profits Bonds"). The net proceeds of the 1983 Liquor Profits Bonds that were not used for such advance refunding, or to fund reserves established in connection with the issuance of the 1983 Liquor Profits Bonds, were placed into the Facilities Establishment Fund. In 1989, the State issued \$147,684,607.90 of Liquor Profits Refunding Bonds (the "1989 Liquor Profits Bonds") to advance refund the 1983 Liquor Profits Bonds. In 1996, the State issued \$168,740,000 of Taxable Development Assistance Bonds (the "Taxable Development Assistance Bonds") to defease the 1989 Liquor Profits Bonds and to provide additional moneys for deposit in the Facilities Establishment Fund. In 1998, the State issued \$101,980,000 of Taxable Development Assistance Refunding Bonds (the "1998 Bonds") to defease portions of the 1996 Taxable Development Assistance Bonds, and the net proceeds of the 1998 Bonds that were not used for the refunding were placed into the Facilities Establishment Fund. Pursuant to the 2004A Supplemental Trust Agreement, the State issued Taxable Development Assistance Bonds, Series 2004A (Ohio 166 Loan Program) (the "Series 2004A Bonds") in the original aggregate principal amount of \$50,000,000. Pursuant to the 2010A Supplemental Trust Agreement, the State issued Taxable Development Assistance Bonds, Series 2010A (Ohio 166 Direct Loan Program) (the "Series 2010A Bonds") in the original aggregate principal amount of \$40,000,000. Pursuant to the 2012B Supplemental Trust Agreement, the State issued Taxable Development Assistance Bond Anticipation Notes, Series 2012B (Ohio 166 Direct Loan Program) (the "Series 2012B Notes") in the original aggregate principal amount of \$40,000,000. The Taxable Development Assistance Notes are to be repaid, subject to certain limitations, by profits realized by the State from the sale of spirituous liquor ("Liquor Profits"). The Taxable Development Assistance Bonds are not to be repaid from and they are not secured by a pledge of funds from the Facilities Establishment Fund, the OEBF Accounts, any loan repayments received under the Chapter 166 Direct Loan Program, or any OEBF Net Revenues. As of June 30, 2021, there was \$158,553,735 remaining in

the Facilities Establishment Fund that had been approved for Chapter 166 Direct Loans by the State Controlling Board and that the Director of Development had either committed or was in the process of negotiating commitments.

The State's 2012-13 appropriations act authorized the transfer of the State's spirituous liquor system to JobsOhio, a not-for-profit corporation created and existing under Chapter 1702 of the Revised Code for the purpose of promoting economic development, job creation and retention, job training and recruitment of business to the State. On February 1, 2013, the transfer was completed and the State granted JobsOhio a 25-year franchise on the liquor enterprise. The transfer included provisions for the payment of outstanding bonds issued by the State for economic development and revitalization purposes. To the extent that the transfer of the State's spirituous liquor system reduces the moneys available for lending under the Chapter 166 Programs, moneys available in the event of a default of an OEBF Bond may be reduced. As a result of the JobsOhio Beverage System transaction that occurred on February 1, 2013, the Treasurer legally defeased all existing Taxable Development Assistance Bonds.

### **The Chapter 166 Direct Loan Program**

Commencing in 1982, the Director of Development began making loans from funds in the Facilities Establishment Fund that were derived from the sale of the 1982 Liquor Profits Bonds.

The State's programs under the Revised Code, including the OEBF Program, are currently administered by loan officers from the Ohio Department of Development in conjunction with JobsOhio. Under Section 187.04 of the Revised Code, the Director of Development is required to enter into a contract with JobsOhio for JobsOhio to assist the Director of Development with providing services or otherwise carrying out the functions or duties of the Director of Development.

In connection with loans made under the Chapter 166 Direct Loan Program, the Director of Development ordinarily enters into a loan agreement with a borrower and receives a promissory note and a mortgage or security agreement (which may be subordinated to or on a parity with mortgages and security agreements securing other debt) from the borrower relating to the assets being financed by the loan. The loan agreement ordinarily sets forth procedures for disbursement of the loan and covenants, including financial covenants, regarding the borrower and its operations, defines events of default, and provides that if an event of default has occurred and is continuing, the Director of Development may accelerate all amounts due under the note and foreclose on the related mortgage or security agreement (which acceleration may be subject to the consent of senior or parity debt holders). The Director of Development also may, in their discretion, waive events of default.

Most loans made under the Chapter 166 Direct Loan Program have not been for more than 50 percent of the total reported Allowable Costs of the project being financed. In many cases, a commercial lender has loaned a significant portion of the Allowable Costs of the project not financed by the State's loan. Approximately 90 percent of the loans outstanding under the Chapter 166 Direct Loan Program are secured by (i) first mortgages or security interests; or (ii) parity first mortgages or security interests in the property, the costs of which were financed by the loan. The remaining loans are generally secured by second priority mortgages or security interests in the property, the costs of which were financed by the loan.

In general, agreements relating to parity first mortgages or security interests provide that proceeds realized as the result of a foreclosure are to be divided among the lenders (typically the State and a commercial lender) on the basis of the principal balances outstanding under their respective loans. In some instances, however, proceeds realized as the result of a foreclosure are to be divided based on percentages established as the result of negotiation between the lenders, and may not relate to relative amounts the borrower owes to the lenders.

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## **Chapter 166 Direct Loan Program Net Revenues**

Set forth herein is a summary of the State's existing and historical Chapter 166 Direct Loan Program Net Revenues and other related facts, based on certain assumptions stated therein, and the Chapter 166 Direct Loan Program Net Revenues projected to be received by the State in the future from loans outstanding under the program.

The existing and future scheduled net loan repayments shown below are being generated by loans which were made from net proceeds of the 1982 Liquor Profits Bonds, the 1983 Liquor Profits Bonds and the Taxable Development Assistance Bonds. The loan repayments are not pledged to the payment of the 1983 Liquor Profits Bonds or the Taxable Development Assistance Bonds. As stated on the previous page, to the extent that the transfer of the State's spirituous liquor system reduces the moneys available for lending under the Chapter 166 Programs, moneys available in the event of a default of an OEBF Bond may be reduced.

As described herein, the loan repayments shown below and any future loan repayments from new loans issued pursuant to the Chapter 166 Programs, including the Chapter 166 Direct Loan Program, are and will be initially deposited in the First Half Account and Second Half Account. If such amounts are not needed to pay Debt Service Charges on the OEBF Bonds or to maintain the Program Reserve Requirement during the period of time they are held in such Accounts, subject to other directions given by the Director of Development under Section 166.09 of the Revised Code, such amounts will be transferred to the Program Transfer Account within the Facilities Establishment Fund, where such amounts will be available as a source for originating additional loans (but may also be used for other purposes). Any additional loan repayments from future loans made under the Chapter 166 Programs, if made, will be also initially deposited to the First Half Account and the Second Half Account, and therefore will be available for payment of all OEBF Bonds.

For more information, relating to specific loans made under the Chapter 166 Direct Loan Program, see the Detailed Listing of All Chapter 166 Loans Outstanding section of this continuing disclosure document. As of June 30, 2021, there were 56 current loans outstanding under the Chapter 166 Direct Loan Program in an aggregate principal amount of \$178,435,922.

The Chapter 166 Direct Loan Program originated its first loan in 1982. Of the loans made under the Program, 575 loans in an aggregate original principal amount of \$882,413,477 had been paid in their entirety as of June 30, 2021. Since the inception of the Chapter 166 Direct Loan Program, there have been 703 total loans with a total principal amount of \$1,175,032,892.

In March 2020, due to the COVID-19 pandemic, the DOD gave Chapter 166 loan borrowers the option to suspend loan payments from April 1, 2020 through September 30, 2020, with no impact on the interest payments and servicing fees related to outstanding balances. The maturity date of the loans was adjusted to reflect the six-month suspension.

Since 1982, the Director of Development has written off 65 loans with an outstanding aggregate principal balance of \$46,577,127. No loans were written off between July 1, 2020 and June 30, 2021.

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## SUMMARY OF HISTORICAL CHAPTER 166 LOAN PROGRAM – As of June 30, 2021

<u>Period Ending:</u>	<u>6/30/2021</u>	<u>12/31/2020</u>	<u>12/31/2019<sup>(1)</sup></u>	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Total Since Inception</u>
<u>New Loans Originated</u>							
Number	1	6	1	4	4	1	703
Original Principal	\$25,000,000	\$56,892,000	\$7,425,000	\$15,000,000	\$13,600,000	\$4,000,000	\$1,175,032,892
<u>Matured Loans</u>							
Number	1	9	8	10	9	1	229
Original Principal	\$600,000	\$11,146,090	\$19,616,255	\$27,667,454	\$20,280,022	\$1,000,000	\$321,269,843
<u>Prepaid Loans</u>							
Number	1	8	3	11	11	8	346
Prepaid Principal	\$346,158	\$2,270,057	\$787,057	\$16,674,451	\$4,967,126	\$5,115,841	\$265,879,522
Original Principal	\$15,000,000	\$10,105,056	\$2,764,443	\$34,072,899	\$17,620,179	\$9,445,000	\$561,143,634
<u>Loan Written Off</u>							
Number	0	0	0	0	3	3	65
Actual Principal	0	0	0	0	\$3,449,044	\$4,850,000	\$46,577,127
Original Principal	0	0	0	0	\$7,750,000	\$5,864,360	\$70,530,695
<u>Forgiven Loans</u>							
Number	0	0	2	0	1	0	
Actual Amount	0	0	2,565,000	0	7,122,760	0	
<u>Average Loan Balance</u>	\$3,186,356	\$2,739,173	\$1,730,181	\$1,637,231	\$1,580,765	\$1,592,801	
<u>Outstanding Loans</u>							
Number	56	57	68	80	97	117	
Outstanding Balance	\$178,435,922	\$156,132,851	\$117,652,311	\$130,978,558	\$153,334,202	\$186,357,736	
Original Principal	\$247,592,962	\$233,839,537	\$202,552,108	\$220,427,806	\$262,181,579	\$299,068,362	
<u>Current Loans Outstanding</u>							
Number	56	55	66	76	93	113	
Outstanding Balance	\$178,435,922	\$149,839,628	\$109,917,328	\$128,554,907	\$143,475,551	\$169,201,766	
<u>Delinquent Loans<sup>(2)</sup></u>							
<u>(60-120 days)</u>							
Number	0	0	1	0	0	0	
Outstanding Principal	0	0	6,000,000	0	0	0	
<u>(Over 120 days)</u>							
Number	0	2	1	4	4	4	
Outstanding Principal	0	\$6,293,223	\$1,734,982	\$2,423,651	\$9,858,651	\$17,155,969	
<u>Account Balances</u>							
Program Transfer Account <sup>(3)(4)</sup>	\$158,553,735	\$225,239,396	\$288,257,371	\$282,958,110	\$233,133,074	\$214,640,440	
First Half <sup>(5)(6)</sup>	\$3,542,972	\$6,186,825	\$8,929,131	\$28,555,535	\$25,382,082	\$25,304,930	
Second Half <sup>(6)(7)</sup>	\$8,921,592	\$4,684,302	\$10,111,737	\$7,144,793	\$12,862,015	\$5,552,127	
<b>Total</b>	<b>\$171,018,299</b>	<b>\$236,110,523</b>	<b>\$307,298,240</b>	<b>\$318,658,439</b>	<b>\$271,377,171</b>	<b>\$245,497,497</b>	

<sup>(1)</sup> 3 Pioneer Loans were paid off and transferred out of 166 in 2018-2019.

<sup>(2)</sup> Amounts include loans suspended because of COVID-19.

<sup>(3)</sup> Amount is available to make new Chapter 166 Program loans.

<sup>(4)</sup> Amounts not pledged to pay Debt Service Charges.

<sup>(5)</sup> Amounts available to pay Debt Service Charges. On the last Business Day of year any remaining funds in this Account are transferred to Program Transfer Account.

<sup>(6)</sup> All year end balances are as of November 30 of each year. June 30, 2021 balance is as of May 31st, 2021.

<sup>(7)</sup> Amounts available to pay Debt Service Charges. On the last Business Day of June any remaining funds in this Account are transferred to Program Transfer Account.

*Information provided by the Ohio Department of Development.*

## **REPAYMENT SCHEDULE FOR THE CHAPTER 166 LOAN PORTFOLIO**

The following table sets forth the annual Chapter 166 Direct Loan Program Net Revenues that will be received by the State from all loans outstanding under the program as of June 30, 2021. There can be no assurance that all of the payments will be received when scheduled.

<b>Year</b>	<b>Scheduled Loan Repayments</b>
2021	\$11,624,013
2022	10,464,425
2023	10,035,225
2024	9,932,318
2025	17,705,604
2026	11,049,441
2027	11,139,273
2028	18,366,035
2029	13,414,719
2030	7,080,794
2031	7,106,701
2032	6,686,007
2033	5,107,860
2034	5,219,516
2035	8,510,552
2036	2,878,725
2037	2,601,913
2038	2,586,913
2039	2,571,913
2040	2,606,538
2041	2,540,413
2042	2,525,413
2043	2,091,291
2044	1,972,211
2045	1,836,711
2046	0
2047	20,000,000
2048	0
2049	0
2050	0
2051	0
2052	0
2053	0
2054	0
2055	2,341,738
2056	0
2057	1,840,296
<b>Total</b>	<b>\$201,836,559</b>

*Information provided by the Ohio Department of Development.*

## **ISSUANCE OF ADDITIONAL OHIO ENTERPRISE BOND FUND BONDS**

Pursuant to the General Bond Order, the Treasurer may, from time to time by issuance of a series bond order, issue other series of OEBF Bonds on a parity basis with the Bonds, payable from and secured by the OEBF Accounts as well as payable from the Program Transfer Account. The General Bond Order permits the State to issue OEBF Bonds to provide moneys to the Facilities Establishment Fund that are needed for the purpose of paying, or making loans to pay Allowable Costs of Project Facilities and for the purpose of paying administrative expenses of the OEBF Program, for funding reserves or interest payable from the proceeds of a series of OEBF Bonds, and for refunding (including advance refunding) any outstanding series of OEBF Bonds. Proceeds of OEBF Bonds cannot be used for any other purpose.

Previously, under the Revised Code, the aggregate principal amount of Project Financing Obligations (including OEBF Bonds) issued cannot exceed \$300,000,000, plus the sum of the principal amount of any Project Financing Obligations retired by payment. Effective on September 28, 2012, the aggregate amount of debt service payable in any calendar year on Project Financing Obligations (OEBF Bonds) issued under section 166.08 of the Revised Code, exclusive of the make-whole call redemptions or other optional prepayments, shall not exceed \$50,000,000. Except for the statutory limitation described above, there are no limitations in the Trust Agreement, or General Bond Order which is incorporated into the Trust Agreement, regarding the aggregate principal amount of OEBF Bonds that may be issued.

The maximum annual debt service as of June 30, 2021 is \$10,126,795 which occurs in 2024.

There is no assurance that the State will not pledge or agree to use moneys in the Facilities Establishment Fund, including moneys in the Program Transfer Account, to secure or repay any other obligations.

In accordance with the General Bond Order, the State may issue additional series of OEBF Bonds only if all of the following conditions are satisfied:

- The State is not in default of any covenants or obligations contained in the Trust Agreement or in any outstanding OEBF Bonds, and the authentication and delivery of such series of OEBF Bonds will not result in any such default;
- The principal amount of such series of OEBF Bonds, and of other obligations then issued or outstanding, will not exceed in the aggregate the principal amount of obligations which may be issued or outstanding under the existing limitations imposed by of the General Assembly and the provisions of the Revised Code;
- If proceeds of the additional series of OEBF Bonds are to be used to finance Project Facilities, at the time of initial authentication and delivery of the series of bonds, the Director of Development must have entered into a Project Financing Agreement relating to those proceeds or must have otherwise entered into agreements which provide for a source of revenues sufficient to pay the Debt Service Charges on that series of OEBF Bonds or portion thereof allocable to the related Project Facilities. Each Project Financing Agreement is required to provide for the manner in which proceeds of such series of OEBF Bonds shall be applied to the acquisition and construction of such Project Facilities and for payments by the Contracting Party so benefited of amounts sufficient to pay all of the Debt Service Charges on such series of OEBF Bonds or the portion thereof allocable to the financing for that Contracting Party;
- The balance in the Program Reserve Account (including the aggregate amounts which may then be drawn under any letters of credit delivered to the Trustee to provide funds to the Program Reserve Account), valuing investments therein at the lower of cost or market, immediately after issuance of such series of OEBF Bonds, must be not less than the Program Reserve Requirement; and
- The terms of obligations, including OEBF Bonds, may not exceed 25 years. Under the Trust Agreement, the State may not issue any series of OEBF Bonds if the issuance of that series would cause interest on any outstanding series of Tax-Exempt OEBF Bonds to be includable in gross income for purposes of federal income taxation.

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
1988-1	Program Reserve	Program Reserve	\$ 10,000,000	Taxable	04/11/88	12/01/00	N/A	N/A	0
1989-1	Globe Industries	Industrial Parts	2,500,000	Tax-Exempt	04/27/89	06/01/91	Lucas	Rossford	0
1989-2	Globe Industries	Industrial Parts	1,000,000	Tax-Exempt	06/08/89	06/01/96	Lucas	Oregon	0
1989-3	Harvard Industries	Automotive Accessories	7,200,000	Tax-Exempt	06/29/89	12/01/96	Seneca	Tiffin	0
1989-4	House of LaRose	Regional Beverage Distribution	8,255,000	Taxable	10/06/89	06/01/09	Cuyahoga	Cuyahoga Heights	0
1989-5A	Sponge, Inc.	Sponge Manufacturing	4,400,000	Tax-Exempt	10/05/89	06/01/14	Lorain	Elyria	0
1989-5B	Sponge, Inc.	Sponge Manufacturing	4,050,000	Tax-Exempt	10/05/89	06/01/99	Lorain	Elyria	0
1989-6	Triplett Corporation	Measuring Devices Manufacturing	3,810,000	Taxable	10/31/89	06/01/94	Allen	Bluffton	0
1990-1	Erie Terminal	Commercial Offices	1,555,000	Taxable	12/06/90	12/01/10	Mahoning	Youngstown	0
1990-2	Youngstown Sinter	Steel Manufacturing	7,400,000	Tax-Exempt	07/14/90	12/01/97	Trumbull	Warren	0
1990-3	Good Samaritan	Non-Profit Medical Center	1,900,000	Tax-Exempt	12/27/90	12/01/10	Muskingum	Zanesville	0
1991-1	Kinetic Noise Control	Noise Control Products	2,270,000	Taxable	03/28/91	12/01/11	Franklin	Dublin	0
1991-2	Superior Forge and Steel, Inc.	Steel Mill Rolls Manufacturing	7,715,000	Tax-Exempt	04/25/91	06/01/01	Allen	Lima	0
1991-3	Superior Forge and Steel, Inc.	Steel Mill Rolls Manufacturing	1,200,000	Tax-Exempt	04/25/91	06/01/11	Allen	Lima	0
1991-4	Atlas Technical Finishes, Inc.	Electrocoating Operation	1,310,000	Taxable	05/31/91	12/01/11	Cuyahoga	Cleveland	0

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
1991-5	Royal Appliance Manufacturing	Vacuum Cleaner Manufacturer	\$ 4,145,000	Tax-Exempt	05/30/91	12/01/11	Summit	Macedonia	0
1991-6	Burrows Paper Corporation	Specialty Tissue Manufacturer	1,435,000	Tax-Exempt	07/25/91	06/01/03	Knox	Mt. Vernon	0
1991-7	Burrows Paper Corporation	Specialty Tissue Manufacturer	650,000	Tax-Exempt	07/25/91	06/01/11	Knox	Mt. Vernon	0
1991-8	JJ&S Ltd. Partnership	Electromechanical Products Servicer	2,895,000	Taxable	08/15/91	09/01/96	Stark	Massillon	0
1991-9	Royal Appliance Manufacturing	Vacuum Cleaner Manufacturer	3,125,000	Tax-Exempt	08/29/91	12/01/11	Lake	Wickliffe	0
1991-10	Bellisio Foods	Food Manufacturer	6,715,000	Tax-Exempt	09/18/91	06/01/01	Jackson	Jackson	0
1991-11	RC Miller Refuse Services	Refuse Recycler	2,035,000	Tax-Exempt	10/30/91	06/01/94	Stark	Canton	0
1991-12	Fed-One Dayton	Glass Manufacturer	3,800,000	Taxable	11/15/91	03/01/97	Muskingum	Zanesville	0
1991-13	VSM Corporation	Noise Abatement Systems Manufacturer	2,605,000	Tax-Exempt	12/05/91	12/01/11	Summit	Twinsburg	0
1991-14	RC Miller Refuse Services	Refuse Recycler	1,605,000	Tax-Exempt	12/16/91	06/01/99	Stark	Canton	0
1991-15	Consumer Direct, Inc.	Fitness Equipment Distribution	2,710,000	Taxable	01/22/92	06/01/95	Stark	Canton	0
1992-1	Calex Corporation	Aluminum Extrusion Processor	10,185,000	Taxable	02/24/92	12/01/98	Mahoning	Campbell	0
1992-2	5 Bs, Inc.	Garment Manufacturer	2,070,000	Tax-Exempt	04/23/92	06/01/99	Muskingum	Zanesville	0
1992-3	Baileys Trans-Plastics	Plastic Injection Molder Manufacturer	3,170,000	Taxable	06/30/92	09/01/02	Ashtabula	Conneaut	0

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
1992-5	Stearns Technical Textiles	Textile Manufacturer	\$3,805,000	Tax-Exempt	06/30/92	06/01/99	Hamilton	Cincinnati	0
1992-6	Hercules Tire & Rubber	Rubber Tire Retreading Manufacturer	2,870,000	Tax-Exempt	06/30/92	06/01/02	Hancock	Findlay	0
1992-7	Osco Industries, Inc.	Gray Iron Castings Manufacturer	1,250,000	Taxable	11/19/92	12/01/02	Scioto	Portsmouth	0
1992-8	Landoll, Inc.	Book Publisher	7,580,000	Taxable	01/11/93	12/01/02	Ashland	Ashland	0
1993-1	Dayton-Phoenix Group	Locomotive Motors	3,095,000	Taxable	02/10/93	12/01/07	Montgomery	Dayton	0
1993-2	Chemron Corporation	Surfactants Mfg	1,630,000	Taxable	04/28/93	06/01/03	Wood	Bowling Green	0
1993-3	Bowling Green Ltd. Partnership	Surfactants Mfg	1,830,000	Taxable	04/28/93	06/01/13	Wood	Bowling Green	0
1993-4	Buffalo Molded Plastics	Auto Parts Manufacturer	3,070,000	Taxable	09/09/93	06/01/00	Ashtabula	Andover	0
1993-5	Foremost Mgmt.	Food Processing Facility	8,100,000	Taxable	09/21/93	06/01/13	Jackson	Jackson	0
1993-6	Globe Industries	Vibration Control Equipment Manufacturer	5,520,000	Taxable	09/08/93	09/01/00	Lucas	Oregon	0
1993-7	Checkfree Corporation	Commercial Financial Processing	7,515,000	Taxable	09/02/93	09/01/13	Franklin	Columbus	0
1993-8	Landair Services, Inc.	Transportation/Logistics Firm	6,280,000	Taxable	10/29/93	12/01/08	Franklin	Columbus	0
1993-9	Mills Pride, Ltd Partnership	Kitchen Cabinets, Vanities Manufacturer	10,415,000	Taxable	01/12/94	12/01/00	Pike	Waverly	0
1994-1	CR/PL Limited Partnership	Plumbing Equipment Manufacturer	3,060,000	Tax-Exempt	09/01/94	12/01/03	Richland	Mansfield	0

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
1994-2	Cheryl & Co.	Food Processing Facility	\$1,455,000	Tax-Exempt	01/01/94	12/01/09	Franklin	Westerville	0
1994-3	ABS Industries, Inc.	Forged Auto Parts Manufacturer	6,460,000	Tax-Exempt	04/21/94	12/01/96	Carroll	Minerva	0
1994-4	Orlando Baking Co.	Commercial Bakery	3,575,000	Tax-Exempt	06/16/94	12/01/09	Cuyahoga	Cleveland	0
1994-5	Consolidated Biscuit, Inc.	Commercial Bakery	1,815,000	Tax-Exempt	10/01/94	12/01/09	Erie	Sandusky	0
1994-6	Progressive Plastics Products	Molded Plastics Components Manufacturer	3,380,000	Tax-Exempt	12/01/94	12/01/09	Seneca	Seneca	0
1995-1	J.J.&W. Partnership	Chemical Manufacturer	3,425,000	Tax-Exempt	06/01/95	12/01/14	Stark	Massillon	0
1995-2	Wirt Metal Products, Inc.	Aluminum Billets Manufacturer	2,115,000	Tax-Exempt	07/01/95	06/01/02	Stark	Plain Twp	0
1995-3	Smith Steelite, Inc.	Metal Wall and Roof System Manufacturer	3,510,000	Tax-Exempt	11/15/95	12/01/03	Guernsey	Cambridge	0
1996-1	Sandusky Polymers Corp.	Vinyl Products Manufacturer	2,130,000	Taxable	03/01/96	03/01/11	Erie	Sandusky	0
1996-2	Ohio Coatings, Co.	Tinplate Manufacturer	10,000,000	Taxable	10/31/96	12/01/11	Jefferson	Yorkville	0
1998-1	The General Casting Company	Iron Castings Manufacturer	1,600,000	Taxable	04/30/98	06/01/05	Logan	W. Liberty	0
1998-2	Hamilton CIC	Cleaning Products Manufacturer	1,755,000	Taxable	04/30/98	06/01/18	Butler	Hamilton	0
1998-3	E-BEAM	Wire/Cable Conveyor System	2,290,000	Taxable	05/28/98	06/01/05	Warren	Lebanon	0
1998-4	OCHS Industries, Inc.	Computer Housings Manufacturer	3,185,000	Taxable	11/12/98	06/01/08	Montgomery	Vandalia	0



**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
1998-5	Toledo Lucas County Port Authority	Port Authority	\$ 8,350,000	Taxable	11/12/98	12/01/18	Hancock	Findlay	0
1999-1	NEO Beam Inc.	Plastic Sterilization	4,075,000	Taxable	05/12/99	03/01/19	Geauga	Middlefield	0
1999-2	Euclid & Wickliffe Services	Custom Sheet Metal Manufacturer	5,325,000	Taxable	11/24/99	09/01/19	Lake	Eastlake	0
2000-1	Scotts	Garden Fertilizer Company	6,025,000	Taxable	05/11/00	06/01/20	Union	Marysville	0
2000-2	Timken Latrobe	Steel Company	6,185,000	Taxable	06/15/00	06/01/20	Trumbull	Vienna Twp	0
2001-1	Girindus	Pharmaceutical Company	3,505,000	Taxable	08/16/01	09/01/11	Hamilton	Reading	0
2002-1	Seaman Corp	Industrial Fabrics Manufacturer	3,140,000	Taxable	05/14/02	03/01/17	Wayne	Wooster	0
2002-2	Alloy Polymers, Inc.	Plastics Compounder	7,185,000	Taxable	05/23/02	06/01/09	Franklin	Gahanna	0
2002-3	Milacron, Inc	Tool Manufacturer	11,500,000	Taxable	06/13/02	06/01/12	Hamilton	Batavia	0
2002-4	Astro Instrumentation, LLC	Medical Devices Manufacturer	2,845,000	Tax-Exempt	08/29/02	06/01/22	Cuyahoga	Strongsville	0
2002-5	Dana Corporation	Automotive Manufacturer	10,000,000	Taxable	11/07/02	06/01/14	Lucas	Monclova Twp	0
2002-6	Farber Development I, LLC	Automotive	2,450,000	Tax-Exempt	10/24/02	12/01/17	Franklin	Columbus	0
2002-7	Kahiki Foods	Frozen Foods	4,180,000	Tax-Exempt	12/12/02	12/01/22	Franklin	Gahanna	0
2003-1	Trillium	Soap Manufacturer	10,200,000	Taxable	04/23/03	03/01/11	Hamilton	Cincinnati	0
2003-2	EXAL Corporation	Aluminum Can Manufacturer	3,935,000	Taxable	04/24/03	03/01/10	Mahoning	Youngstown	0
2003-3	Patheon Pharmaceuticals, Inc.	Pharmaceutical Company	9,000,000	Taxable	06/12/03	06/01/08	Hamilton	Reading	0
2003-4	Burrows Paper Corporation	Paper Manufacturer	9,000,000	Taxable	06/18/03	06/01/18	Montgomery	Dayton	0

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
2003-5	Heidtman Steel	Steel Processor	\$ 5,645,000	Taxable	08/28/03	06/01/13	Cuyahoga	Cleveland	0
2003-6	Alliance Castings	Rail Car Side Frames	10,000,000	Taxable	12/18/03	12/01/10	Stark	Alliance	0
2004-1	Engineered Plastic Products	Manufacturer Plastic Automotive Components	3,460,000	Tax-Exempt	01/22/04	12/01/10	Allen	Ft. Shawnee	0
2004-2	Luiginos, Inc.	Manufacturer Frozen Foods	7,010,000	Taxable	03/31/04	06/01/19	Jackson	Jackson	0
2004-3	SUMCO	Manufacturer Silicon Wafer	8,000,000	Taxable	05/06/04	03/01/11	Warren	Maineville	0
2004-4	Stone Container	Manufacturer Packaging Material	4,650,000	Taxable	10/06/04	09/01/11	Tuscarawas	New Philadelphia	0
2005-1	Amantea Nonwovens, LLC	Manufacturer Non Woven Fabrics	3,535,000	Taxable	02/10/05	03/01/15	Hamilton	Cincinnati	0
2005-2	Goodyear Tire & Rubber	Tire Manufacturer	7,860,000	Taxable	05/12/05	06/01/14	Summit	Akron	0
2005-3	Taylor Chair Realty Company	Manufacturer Chair and Furniture	4,690,000	Tax-Exempt	07/26/05	06/01/25	Cuyahoga	Bedford	0
2005-4	Dover Chemical Corporation	Manufacturer Chemical	7,000,000	Taxable	09/21/05	09/01/12	Tuscarawas	Dover	0
2005-5	Rossford/Perrysburg Twp OI Levis	Office Building	8,000,000	Taxable	11/17/05	12/01/21	Wood	Perrysburg	\$ 385,000
2006-1	Lockheed Martin Corporation	Defense Contract - HAA	5,000,000	Taxable	02/01/06	12/01/12	Summit	Akron	0
2006-2	Klosterman Baking Co.	Bread Baking	4,830,000	Taxable	02/08/06	12/01/25	Hamilton	Cincinnati	850,000
2006-3	EXAL Corporation	Aluminum Containers	5,000,000	Taxable	02/16/06	06/01/16	Mahoning	Youngstown	0
2006-4	Associated Hygienic Products LLC	Sanitary Products Disposable	6,000,000	Taxable	07/19/06	12/01/13	Marion	Marion	0

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
2006-5	Clopay Corporation	Garage Door Manufacturer	\$ 7,790,000	Taxable	10/25/06	12/01/21	Miami	Troy	\$ 405,000
2007-1	Appleton Papers Inc	Paper Coating and Production	9,105,000	Taxable	07/24/07	06/01/17	Montgomery	West Carrollton	0
2007-2A	Golden Heritage Foods	Honey Food Products	4,500,000	Tax-Exempt	11/28/07	12/01/19	Van Wert	Van Wert	0
2007-2B	Golden Heritage Foods	Honey Food Products	1,030,000	Taxable	11/28/07	12/01/11	Van Wert	Van Wert	0
2008-1	Anchor Acquisition	Glassware	7,000,000	Taxable	03/27/08	03/01/18	Fairfield	Lancaster	0
2008-2	Technographics, Inc.	Software Services	4,390,000	Taxable	07/09/08	06/01/24	Wayne	Wooster	0
2008-3	Sigma OH Industries, Inc.	Composite and Metal Component Manufacturer	3,420,000	Taxable	08/22/08	06/01/23	Ashtabula	Village of Jefferson	0
2008-4	Xunlight Corporation	Flexible Solar Cell Manufacturer	4,000,000	Taxable	12/18/08	12/01/15	Lucas	Toledo	0
2009-1	Ohio Metal Technologies	Velocity Joints Manufacturer	4,545,000	Tax-Exempt	04/08/09	12/01/18	Licking	Herbron	0
2009-2	HCR Manor Care	Corporate Headquarters	11,605,000	Taxable	04/28/09	03/01/29	Lucas	Toledo	8,120,000
2009-3	Health Care REIT	Real Estate Investment Trust	10,750,000	Taxable	08/25/09	09/01/19	Lucas	Toledo	0
2009-4	Eaton Corporation	Electrical Systems Technology	10,000,000	Taxable	09/24/09	12/01/20	Cuyahoga	Beachwood	0
2009-5	Shearer's Foods Inc.	Brand Snack Food Maker	7,635,000	Tax-Exempt	10/01/09	12/01/24	Stark	Massillon	2,250,000
2009-6	National Bronze & Metal, Inc.	Metal Alloy Manufacturer	4,935,000	Taxable	10/29/09	09/01/19	Lorain	Lorain	0
2010-1	Comprehensive Logistics, Inc.	Warehouse and Transportation Management	4,315,000	Taxable	02/25/10	09/01/15	Mahoning	Austintown	0

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
2010-2	IRG Batavia I, LLC	Real Estate Developer	\$ 4,490,000	Tax-Exempt	04/01/10	12/01/24	Clermont	Batavia	0
2010-3	IRG Batavia I, LLC	Real Estate Developer	1,645,000	Taxable	04/01/10	12/01/14	Clermont	Batavia	0
2010-4	Intelligrated Systems, Inc.	Integrated Material Handling Systems Supplier	5,600,000	Taxable	03/04/10	03/01/30	Butler	West Chester	0
2010-5	Wornick Company	Food Rations Supplier	6,415,000	Taxable	08/19/10	09/01/15	Hamilton	Blue Ash	0
2010-6	Shawshank LLC	Roll and Sheet Stock Paper Converter	2,390,000	Taxable	08/12/10	09/01/25	Richland	Mansfield	0
2010-7	Vernon Manor Project	Parking Garage	4,300,000	Tax-Exempt	10/14/10	06/01/35	Hamilton	Cincinnati	\$ 3,300,000
2010-8	New Horizons Bakery	Bakery	6,115,000	Tax-Exempt	10/07/10	06/01/18	Huron	Norwalk	0
2010-9	Sugar Creek Packing Co.	Food Processing	3,025,000	Tax-Exempt	11/10/10	12/01/20	Montgomery	Dayton	0
2010-10	Novatex North America, Inc.	Infant Care Products	5,500,000	Tax-Exempt	12/16/10	12/01/25	Ashland	Ashland	1,445,000
2010-11	International Technical Coatings, Inc.	Wire Mesh Products Manufacturer	3,005,000	Tax-Exempt	12/15/10	12/01/20	Franklin	Columbus	0
2010-12	Flats East Development LLC	Urban Renewal Developer	15,000,000	Tax-Exempt	12/21/10	12/01/34	Cuyahoga	Cleveland	11,565,000
2011-1	General Data Company	Label Manufacturer	2,455,000	Tax-Exempt	09/02/11	06/01/21	Clermont	Milford	0
2011-2	Wilbert, Inc.	Plastic Injection Molder Manufacturer	5,285,000	Taxable	09/22/11	09/01/26	Sandusky	Bellevue	0
2011-3	MITEC, Inc.	Automotive Propulsion Technology Mfr	7,270,000	Taxable	11/03/11	12/01/18	Hancock	Findlay	0
2011-4	MAC LTT, LLC	Truck Trailer Manufacturing	3,150,000	Taxable	12/08/11	03/01/27	Portage	Kent	1,475,000
2011-5	Mt. Orab Port Authority*	Truck Trailer Manufacturing	3,400,000	Taxable	12/15/11	12/01/21	Brown	Mt. Orab	210,000

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
2012-1	Seepex, Inc.	Cavity Pumps, Macerators and Control Systems Manufacturing	\$ 5,855,000	Tax-Exempt	02/23/12	12/01/26	Clark	Enon	\$ 2,595,000
2012-2	Isofoton North America, Inc.	Mono Crystalline Solar Cells	7,080,000	Taxable	03/08/12	06/01/19	Henry	Napoleon	0
2012-3	FWT, LLC	Custom Steel Support Products	4,040,000	Taxable	04/18/12	06/01/22	Defiance	Hicksville	0
2012-4	JDDC, Ltd.	Threaded Parts Manufacturer	3,135,000	Taxable	05/10/12	06/01/27	Lake	Mentor	0
2012-5	Southeastern Ohio Port Authority	Water Screening, Water Supply and Pumping	4,175,000	Taxable	06/21/12	06/01/27	Washington	Marietta	2,065,000
2012-6	Intelligrated Systems, Inc.	Material Handling	6,000,000	Taxable	10/03/12	06/01/27	Warren	Mason	0
2012-7	The Connor Group	Real Estate Developer	8,350,000	Taxable	08/23/12	06/01/27	Montgomery	Dayton	0
2012-8	Grob Systems, Inc.	Machinery and Robotics Supplier	9,400,000	Taxable	10/04/12	09/01/27	Hancock	Bluffton	4,715,000
2012-9	AMES, Inc.	Commercial Airline Engineering and Repair	9,055,000	Tax-Exempt	12/27/12	12/01/36	Clinton	Wilmington	6,755,000
2012-10	White Castle Distributing, LLC	Frozen Foods	9,850,000	Tax-Exempt	10/31/12	12/01/27	Montgomery	Vandalia	5,105,000
2012-11	Strauss/River Rail Development	Scrap Metals Recycler	6,150,000	Taxable	10/25/12	09/01/27	Jefferson	Steubenville	0
2012-12	West Troy Tool & Dye	Manufacturer of Oil Filters for Passenger Vehicles	2,350,000	Taxable	10/31/12	12/01/22	Miami	Troy	420,000

**DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2021 (cont.)**

<b>Bond Series</b>	<b>Company Name</b>	<b>Type of Business</b>	<b>Original Principal</b>	<b>Tax Status</b>	<b>Closing Date</b>	<b>Maturity Date</b>	<b>County</b>	<b>City</b>	<b>Outstanding Principal</b>
2013-1	The Eco-Groupe	Manufacturer of Plastic Bottle Preforms	\$ 4,000,000	Taxable	04/04/13	06/01/19	Montgomery	Dayton	0
2013-2	Omnova Solutions	Manufacturer of Emulsion Polymers	7,000,000	Taxable	11/07/13	12/01/33	Cuyahoga	Beachwood	\$ 5,250,000
2013-3	Pratt Industries	Paper and Packaging	7,000,000	Taxable	12/16/13	12/01/25	Preble	Lewisburg	3,030,000
2021-1	White Castle Distributing, LLC	Frozen Foods	15,000,000	Taxable	05/12/21	03/01/41	Montgomery	Vandalia	15,000,000
<b>Total Tax Exempt Original Principal \$</b>			<b>200,175,000</b>	<b>Total Tax Exempt Outstanding Principal \$</b>			<b>33,015,000</b>		
<b>Total Taxable Original Principal \$</b>			<b>504,335,000</b>	<b>Total Taxable Outstanding Principal \$</b>			<b>41,925,000</b>		
<b>Total Original Principal \$</b>			<b>704,510,000</b>	<b>Total Outstanding Principal \$</b>			<b>74,940,000</b>		
<b>Total Transactions</b>			<b>136</b>	<b>Total Outstanding Transactions</b>			<b>19</b>		

\*2011-5 Mt. Orab Port Authority was defeased as of 12/31/2020.

**DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2021**

The final maturity date listed in the table below reflects the original terms of the loans. The amendments that granted an extension of the final maturity date, due to suspension of payments from April 1, 2020 through September 30, 2020, because of the COVID-19 pandemic, are not reflected in the table. The table was prepared by the Ohio Department of Development.

**OUTSTANDING CHAPTER 166 DIRECT LOANS**

Client	Loan Balance	Approved Loan Amount	Interest Rate	Board Approval Date	Disbursement Date	Final Maturity	City	County	Balloon Date
Bliss Investments, LLC	\$ 28,201.27	\$ 600,000.00	3.00%	7/26/2004	6/7/2006	1/1/2022	North Ridgeville	Lorain	
Cleveland-Cuyahoga County Port Authority	2,482,775.81	3,000,000.00	0.00%	9/23/2013	11/7/2013	11/1/2036	Cleveland	Cuyahoga	
Columbus-Franklin County Finance Authority	1,658,711.59	2,500,000.00	0.00%	12/4/2006	6/1/2007	6/1/2027	Columbus	Franklin	6/1/2027
Dayton-Montgomery Port Authority (Clopay)	142,378.44	5,000,000.00	3.00%	6/12/2006	10/24/2006	10/15/2021	Troy	Miami	
Green Tokai Company, Ltd.	469,112.78	2,500,000.00	3.00%	2/26/2007	4/28/2008	11/1/2023	Brookville	Montgomery	
Morgan County Improvement	340,705.72	2,000,000.00	3.00%	6/21/2004	2/10/2005	3/1/2025	McConnelsville	Morgan	
Morgan County Improvement	1,329,675.67	4,500,000.00	3.00%	8/4/2008	1/13/2009	8/1/2025	McConnelsville	Morgan	
Rossford/Perrysburg Twp. Port Authority (Owens)	61,761.07	2,000,000.00	0.00%	9/26/2005	1/27/2006	11/1/2021	Perrysburg Twp.	Wood	
Seaman Corporation	599,628.01	3,000,000.00	2.00%	12/12/2011	6/7/2012	12/1/2022	Wooster	Wayne	
Seepex, Inc.	315,664.21	2,000,000.00	0.00%	5/23/2011	2/22/2012	8/15/2022	Enon	Clark	8/15/2022
Development Finance Authority of Summit County	2,754,360.38	5,000,000.00	0.00%	1/31/2011	4/13/2011	12/1/2030	Akron	Summit	
Development Finance Authority of Summit County	1,840,296.19	2,000,000.00	0.00%	8/7/2017	10/23/2017	12/1/2057	Akron	Summit	
Development Finance Authority of Summit County-LOC	1,454,055.74	4,952,000.00	1.00%	5/17/2004	6/23/2006	12/1/2026	Akron	Summit	
Toledo-Lucas County Port Auth. (HCR Manorcare)	6,895,615.95	10,000,000.00	0.00%	11/17/2008	1/13/2009	1/15/2029	Toledo	Lucas	1/15/2029
Quaker Chemical Corporation	61,016.71	3,500,000.00	3.00%	11/13/2006	1/21/2009	8/1/2021	Middletown	Butler	
100 Furniture Parkway, LLC	775,927.59	1,875,000.00	3.00%	12/15/2008	5/1/2009	11/1/2021	Norwalk	Huron	11/1/2021
Rookwood Corporation	71,160.88	673,500.00	3.00%	5/4/2009	10/28/2009	5/1/2022	Cincinnati	Hamilton	
Cleveland-Cuyahoga County Port Auth./Eaton	13,235,816.77	15,500,000.00	1.00%	11/17/2008	9/22/2009	6/1/2029	Cleveland	Cuyahoga	
Anderson and Dubose, Inc.	436,853.34	834,513.73	3.00%	4/5/2010	12/27/2012	7/1/2028	Lordstown	Cuyahoga	
Sandridge Food Corporation	722,470.79	2,000,000.00	2.50%	12/3/2012	12/30/2013	7/1/2024	Medina	Medina	
Shearer's Foods, Inc.	633,338.71	2,000,000.00	3.00%	6/2/2008	10/7/2009	5/15/2025	Brewster	Stark	
Shearer's Foods, Inc.	1,030,408.67	2,500,000.00	3.00%	10/25/2010	1/4/2011	7/1/2026	Brewster	Stark	
Zucker Building Co., The	1,406,029.34	3,500,000.00	1.00%	1/31/2011	11/29/2010	6/1/2026	Cleveland	Cuyahoga	
CDSF, Ltd.	620,743.12	1,500,000.00	3.00%	9/13/2010	5/2/2011	11/1/2026	Canton	Stark	
Accel, Inc.	190,054.38	1,821,673.40	3.00%	11/8/2010	9/19/2011	4/1/2022	Johnstown	Licking	
Dayton-Montgomery County Port Authority	1,174,865.09	2,000,000.00	3.00%	7/23/2012	11/6/2013	12/1/2028	Vandalia	Montgomery	
Toledo-Lucas County Port Authority	3,371,672.27	5,000,000.00	1.00%	6/8/2015	8/14/2015	5/1/2030	Toledo	Lucas	
General Data Company, Inc.	403,099.09	910,000.00	3.00%	5/9/2011	9/15/2011	4/15/2027	Union Twp.	Clermont	

(continued on next page)

**DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2021 (cont.)**

**OUTSTANDING CHAPTER 166 DIRECT LOANS**

Client	Loan Balance	Approved Loan Amount	Interest Rate	Board Approval Date	Disbursement Date	Final Maturity	City	County	Balloon Date
IRG Warren I, LLC	\$ 1,138,623.22	1,900,000.00	2.00%	7/11/2011	8/30/2011	3/1/2027	Warren	Trumbull	
Hamlet Protein, Inc.	1,034,084.48	2,000,000.00	3.00%	5/9/2011	10/31/2012	5/1/2028	Findlay	Hancock	
MAC LTT, LLC	337,809.46	2,500,000.00	3.00%	9/26/2011	12/6/2011	7/1/2022	Kent	Portage	
Ohio Stamping & Machine, LLC	277,000.16	1,000,000.00	3.00%	10/24/2011	8/6/2012	3/1/2023	Springfield	Clark	3/1/2023
Franklin County Convention Facilities Authority	5,092,617.00	10,000,000.00	0.00%	12/12/2011	3/28/2012	12/30/2021	Columbus	Franklin	
Grob Systems, Inc.	373,202.17	1,500,000.00	3.00%	5/7/2012	3/29/2013	11/15/2028	Bluffton	Hancock	
3CDC Master Parking, LLC	4,600,000.00	7,000,000.00	2.00%	6/11/2012	6/20/2013	6/30/2028	Cincinnati	Hamilton	6/30/2028
Clinton County Port Authority (AMES)	3,005,795.02	4,000,000.00	1.00%	6/11/2012	12/24/2012	5/15/2036	Wilmington	Clinton	
Patented Acquisition Corporation	242,408.82	750,000.00	3.00%	9/10/2012	10/16/2013	5/1/2024	Miamisburg	Montgomery	
TNCC, LLC	563,798.16	1,000,000.00	3.00%	8/6/2012	4/24/2013	11/1/2028	Steubenville	Jefferson	11/1/2028
Pratt Industries, Inc.	1,696,401.96	3,000,000.00	3.00%	9/23/2013	2/6/2015	9/1/2027	Conyers	Henry	
MCIC Sinter Property	1,142,469.96	2,000,000.00	2.00%	10/15/2013	1/9/2014	2/1/2029	McConnelsville	Morgan	
Applied Industrial Technologies, Inc.	846,159.26	2,359,275.00	1.50%	4/30/2014	4/30/2014	11/1/2024	Cleveland	Cuyahoga	
Port of Greater Cincinnati Development Authority	2,341,737.69	2,500,000.00	0.00%	10/20/2014	4/29/2015	4/29/2055	Cincinnati	Montgomery	
Port of Greater Cincinnati Development Authority	7,286,131.34	7,425,000.00	0.00%	1/28/2019	4/2/2019	5/15/2035	Cincinnati	Montgomery	5/15/2035
Ziegler Park Leverage Lender, LLC/3CDC	3,250,000.00	4,000,000.00	2.00%	6/20/2016	11/2/2016	6/30/2028	Cincinnati	Hamilton	6/30/2028
Court & Walnut, LLC	4,000,000.00	4,000,000.00	0.00%	10/16/2017	1/16/2018	8/1/2025	Cincinnati	Hamilton	8/1/2025
Fourth & Race Redevelopment, LLC	6,000,000.00	6,000,000.00	0.00%	10/30/2017	10/25/2018	11/1/2025	Cincinnati	Hamilton	11/1/2025
COCRF Investor 109, LLC	5,015,950.00	5,015,950.00	0.50%	12/4/2017	12/28/2017	12/25/2042	Columbus	Franklin	
Fortuity Holding, LLC	2,584,050.00	2,584,050.00	0.50%	12/4/2017	12/28/2017	7/1/2043	Columbus	Franklin	
ASW.Pengg, LLC	2,233,147.01	2,500,000.00	0.00%	4/23/2018	11/6/2018	12/1/2029	Bedford Heights	Champaign	12/1/2029
Western Reserve Port Authority	100,000.00	100,000.00	1.00%	8/5/2019	10/6/2020	10/1/2021	Vienna	Trumbull	
Ohio City Legacy, LLC	10,792,000.00	10,792,000.00	0.00%	12/6/2019	10/5/2020	10/1/2032	Northbrook	Hamilton	
West End Ventures, LLC	23,976,136.92	25,000,000.00	1.00%	12/16/2019	10/27/2020	11/1/2045	Cincinnati	Hamilton	
1400 Vine, LLC	1,000,000.00	1,000,000.00	0.00%	5/11/2020	9/10/2020	10/1/2025	Cincinnati	Hamilton	10/1/2025
Appalachian Growth Capital, LLC	10,000,000.00	10,000,000.00	0.00%	6/1/2020	7/24/2020	8/1/2047	Nelsonville	Athens	
Economic and Community Development Institute, Inc.	10,000,000.00	10,000,000.00	0.00%	7/13/2020	10/6/2020	10/1/2047	Columbus	Franklin	
Confluence Community Authority	<u>25,000,000.00</u>	<u>25,000,000.00</u>	0.00%	2/24/2021	3/18/2021	12/1/2045	Columbus	Franklin	
<b>Total:</b>									
<b>56 Loans</b>	<b>\$178,435,922.21</b>	<b>\$247,592,962.13</b>							



**CUSIP & Outstanding Bonds Report**  
**As of June 30, 2021**

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**LIST ISSUE**  
**THE HUNTINGTON NATIONAL BANK**  
**Effective: 6/30/21**



ISSUE NAME	TICKER	CUSIP	AUTHORIZED	OUTSTANDING
<b>Issuer: OH ECON DEV OEBF (GOOD RIVER) 12-5 (OHIEF12-5) (1081047059)</b>				
OH ECON DEV OEBF (GOOD 4.375% 06/01/27	OED4327	677555Q23	4,175,000	2,065,000
			4,175,000.00	2,065,000.00
			4,175,000.00	2,065,000.00
<b>Issuer: OH ECON DEV OEBF CLEV-CUY PA OMNOVA (OHIEF13-2) (1081048156)</b>				
OH ECON DEV OEBF CLEV-CU 4.47% 12/01/33	OED4433	677555X25	7,000,000	5,250,000
			7,000,000.00	5,250,000.00
			7,000,000.00	5,250,000.00
<b>Issuer: OH ECON DEV OEBF GROB SYS 12-8 (OHIEF12-8) (1081047558)</b>				
OH ECON DEV OEBF GROB SY 3.44% 09/01/27	OED3427	677555Q56	9,400,000	4,715,000
			9,400,000.00	4,715,000.00
			9,400,000.00	4,715,000.00
<b>Issuer: OH ECON DEV OEBF MAC LTT 11-4 (OHIEF11-4) (1081046354)</b>				
OH ECON DEV OEBF MAC LTT 11 5% 03/01/27	OED5027	677555M35	3,150,000	1,475,000
			3,150,000.00	1,475,000.00
			3,150,000.00	1,475,000.00
<b>Issuer: OH ECON DEV OEBF PRATT INDUSTRIES 13-3 (OHIEF13-3) (1081048352)</b>				
OH ECON DEV OEBF PRATT I 3.85% 12/01/25	OED3825	677555X33	7,000,000	3,030,000
			7,000,000.00	3,030,000.00
			7,000,000.00	3,030,000.00
<b>Issuer: OH ECON DEV OEBF WEST TROY TOOL 12-12 (OHIEF12-12) (1081047754)</b>				
OH ECON DEV OEBF WEST TROY 3% 12/01/22	OED3022	677555T38	2,350,000	420,000
			2,350,000.00	420,000.00
			2,350,000.00	420,000.00
<b>Issuer: OH ECON DEV OEBF WHITE CASTLE 12-10 (OHIEF12-10) (1082255152)</b>				
OH ECON DEV OEBF WHITE CAST 4% 12/01/21	OED4021	677555S62	350,000	350,000
OH ECON DEV OEBF WHITE CAST 4% 06/01/22	OED40220	677555S70	360,000	360,000

**LIST ISSUE**  
**THE HUNTINGTON NATIONAL BANK**  
**Effective: 6/30/21**



ISSUE NAME	TICKER	CUSIP	AUTHORIZED	OUTSTANDING
OH ECON DEV OEBF WHITE CAST 4% 12/01/22	OED4022	677555S88	370,000	370,000
OH ECON DEV OEBF WHITE CAST 3% 12/01/24	OED3024	677555T20	1,535,000	1,535,000
OH ECON DEV OEBF WHITE C 3.25% 12/01/27	OED3227	677555S96	2,490,000	2,490,000
			5,105,000.00	5,105,000.00
			5,105,000.00	5,105,000.00

**Issuer: OH ENT BD FD OEBF-AMES 12-9 (OHIEF12-9) (1082255303)**

OH ENT BD FD OEBF-AMES 12 2.5% 12/01/21	OEB2521	677555V35	170,000	170,000
OH ENT BD FD OEBF-AMES 1 2.75% 06/01/22	OEB27220	677555V43	170,000	170,000
OH ENT BD FD OEBF-AMES 1 2.75% 12/01/22	OEB2722	677555V50	175,000	175,000
OH ENT BD FD OEBF-AMES 12-9 3% 12/01/23	OEB3023	677555V68	355,000	355,000
OH ENT BD FD OEBF-AMES 12-9 3% 12/01/24	OEB3024	677555V76	365,000	365,000
OH ENT BD FD OEBF-AMES 12-9 3% 12/01/25	OEB3025	677555V84	375,000	375,000
OH ENT BD FD OEBF-AMES 3.125% 12/01/26	OEB3126	677555V92	385,000	385,000
OH ENT BD FD OEBF-AMES 3.125% 12/01/27	OEB3127	677555W26	400,000	400,000
OH ENT BD FD OEBF-AMES 3.125% 12/01/28	OEB3128	677555W34	410,000	410,000
OH ENT BD FD OEBF-AMES 1 3.25% 12/01/29	OEB3229	677555W42	425,000	425,000
OH ENT BD FD OEBF-AMES 1 3.25% 12/01/30	OEB3230	677555W59	435,000	435,000
OH ENT BD FD OEBF-AMES 12-9 5% 12/01/34	OEB5034	677555W75	1,960,000	1,960,000
OH ENT BD FD OEBF-AMES 1 3.75% 12/01/36	OEB3736	677555W83	1,130,000	1,130,000
			6,755,000.00	6,755,000.00
			6,755,000.00	6,755,000.00

**Issuer: OHIO ECON DEB OEBF FLATS EAST 10-12 (OHIEF10-12) (1082251904)**

OHIO ECON DEB OEBF FLATS EA 5% 12/01/28	OED5028	677555J62	5,365,000	5,090,000
OHIO ECON DEB OEBF FLATS EA 6% 12/01/34	OED6034	677555K45	6,475,000	6,475,000
			11,840,000.00	11,565,000.00
			11,840,000.00	11,565,000.00

**Issuer: OHIO ECON DEV OEBF AM TRAILER 11-5 (OHIEF11-5) (1081046407)**

**LIST ISSUE**  
**THE HUNTINGTON NATIONAL BANK**  
**Effective: 6/30/21**



ISSUE NAME	TICKER	CUSIP	AUTHORIZED	OUTSTANDING
OHIO ECON DEV OEBF AM TRA 4.5% 12/01/21	OED4521	677555M43	3,400,000	210,000
			3,400,000.00	210,000.00
<b>Issuer: OHIO ECON DEV OEBF CLOPAY 06-5 (OHIEF2006-5) (1081040056)</b>				
OHIO ECON DEV OEBF CLOPA 5.89% 12/01/21	OED5821	677555XJ8	7,790,000	405,000
			7,790,000.00	405,000.00
<b>Issuer: OHIO ECON DEV OEBF HCR MANOR 09-2 (OHIEF09-2) (1081041803)</b>				
OHIO ECON DEV OEBF HCR MANO 8% 03/01/29	OED8029	677555YE8	11,605,000	8,120,000
			11,605,000.00	8,120,000.00
<b>Issuer: OHIO ECON DEV OEBF HEARTH GRNS 06-2 (OHIEF06-2) (1081039709)</b>				
OHIO ECON DEV OEBF HEART 5.84% 12/01/25	OED5825	677555XF6	4,830,000	850,000
			4,830,000.00	850,000.00
<b>Issuer: OHIO ECON DEV OEBF NOVATEX NA 10-10 (OHIEF10-10) (1082251708)</b>				
OHIO ECON DEV OEBF NOVATEX 4% 12/01/21	OED40210	677555F58	295,000	150,000
OHIO ECON DEV OEBF NOVA 4.375% 12/01/25	OED4325	677555F90	1,295,000	1,295,000
			1,590,000.00	1,445,000.00
<b>Issuer: OHIO ECON DEV OEBF OI LEVIS 05-5 (OHIEF05-5) (1081039308)</b>				
OHIO ECON DEV OEBF OI LE 5.54% 12/01/21	OED5521	677555XD1	8,000,000	385,000
			8,000,000.00	385,000.00
<b>Issuer: OHIO ECON DEV OEBF SEEPEX 12-1 (OHIEF12-1) (1082253403)</b>				
OHIO ECON DEV OEBF SEEPEX 1 4% 12/01/23	OED4023	677555P57	1,320,000	1,110,000
OHIO ECON DEV OEBF SEEPEX 3.7% 12/01/26	OED3726	677555P65	1,485,000	1,485,000
			2,805,000.00	2,595,000.00

**LIST ISSUE**  
**THE HUNTINGTON NATIONAL BANK**  
**Effective: 6/30/21**



ISSUE NAME	TICKER	CUSIP	AUTHORIZED	OUTSTANDING
<b>Issuer: OHIO ECON DEV OEBF SHEARER 09-5 (OHIEF09-5) (1082247304)</b>				
OHIO ECON DEV OEBF SHEARER 5% 06/01/22	OED5022	677555YV0	1,455,000	605,000
OHIO ECON DEV OEBF SHEARER 5% 12/01/24	OED5024	677555YX6	1,645,000	1,645,000
			3,100,000.00	2,250,000.00
<b>Issuer: OHIO ECON DEV OEBF VERNON MANOR 10-7 (OHIEF10-7) (1082250754)</b>				
OHIO ECON DEV OEBF VERNON 3.5% 12/01/22	OED3522	677555ZY3	260,000	195,000
OHIO ECON DEV OEBF VERN 3.625% 12/01/24	OED3624	677555ZZ0	280,000	280,000
OHIO ECON DEV OEBF VERNON M 4% 12/01/27	OED4027	677555A20	465,000	465,000
OHIO ECON DEV OEBF VERNON 4.75% 12/01/32	OED4732	677555A38	1,335,000	1,335,000
OHIO ECON DEV OEBF VERNON 4.5% 06/01/35	OED4535	677555A46	1,025,000	1,025,000
			3,365,000.00	3,300,000.00
<b>Issuer: OHIEF WHITE CASTLE DIST ECON DEV 2021-1 (OHIEF21-1) (1081001151)</b>				
OHIEF WHITE CASTLE DIST 2.186% 09/01/31	OWC2131	677555X41	6,005,000	6,005,000
OHIEF WHITE CASTLE DIST 3.15% 03/01/41	OWC3141	677555X58	8,995,000	8,995,000
			15,000,000.00	15,000,000.00
		<b>Grand Total</b>	118,260,000.00	74,940,000.00

Office of Loan Administration  
Financial Statements – FY 2020

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**OFFICE OF LOAN ADMINISTRATION**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2020**

**OHIO AUDITOR OF STATE  
KEITH FABER**







**OFFICE OF LOAN ADMINISTRATION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Statement of Net Position .....	12
Statement of Activities.....	13
Balance Sheet – Governmental Funds .....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	18
Reconciliation of the Statement of Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
Notes to the Basic Financial Statements.....	21
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability.....	48
Schedule of Proportionate Share of the Net OPEB Liability.....	49
Schedule of Contributions.....	50
Notes to the Required Supplementary Information .....	51
Supplementary Combining Financial Statements:	
Combining Balance Sheet – Nonmajor Funds .....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds.....	55
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i> .....	57
Prepared by Management:	
Summary Schedule of Prior Audit Findings.....	59

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Office of Loan Administration  
77 S. High Street, 29<sup>th</sup> Floor  
Columbus, OH 43215

To the Office of Loan Administration:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Loan Administration (the Office), an office within a department of the State of Ohio, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' Government Auditing Standards. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Office's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Office's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Loan Administration, State of Ohio, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Presentation*

As discussed in Note 1, the financial statements of the Office present only the financial position and changes in financial position, thereof of the State of Ohio attributable to the Office of Loan Administration. They do not present the financial position of the State of Ohio as of June 30, 2020, or the changes in financial position of the State of Ohio for the year then ended in accordance with the accounting principles generally accepted in the United States of America. Our opinion is not modified regarding this matter.

#### *Subsequent Events*

As discussed in Note 10 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent events of the Office. We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, *Schedule of Proportionate Share of Net Pension Liability*, *Schedule of Proportionate Share of Net OPEB Liability*, and *Schedule of Contributions*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

#### *Supplementary Information*

Our audit was conducted to opine on the Office's basic financial statements taken as a whole.

The financial section's combining statements present additional analysis and are not a required part of the basic financial statements.

The statements are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2020, on our consideration of the Office of Loan Administration's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Office's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

October 1, 2020

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**OFFICE OF LOAN ADMINISTRATION  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)**

As management of the Office of Loan Administration (OLA) we are providing this overview of OLA's financial activities for the fiscal year ended June 30, 2020. Please read this overview in conjunction with the OLA's basic financial statements, which follow.

OLA, formerly Office of Financial Incentives, was created as part of the Ohio Development Services Agency (ODSA), formerly the Department of Development, on July 14, 1983, by action of the State of Ohio Legislature. OLA administers the 166 Direct Loan, Loan Guarantee, and Ohio Enterprise Bond Fund programs of the ODSA under Chapter 122 and 166 of the Ohio Revised Code, as well as the Urban Redevelopment, Rural Industrial, Rural Development Initiative, Research and Development, Innovation Ohio, and Logistics and Distribution Infrastructure loan and grant programs.

The 166 Direct Loan program provides direct loans for businesses locating or expanding in Ohio that demonstrate they will create or retain new jobs for Ohio citizens. The Ohio Enterprise Bond Fund program (OEBF) provides one-stop project financing for qualifying commercial, industrial, and manufacturing businesses in the State of Ohio. OEBF project amounts may range from \$2 million to \$10 million for up to 90% of the eligible project cost. The OEBF has achieved an investment grade rating of "AA+" by Standard & Poors (S&P). As a result, ODSA can issue, on behalf of all borrowers, investment grade economic development revenue bonds. The OEBF allows large and small creditworthy, but unrated, businesses access to national capital markets which they otherwise may not be able to independently enter.

OLA is included within the State of Ohio's Comprehensive Annual Financial Report as part of the primary government. OLA uses a special revenue fund to report its financial position and results of operations. These financial statements present all activities for which OLA is financially responsible.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for fiscal year 2020 are as follows:

- The assets and deferred outflows of resources of the OLA exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$683.5 million (net position).
- The OLA's total net position increased by approximately \$5.7 million during the fiscal year.
- As of the close of the current fiscal year, the OLA's governmental funds reported combined ending fund balances of approximately \$684.4 million, an increase of approximately \$5.3 million in comparison with the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to OLA's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**OFFICE OF LOAN ADMINISTRATION  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the OLA's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the OLA's assets and deferred outflows of resources and all liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of OLA is improving or deteriorating.

The statement of activities presents information showing how OLA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash inflows or outflows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12-13 of this report.

**Fund financial statements**

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. The OLA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. All of the OLA's funds are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The OLA maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Operating Fund, Facilities Establishment Fund, Regional Agency Fund, Innovation Ohio Fund, and Research and Development Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The fund financial statements can be found on pages 14-20 of this report.



**OFFICE OF LOAN ADMINISTRATION  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

In addition, GASB Statement No. 54, Fund Balance Reporting, became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 1.M. for further discussion of the effect of this pronouncement.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-45 of this report.

**Other information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning OLA's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 48-51 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. These combining statements can be found on pages 54-55 of this report.

**OFFICE OF LOAN ADMINISTRATION  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)**

**FINANCIAL ANALYSIS OF THE OFFICE OF LOAN ADMINISTRATION**

**Government-wide Financial Analysis**

The following is a summary of OLA's net position as of June 30, 2020 compared to June 30, 2019.

	Net Position at June 30		
	2020	2019	% Change
Assets			
Current and Other Non Current Assets	\$ 747,432,267	\$ 811,727,816	-7.9%
Capital Assets, Net	231,524	231,524	0.0%
Total Assets	747,663,791	811,959,340	-7.9%
Deferred Outflows of Resources	333,819	167,676	99.1%
Liabilities			
Current Liabilities	62,970,276	132,567,379	-52.5%
Long-term Liabilities	1,045,759	972,408	7.5%
Total Liabilities	64,016,035	133,539,787	-52.1%
Deferred Inflows of Resources	443,216	770,129	-42.4%
Net Position			
Net Investment in Capital Assets	231,524	231,524	0.0%
Restricted for Community and Economic Development	10,384,615	10,376,931	0.1%
Unrestricted	672,922,220	667,208,645	0.9%
Total Net Position	\$ 683,538,359	\$ 677,817,100	0.8%

Current and Other Non Current Assets decreased approximately \$64.3 million in comparison with the prior fiscal year. This decrease primarily represents a \$69.4 million decrease in Allocated Collateral on Lent Securities and a \$24.2 million decrease in Loans Receivable offset by a \$31.4 million increase in Cash Equity with Treasurer and Cash and Cash Equivalents.

Current Liabilities decreased \$69.6 million in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in accounts payable and a \$69.4 million decrease in Allocated Obligations Under Securities Lending.

OLA's entire restricted net position balance represents unspent bond proceeds related to the Ohio Enterprise Bond Fund Program and the Logistics and Distribution Infrastructure Grants Program.

**OFFICE OF LOAN ADMINISTRATION  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)**

**FINANCIAL ANALYSIS OF THE OFFICE OF LOAN ADMINISTRATION (CONTINUED)**

The following is a summary of OLA's Statement of Activities for the year ending June 30, 2020 compared to the year ending June 30, 2019.

Statement of Activity for the year ending June 30

	<u>2020</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Program Revenues:			
Community and Economic Development	<u>\$ 4,392,319</u>	<u>\$ 5,220,707</u>	-15.9%
General Revenues			
Investment Income	9,307,199	9,526,785	-2.3%
Miscellaneous Revenues	30,505	13,150	132.0%
Total General Revenues	<u>9,337,704</u>	<u>9,539,935</u>	-2.1%
Program Expenses			
Community and Economic Development	<u>(2,991,236)</u>	<u>153,206</u>	-2052.4%
Transfers to Other Offices	<u>(11,000,000)</u>	<u>(75,000,000)</u>	85.3%
Change in Net Position	5,721,259	(60,392,564)	-109.5%
Net Position at Beginning of Year	<u>677,817,100</u>	<u>738,209,664</u>	
Net Position at End of Year	<u>\$ 683,538,359</u>	<u>\$ 677,817,100</u>	

Program revenues consist of loan fees and interest income. In fiscal year 2020, program revenues decreased, primarily as a result of a decrease in loan interest income due to declining loan balances and loan payment deferrals.

Program expenses decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a significant decrease in bad debt expense (\$3.8 million) offset by significant increases in personnel expense (\$349,322) and operating expense (\$123,354). The negative bad debt expense in fiscal year 2020 is the result of a decrease in the allowance for doubtful accounts of approximately \$8.8 million. Of this decrease, \$10.4 million and \$2.0 million are related to decreases in 166 loans and specific loan allowances, respectively, offset by increases of \$1.0 million in Innovation Ohio Loans.

**OFFICE OF LOAN ADMINISTRATION  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Fiscal Year Ended June 30, 2020  
(Unaudited)**

**FINANCIAL ANALYSIS OF THE OFFICE OF LOAN ADMINISTRATION (CONTINUED)**

**Financial Analysis of the Government's Funds**

The following is a summary of OLA's fund balances as of June 30, 2020 compared to June 30, 2019.

Fund Balance at June 30

	2020	2019	% Change
Operating Fund	\$ 2,968,263	\$ 4,432,982	-33.0%
Facilities Establishment Fund	481,938,079	477,452,725	0.9%
Regional Agency Fund	67,827,030	67,185,155	1.0%
Ohio Innovation Fund	56,332,326	54,949,474	2.5%
Research and Development Fund	74,027,962	73,777,224	0.3%
Nonmajor Governmental Funds	1,318,428	1,295,395	1.8%
Total Fund Balance	<u>\$ 684,412,088</u>	<u>\$ 679,092,955</u>	0.8%

The Operating Fund fund balance decreased significantly during fiscal year 2020. This decrease represents the amount in which personnel and operating expenditures, totaling \$1.6 million exceeded fee revenue of \$149,750.

The Facilities Establishment Fund fund balance increased by \$4.5 million during the fiscal year. The key components of this increase are program revenues of \$8.5 million and an increase in specific loan allowances, as estimated by program management, of \$7.3 million, offset by transfers to other offices totaling \$11 million.

The increases in the Ohio Innovation Fund and Research and Development Fund are primarily the result of fee revenue, loan interest income, and investment income offset by specific loan allowances, as estimated by program management.

**BUDGET VARIANCES IN THE GENERAL FUND**

Since OLA operates using only special revenue funds, an analysis of variations between original and final budget amounts for the General Fund has not been presented.

**CAPITAL ASSETS**

OLA has \$231,524 invested in net capital assets as of June 30, 2020. There were no acquisitions or dispositions during the fiscal year.

**CONTACTING THE OFFICE OF LOAN ADMINISTRATION MANAGEMENT**

This financial report is designed to provide an overview of OLA's finances and its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sharon Anthony, Senior Servicing Officer, Finance and Internal Services Division, Ohio Development Services Agency, Office of Loan Administration, 77 South High Street, 28<sup>th</sup> Floor, Columbus, Ohio 43216-1001.

# **BASIC FINANCIAL STATEMENTS**

**OFFICE OF LOAN ADMINISTRATION**  
**STATEMENT OF NET POSITION**  
*June 30, 2020*

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash Equity with Treasurer	\$ 438,053,070
Cash and Cash Equivalents	56,327,086
Investments	8,412,334
Allocated Collateral on Lent Securities	62,796,252
Loans Receivable, Net	179,972,320
Other Assets	61,206
Due from Other Offices	1,804,405
Capital Assets, Net	231,524
Net Pension Asset	5,594
<b>Total Assets</b>	<b>747,663,791</b>
 <b>Deferred Outflows of Resources</b>	
Pension	192,675
OPEB	141,144
<b>Total Deferred Outflows of Resources</b>	<b>333,819</b>
 <b>Liabilities</b>	
Accrued Liabilities	55,587
Allocated Obligations Under Securities Lending	62,796,252
Due to Other Offices	118,437
Long Term Liabilities:	
Due in One Year	31,577
Due in More Than One Year:	
Net Pension Liability	565,514
Net OPEB Liability	426,878
Other Amounts Due in More Than One Year	21,790
<b>Total Liabilities</b>	<b>64,016,035</b>
 <b>Deferred Inflows of Resources</b>	
Pension	265,690
OPEB	177,526
<b>Total Deferred Inflows of Resources</b>	<b>443,216</b>
 <b>Net Position</b>	
Net Investment in Capital Assets	231,524
Restricted for Community and Economic Development	10,384,615
Unrestricted	672,922,220
<b>Total Net Position</b>	<b>\$ 683,538,359</b>

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

**OFFICE OF LOAN ADMINISTRATION**  
**STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2020*

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities</b>
<b>Primary Government</b>			
<b>Governmental Activities</b>			
Community and Economic Development	\$ (2,991,236)	\$ 4,392,319	\$ 7,383,555
<b>Total Governmental Activities</b>	<b>(2,991,236)</b>	<b>4,392,319</b>	<b>7,383,555</b>
<b>Total Primary Government</b>	<b>\$ (2,991,236)</b>	<b>\$ 4,392,319</b>	<b>\$ 7,383,555</b>
<b>General Revenues:</b>			
Investment Income			9,307,199
Miscellaneous Revenue			30,505
<b>Total General Revenues</b>			<b>9,337,704</b>
<b>Transfers to Other Offices</b>			<b>(11,000,000)</b>
<b>Change in Net Position</b>			<b>5,721,259</b>
<b>Net Position, Beginning of Year</b>			<b>677,817,100</b>
<b>Net Position, End of Year</b>			<b>\$ 683,538,359</b>

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

**OFFICE OF LOAN ADMINISTRATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
*June 30, 2020*

	Operating Fund	Facilities Establishment Fund	Regional Agency Fund
<b>ASSETS:</b>			
Cash Equity with Treasurer	\$ 3,023,850	\$ 330,747,006	\$ -
Cash and Cash Equivalents	-	11,940,641	43,452,632
Investments	-	8,412,334	-
Allocated Collateral on Lent Securities	433,478	47,413,598	-
Loans Receivable, Net	-	128,352,514	24,400,207
Other Assets	-	61,206	-
Due From Other Funds	-	1,874,193	103,217
Due From Other Offices	-	698,684	-
<b>TOTAL ASSETS</b>	<b>\$ 3,457,328</b>	<b>\$ 529,500,176</b>	<b>\$ 67,956,056</b>
<b>LIABILITIES:</b>			
Accrued Liabilities	\$ 55,587	\$ -	\$ -
Allocated Obligations Under Securities Lending	433,478	47,413,598	-
Due To Other Funds	-	104,092	124,351
Due To Other Offices	-	98	4,675
<b>TOTAL LIABILITIES</b>	<b>489,065</b>	<b>47,517,788</b>	<b>129,026</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	44,309	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>44,309</b>	<b>-</b>
<b>FUND BALANCES:</b>			
Restricted for Community and Economic Development	-	10,000,000	-
Committed	-	471,938,079	67,827,030
Assigned	2,968,263	-	-
<b>TOTAL FUND BALANCES</b>	<b>2,968,263</b>	<b>481,938,079</b>	<b>67,827,030</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,457,328</b>	<b>\$ 529,500,176</b>	<b>\$ 67,956,056</b>

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



Innovation Ohio Fund	Research and Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 49,810,240	\$ 54,087,359	\$ 384,615	\$ 438,053,070
-	-	933,813	56,327,086
-	-	-	8,412,334
7,140,451	7,753,589	55,136	62,796,252
7,418,660	19,800,939	-	179,972,320
-	-	-	61,206
875	-	-	1,978,285
955,137	150,584	-	1,804,405
<u>\$ 65,325,363</u>	<u>\$ 81,792,471</u>	<u>\$ 1,373,564</u>	<u>\$ 749,404,958</u>
\$ -	\$ -	\$ -	\$ 55,587
7,140,451	7,753,589	55,136	62,796,252
1,738,922	10,920	-	1,978,285
113,664	-	-	118,437
<u>8,993,037</u>	<u>7,764,509</u>	<u>55,136</u>	<u>64,948,561</u>
-	-	-	44,309
-	-	-	44,309
-	-	384,615	10,384,615
56,332,326	74,027,962	933,813	671,059,210
-	-	-	2,968,263
<u>56,332,326</u>	<u>74,027,962</u>	<u>1,318,428</u>	<u>684,412,088</u>
<u>\$ 65,325,363</u>	<u>\$ 81,792,471</u>	<u>\$ 1,373,564</u>	<u>\$ 749,404,958</u>

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

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**OFFICE OF LOAN ADMINISTRATION**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
*June 30, 2020*

**Total Fund Balances for Governmental Funds** **\$ 684,412,088**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. 231,524

Some of the Office's revenues are collected after year-end but are not available soon enough to pay for the current period's (within 60 days of year-end) expenditures, and therefore, are reported as deferred in the funds. 44,309

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.

Deferred Outflows - Pension	192,675
Deferred Inflows - Pension	(265,690)
Net Pension Asset	5,594
Net Pension Liability	(565,514)
Deferred Outflows - OPEB	141,144
Deferred Inflows - OPEB	(177,526)
Net OPEB Liability	(426,878)

Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated Absences	(53,367)
----------------------	----------

**Total Net Position of Governmental Activities** **\$ 683,538,359**

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

**OFFICE OF LOAN ADMINISTRATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
*For the Fiscal Year Ended June 30, 2020*

	Operating Fund	Facilities Establishment Fund	Regional Agency Fund
<b>REVENUES:</b>			
Fee Revenue	\$ 149,750	\$ 353,434	\$ 22,006
Loan Interest Income	-	1,254,334	745,106
Investment Income	-	6,875,005	448,034
Miscellaneous	-	17,505	-
<b>TOTAL REVENUES</b>	<u>149,750</u>	<u>8,500,278</u>	<u>1,215,146</u>
<b>EXPENDITURES:</b>			
Personnel	810,025	-	-
Operating	804,444	165,140	601,331
OEBF Loan Payments	-	136,960	-
Bad Debts	-	(7,287,176)	(28,060)
<b>TOTAL EXPENDITURES</b>	<u>1,614,469</u>	<u>(6,985,076)</u>	<u>573,271</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,464,719)</u>	<u>15,485,354</u>	<u>641,875</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers to Other Offices	-	(11,000,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(11,000,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(1,464,719)	4,485,354	641,875
<b>FUND BALANCES, JULY 1</b>	<u>4,432,982</u>	<u>477,452,725</u>	<u>67,185,155</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 2,968,263</u>	<u>\$ 481,938,079</u>	<u>\$ 67,827,030</u>

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

Innovation Ohio Fund	Research and Development Fund	Nonmajor Governmental Funds	Total
\$ 562,345	\$ 58,199	\$ -	\$ 1,145,734
905,276	341,869	-	3,246,585
973,306	1,009,285	23,033	9,328,663
13,000	-	-	30,505
<u>2,453,927</u>	<u>1,409,353</u>	<u>23,033</u>	<u>13,751,487</u>
-	-	-	810,025
28,313	-	-	1,599,228
-	-	-	136,960
1,042,762	1,158,615	-	(5,113,859)
<u>1,071,075</u>	<u>1,158,615</u>	<u>-</u>	<u>(2,567,646)</u>
1,382,852	250,738	23,033	16,319,133
-	-	-	(11,000,000)
-	-	-	(11,000,000)
1,382,852	250,738	23,033	5,319,133
54,949,474	73,777,224	1,295,395	679,092,955
<u>\$ 56,332,326</u>	<u>\$ 74,027,962</u>	<u>\$ 1,318,428</u>	<u>\$ 684,412,088</u>

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

**OFFICE OF LOAN ADMINISTRATION**  
**RECONCILIATION OF THE CHANGE IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
*For the Fiscal Year Ended June 30, 2020*

**Net Change in Fund Balances - Total Governmental Funds** **\$ 5,319,133**

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

Some of the Office's revenues are collected after year-end but are not available soon enough to pay for the current period's (within 60 days of year-end) expenditures, and therefore, are deferred in the funds.

Accrued Interest Receivable (21,464)

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

36,364

Except for amounts reported as deferred inflows/outflows, changes in the net pension asset and net pension liability are reported as pension expense in the statement of activities.

162,768

Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.

111,922

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in Compensated Absences (24,424)

Change in Ohio Enterprise Bond Fund Liability 136,960

**Change in Net Position of Governmental Activities** **\$ 5,721,259**

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

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

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

The accompanying financial statements of the Office of Loan Administration (OLA), as of June 30, 2020, and for the year then ended, conform with accounting principles generally accepted in the United States of America as applied to governments. The OLA is considered a single purpose governmental entity established to promote Community and Economic Development. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's *Codification of Governmental Accounting and Financial Reporting Standards* documents these principles. OLA's significant accounting policies are as follows:

**A. Reporting Entity**

The Office of Loan Administration, formerly the Office of Financial Incentives, was created as part of the Ohio Development Services Agency (ODSA), formerly the Department of Development, on July 14, 1983, by action of the State of Ohio Legislature. OLA administers the 166 Direct Loan, Loan Guarantee, and Ohio Enterprise Bond Fund (OEBF) programs of the ODSA under Chapter 122 and 166 of the Ohio Revised Code, as well as the Urban Redevelopment, Rural Industrial, Rural Development Initiative, Family Farm, Research and Development, Innovation Ohio, and Logistics and Distribution Infrastructure loan and grant programs. These programs loan money to qualified businesses throughout the state for the purpose of stimulating jobs and business within the state. The financial statements present only the financial position and results of operations of the transactions attributable to OLA, which is a part of the primary reporting entity of the State of Ohio, and they are not intended to present the financial position or the results of operations of the ODSA taken as a whole. The Comprehensive Annual Financial Report of the State of Ohio provides more extensive disclosure of the significant accounting policies of the State as a whole. Budgetary statements are not required since the budgetary level of control lies with the ODSA and not with the OLA.

**B. Basis of Presentation**

The Statement of Net Position and the Statement of Activities display information about OLA. These statements include the financial activities of the overall government and eliminations have been made for interfund transfers.

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

- The *Net Investment in Capital Assets* component consists of land that OLA acquired.
- The *Restricted Net Position* component represents net position with constraints placed on its use that are either 1.) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2.) imposed by law through constitutional provisions or enabling legislation.
- The *Unrestricted Net Position* component consists of net position that does not meet the definition of the preceding two components.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of OLA's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Centralized expenses have been included in direct expenses. Indirect expenses have not been allocated to the programs or functions reported in the Statement of Activities. Generally, OLA does not incur expenses for which it has the option of first applying restricted or unrestricted resources for their payment.

**OFFICE OF LOAN ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation (continued)**

Program revenues include loan interest income and fee revenue. Revenues that are not classified as program revenues include all unrestricted investment income and miscellaneous revenue.

The fund financial statements provide information about OLA's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The remaining governmental fund is reported as non-major. The funds maintained by OLA are all governmental special revenue fund types. Each accounts for specific revenues that are legally restricted or committed to expenditure for designated purposes.

**1. Major Governmental Funds**

**Operating Fund (OAKS Fund 4510)** – Accounts for operating activities related to the administration of several OSDA programs, including operating activities related to loans and loan guarantees made pursuant to Revised Code Sections 122.39 to 122.62 and Chapter 166. Operations are primarily funded through transfers from the Facilities Establishment Fund.

**Facilities Establishment Fund (OAKS Funds 7037 and 4Z60)** – Accounts for proceeds deposited by the Treasurer of the State of Ohio with OLA from bond sales, fee income, interest income, loan receipts and disbursements for loans made pursuant to Chapter 166 of the Code. In addition, this fund accounts for the Rural Industrial Park and Urban Redevelopment loan programs. Finally, this Fund provides a reserve for the Ohio Enterprise Bond Fund in the event of bondholder default.

**Development Enterprise Bond Reserve Account** - This account is used to account for the accumulation of payments made on type 166 loans. Funds are held in the account for a six month period to provide a secondary reserve in the event the OEBF Program Reserve Account exceeds the \$10,000,000 available balance.

**OEBF Program Reserve Account** - This reserve account was initially created from net proceeds of the 1988-1 State of Ohio bond issuance. The account is used to ensure adequate funds are available to repay Ohio Enterprise Bond Fund (OEBF) bondholders when due. The \$10,000,000 OEBF fund balance reserve will remain for OEBF bondholders within the Facilities Establishment Fund.

**Regional Agency Fund** – Reports funds deposited with the regional agencies from fee income, interest income, loan receipts, and loans disbursements made pursuant to Chapter 166 of the Code and transfers of funds from the Facilities Establishment Fund.

**Innovation Ohio Loan Fund (OAKS Fund 7009)** – Created to assist existing Ohio companies develop next generation products within certain Targeted Industry Sectors by financing the acquisition, construction and related costs of technology, facilities and equipment.

**Research and Development Investment Loan Fund (OAKS Fund 7010)** – Created to position Ohio to compete aggressively for private-sector research and development investments that will create high wage jobs.



**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Presentation (continued)**

**2. Non-major Governmental Fund**

**Loan Guarantee Fund** - Records funds deposited with the Treasurer of the State of Ohio and accounts for payments made by OLA due to the default on contractual loan terms by borrowers on loans guaranteed pursuant to Chapter 166 of the Code. No payments were made during the fiscal year.

**Logistics and Distribution Infrastructure Fund (OAKS Fund 7008)** – Created to provide loans for eligible transportation, logistics, and infrastructure projects in the State of Ohio. Loans will be made on favorable terms, including interest at or below market rates, opportunities to earn forgiveness of principal and accrued interest based on attainment of defined performance measures and use of loan proceeds for construction financing.

- C. Measurement Focus and Basis of Accounting** – The government-wide financial statements (i.e. the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. For revenues arising from exchange transactions (i.e., charges for goods or services), OLA defers revenue recognition when resources are received in advance of the exchange.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, OLA considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and OEBF loan defaults are recorded only when payment is due.

Significant revenue sources subject to accrual under the modified accrual basis of accounting include investment income (including net increase or decrease in the fair value of investments), loan interest income (including net increase or decrease in allowance for doubtful loans), and fee revenue.

- D. Estimates** – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Deposits and Investments** – OLA's investments are stated at fair value in the accompanying statement of net position and the change in the fair value of the investments is recorded as Investment Income in the Statement of Activities.

During fiscal year 2020, OLA invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." OLA measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

For the fiscal year 2020, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Investments with an original maturity of three months or less at the time they are purchased by OLA are presented on the financial statements as Cash and Cash Equivalents. Investments with an initial maturity of more than three months are reported as Investments.

**F. Securities Lending** – In accordance with GASB Statement No. 28, “Accounting and Financial Reporting for Securities Lending Transactions” (“GASB 28”), OLA reports cash received as collateral on securities lending transactions and any investments made with that cash as assets in the accompanying balance sheet. Liabilities to return the collateral to the borrower are also recognized. Securities received as collateral in connection with securities lending activities are not recorded as assets and liabilities of OLA, because OLA does not have the ability to pledge or sell the securities without borrower default.

**G. Loans Receivable, Net and Allowance for Uncollectible Loans** – Loans receivable includes amounts due to OLA for loans and loan guarantees entered into as part of its loan programs. Loans receivable is reported net of the allowance for uncollectible loans (See Note 4), which applies the following allowance methodology:

- 80% of loans certified to the Office of the Attorney General,
- 51% of loans outstanding within the Innovation Ohio Fund,
- 3% of loans outstanding 166 Direct loans within the Facilities Establishment Fund,
- 8% of loans outstanding within the Research and Development Fund,
- 2% of loans outstanding within the Regional Agency Fund,
- 0% of Rural Industrial Park and Urban Redevelopment loans outstanding within the Facilities Establishment Fund, and
- Varying percentages on specific loan balances as deemed necessary.

Direct loan write-offs are reported upon notification from the Attorney General that an account is uncollectible. Direct loan write-offs are charged against the allowance.

**H. Other Assets** – Other assets represents accrued interest receivable. Total other assets at fiscal year-end were \$61,206.

**I. Accrued Liabilities** – Accrued liabilities include wages and benefits payable of \$55,587 as of June 30, 2020.

**J. Deferred Outflows/Inflows of Resources** – In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the OLA, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 6 and 7.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For OLA, deferred inflows of resources include unavailable revenue, pension and OPEB. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For OLA, unavailable revenue includes accrued interest receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 6 and 7)

- K. Pensions/Other Postemployment Benefits (OPEB)** – For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.
- L. Compensated Absences** – The State of Ohio, which governs employee leave benefits and policies, pays compensation to separated employees for leave balances accumulated during the employee's term of service. In accordance with Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, OLA calculated the compensated absences liability on employees' fiscal year-end balances for vacation, sick, and compensatory leaves. The total compensated absences balance for the period ending June 30, 2020 was \$53,367.
- M. Fund Balance/Net Position** – GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, OLA classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. OLA may use the following categories:

**Nonspendable** – resources that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

**Restricted** – resources with constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – resources with constraints imposed by formal action (House or Senate Bill) of OLA's highest level of decision making authority (General Assembly).

**Assigned** – resources that are provided at the discretion of the Director of the Ohio Office of Budget and Management, as authorized by the General Assembly, but are neither restricted nor committed.

**Unassigned** – resources that are available for further appropriation and expenditure for general government purposes.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

OLA applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net position is available. OLA considers committed and assigned balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

None of OLA's restricted net position at June 30, 2020 was due to enabling legislation.

- N. Investment and Loan Interest Income** – Investment income includes investment earnings from investments and the quarterly allocation of investment earnings from cash equity with treasurer and corresponding interest receivables. Loan interest income includes interest earned from the repayment of loans.
- O. Fee Revenue and Miscellaneous Revenue** – Fees include service fees for the administration of the loan processing and commitment and application fees paid by the borrower.
- P. Personnel and Operating Expenditures/Expenses** – Personnel expenditures/expenses include all payroll and fringe benefit costs paid by the OLA. Operating expenditures/expenses include various supplies and maintenance expenditures, equipment purchases, and regional agency trustee and administrative fees.
- Q. Grant Expenditures/Expenses** – The Logistics and Distribution Infrastructure Fund provides loans with opportunities to earn forgiveness of principal and accrued interest based on attainment of defined performance measures and use of loan proceeds for construction financing. No new disbursements were made in fiscal year 2020, however in prior fiscal years, OLA reported these disbursements as grants based on the high probability of forgiveness.
- R. OEBF Loan Payment Expenditures/Expenses** – The OLA guarantees Ohio Enterprise Bonds and makes loan payments for Bonds that are in default of monthly payments. As of June 30, 2020, there were no OEBF bonds in default (See Note 8).
- S. Interfund Transfers and Transfers to Other Offices** – The OLA interfund transfers consisted of transfers of delinquent loans and cash. Transfers to Other Offices represent transfers to the State's General Fund. These and other transfers are authorized by the General Assembly and require Controlling Board approval. Since the financial statements present only the financial information of OLA and do not present the consolidated financial information of the State of Ohio, taken as a whole, the total transfers to other offices would not reflect offsetting disbursements from state agencies. Transfers to other offices during the fiscal year totaled \$11 million.
- T. Self-Insurance** – The State of Ohio serves as the OLA's primary government and is self-insured for claims covered under its traditional healthcare plan, vehicle liability, public fidelity blanket bonds, property losses, and tort liability. Additionally, the State of Ohio participates in a public entity risk pool which covers liabilities associated with claims submitted to the Bureau of Workers' Compensation.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 2 – DEPOSITS AND INVESTMENTS**

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

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

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

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

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
- Repurchase agreements in the securities enumerated above;
- Interim deposits in the eligible institutions applying for interim moneys;
- Bonds and other obligations of the State of Ohio;
- The Treasurer of State's investment pool;
- Linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to small businesses, as authorized under Section 135.63, Ohio Revised Code;
- Agricultural linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to agricultural businesses, as authorized under Section 135.74, Ohio Revised Code;
- Reverse repurchase agreements with any eligible financial institution that is a member of the Federal Reserve System or federal home loan bank, or any recognized U.S. government securities dealer;
- Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U.S. government securities dealer;
- Commercial paper, rated in one of the two highest rating categories by two nationally recognized rating agencies and not exceeding five percent of the investment portfolio;
- Bankers' acceptances maturing in 270 days or less and not exceeding 10 percent of the investment portfolio;
- Debt of domestic corporations and foreign nations diplomatically recognized by the United States, rated investment grade by nationally recognized rating agencies and, in the aggregate, not exceeding five percent of the investment portfolio; and
- No-load money market funds consisting of U.S. government and agency obligations and repurchase agreements secured by such obligations.

**Deposits** – The primary government's deposits must be held in insured depositories approved by the State Board of Deposit. At fiscal year-end, the carrying amount of OLA's deposits was \$11,537,353 and the bank balance was the same.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Custodial Credit Risk – Deposits** – In the case of deposits, this is the risk that in the event of a bank failure, OLA’s deposits may not be returned to it. OLA maintains cash on deposit in two custodial accounts with the State Treasurer. The State Treasurer’s office administers the Ohio Pooled Collateral System (OPCS) that allows eligible financial institutions to pool collateral to secure Ohio’s public deposits. The total market value of pledged securities is 102 percent of all uninsured public deposits or at a percentage determined by the Treasurer’s rules. At year end, OLA’s deposits were not exposed to custodial credit risk.

**Investments** – At fiscal year-end, the fair values of OLA’s investments were as follows:

Investment Type	Fair Value
U.S. Government Agency Obligations	\$ 250,264
Municipal Bonds	2,440,799
Corporate Bonds	150,382
Negotiable Certificates of Deposit	5,570,889
Money Market Funds	37,676,059
STAR Ohio	7,113,674
Total Investments	<u>\$ 53,202,067</u>

OLA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of OLA’s investments are valued using Level 2 inputs.

**Interest Rate Risk** – Interest rate risk is the risk that an interest rate change could adversely affect an investment’s fair value. The reporting of effective duration in the table below quantifies, to the fullest extent possible, the interest rate risk of OLA’s fixed income assets.

Investment Type	Investment Maturities (in years)		Total Fair Value
	Less than 1	1-5	
U.S Government			
Agency Obligations	\$ 250,264	\$ -	\$ 250,264
Municipal Bonds	1,722,279	718,520	2,440,799
Corporate Bonds	-	150,382	150,382
Negotiable Certificates of Deposit	683,367	4,887,522	5,570,889
Money Market Funds	37,676,059	-	37,676,059
STAR Ohio	7,113,674	-	7,113,674
Total Investments	<u>\$ 47,445,643</u>	<u>\$ 5,756,424</u>	<u>\$ 53,202,067</u>

**Credit Risk** – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. At fiscal year-end, OLA’s U.S. Corporate Bonds and STAR Ohio were rated AAA. Of OLA’s Municipal Bonds at fiscal year-end, \$797,393 was rated AAA, \$1,540,514 was rated AA and \$102,892 was rated A. OLA’s U.S. Government Agency Obligations at fiscal year-end were rated AAA. OLA’s money market funds and negotiable certificates of deposit were not rated.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Concentration of Credit Risk** – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. At year end, OLA had no positions of 5 percent or more in any one issuer subject to credit risk.

**Custodial Credit Risk - Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, OLA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. OLA's investments were not exposed to custodial credit risk at year end because all investments were registered in the OLA's name.

**Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates between the U.S. Dollar and foreign currencies could adversely affect an investment's fair value. OLA had no exposure to foreign currency risk at fiscal year-end.

**NOTE 3 – SECURITIES LENDING TRANSACTIONS**

OLA through the Treasurer of State's Investment Department participates in a securities lending program for securities included in the "Equity in State of Ohio common cash and investments". The State's lending programs, authorized under Sections 135.143, 135.45 and 135.47, Ohio Revised Code, are administered by custodial agent banks, whereby certain securities are transferred to independent broker-dealers (borrowers) in exchange for collateral. OLA has minimized its exposure to credit risk due to borrower default by requiring the custodial agent to ensure that the lent securities are collateralized at no less than 102 percent of the market value at the time of the loan. At no point in time can the value of the collateral be less than 100 percent of the value of the underlying securities on loan. The market value of loaned securities shall not represent more than fifty percent (50%) of the Total Average Portfolio (TAP). TAP excludes all certificates of deposit and is equal to the numerical average of the five highest end-of-business day balances, based on market value, within the 12 month period immediately preceding the calculation date.

During the fiscal year, the State Treasurer lent Corporate Bonds and Notes and U.S. government and agency obligations. OLA cannot sell securities received as collateral unless the borrower defaults. At fiscal year-end, the collateral OLA had received for securities lent consisted entirely of cash. For State funds, the State Treasurer invests cash collateral in short-term obligations. At fiscal year-end, the weighted average maturity of all loans was 7.28 days while the weighted maturity of all collateral was 15.09 days.

For State funds, the securities lending agent shall indemnify the Treasurer of State for any losses resulting from the insolvency default of the lending counterparty. There were no recoveries during the fiscal year due to prior-period losses.

For the State funds lending program, since the lender owes the borrower more than the borrower owes the lender, there is no credit risk to the lender at year-end. The State's Office of Budget and Management allocates the State's pooled cash collateral to various funds within the State's Ohio Administrative Knowledge System (OAKS) based on cash balances at year-end. As a result, OLA's Allocated Collateral on Lent Securities and related Allocated Obligations Under Securities Lending at year-end was \$62,796,252.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 4 – LOAN PROGRAM ACTIVITY**

The following table summarizes loan repayments and new loan activity of the various funds during the fiscal year:

<u>Fund</u>	<u>Beginning Balance</u>	<u>Loan Additions</u>	<u>Loan Reductions</u>	<u>Ending Balance</u>
Facilities Establishment	\$ 168,978,532	\$ -	\$ (22,554,993)	\$ 146,423,539
Regional Agency	26,298,370	2,675,000	(4,075,200)	24,898,170
Innovation Ohio	31,056,476	193,121	(1,257,043)	29,992,554
Research and Development	34,541,021	-	(8,002,540)	26,538,481
Grand Total	<u>\$ 260,874,399</u>	<u>\$ 2,868,121</u>	<u>\$ (35,889,776)</u>	<u>\$ 227,852,744</u>

The allowance for loan losses is the result of management's review of loans, with consideration given to collateral values, borrower's financial condition and current economic environment. The allowance is maintained at the level management estimates adequately provide for potential loan losses. The total allowance for loan losses at fiscal year-end was \$47,880,424 (Facilities Establishment Fund was \$18,071,025; Regional Agency Fund was \$497,963; Innovation Ohio Fund was \$22,573,894; and Research and Development Fund was \$6,737,542).

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

**A. Ohio Enterprise Bond Fund - Loans**

Ohio Enterprise Bond Fund (OEBF) bonds are issued through the Treasurer of State for the purpose of financing "eligible projects" of private industry organizations, such as a company's purchase of manufacturing equipment. The actual bonds are sold through private placement. At June 30, 2020, outstanding loan balances under this program aggregated \$74,965,000 with original terms up to 20 years at interest ranging from 2.0% to 10.0%. According to the Ohio Enterprise Bond Fund's official bond statement, the bonds are not general obligations of the State of Ohio or of any political subdivision and are not payable from any tax source, therefore, the rights of holders of the bonds to payments of amounts due there under are limited solely to the Ohio Enterprise Bond Fund Accounts. The scheduled payment of the bonds is, however, guaranteed through OLA. OLA only monitors OEBF activities and does not include the financial transactions within its financial statements.

All 22 Ohio Enterprise Bond Fund loans with outstanding principal balances were current in their repayment as of fiscal year-end. For more information regarding OEBF loans in default, see Note 8.



**OFFICE OF LOAN ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended JUNE 30, 2020**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES (continued)**

**B. Loan Commitments**

These commitments primary represent Chapter 166 loan commitments that were approved but not yet closed before fiscal year-end. Prior to September 24, 2012, these commitments were approved by the Development Financing Advisory Council (DFAC) and State's Controlling Board. After September 24, 2012, these commitments are approved by the ODSA Director and JobsOhio as part of the terms of services covered under the services agreement. Below is a summary of OLA's loan commitments outstanding at fiscal year-end:

<u>Fund</u>	<u>Commitment</u>
Facilities Establishment	\$ 44,392,000
Innovation Ohio	850,099
Research and Development	<u>2,875,000</u>
Grand Total	<u>\$ 48,117,099</u>

The encumbrances do not include each individual agency's pollution prevention program. These programs are administered by the local agencies on behalf of OLA.

**C. Loan Guarantees**

Under the Chapter 166 Loan Guarantee Program, OLA guarantees up to 75% of certain qualifying loans made by various financial institutions. The bonds issued by the State of Ohio to fund the loan and loan guarantee programs under 166 of the Code are to be repaid initially from revenue of the State. Repayment would come from the Facilities Establishment Fund only if such revenues were inadequate to service the debt. At fiscal year-end, OLA had no Chapter 166 loan guarantees outstanding.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 6 – DEFINED BENEFIT PENSION PLAN**

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

***Net Pension (Asset)/Liability***

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year would be included in intergovernmental payable on both the accrual and modified accrual bases of accounting. OLA had no such liability at fiscal year-end.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - OLA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

**OFFICE OF LOAN ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended JUNE 30, 2020**

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)**

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)**

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	14.0	%
Employee	10.0	%
<b>2020 Actual Contribution Rates</b>		
<b>Employer</b>		
Pension	14.0	%
Post-employment Health Care Benefits	0.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. OLA’s contractually required pension contribution was \$77,879 for 2020. The entire amount was used to fund pension benefit.

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

The net pension asset and net pension liability for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and net pension liability was determined by an actuarial valuation as of that date. OLA’s proportion of the net pension asset and net pension liability was based on OLA’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Proportionate Share of the Net Pension (Asset)/Liability	\$565,514	(\$5,594)	\$559,920
2019 Proportion of the Net Pension Liability/(Asset)	0.002861%	0.002683%	
2018 Proportion of the Net Pension Liability/(Asset)	0.001936%	0.001528%	
2019 Change in Proportionate Share	0.000925%	0.001155%	
Pension Expense	(\$162,734)	(\$34)	(\$162,768)

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)**

At June 30, 2020, OLA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
<b>Deferred Outflows of Resources</b>			
Changes of assumptions	\$ 30,204	\$ 578	\$ 30,782
Changes in proportionate share	121,844	3,685	125,529
OLA contributions subsequent to the measurement date	35,316	1,048	36,364
Total Deferred Outflows of Resources	<u>\$187,364</u>	<u>\$5,311</u>	<u>\$192,675</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$7,150	\$1,314	\$8,464
Net difference between projected and actual earnings on pension plan investments	112,806	726	113,532
Changes in proportionate share	142,452	1,242	143,694
Total Deferred Inflows of Resources	<u>\$262,408</u>	<u>\$3,282</u>	<u>\$265,690</u>

\$36,364 reported as deferred outflows of resources related to pension resulting from OLA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	OPERS Traditional Plan	OPERS Combined Plan	Total
2021	\$ (77,320)	\$ 95	\$ (77,225)
2022	7,080	105	7,185
2023	4,669	308	4,977
2024	(44,789)	49	(44,740)
2025	-	388	388
Thereafter	-	36	36
Total	<u>\$ (110,360)</u>	<u>\$ 981</u>	<u>\$ (109,379)</u>

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)**

**Actuarial Assumptions - OPERS**

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions and methods applied to all prior periods included in the measurement:

Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3% Simple; Post-1/7/13 Retirees: 1.40% Simple through 2020, then 2.15% Simple
Investment Rate of Return	7.20%
Actuarial Cost Method	Individual entry age normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

**OFFICE OF LOAN ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended JUNE 30, 2020**

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)**

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

**Discount Rate** The discount rate used to measure the total pension (asset)/liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (asset)/liability.

**Sensitivity of OLA's Proportionate Share of the Net Pension (Asset)/Liability to Changes in the Discount Rate** The following table presents OLA's proportionate share of the net pension (asset)/liability calculated using the current period discount rate assumption of 7.2 percent, as well as what OLA's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
OLA's proportionate share of the net pension liability			
Traditional Plan	\$ 932,686	\$ 565,514	\$ 235,403
Combined Plan	(3,381)	(5,594)	(7,190)

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 7 – DEFINED BENEFIT OPEB PLAN**

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

***Net OPEB Liability***

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year would be included in intergovernmental payable on both the accrual and modified accrual bases of accounting. OLA had no such liability at fiscal year-end.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS). OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features.



**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 7 – DEFINED BENEFIT OPEB PLAN (continued)**

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2020, OLA contributed at a rate of 14 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. A portion of each employer contribution may be set aside for the funding of post-employment health care coverage. The portion of employer contributions allocated to health care was zero for 2020.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 7 – DEFINED BENEFIT OPEB PLAN (continued)**

***OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability for OPERS was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. OLA's proportion of the net OPEB liability was based on OLA's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS Health Care Plan
Proportionate Share of the Net OPEB Liability	\$426,878
2019 Proportion of the Net OPEB Liability	0.003090%
2018 Proportion of the Net OPEB Liability	0.002118%
2019 Change in Proportionate Share	0.000972%
OPEB Expense	(\$111,922)

At June 30, 2020, OLA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS Health Care Plan
<b>Deferred Outflows of Resources</b>	
Differences between expected and actual experience	\$11
Net difference between projected and actual earnings on pension plan investments	0
Changes of assumptions	67,570
Changes in proportionate share	73,563
Total Deferred Outflows of Resources	\$141,144
<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$39,040
Net difference between projected and actual earnings on pension plan investments	21,737
Changes in proportionate share	116,749
Total Deferred Inflows of Resources	\$177,526

**OFFICE OF LOAN ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended JUNE 30, 2020**

**NOTE 7 – DEFINED BENEFIT OPEB PLAN (continued)**

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

Fiscal Year Ending June 30:	<u>OPERS Health Care Plan</u>
2021	\$ (59,032)
2022	31,919
2023	17
2024	<u>(9,286)</u>
Total	<u>\$ (36,382)</u>

**Actuarial Assumptions - OPERS**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all periods included in the measurement:

Wage Inflation		3.25%
Projected Salary Increases	3.25% - 10.75%	(includes wage inflation at 3.25%)
Single Discount Rate		3.16%
Investment Rate of Return		6.00%
Municipal Bond Rate		2.75%
Health Care Cost Trend Rate		10.5% initial, 3.50% ultimate in 2030
Actuarial Cost Method		Individual entry age normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 7 – DEFINED BENEFIT OPEB PLAN (continued)**

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit.

The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
REITs	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
<b>Total</b>	<b>100.00 %</b>	<b>4.55 %</b>

The long-term rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

**Discount Rate** The discount rate used to measure the total pension liability was 3.16 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

**NOTE 7 – DEFINED BENEFIT OPEB PLAN (continued)**

***Sensitivity of OLA’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following table presents OLA’s proportionate share of the net OPEB liability calculated using the current period discount rate assumption of 3.16 percent, as well as what OLA’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Single Discount Rate (3.16%)	1% Increase (4.16%)
OLA's proportionate share of the net OPEB liability	\$ 558,548	\$ 426,878	\$ 321,329

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
OLA's proportionate share of the net OPEB liability	\$ 414,215	\$ 426,878	\$ 439,244

**OFFICE OF LOAN ADMINISTRATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the Fiscal Year Ended JUNE 30, 2020**

**NOTE 8 – LONG TERM LIABILITIES**

Long term liability activity for the year ended June 30, 2020 is as follows:

Type	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due in One Year
Compensated Absences	\$ 28,943	\$ 77,183	\$ (52,759)	\$ 53,367	\$ 31,577
Ohio Enterprise Bond Fund	136,960	-	(136,960)	-	-
Net Pension Liability	530,304	35,210	-	565,514	-
Net OPEB Liability	276,201	150,677	-	426,878	-
Total Long Term Liabilities	<u>\$ 972,408</u>	<u>\$ 263,070</u>	<u>\$ (189,719)</u>	<u>\$ 1,045,759</u>	<u>\$ 31,577</u>

The compensated absences and pension liability will be paid from the operating fund.

OLA only made indemnification payments for Euclid & Wickliffe and cumulative payments made on behalf of Euclid & Wickliffe totaled \$5,485,595. Amounts expected to be recovered from indemnification payments that have been made through the reporting date were \$0.

**NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2020, OLA has implemented Governmental Accounting Standards Board (GASB) Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 postpones the effective dates of certain provisions in the statements that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following statements are postponed by one year:

- Statement No. 84, *Fiduciary Activities*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*

Certain provisions in the following statements are postponed by one year:

- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The following statement is postponed by 18 months:

- Statement No. 87, *Leases*

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended JUNE 30, 2020*

***NOTE 10 – SUBSEQUENT EVENT***

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of OLA. OLA's investment portfolio and the investments of the pension and other employee benefit plan in which OLA participates have incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, as a result of the economic impact of COVID-19, OLA has deferred payments from April through September 2020 for loans with no impact on the interest payments related to outstanding balances. Administrative staff has also seen a reduce in pay for fiscal year 2021 by 3.50 percent. The impact on OLA's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

**OFFICE OF LOAN ADMINISTRATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Last Seven Years (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension (Asset)/Liability							
Traditional Plan	0.002861%	0.001936%	0.004575%	0.007213%	0.008662%	0.007377%	0.007377%
Combined Plan	0.002683%	0.001528%	0.003491%	0.005667%	0.011535%	0.011078%	0.011078%
Proportionate Share of the Net Pension (Asset)/Liability							
Traditional Plan	\$ 565,514	\$ 530,304	\$ 717,698	\$ 1,638,013	\$ 1,500,406	\$ 889,725	\$ 869,629
Combined Plan	\$ (5,594)	\$ (1,709)	\$ (4,752)	\$ (3,154)	\$ (5,613)	\$ (4,265)	\$ (1,162)
Covered Payroll	\$ 466,910	\$ 307,282	\$ 712,866	\$ 1,112,664	\$ 1,291,037	\$ 1,078,762	\$ 1,239,977
Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	119.92%	172.02%	100.01%	146.93%	115.78%	82.08%	70.04%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability							
Traditional Plan	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%

(1) Information prior to 2014 is not available.

Amounts presented as of OLA's measurement date, which is December 31.

**OFFICE OF LOAN ADMINISTRATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Last Four Years (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability Health Care Plan	0.003090%	0.002118%	0.005033%	0.008051%
Proportionate Share of the Net OPEB Liability Health Care Plan	\$ 426,878	\$ 276,201	\$ 546,531	\$ 813,227
Covered Payroll	\$ 466,910	\$ 307,282	\$ 712,866	\$ 1,112,664
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	91.43%	89.89%	76.67%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability Health Care Plan	47.80%	46.33%	54.14%	68.52%

(1) Information prior to 2017 is not available.

Amounts presented as of OLA's measurement date, which is December 31.

**OFFICE OF LOAN ADMINISTRATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Last Eight Fiscal Years (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution								
Pension	\$ 77,879	\$ 42,755	\$ 62,554	\$ 111,063	\$ 150,749	\$ 151,055	\$ 132,496	\$ 58,832
OPEB	-	-	2,317	13,328	25,125	25,176	15,900	12,790
Contributions in relation to the contractually required contribution	<u>(77,879)</u>	<u>(42,755)</u>	<u>(64,871)</u>	<u>(124,391)</u>	<u>(175,874)</u>	<u>(176,231)</u>	<u>(148,396)</u>	<u>(71,622)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 556,409	\$ 305,395	\$ 463,363	\$ 888,501	\$ 1,256,238	\$ 1,258,788	\$ 1,059,968	\$ 511,583
Contributions as a percentage of covered payroll								
Pension	14.00%	14.00%	13.50%	12.50%	12.00%	12.00%	12.50%	11.50%
OPEB	0.00%	0.00%	0.50%	1.50%	2.00%	2.00%	1.50%	2.50%

(1) Information prior to 2013 is not available.

**OFFICE OF LOAN ADMINISTRATION**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
*For the Fiscal Year Ended JUNE 30, 2020*

***Net Pension Liability – Ohio Public Employees Retirement System***

*Changes of benefit terms* - There were no significant changes of benefit terms in 2020.

*Changes of assumptions* - Amounts reported in 2020 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed cost-of-living adjustments for post January 7, 2013 retirees from 3.00 percent simple through 2020 to 1.40 percent simple through 2020.

***Net OPEB Liability – Ohio Public Employees Retirement System***

*Changes of benefit terms* - There were no significant changes of benefit terms in 2020.

*Changes of assumptions* - Amounts reported in 2020 reflect changes in both demographic and economic assumptions. For 2020, the single discount rate changed from 3.96 percent to 3.16 percent and the municipal bond rate changed from 3.71 percent to 2.75 percent. The health care cost trend rate also changed from 10.00 percent initial and 3.25 percent ultimate in 2029 to 10.5 percent initial and 3.50 percent ultimate in 2030.

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# **SUPPLEMENTARY COMBINING FINANCIAL STATEMENTS**

**OFFICE OF LOAN ADMINISTRATION  
BALANCE SHEET  
NONMAJOR FUNDS  
June 30, 2020**

	Loan Guarantee Fund	Logistics and Distribution Infrastructure Fund	Totals
<b>ASSETS:</b>			
Cash Equity with Treasurer	\$ -	\$ 384,615	\$ 384,615
Cash and Cash Equivalents	933,813	-	933,813
Allocated Collateral on Lent Securities	-	55,136	55,136
<b>TOTAL ASSETS</b>	<b><u>\$ 933,813</u></b>	<b><u>\$ 439,751</u></b>	<b><u>\$ 1,373,564</u></b>
<b>LIABILITIES:</b>			
Allocated Obligations Under Securities Lending	\$ -	\$ 55,136	\$ 55,136
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>55,136</u></b>	<b><u>55,136</u></b>
<b>FUND BALANCES:</b>			
Restricted for Community and Economic Development	-	384,615	384,615
Committed	933,813	-	933,813
<b>TOTAL FUND BALANCES</b>	<b><u>933,813</u></b>	<b><u>384,615</u></b>	<b><u>1,318,428</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 933,813</u></b>	<b><u>\$ 439,751</u></b>	<b><u>\$ 1,373,564</u></b>



**OFFICE OF LOAN ADMINISTRATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
*For the Fiscal Year Ended June 30, 2020*

	Loan Guarantee Fund	Logistics and Distribution Infrastructure Fund	Totals
<b>REVENUES:</b>			
Investment Income	\$ 15,349	\$ 7,684	\$ 23,033
<b>TOTAL REVENUES</b>	<u>15,349</u>	<u>7,684</u>	<u>23,033</u>
<b>EXPENDITURES:</b>			
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,349	7,684	23,033
<b>FUND BALANCES, JULY 1</b>	918,464	376,931	1,295,395
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 933,813</u>	<u>\$ 384,615</u>	<u>\$1,318,428</u>

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# OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
StateRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Office of Loan Administration  
77 S. High Street, 29<sup>th</sup> Floor  
Columbus, OH 43215

To the Office of Loan Administration:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Loan Administration (the Office), an office within a department of the State of Ohio, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements and have issued our report thereon dated October 1, 2020.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Office's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Office's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Office's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Office's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Office's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

October 1, 2020

**OFFICE OF LOAN ADMINISTRATION**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2020**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2019-001	<b>Lack of Payroll Reconciliations</b>	Fully Corrected	

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# OHIO AUDITOR OF STATE KEITH FABER



**OFFICE OF LOAN ADMINISTRATION**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 10/20/2020**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)