

ROBERT SPRAGUE

OHIO TREASURER

September 28, 2021

TO: Mike DeWine, Governor
Ohio General Assembly

FROM: Robert Cole Sprague, Ohio Treasurer

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

ANNUAL REPORT

AND

ACCOUNTANTS' REPORT

FISCAL YEAR 2021
(July 1, 2020 --- June 30, 2021)

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

LEASE - REVENUE OBLIGATIONS
ANNUAL REPORT
For the period July 1, 2020 through June 30, 2021

The Treasurer of State (“Treasurer”) makes this annual report for the Fiscal Year (“FY”) as of and ended June 30, 2021 in accordance with Section 154.05(B) of the Ohio Revised Code (“Revised Code”) and its lease-revenue bond proceedings.

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agencies of state government (for which no specific authorization to issue obligations was ever granted and which was repealed in FY 2001).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

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

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

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

The Treasurer may issue obligations only as authorized by the General Assembly, which has authorized lease-revenue obligations (“Obligations”) for capital facilities projects in aggregate principal amounts of up to \$2,000,000,000 for mental health facilities, \$1,297,400,000 for parks and recreation facilities, \$790,000,000 for cultural and sports facilities, \$2,737,000,000 for adult correctional facilities, \$430,000,000 for juvenile correctional facilities, \$2,169,700,000 for administrative facilities, \$140,285,000 for highway safety facilities, and \$385,000,000 for transportation facilities. Within these authorizations, the Treasurer issued the following Obligations during FY 2021:

Bond Program & Series No.	Amount	Dated Date	Final Maturity Date
Parks & Recreation Facilities – 2020A ^{1,2}	\$ 56,300,000	08/12/2020	12/01/2032
Parks & Recreation Facilities – 2020B ²	\$ 57,000,000	08/12/2020	12/01/2040
Administrative Facilities – 2020D ¹	\$ 58,960,000	08/12/2020	10/01/2036
Cultural & Sports Facilities – 2020A ²	\$ 44,000,000	09/24/2020	10/01/2030
Juvenile Correctional Facilities – 2020A ¹	\$ 5,500,000	09/24/2020	10/01/2024
Adult Correctional Facilities – 2021A ²	\$ 57,000,000	04/21/2021	10/01/2030
Adult Correctional Facilities – 2021B ²	\$ 57,000,000	04/21/2021	10/01/2040
Mental Health Facilities – 2021A ²	\$ 150,000,000	05/18/2021	02/01/2031
Administrative Facilities – 2021A ²	\$ 77,940,000	05/18/2021	04/01/2041

The principal and interest requirements related to the Obligations sold and delivered in FY 2021 are set forth in the attached Schedules 1 through 12. The Obligations issued in FY 2021 were sold at either public or private sale pursuant to Section 154.08 of the Ohio Revised Code. No bond anticipation notes were issued.

As of June 30, 2021, the Obligations that the Treasurer is authorized to issue were rated as follows:

	Fitch	Moody’s	Standard & Poor’s
Mental Health Facilities	AA	Aa2	AA
Parks & Recreation Facilities	AA	Aa2	AA
Cultural & Sports Facilities	AA	Aa2	AA
Administrative Facilities	AA	Aa2	AA
Adult Correctional Facilities	AA	Aa2	AA
Juvenile Correctional Facilities	AA	Aa2	AA
Highway Safety Facilities ³	-	-	-
Transportation Facilities	AA	Aa2	AA

¹ Refunding issuance.

² New Money issuance.

³ Highway Safety Facilities Bonds are no longer outstanding as of June 30, 2021.

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

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

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

For the biennium ending June 30, 2023, the General Assembly, by acts passed prior to July 1, 2021, appropriated the following amounts for rental payments under the lease agreements relating to the respective categories of Obligations:

Appropriation to:	Biennial Amount¹	FY 2022	FY 2023
Dept. of Mental Health & Addiction Services	\$ 54,000,000	\$ 27,000,000	\$ 27,000,000
Dept. of Developmental Disabilities	54,000,000	27,000,000	27,000,000
Dept. of Natural Resources	140,500,000	64,000,000	76,500,000
Facilities Construction Commission	50,000,000	22,000,000	28,000,000
Dept. of Administrative Services	173,000,000	88,000,000	85,000,000
Dept. of Rehabilitation and Correction	170,000,000	85,000,000	85,000,000
Dept. of Youth Services	35,150,000	16,250,000	18,900,000
Dept. of Transportation	<u>36,861,728</u>	<u>16,562,000</u>	<u>20,299,728</u>
Total Appropriation	<u>\$ 713,511,728</u>	<u>\$ 345,812,000</u>	<u>\$ 367,699,728</u>

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

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

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

**OBLIGATIONS AUTHORIZED -- ISSUED
(AS OF JUNE 30, 2021)**

	Mental Health Facilities	Parks & Recreation Facilities	Cultural & Sports Facilities	Administrative Facilities
Authorized by General Assembly	\$2,000,000,000	\$1,297,400,000	\$790,000,000	\$2,169,700,000
Issued in Prior Fiscal Years (a)	\$1,667,085,000	\$828,000,000	\$639,690,000	\$1,991,960,000
Issued in FY2021 (b)	\$150,000,000	\$111,000,000	\$44,000,000.00	\$77,940,000.00
Authorized by General Assembly but not yet issued	\$182,915,000	\$358,400,000	\$106,310,000	\$99,800,000
Interest Paid FY2021	\$8,824,592	\$20,863,902	\$6,693,309	\$20,677,526
Principal Paid FY2021	\$26,855,000	\$26,760,000	\$22,165,000	\$66,655,000
Outstanding Principal (c)	\$308,505,000	\$469,515,000	\$140,230,000	\$579,805,000

	Adult Correctional Facilities	Juvenile Correctional Facilities	Highway Safety Facilities	Transportation Facilities
Authorized by General Assembly	\$2,737,000,000	\$430,000,000	\$140,285,000	\$385,000,000
Issued in Prior Fiscal Years (a)	\$2,232,500,000	\$400,000,000	\$140,285,000	\$326,590,000
Issued in FY2021 (b)	\$114,000,000	-	-	-
Authorized by General Assembly but not yet issued	\$390,500,000	\$30,000,000	-	\$58,410,000
Interest Paid FY2021	\$18,542,540	\$5,441,849	\$38,250	\$7,079,000
Principal Paid FY2021	\$47,175,000	\$10,905,000	\$1,530,000	\$9,440,000
Outstanding Principal (c)	\$604,520,000	\$108,105,000	-	\$132,140,000

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

The primary sources of moneys for payment of principal of and interest on outstanding Obligations in FY 2021, as in prior years, were funds appropriated by the General Assembly for the purpose. Original issue premium and accrued interest paid by original purchasers of bonds were applied to either bond service charges or the applicable improvement funds.

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

correctional, highway safety, and transportation facilities bond service funds, and to the administrative service funds (to pay expenditures, including issuing costs), during FY 2021, and the balances in those funds on June 30, 2021, are shown in the financial statements that follow. Except for moneys held for Obligations not yet presented for payment, amounts in those bond service funds are not restricted to payments of bond service charges on particular issues of Obligations. Amounts held in escrow for Obligations refunded are restricted to payment of debt service and any redemption premium on those refunded Obligations.

The amounts, and the dates by which funds must be made available, to make payment during FY 2022 of principal of and interest on the Obligations outstanding on June 30, 2021 (which excludes refunded Obligations) are as follows:

FY 2022 Debt Service Payments

	Mental Health Facilities	Parks & Recreation Facilities¹	Cultural & Sports Facilities	Administrative Facilities
Payment Dates				
August 1, 2021	\$ 3,773,795.83	\$ 2,420,375.00	\$ -	\$ -
October 1, 2021	-	-	10,089,950.00	62,415,133.21
December 1, 2021	1,663,625.00	25,224,792.47	-	-
February 1, 2022	37,737,962.50	9,635,375.00	-	-
April 1, 2022	-	-	11,770,325.00	21,282,898.90
June 1, 2022	11,513,625.00	8,320,157.53	-	-
Fiscal Year Total	<u>\$ 54,689,008.33</u>	<u>\$ 45,600,700.00</u>	<u>\$ 21,860,275.00</u>	<u>\$ 83,698,032.11</u>

	Adult Correctional Facilities²	Juvenile Correctional Facilities	Transportation Facilities
Payment Dates			
August 1, 2021	\$ -	\$ -	\$ -
October 1, 2021	59,427,381.19	9,540,728.13	3,303,500.00
December 1, 2021	-	-	-
February 1, 2022	-	-	-
April 1, 2022	15,122,525.15	6,679,128.13	13,218,500.00
June 1, 2022	-	-	-
Fiscal Year Total	<u>\$ 74,549,906.34</u>	<u>\$ 16,219,856.26</u>	<u>\$ 16,522,000.00</u>

¹ These figures include estimated amounts of interest payable for Series 2020B.

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

The anticipated sources of payment of amounts for outstanding Obligations and for additional mental health, parks and recreation, cultural and sports, administrative building, adult correctional, juvenile correctional, and transportation facilities Obligations that may be issued during FY 2022 will be, pursuant to the respective leases and supplements, moneys available for the purpose in the respective bond service accounts and the moneys appropriated by the 134th General Assembly for the fiscal biennium ending June 30, 2023. These respective amounts have been and will be sufficient to pay during the biennium all principal and interest requirements on the Obligations outstanding as of June 30, 2021, principal and interest on additional Obligations that are projected to be issued in the biennium, and related applicable administrative and issuance expenditures.

SCHEDULE 1

\$56,300,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2020A
(Parks & Recreation Improvement Fund Projects)

Dated: 08/12/2020

Date	Principal	Interest	Debt Service
06/01/2021	\$ -	\$ 2,259,819.44	\$ 2,259,819.44
12/01/2021	2,300,000.00	1,407,500.00	3,707,500.00
06/01/2022	-	1,350,000.00	1,350,000.00
12/01/2022	3,775,000.00	1,350,000.00	5,125,000.00
06/01/2023	-	1,255,625.00	1,255,625.00
12/01/2023	3,970,000.00	1,255,625.00	5,225,625.00
06/01/2024	-	1,156,375.00	1,156,375.00
12/01/2024	4,175,000.00	1,156,375.00	5,331,375.00
06/01/2025	-	1,052,000.00	1,052,000.00
12/01/2025	4,385,000.00	1,052,000.00	5,437,000.00
06/01/2026	-	942,375.00	942,375.00
12/01/2026	4,610,000.00	942,375.00	5,552,375.00
06/01/2027	-	827,125.00	827,125.00
12/01/2027	4,850,000.00	827,125.00	5,677,125.00
06/01/2028	-	705,875.00	705,875.00
12/01/2028	5,095,000.00	705,875.00	5,800,875.00
06/01/2029	-	578,500.00	578,500.00
12/01/2029	5,360,000.00	578,500.00	5,938,500.00
06/01/2030	-	444,500.00	444,500.00
12/01/2030	5,635,000.00	444,500.00	6,079,500.00
06/01/2031	-	303,625.00	303,625.00
12/01/2031	5,920,000.00	303,625.00	6,223,625.00
06/01/2032	-	155,625.00	155,625.00
12/01/2032	6,225,000.00	155,625.00	6,380,625.00
Total:	\$56,300,000.00	\$21,210,569.44	\$77,510,569.44

Average Life (years)	7.535
Average Coupon	5.000000%

Net Interest Cost (NIC)	1.031943%
True Interest Cost (TIC)	0.866211%
Bond Yield for Arbitrage Purposes	2.203066%
All Inclusive Cost (AIC)	0.898012%

Issuer's Counsel: Dinsmore & Shohl LLP
Bond Counsel: Ice Miller LLP
Underwriter's Counsel: Calfee, Halter & Griswold LLP
Financial Advisor: Acacia Financial Group

SCHEDULE 2

\$57,000,000

State of Ohio

Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2020B
(Parks & Recreation Improvement Fund Projects)

Dated: 08/12/2020

Date	Principal	Interest	Debt Service
06/01/2021	\$ -	\$ 1,370,867.28	\$ 1,370,867.28
12/01/2021	-	857,342.47	857,342.47
06/01/2022	-	852,657.53	852,657.53
12/01/2022	-	857,342.47	857,342.47
06/01/2023	-	852,657.53	852,657.53
12/01/2023	-	857,342.47	857,342.47
06/01/2024	-	855,396.81	855,396.81
12/01/2024	-	855,000.00	855,000.00
06/01/2025	-	852,260.72	852,260.72
12/01/2025	-	857,342.47	857,342.47
06/01/2026	-	852,657.53	852,657.53
12/01/2026	-	857,342.47	857,342.47
06/01/2027	-	852,657.53	852,657.53
12/01/2027	-	857,342.47	857,342.47
06/01/2028	-	855,000.00	855,000.00
12/01/2028	-	855,000.00	855,000.00
06/01/2029	-	852,657.53	852,657.53
12/01/2029	-	857,342.47	857,342.47
06/01/2030	-	852,657.53	852,657.53
12/01/2030	-	857,342.47	857,342.47
06/01/2031	-	852,657.53	852,657.53
12/01/2031	-	857,342.47	857,342.47
06/01/2032	-	855,396.81	855,396.81
12/01/2032	-	855,000.00	855,000.00
06/01/2033	-	852,260.72	852,260.72
12/01/2033	6,400,000.00	857,342.47	7,257,342.47
06/01/2034	-	756,920.55	756,920.55
12/01/2034	6,595,000.00	761,079.45	7,356,079.45
06/01/2035	-	658,266.58	658,266.58
12/01/2035	6,795,000.00	661,883.42	7,456,883.42
06/01/2036	-	558,409.04	558,409.04
12/01/2036	7,005,000.00	558,150.00	7,563,150.00
06/01/2037	-	451,623.42	451,623.42
12/01/2037	7,215,000.00	454,316.30	7,669,316.30
06/01/2038	-	343,905.21	343,905.21
12/01/2038	7,435,000.00	345,794.79	7,780,794.79
06/01/2039	-	232,685.75	232,685.75
12/01/2039	7,660,000.00	233,964.25	7,893,964.25
06/01/2040	-	118,479.96	118,479.96
12/01/2040	7,895,000.00	118,425.00	8,013,425.00
Total:	\$57,000,000.00	\$29,002,113.47	\$86,002,113.47

Average Life (years)	16.96
Average Coupon	3.000058%

Net Interest Cost (NIC)	3.008272%
True Interest Cost (TIC)	3.009798%
Bond Yield for Arbitrage Purposes	2.202934%
All Inclusive Cost (AIC)	3.030603%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Ice Miller LLP

Underwriter's Counsel: Calfee, Halter & Griswold LLP

Financial Advisor: Acacia Financial Group

SCHEDULE 3

\$58,960,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2020D
(Administrative Building Fund Projects) (Federally Taxable)

Dated: 08/12/2020

Date	Principal	Interest	Debt Service
10/01/2020	\$ 1,935,000.00	\$ 67,929.31	\$ 2,002,929.31
04/01/2021	-	247,030.40	247,030.40
10/01/2021	7,900,000.00	247,030.40	8,147,030.40
04/01/2022	-	233,639.89	233,639.89
10/01/2022	8,270,000.00	233,639.89	8,503,639.89
04/01/2023	-	215,487.24	215,487.24
10/01/2023	11,800,000.00	215,487.24	12,015,487.24
04/01/2024	-	182,211.24	182,211.24
10/01/2024	12,360,000.00	182,211.24	12,542,211.24
04/01/2025	-	140,187.24	140,187.24
10/01/2025	350,000.00	140,187.24	490,187.24
04/01/2026	-	138,629.74	138,629.74
10/01/2026	355,000.00	138,629.74	493,629.74
04/01/2027	-	136,576.05	136,576.05
10/01/2027	355,000.00	136,576.05	491,576.05
04/01/2028	-	134,344.89	134,344.89
10/01/2028	4,470,000.00	134,344.89	4,604,344.89
04/01/2029	-	102,496.13	102,496.13
10/01/2029	2,555,000.00	102,496.13	2,657,496.13
04/01/2030	-	82,886.51	82,886.51
10/01/2030	115,000.00	82,886.51	197,886.51
04/01/2031	-	81,963.63	81,963.63
10/01/2031	2,485,000.00	81,963.63	2,566,963.63
04/01/2032	-	61,151.75	61,151.75
10/01/2032	105,000.00	61,151.75	166,151.75
04/01/2033	-	60,083.38	60,083.38
10/01/2033	105,000.00	60,083.38	165,083.38
04/01/2034	-	59,015.00	59,015.00
10/01/2034	110,000.00	59,015.00	169,015.00
04/01/2035	-	57,895.75	57,895.75
10/01/2035	110,000.00	57,895.75	167,895.75
04/01/2036	-	56,776.50	56,776.50
10/01/2036	5,580,000.00	56,776.50	5,636,776.50
Total:	\$58,960,000.00	\$4,048,679.99	\$63,008,679.99

Average Life (years)	5.19
Average Coupon	1.323076%

Net Interest Cost (NIC)	1.409912%
True Interest Cost (TIC)	1.393520%
All Inclusive Cost (AIC)	1.450925%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Ice Miller LLP
 Underwriter's Counsel: Calfee, Halter & Griswold LLP
 Financial Advisor: Acacia Financial Group

SCHEDULE 4

\$44,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2020A
(Cultural and Sports Facilities Building Fund Projects)

Dated: 09/24/2020

Date	Principal	Interest	Debt Service
04/01/2021	\$ -	\$ 1,142,777.78	\$ 1,142,777.78
10/01/2021	-	1,100,000.00	1,100,000.00
04/01/2022	-	1,100,000.00	1,100,000.00
10/01/2022	-	1,100,000.00	1,100,000.00
04/01/2023	-	1,100,000.00	1,100,000.00
10/01/2023	4,585,000.00	1,100,000.00	5,685,000.00
04/01/2024	-	985,375.00	985,375.00
10/01/2024	4,820,000.00	985,375.00	5,805,375.00
04/01/2025	-	864,875.00	864,875.00
10/01/2025	5,070,000.00	864,875.00	5,934,875.00
04/01/2026	-	738,125.00	738,125.00
10/01/2026	5,330,000.00	738,125.00	6,068,125.00
04/01/2027	-	604,875.00	604,875.00
10/01/2027	5,605,000.00	604,875.00	6,209,875.00
04/01/2028	-	464,750.00	464,750.00
10/01/2028	5,890,000.00	464,750.00	6,354,750.00
04/01/2029	-	317,500.00	317,500.00
10/01/2029	6,190,000.00	317,500.00	6,507,500.00
04/01/2030	-	162,750.00	162,750.00
10/01/2030	6,510,000.00	162,750.00	6,672,750.00
Total:	\$44,000,000.00	\$14,919,277.78	\$58,919,277.78

Average Life (years)	6.781
Average Coupon	5.000000%

Net Interest Cost (NIC)	1.042748%
True Interest Cost (TIC)	0.898365%
Bond Yield for Arbitrage Purposes	0.818049%
All Inclusive Cost (AIC)	0.951064%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Keating Muething & Klekamp PLL

Underwriter's Counsel: Taft Stettinius & Hollister LLP

Financial Advisor: PFM Financial Group LLC

SCHEDULE 5

\$5,500,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2020A
(Juvenile Correctional Building Fund Projects)

Dated: 09/24/2020

Date	Principal	Interest	Debt Service
04/01/2021	\$ -	\$108,667.78	\$ 108,667.78
10/01/2021	1,300,000.00	104,600.00	1,404,600.00
04/01/2022	-	91,600.00	91,600.00
10/01/2022	1,340,000.00	91,600.00	1,431,600.00
04/01/2023	-	71,500.00	71,500.00
10/01/2023	1,395,000.00	71,500.00	1,466,500.00
04/01/2024	-	36,625.00	36,625.00
10/01/2024	1,465,000.00	36,625.00	1,501,625.00
Total:	\$5,500,000.00	\$612,717.78	\$6,112,717.78

Average Life (years)	2.569
Average Coupon	4.335693%

Net Interest Cost (NIC)	0.600441%
True Interest Cost (TIC)	0.560388%
Bond Yield for Arbitrage Purposes	0.818049%
All Inclusive Cost (AIC)	1.112532%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Keating Muething & Klekamp PLL

Underwriter's Counsel: Taft Stettinius & Hollister LLP

Financial Advisor: PFM Financial Group LLC

SCHEDULE 6

\$57,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2021 A
(Adult Correctional Building Fund Projects)

Dated: 04/21/2021

Date	Principal	Interest	Debt Service
10/01/2021	\$ 2,160,000.00	\$ 1,266,666.67	\$ 3,426,666.67
04/01/2022	-	1,371,000.00	1,371,000.00
10/01/2022	4,975,000.00	1,371,000.00	6,346,000.00
04/01/2023	-	1,246,625.00	1,246,625.00
10/01/2023	5,220,000.00	1,246,625.00	6,466,625.00
04/01/2024	-	1,116,125.00	1,116,125.00
10/01/2024	5,485,000.00	1,116,125.00	6,601,125.00
04/01/2025	-	979,000.00	979,000.00
10/01/2025	5,755,000.00	979,000.00	6,734,000.00
04/01/2026	-	835,125.00	835,125.00
10/01/2026	6,045,000.00	835,125.00	6,880,125.00
04/01/2027	-	684,000.00	684,000.00
10/01/2027	6,345,000.00	684,000.00	7,029,000.00
04/01/2028	-	525,375.00	525,375.00
10/01/2028	6,665,000.00	525,375.00	7,190,375.00
04/01/2029	-	358,750.00	358,750.00
10/01/2029	7,000,000.00	358,750.00	7,358,750.00
04/01/2030	-	183,750.00	183,750.00
10/01/2030	7,350,000.00	183,750.00	7,533,750.00
Total:	\$57,000,000.00	\$15,866,166.67	\$72,866,166.67

Average Life (years) 5.567

Average Coupon 5.000000%

Net Interest Cost (NIC) 1.128552%

True Interest Cost (TIC) 0.986332%

Bond Yield for Arbitrage Purposes 2.340681%

All Inclusive Cost (AIC) 1.037783%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Frost Brown Todd

Underwriter's Counsel: McDonald Hopkins LLC

Financial Advisor: Acacia Financial Group

SCHEDULE 7

\$57,000,000

State of Ohio

Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2021B
(Adult Correctional Building Fund Projects)

Dated: 04/21/2021

Date	Principal	Interest	Debt Service
10/01/2021	\$ -	\$ 763,643.84	\$ 763,643.84
04/01/2022	-	852,657.53	852,657.53
10/01/2022	-	857,342.47	857,342.47
04/01/2023	-	852,657.53	852,657.53
10/01/2023	-	857,342.47	857,342.47
04/01/2024	-	856,177.63	856,177.63
10/01/2024	-	855,000.00	855,000.00
04/01/2025	-	851,479.90	851,479.90
10/01/2025	-	857,342.47	857,342.47
04/01/2026	-	852,657.53	852,657.53
10/01/2026	-	857,342.47	857,342.47
04/01/2027	-	852,657.53	852,657.53
10/01/2027	-	857,342.47	857,342.47
04/01/2028	-	856,177.63	856,177.63
10/01/2028	-	855,000.00	855,000.00
04/01/2029	-	851,479.90	851,479.90
10/01/2029	-	857,342.47	857,342.47
04/01/2030	-	852,657.53	852,657.53
10/01/2030	-	857,342.47	857,342.47
04/01/2031	-	852,657.53	852,657.53
10/01/2031	4,970,000.00	857,342.47	5,827,342.47
04/01/2032	-	781,524.95	781,524.95
10/01/2032	5,120,000.00	780,450.00	5,900,450.00
04/01/2033	-	700,753.02	700,753.02
10/01/2033	5,275,000.00	705,577.81	5,980,577.81
04/01/2034	-	622,813.97	622,813.97
10/01/2034	5,435,000.00	626,236.03	6,061,236.03
04/01/2035	-	541,512.33	541,512.33
10/01/2035	5,595,000.00	544,487.67	6,139,487.67
04/01/2036	-	459,707.31	459,707.31
10/01/2036	5,765,000.00	459,075.00	6,224,075.00
04/01/2037	-	371,065.98	371,065.98
10/01/2037	5,940,000.00	373,620.82	6,313,620.82
04/01/2038	-	282,723.29	282,723.29
10/01/2038	6,115,000.00	284,276.71	6,399,276.71
04/01/2039	-	191,249.59	191,249.59
10/01/2039	6,300,000.00	192,300.41	6,492,300.41
04/01/2040	-	97,408.98	97,408.98
10/01/2040	6,485,000.00	97,275.00	6,582,275.00
Total:	\$57,000,000.00	\$25,975,702.71	\$82,975,702.71

Average Life (years)	15.188
Average Coupon	3.000462%

Net Interest Cost (NIC)	3.007990%
True Interest Cost (TIC)	3.010111%
Bond Yield for Arbitrage Purposes	2.340681%
All Inclusive Cost (AIC)	3.036415%

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

SCHEDULE 8

\$150,000,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2021A
(Mental Health Facilities Improvement Fund Projects)

Dated: 05/18/2021

Date	Principal	Interest	Debt Service
08/01/2021	\$ -	\$ 1,520,833.33	\$ 1,520,833.33
02/01/2022	13,880,000.00	3,750,000.00	17,630,000.00
08/01/2022	-	3,403,000.00	3,403,000.00
02/01/2023	12,345,000.00	3,403,000.00	15,748,000.00
08/01/2023	-	3,094,375.00	3,094,375.00
02/01/2024	12,960,000.00	3,094,375.00	16,054,375.00
08/01/2024	-	2,770,375.00	2,770,375.00
02/01/2025	13,610,000.00	2,770,375.00	16,380,375.00
08/01/2025	-	2,430,125.00	2,430,125.00
02/01/2026	14,290,000.00	2,430,125.00	16,720,125.00
08/01/2026	-	2,072,875.00	2,072,875.00
02/01/2027	15,005,000.00	2,072,875.00	17,077,875.00
08/01/2027	-	1,697,750.00	1,697,750.00
02/01/2028	15,755,000.00	1,697,750.00	17,452,750.00
08/01/2028	-	1,303,875.00	1,303,875.00
02/01/2029	16,545,000.00	1,303,875.00	17,848,875.00
08/01/2029	-	890,250.00	890,250.00
02/01/2030	17,370,000.00	890,250.00	18,260,250.00
08/01/2030	-	456,000.00	456,000.00
02/01/2031	18,240,000.00	456,000.00	18,696,000.00
Total:	\$150,000,000.00	\$41,508,083.33	\$191,508,083.33

Average Life (years)	5.534
Average Coupon	5.000000%

Net Interest Cost (NIC)	1.042176%
True Interest Cost (TIC)	0.906071%
Bond Yield for Arbitrage Purposes	1.029588%
All Inclusive Cost (AIC)	0.943912%

Issuer's Counsel: Dinsmore & Shohl LLP
Bond Counsel: Calfee, Halter & Griswold LLP
Underwriter's Counsel: Taft Stettinius & Hollister LLP
Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 9

\$77,940,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2021A

(Administrative Building Fund Projects)

Dated: 05/18/2021

Date	Principal	Interest	Debt Service
10/01/2021	\$ -	\$ 1,439,725.00	\$ 1,439,725.00
04/01/2022	2,825,000.00	1,948,500.00	4,773,500.00
10/01/2022	-	1,877,875.00	1,877,875.00
04/01/2023	2,460,000.00	1,877,875.00	4,337,875.00
10/01/2023	-	1,816,375.00	1,816,375.00
04/01/2024	2,585,000.00	1,816,375.00	4,401,375.00
10/01/2024	-	1,751,750.00	1,751,750.00
04/01/2025	2,710,000.00	1,751,750.00	4,461,750.00
10/01/2025	-	1,684,000.00	1,684,000.00
04/01/2026	2,845,000.00	1,684,000.00	4,529,000.00
10/01/2026	-	1,612,875.00	1,612,875.00
04/01/2027	2,990,000.00	1,612,875.00	4,602,875.00
10/01/2027	-	1,538,125.00	1,538,125.00
04/01/2028	3,140,000.00	1,538,125.00	4,678,125.00
10/01/2028	-	1,459,625.00	1,459,625.00
04/01/2029	3,295,000.00	1,459,625.00	4,754,625.00
10/01/2029	-	1,377,250.00	1,377,250.00
04/01/2030	3,460,000.00	1,377,250.00	4,837,250.00
10/01/2030	-	1,290,750.00	1,290,750.00
04/01/2031	3,635,000.00	1,290,750.00	4,925,750.00
10/01/2031	-	1,199,875.00	1,199,875.00
04/01/2032	3,815,000.00	1,199,875.00	5,014,875.00
10/01/2032	-	1,104,500.00	1,104,500.00
04/01/2033	4,005,000.00	1,104,500.00	5,109,500.00
10/01/2033	-	1,004,375.00	1,004,375.00
04/01/2034	4,205,000.00	1,004,375.00	5,209,375.00
10/01/2034	-	899,250.00	899,250.00
04/01/2035	4,415,000.00	899,250.00	5,314,250.00
10/01/2035	-	788,875.00	788,875.00
04/01/2036	4,640,000.00	788,875.00	5,428,875.00
10/01/2036	-	672,875.00	672,875.00
04/01/2037	4,870,000.00	672,875.00	5,542,875.00
10/01/2037	-	551,125.00	551,125.00
04/01/2038	5,115,000.00	551,125.00	5,666,125.00
10/01/2038	-	423,250.00	423,250.00
04/01/2039	5,370,000.00	423,250.00	5,793,250.00
10/01/2039	-	289,000.00	289,000.00
04/01/2040	5,640,000.00	289,000.00	5,929,000.00
10/01/2040	-	148,000.00	148,000.00
04/01/2041	5,920,000.00	148,000.00	6,068,000.00
Total:	\$77,940,000.00	\$46,367,725.00	\$124,307,725.00

Average Life (years)	11.898
Average Coupon	5.000000%

Net Interest Cost (NIC)	2.598362%
True Interest Cost (TIC)	2.185833%
Bond Yield for Arbitrage Purposes	1.029588%
All Inclusive Cost (AIC)	2.207884%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Calfee, Halter & Griswold LLP
 Underwriter's Counsel: Taft Stettinius & Hollister LLP
 Financial Advisor: PFM Financial Advisors LLC

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

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

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

FRANKLIN COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2021

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



Rea & associates

www.reacpa.com

**STATE OF OHIO
LEASE REVENUE OBLIGATIONS
GOVERNED BY OHIO REVISED CODE CHAPTER 154

FINANCIAL REPORT
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Debt Service Funds (the Funds) as held in the name of the Treasurer of the State of Ohio (the Treasurer) of the Mental Health Facilities, Parks and Recreation Facilities, Cultural and Sports Facilities, Adult Correctional Facilities, Administrative Facilities, Juvenile Correctional Facilities, Highway Safety Facilities, and the Transportation Facilities lease revenue bonds governed by the Ohio Revised Code Chapter 154, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Funds' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Treasurer's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Treasurer's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Funds of the Treasurer of the State of Ohio, as of June 30, 2021, and

the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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*, 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Funds' basic financial statements. The supplementary schedules present additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021 on our consideration of the Treasurer's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Treasurer's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
September 28, 2021

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2021

(UNAUDITED)

This section of the annual financial report for the Chapter 154 Lease Revenue Obligations presents management's discussion and analysis of financial performance for the fiscal year ended June 30, 2021. The management's discussion and analysis section should be read in conjunction with the Chapter 154 Lease Revenue Obligations debt service funds' financial statements, which follow. Chapter 154 refers to a chapter in the Ohio Revised Code (Ohio's statutes) titled, *Financing for Certain Capital Facilities*.

FINANCIAL HIGHLIGHTS

- As of June 30, 2021, total debt service fund assets exceeded liabilities and deferred inflows of resources by \$4.1 million. The total combined ending fund balance, which is restricted for debt service, decreased by \$2.6 million during fiscal year 2021.
- For fiscal year 2021, lease principal payments from state agency-lessees totaled \$209.2 million, and lease interest revenue was reported at \$87.6 million.
- During fiscal year 2021, the Treasurer of State issued \$496.9 million in new bonds with a total premium of \$97.5 million and \$66.8 million in refunding bonds with a total premium of \$0.7 million. In addition, \$211.5 million in bond principal and \$88.2 million in bond interest were paid to bondholders.

OVERVIEW OF THE FUND FINANCIAL STATEMENTS

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Governmental fund financial statements have a focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2021

(UNAUDITED)

Debt service funds, by definition, account for resources accumulated and payments made for principal and interest on long-term debt. The financial statements for the funds listed above can be found on pages 8 to 10 of this report. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 11 to 18 of this report.

In addition, supplementary financial information follows the notes. Supplementary financial information, which can be found on pages 19 to 33, provides additional information that is considered to be useful to certain users of the financial statements.

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

A comparative balance sheet analysis follows:

Balance Sheet
Comparative Analysis
(Dollars in 000s)

	<u>As of</u> <u>06/30/21</u>	<u>As of</u> <u>06/30/20</u>	<u>Percentage</u> <u>Change</u>
ASSETS:			
Cash.....	\$ 537	\$ 422	27.3%
Receivable from State Agencies:			
Lease Principal.....	2,342,820	2,048,565	14.4%
Lease Interest.....	20,570	20,759	-0.9%
TOTAL ASSETS.....	<u>\$ 2,363,927</u>	<u>\$ 2,069,746</u>	
LIABILITIES AND DEFERRED INFLOW OF RESOURCES:			
Accounts Payable.....	\$ 185	\$ 215	-14.0%
Deferred Inflow of Resources-Unavailable Revenue.....	2,359,606	2,062,837	14.4%
TOTAL LIABILITIES AND DEFERRED			
INFLOW OF RESOURCES.....	<u>2,359,791</u>	<u>2,063,052</u>	
FUND BALANCES:			
Restricted for Debt Service.....	4,136	6,694	-38.2%
TOTAL FUND BALANCES.....	<u>4,136</u>	<u>6,694</u>	
TOTAL LIABILITIES, DEFERRED INFLOW OF			
RESOURCES, AND FUND BALANCES.....	<u>\$ 2,363,927</u>	<u>\$ 2,069,746</u>	

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2021

(UNAUDITED)

The increase in lease principal and unavailable revenue at June 30, 2021 compared to June 30, 2020 is the result of the amount the Treasurer issued in new bonds exceeding the continued payoff of outstanding bond principal.

The tables that follow compare debt service fund revenues, expenditures, and other financing sources/(uses) reported for fiscal year 2021 with fiscal year 2020 results.

Revenue
Comparative Analysis
(Dollars in 000s)

	Fiscal Year 2021	Percent of Total 2021 Revenue	Fiscal Year 2020	Percent Change
Lease Principal from State Agencies.....	\$ 209,160	69.5%	\$ 200,400	4.4%
Lease Interest from State Agencies.....	87,551	29.1%	89,496	-2.2%
Administrative and Other Fees.....	4,447	1.4%	4,325	2.8%
TOTAL REVENUES.....	\$ 301,158	100.0%	\$ 294,221	

As the above table indicates, 98.6% of debt service fund revenues for fiscal year 2021 were comprised of lease principal and interest from state agencies. Lease interest decreased for fiscal year 2021 primarily due to a decrease in debt service requirements during the year. This occurred because of the varying debt service requirements and savings realized on new and refunding bonds issued in fiscal year 2021 and fiscal year 2020. Lease principal increased for fiscal year 2021 primarily due to varying maturity schedules for the outstanding bonds. The increase in administrative and other fees was attributable to an increase in new bond issuances and refunding issuances in fiscal year 2021 compared to fiscal year 2020.

Expenditures
Comparative Analysis
(Dollars in 000s)

	Fiscal Year 2021	Percent of Total 2021 Expenditures	Fiscal Year 2020	Percent Change
Administrative Costs.....	\$ 350	0.1%	\$ 353	-0.8%
Bond Issue Costs.....	3,724	1.3%	3,482	7.0%
Debt Service:				
Principal.....	211,485	69.6%	204,935	3.2%
Interest.....	88,157	29.0%	89,682	-1.7%
TOTAL EXPENDITURES.....	\$ 303,716	100.0%	\$ 298,452	

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2021

(UNAUDITED)

As the table on the previous page shows, 98.6% of total reported expenditures for fiscal year 2021 were for debt service payments (principal and interest). Interest expenditures for fiscal year 2021 were less than fiscal year 2020 by 1.7% due to savings realized on refunding bonds issued in fiscal year 2021, payment of bond principal in fiscal year 2020 and fiscal year 2021, and lower average effective interest rates on variable rate bonds outstanding in fiscal year 2021 than in fiscal year 2020. Principal expenditures for fiscal year 2021 were greater than fiscal year 2020 by 3.2%. This increase is due to varying maturity schedules for the outstanding bonds as well as five bonds issued during fiscal year 2021. Bond issuance costs increased for fiscal year 2021 because of an increase in bond principal issued in fiscal year 2021.

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

	Fiscal Year 2021	Fiscal Year 2020	Percent Change
Bond Proceeds:			
Principal.....	\$ 496,940	\$ 256,960	93.4%
Premium.....	97,527	49,191	98.3%
Refunding Bond Proceeds:			
Principal.....	66,760	215,275	-69.0%
Premium.....	709	9,011	-92.1%
Payments to Refunding Escrow Agent.....	(66,871)	(222,667)	-70.0%
Financing Provided to State Agencies Under Leases.....	(595,065)	(307,770)	93.3%
TOTAL OTHER			
FINANCING SOURCES/(USES).....	\$ -	\$ -	

The increase in new money bond proceeds (principal and premium) and financing provided to state agencies are the result of six new larger bond issuances in fiscal year 2021 compared to five smaller bond issuances in fiscal year 2020. The decrease in refunding bond proceeds (principal and interest) and payments to refunding escrow agent are the result of refunding issuances involving three series of bonds during fiscal year 2021 compared with six series of refunding bond issuances in fiscal year 2020.

BUDGETARY HIGHLIGHTS

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

STATE OF OHIO
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(UNAUDITED)

ECONOMIC FACTORS

- Generally, interest rates affect the pricing of new bond issues. As of June 30, 2021, the Federal Reserve's Federal Open Market Committee (FOMC) has set the target for the federal funds rate at 0.00% - 0.25%. This target has remained unchanged since March 2020.
- The balances of Chapter 154 Lease Revenue Bonds authorized, but unissued, as of June 30, 2021, were as follows (dollars in thousands):

<u>Bond Type</u>	<u>Authorized, but Unissued</u>
Mental Health Facilities	\$ 182,915
Parks and Recreation Facilities	358,400
Cultural and Sports Facilities	106,310
Adult Correctional Facilities	390,500
Administrative Facilities	99,800
Juvenile Correctional Facilities	30,000
Highway Safety Facilities	-
Transportation Facilities	58,410
Total	<u>\$ 1,226,335</u>

CONTACTING THE TREASURER OF STATE'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

STATE OF OHIO
 CHAPTER 154 LEASE REVENUE OBLIGATIONS
 Debt Service Funds
 Balance Sheet
 As of June 30, 2021
 (Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
ASSETS:									
Cash.....	\$ 14	\$ 62	\$ 27	\$ 311	\$ 37	\$ 37	\$ 23	\$ 26	\$ 537
Receivable from State Agencies:									
Lease Principal.....	308,505	469,515	140,230	604,520	579,805	108,105	-	132,140	2,342,820
Lease Interest.....	2,849	3,207	1,726	4,726	5,203	1,233	-	1,626	20,570
TOTAL ASSETS.....	\$ 311,368	\$ 472,784	\$ 141,983	\$ 609,557	\$ 585,045	\$ 109,375	\$ 23	\$ 133,792	\$ 2,363,927
LIABILITIES:									
Accounts Payable.....	\$ 3	\$ -	\$ -	\$ 175	\$ 7	\$ -	\$ -	\$ -	\$ 185
TOTAL LIABILITIES.....	3	-	-	175	7	-	-	-	185
DEFERRED INFLOW OF RESOURCES:									
Unavailable Revenue.....	308,773	471,519	141,956	609,246	585,008	109,338	-	133,766	2,359,606
TOTAL DEFERRED INFLOW OF RESOURCES	308,773	471,519	141,956	609,246	585,008	109,338	-	133,766	2,359,606
FUND BALANCES:									
Restricted for Debt Service.....	2,592	1,265	27	136	30	37	23	26	4,136
TOTAL FUND BALANCES.....	2,592	1,265	27	136	30	37	23	26	4,136
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES.....	\$ 311,368	\$ 472,784	\$ 141,983	\$ 609,557	\$ 585,045	\$ 109,375	\$ 23	\$ 133,792	\$ 2,363,927

STATE OF OHIO
 CHAPTER 154 LEASE REVENUE OBLIGATIONS
 Debt Service Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2021
 (Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
REVENUES:									
Lease Principal Payments from State Agencies..	\$ 26,855	\$ 24,435	\$ 22,165	\$ 47,175	\$ 66,655	\$ 10,905	\$ 1,530	\$ 9,440	\$ 209,160
Lease Interest from State Agencies.....	9,442	19,883	6,664	18,633	20,588	5,268	19	7,054	87,551
Administrative and Other Fees.....	1,001	691	429	804	1,128	324	30	40	4,447
TOTAL REVENUES.....	37,298	45,009	29,258	66,612	88,371	16,497	1,579	16,534	301,158
EXPENDITURES:									
Administrative Costs.....	32	41	29	122	70	35	7	14	350
Bond Issue Costs.....	949	643	370	655	988	119	-	-	3,724
Debt Service:									
Principal.....	26,855	26,760	22,165	47,175	66,655	10,905	1,530	9,440	211,485
Interest.....	8,819	20,859	6,693	18,558	20,669	5,441	39	7,079	88,157
TOTAL EXPENDITURES.....	36,655	48,303	29,257	66,510	88,382	16,500	1,576	16,533	303,716
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES.....	643	(3,294)	1	102	(11)	(3)	3	1	(2,558)
OTHER FINANCING SOURCES/(USES):									
Bond Proceeds:									
Principal.....	150,000	111,000	44,000	114,000	77,940	-	-	-	496,940
Premium.....	33,456	16,942	12,002	12,515	22,612	-	-	-	97,527
Refunding Bond Proceeds:									
Principal.....	-	2,300	-	-	58,960	5,500	-	-	66,760
Premium.....	-	145	-	-	-	564	-	-	709
Payments to Refunding Escrow Agent.....	-	(2,427)	-	-	(58,501)	(5,943)	-	-	(66,871)
Financing Provided to State Agencies Under Leases:									
Mental Health Facilities.....	(183,456)	-	-	-	-	-	-	-	(183,456)
Parks and Recreation Capital Facilities.....	-	(127,960)	-	-	-	-	-	-	(127,960)
Cultural and Sports Capital Facilities.....	-	-	(56,002)	-	-	-	-	-	(56,002)
Adult Correctional Facilities.....	-	-	-	(126,515)	-	-	-	-	(126,515)
Administrative Facilities.....	-	-	-	-	(101,011)	-	-	-	(101,011)
Juvenile Correctional Facilities.....	-	-	-	-	-	(121)	-	-	(121)
TOTAL OTHER FINANCING SOURCES/(USES).....	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	643	(3,294)	1	102	(11)	(3)	3	1	(2,558)
FUND BALANCE, JULY 1.....	1,949	4,559	26	34	41	40	20	25	6,694
FUND BALANCE, JUNE 30.....	\$ 2,592	\$ 1,265	\$ 27	\$ 136	\$ 30	\$ 37	\$ 23	\$ 26	\$ 4,136

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Debt Service Funds
Notes to the Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
(Dollars in 000s)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying debt service fund financial statements for the Chapter 154 Lease Revenue Obligations have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, which are included in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*. Significant accounting policies are as follows:

A. Reporting Entity

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

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

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

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

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(Dollars in 000s)

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

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

Community College Intercept Program –In October 2010, the Authority issued \$9,525 of bonds at rates from 1.5% to 6.17%, with payments due through 2035 on behalf of Clark State Community College. In fiscal year 2013, the Treasurer of State issued \$4,125 of bonds at rates from 2.0% to 4.0%, with payments due through 2033 on behalf of Rhodes State College (collectively, the “Colleges”). Since the Colleges are a proprietary component unit of the State of Ohio, its financial statements report the assets and debt financed through the Authority or Treasurer. Accordingly, the Treasurer’s Debt Service Fund financial statements do not include the Colleges’ activity. At June 30, 2021, \$9,490 of College bonds were outstanding.

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

B. Fund Accounting and Basis of Presentation

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

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

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

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

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

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

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

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

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

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

STATE OF OHIO
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Notes to the Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
(Dollars in 000s)

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

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

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

D. Budget

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

E. Leases

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

F. Fund Balance

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

G. Use of Estimates

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

NOTE 2 — DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Treasurer of State will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At June 30, 2021 the Treasurer of State's deposits were held by Trustees. The total carrying amount of deposits was \$537. Of the bank balance, \$480 was insured or collateralized.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
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Notes to the Financial Statements
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NOTE 3 — LEASES

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

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

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

For the 2020-21 biennium, the 133rd General Assembly appropriated the amounts necessary from the General Revenue Fund to meet the payments required under such leases. The appropriated amounts and the lease amounts paid during fiscal year 2021 are detailed in the schedule on the following page. Such amounts were paid into the Treasurer's respective Bond Service Funds that are established to receive rental and other payments and to make payments of bond service charges (principal, interest, and administrative costs).

STATE OF OHIO
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(Dollars in 000s)

	<u>2020-21 Biennium Appropriations</u>	<u>Rent Paid to Treasurer of State</u>
Ohio Department of Mental Health and Addiction Services and Ohio Department of Developmental Disabilities – Mental Health Facilities	\$ 80,129	\$ 72,414
Ohio Department of Natural Resources – Parks and Recreation Facilities	108,328	95,140
Ohio Facilities Construction Commission – Cultural and Sports Facilities	61,989	61,937
Ohio Department of Rehabilitation and Correction – Adult Correctional Facilities	137,738	127,561
Ohio Department of Administrative Services – Administrative Facilities	181,181	170,895
Ohio Department of Youth Services – Juvenile Correctional Facilities	32,432	30,881
Ohio Department of Public Safety – Highway Safety Facilities	3,194	3,153
Ohio Department of Transportation – Transportation Facilities	38,457	33,065

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

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

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(Dollars in 000s)

As of June 30, 2021, future payments to be received from the state agencies responsible for making the requisite payments under the lease agreements are detailed in the following schedule by debt service fund.

Schedule of Future Payments
Under Lease Agreements with State Agencies
as of June 30, 2021

Year Ending June 30,	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service
2022.....	\$ 54,679	\$ 43,840	\$ 21,833	\$ 69,550
2023.....	54,695	47,596	21,856	68,472
2024.....	51,703	47,592	24,026	66,711
2025.....	45,191	47,592	24,023	62,203
2026.....	38,765	47,599	20,032	38,820
2027-2031.....	134,569	219,810	59,545	190,676
2032-2036.....	-	100,492	-	155,700
2037-2041.....	-	60,953	-	78,187
	<u>379,602</u>	<u>615,474</u>	<u>171,315</u>	<u>730,319</u>
Amount Representing Interest.....	(71,097)	(145,959)	(31,085)	(125,799)
Leases Receivable, as of June 30, 2021.....	\$ 308,505	\$ 469,515	\$ 140,230	\$ 604,520

Year Ending June 30,	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Transportation Facilities Bond Service	Total
2022.....	\$ 83,668	\$ 16,183	\$ 16,496	\$ 306,249
2023.....	80,852	16,249	16,526	306,246
2024.....	70,791	16,283	16,521	293,627
2025.....	65,421	16,330	16,524	277,284
2026.....	42,747	9,257	16,520	213,740
2027-2031.....	203,011	39,062	74,457	921,130
2032-2036.....	152,671	20,364	16,758	445,985
2037-2041.....	79,049	8,147	-	226,336
	<u>778,210</u>	<u>141,875</u>	<u>173,802</u>	<u>2,990,597</u>
Amount Representing Interest.....	(198,405)	(33,770)	(41,662)	(647,777)
Leases Receivable, as of June 30, 2021.....	\$ 579,805	\$ 108,105	\$ 132,140	\$ 2,342,820

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Debt Service Funds
Notes to the Financial Statements
As of and for the Fiscal Year Ended June 30, 2021
(Dollars in 000s)

A summary of the unavailable portion of leases receivable by debt service fund as of June 30, 2021 is presented in the table below:

	Mental Health Facilities Bond Service	Parks & Recreation Facilities Bond Service	Cultural & Sports Facilities Bond Service	Adult Correctional Facilities Bond Service
Lease Principal	\$ 308,505	\$ 469,515	\$ 140,230	\$ 604,520
Lease Interest	268	2,004	1,726	4,726
Total Unavailable Revenue as of June 30, 2021.....	<u>\$ 308,773</u>	<u>\$ 471,519</u>	<u>\$ 141,956</u>	<u>\$ 609,246</u>

	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
Lease Principal	\$ 579,805	\$ 108,105	\$ 132,140	\$ 2,342,820
Lease Interest	5,203	1,233	1,626	16,786
Total Unavailable Revenue as of June 30, 2021.....	<u>\$ 585,008</u>	<u>\$ 109,338</u>	<u>\$ 133,766</u>	<u>\$ 2,359,606</u>

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

The Ohio Office of Budget and Management will consolidate the accompanying financial statements of the debt service funds in the financial statements presented in the State of Ohio's Comprehensive Annual Financial Report as of and for the year ended June 30, 2021.

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

NOTE 5 — SUBSEQUENT EVENTS

On August 31, 2021, the Treasurer's Office issued Series 2021A Cultural Facilities Bonds, totaling \$56.8 million. The bonds have an average coupon of 4.93% and a final maturity date of April 1, 2032.

SUPPLEMENTARY INFORMATION

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Net Position - Accrual Basis
As of June 30, 2021
(Dollars in 000s)

	Total Debt Service Funds
ASSETS:	
Cash.....	\$ 537
Receivables from State Agencies:	
Leases.....	2,342,820
Unamortized Lease Premium/Discount, Net.....	273,914
Interest.....	20,570
TOTAL ASSETS.....	2,637,841
DEFERRED OUTFLOW OF RESOURCES:	
Deferred Charge on Refunding.....	11,398
TOTAL DEFERRED OUTFLOW OF RESOURCES.....	11,398
LIABILITIES:	
Accounts Payable.....	208
Bond Interest Payable.....	20,899
Bonds Payable, Net of Premiums and Discount:	
Due in One Year.....	257,446
Due in More Than One Year.....	2,370,686
TOTAL LIABILITIES.....	2,649,239
NET POSITION	
Restricted for Debt Service.....	-
TOTAL NET POSITION.....	\$ -

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 CHAPTER 154 LEASE REVENUE OBLIGATIONS
 Schedule of Activities - Accrual Basis
 For the Fiscal Year Ended June 30, 2021
 (Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
EXPENSES:									
Administrative.....	\$ 32	\$ 41	\$ 29	\$ 122	\$ 70	\$ 35	\$ 7	\$ 14	\$ 350
Bond Issue Costs.....	949	643	370	655	988	119	-	-	3,724
Interest on Debt.....	4,093	12,035	2,834	12,048	15,100	3,247	14	4,181	53,552
TOTAL EXPENSES.....	5,074	12,719	3,233	12,825	16,158	3,401	21	4,195	57,626
PROGRAM REVENUES:									
Charges for Services (1).....	5,074	12,719	3,233	12,825	16,158	3,401	21	4,195	57,626
TOTAL PROGRAM REVENUES.....	5,074	12,719	3,233	12,825	16,158	3,401	21	4,195	57,626
NET EXPENSE AND CHANGES IN NET POSITION.....	-	-	-	-	-	-	-	-	-
NET POSITION, JULY 1.....	-	-	-	-	-	-	-	-	-
NET POSITION, JUNE 30.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Reconciliation Schedule Between the Balance Sheet
and the Schedule of Net Position
As of June 30, 2021
(Dollars in 000s)

Fund Balance per Debt Service Funds' Balance Sheet **\$ 4,136**

Amounts reported in the Schedule of Net Position are different from the Balance Sheet because:

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

Leases Receivable from State Agencies:	
Lease Principal	2,342,820
Lease Interest	<u>16,786</u>
	<u>2,359,606</u>

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

Unamortized Lease Premium/Discount, Net	
	<u>273,914</u>
	<u>273,914</u>

The accounting loss reported as a deferred outflow of resources is applicable to future reporting periods and is not reported on the fund statements.	11,398
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The following liabilities are not due and payable in the current period, and, therefore, are not reported in the debt service funds.

Accounts Payable	(23)
Bonds Payable	(2,628,132)
Bond Interest Payable	<u>(20,899)</u>
	<u>(2,649,054)</u>

Net Position per Schedule of Net Position **\$ -**

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Reconciliation Schedule Between
the Statement of Revenues, Expenditures and Changes in Fund Balances
and the Schedule of Activities
For the Fiscal Year Ended June 30, 2021
(Dollars in 000s)

Net Change in Fund Balance per Debt Service Funds'
Statement of Revenues, Expenditures and Changes in Fund Balances **\$ (2,558)**

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

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

Lease Principal	296,580
Lease Interest	189
	<u>296,769</u>

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

Unamortized Lease Premium/Discount, Net	54,788
	<u>54,788</u>

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

Bonds	(496,940)
Refunding Bonds	(66,760)
Premiums	(98,236)
Deferred Amount on Refunding	4,475
	<u>(657,461)</u>

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

Debt Principal Refundings	57,960
Scheduled Debt Principal Retirements	211,485
	<u>269,445</u>

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

Decrease in Bond Interest Payable	65
Decrease in Accounts Payable	(23)
Amortization of Bond Premiums/Accretion of Bond Discounts, Net	43,244
Amortization of Deferred Refunding Amount	(4,269)
	<u>39,017</u>

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

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Future Payments
Under Lease Agreements with State Agencies
As of June 30, 2021
(Dollars in 000s)

Year Ending June 30,	Mental Health Facilities	Parks and Recreation Facilities	Cultural and Sports Facilities	Adult Correctional Facilities	Administrative Facilities	Juvenile Correctional Facilities	Transportation Facilities	Total
2022.....	\$ 54,679	\$ 43,840	\$ 21,833	\$ 69,550	\$ 83,668	\$ 16,183	\$ 16,496	\$ 306,249
2023.....	54,695	47,596	21,856	68,472	80,852	16,249	16,526	306,246
2024.....	51,703	47,592	24,026	66,711	70,791	16,283	16,521	293,627
2025.....	45,191	47,592	24,023	62,203	65,421	16,330	16,524	277,284
2026.....	38,765	47,599	20,032	38,820	42,747	9,257	16,520	213,740
2027-2031.....	134,569	219,810	59,545	190,676	203,011	39,062	74,457	921,130
2032-2036.....	-	100,492	-	155,700	152,671	20,364	16,758	445,985
2037-2041.....	-	60,953	-	78,187	79,049	8,147	-	226,336
	379,602	615,474	171,315	730,319	778,210	141,875	173,802	2,990,597
Amount Representing Interest...	(71,097)	(145,959)	(31,085)	(125,799)	(198,405)	(33,770)	(41,662)	(647,777)
Lease Principal.....	308,505	469,515	140,230	604,520	579,805	108,105	132,140	2,342,820
Premium/(Discount), Net.....	52,093	59,985	21,350	50,550	61,142	12,648	16,146	273,914
Leases Receivable, as of June 30, 2021.....	\$ 360,598	\$ 529,500	\$ 161,580	\$ 655,070	\$ 640,947	\$ 120,753	\$ 148,286	\$ 2,616,734

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2021
(Dollars in 000s)

Outstanding Chapter 154 Lease Revenue Obligations as of June 30, 2021 are in the form of fully registered bonds that mature in various amounts and at various dates and bear interest payable semiannually at various interest rates. The bonds mature after specified dates and are subject to redemption prior to maturity, in whole or in part.

As of October 1, 2020, the Chapter 154 Lease Revenue Obligations had the crediting ratings assigned by the major bond rating agencies for the Highway Safety Facilities of AA, Aa2, and AA for Fitch, Moody's, and Standard & Poor's, respectively. As of June 30, 2021, the Chapter 154 Lease Revenue Obligations had the following credit ratings assigned by the major bond rating agencies:

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

Through June 30, 2021, the Ohio General Assembly has authorized issuance of Chapter 154 Lease Revenue Obligations, including bonds and bond anticipation notes for capital facilities, in the following amounts. The amounts below include new debt authorizations included in the House Bill 529 of the 132rd General Assembly and the 2020-21 operating budget bills, House Bill 166 and 62 of the 133rd General Assembly.

<u>Bond Program</u>	<u>Total</u>
Mental Health Facilities	\$ 2,000,000
Parks and Recreation Facilities	1,297,400
Cultural and Sports Facilities	790,000
Adult Correctional Facilities	2,737,000
Administrative Facilities	2,169,700
Juvenile Correctional Facilities	430,000
Highway Safety Facilities	140,285
Transportation Facilities	385,000
Total Authorization	<u>\$ 9,949,385</u>

Details on bonds issued through June 30, 2021 are displayed in the following tables. Bond amounts issued in accordance with the above authorizations amounts are listed under the "Original Issues at Par" column. Bond issue authorization limits do not apply to refunding issues. The final maturity dates and average effective interest rates reported on the following tables represent data valid at the time of the original issue; this data has not been adjusted for the effects of any refunding issues that occurred subsequent to the original bond series issue.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2021 (Continued)
(Dollars in 000s)

Mental Health Facilities Bonds

Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,442,085	\$ 452,790	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2013A	25,000	—	03/07/2013	02/01/2023	3.55%	5,625
2015A	50,000	—	03/05/2015	02/01/2025	4.95%	22,785
2016A	50,000	—	06/28/2016	06/01/2026	4.86%	28,815
2017A	—	17,765	11/07/2017	02/01/2024	4.74%	17,765
2018A	50,000	—	04/26/2018	06/01/2028	5.00%	37,730
2020A	50,000	—	03/10/2020	02/01/2030	5.00%	45,785
2021A	150,000	—	05/18/2021	02/01/2031	5.00%	150,000
Total	\$ 1,817,085	\$ 470,555				\$ 308,505

Parks and Recreation Facilities Bonds

Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate*	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 408,000	\$ 118,305	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2015A	40,000	—	03/05/2015	02/01/2030	4.98%	27,215
2016A	80,000	—	03/31/2016	02/01/2031	4.99%	59,670
2016B	—	10,415	06/28/2016	08/01/2025	4.81%	10,415
2016C	100,000	—	10/06/2016	12/01/2031	4.86%	79,520
2017A	100,000	—	12/14/2017	12/01/2032	5.00%	85,515
2018A	100,000	—	11/15/2018	12/01/2038	5.00%	93,880
2020A	54,000	2,300	08/12/2020	12/01/2032	5.00%	56,300
2020B	57,000	—	08/12/2020	12/01/2040	0.02%	57,000
Total	\$ 939,000	\$ 131,020				\$ 469,515

*The interest rate for the Series 2020B bonds is set on a weekly basis and the above rate is as of June 30, 2021. The rate is set on Tuesdays, and are effective Wednesday through the following Tuesday (for a total period of 7 days). The rate for the Series 2020B bonds is determined by a remarketing agent.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2021 (Continued)
(Dollars in 000s)

Cultural and Sports Facilities Bonds						
Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 486,690	\$ 64,985	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2013A	18,000	—	03/07/2013	04/01/2023	4.73%	4,285
2015B	30,000	—	08/12/2015	04/01/2025	5.00%	14,175
2016A	40,000	—	08/25/2016	10/01/2026	4.80%	26,135
2017A	30,000	—	12/14/2017	10/01/2027	5.00%	22,515
2019A	35,000	—	05/16/2019	04/01/2029	5.00%	29,120
2020A	44,000	—	09/24/2020	10/01/2030	5.00%	44,000
Total	\$ 683,690	\$ 64,985				\$ 140,230

Adult Correctional Facilities Bonds						
Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate*	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,884,500	\$ 1,429,445	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2011B	—	101,530	09/15/2011	10/01/2024	4.18%	5,245
2012A	—	17,360	05/17/2012	04/01/2023	5.00%	7,455
2013A	—	47,320	03/07/2013	10/01/2024	5.00%	23,975
2015A	—	10,030	02/26/2015	10/01/2022	5.00%	4,315
2015B	70,000	—	11/19/2015	10/01/2035	4.98%	41,920
2016A	—	20,565	05/25/2016	10/01/2028	4.95%	18,705
2016B	32,320	—	10/26/2016	10/01/2036	0.02%	32,320
2016C	32,300	—	10/26/2016	10/01/2036	0.03%	32,300
2016D	15,380	—	10/26/2016	10/01/2021	3.57%	3,340
2017A	100,000	—	11/07/2017	10/01/2037	4.96%	88,530
2017B	—	62,320	11/07/2017	10/01/2030	4.93%	60,810
2019A	—	25,350	07/09/2019	10/01/2024	5.00%	20,775
2019B	53,000	—	08/07/2019	10/01/2032	5.00%	50,030
2019C	45,000	—	08/07/2019	10/01/2039	0.03%	45,000
2020A	—	57,055	03/10/2020	10/01/2033	1.95%	55,800
2021A	57,000	—	04/21/2021	10/01/2030	5.00%	57,000
2021B	57,000	—	04/21/2021	10/01/2040	0.02%	57,000
Total	\$ 2,346,500	\$ 1,770,975				\$ 604,520

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

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2021 (Continued)
(Dollars in 000s)

Administrative Facilities Bonds

	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,663,300	\$ 1,160,978	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2011A	—	38,595	09/15/2011	10/01/2024	2.65%	2,395
2012A	32,700	—	03/08/2012	04/01/2032	4.13%	13,480
2013A	—	48,660	04/11/2013	04/01/2025	4.95%	16,370
2015A	61,930	—	01/28/2015	04/01/2035	4.31%	54,205
2015B	18,070	—	01/28/2015	04/01/2025	2.59%	7,740
2015C	—	11,185	02/26/2015	10/01/2022	2.95%	2,695
2016A	—	31,095	05/25/2016	10/01/2028	4.95%	24,055
2017A	70,000	—	04/19/2017	04/01/2037	4.91%	56,440
2017B	—	30,790	11/07/2017	10/01/2029	4.86%	25,555
2018A	63,000	—	11/15/2018	10/01/2038	4.96%	63,000
2018B	7,000	—	11/15/2018	10/01/2021	3.11%	2,405
2019A	—	25,935	07/09/2019	10/01/2024	5.00%	10,095
2019B	—	22,270	11/05/2019	10/01/2029	4.84%	20,655
2020A	—	71,460	03/10/2020	10/01/1932	1.94%	69,790
2020B	68,750	—	04/30/2020	04/01/1940	5.00%	68,750
2020C	7,210	—	04/30/2020	04/01/2025	1.81%	7,210
2020D	—	58,960	08/12/2020	10/01/2036	1.32%	57,025
2021A	77,940	—	05/18/2021	04/01/2041	5.00%	77,940
Total	<u>\$ 2,069,900</u>	<u>\$ 1,499,928</u>				<u>\$ 579,805</u>

Juvenile Correctional Facilities Bonds

	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 297,000	\$ 206,925	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2011B	—	9,215	09/15/2011	10/01/2024	2.90%	3,745
2013A	15,000	—	01/30/2013	10/01/2026	4.24%	2,215
2015B	20,000	—	03/05/2015	04/01/2030	3.90%	13,360
2017A	—	10,515	12/14/2017	10/01/2026	4.39%	10,515
2018A	35,000	—	04/26/2018	04/01/2033	5.00%	30,055
2019A	33,000	—	11/05/2019	04/01/2039	4.95%	31,870
2019B	—	13,205	11/05/2019	10/01/2024	4.95%	10,845
2020A	—	5,500	09/24/2020	10/01/2024	4.34%	5,500
Total	<u>\$ 400,000</u>	<u>\$ 245,360</u>				<u>\$ 108,105</u>

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2021 (Continued)
(Dollars in 000s)

Transportation Facilities Bonds

	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2021
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 155,800	\$ —	Various	Various	Various	\$ —
<i>Outstanding Bonds:</i>						
2015A	84,300	—	01/28/2015	04/01/2030	4.93%	57,890
2018A	86,490	—	02/21/2018	04/01/2033	5.00%	74,250
Total	<u>\$ 326,590</u>	<u>\$ —</u>				<u>\$ 132,140</u>

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STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Changes in Bonds Payable Balance
For the Year Ended June 30, 2021
(Dollars in 000s)

	Mental Health Facilities Bond Service	Parks and Recreation Facilities Bond Service	Cultural and Sports Facilities Bond Service	Adult Correctional Facilities Bond Service	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total
Outstanding Balance, June 30, 2020.....	\$ 209,332	\$ 437,892	\$ 131,883	\$ 586,499	\$ 617,292	\$ 133,937	\$ 1,543	\$ 160,506	\$ 2,278,884
Additions:									
New Issuances:									
Bond Principal	150,000	111,000	44,000	114,000	77,940	-	-	-	496,940
Bond Premium	33,456	17,087	12,002	12,515	22,612	-	-	-	97,672
Refunding Issuances:									
Bond Principal	-	2,300	-	-	58,960	5,500	-	-	66,760
Bond Premium	-	-	-	-	-	564	-	-	564
Total Additions	183,456	130,387	56,002	126,515	159,512	6,064	-	-	661,936
Deductions:									
Bond Principal Repayments	26,855	26,760	22,165	47,175	66,655	10,905	1,530	9,440	211,485
Refunded Bonds:									
Bond Principal	-	2,415	-	-	49,750	5,795	-	-	57,960
Bond Premium	-	6	-	-	5,673	204	-	-	5,883
Amortization of Premium	5,331	8,958	4,140	7,490	6,491	2,157	13	2,780	37,360
Total Deductions	32,186	38,139	26,305	54,665	128,569	19,061	1,543	12,220	312,688
Outstanding Balance, June 30, 2021....	\$ 360,602	\$ 530,140	\$ 161,580	\$ 658,349	\$ 648,235	\$ 120,940	\$ -	\$ 148,286	\$ 2,628,132
Amount Due in One Year	\$ 50,657	\$ 32,678	\$ 19,534	\$ 59,532	\$ 69,204	\$ 13,335	\$ -	\$ 12,506	\$ 257,446
Amount Due in More Than One Year	309,945	497,462	142,046	598,817	579,031	107,605	-	135,780	2,370,686
Outstanding Balance, June 30, 2021....	\$ 360,602	\$ 530,140	\$ 161,580	\$ 658,349	\$ 648,235	\$ 120,940	\$ -	\$ 148,286	\$ 2,628,132

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Future Debt Service Funding Requirements
As of June 30, 2021
(Dollars in 000s)

Fiscal Year Ending June 30,	Mental Health Facilities			Parks & Recreation Facilities			Cultural Facilities		
	Principal	Interest	Total	Principal	Interest*	Total	Principal	Interest	Total
2022	\$ 41,585	\$ 13,104	\$ 54,689	\$ 23,730	\$ 20,172	\$ 43,902	\$ 15,015	\$ 6,845	\$ 21,860
2023	41,370	13,325	54,695	28,685	18,911	47,596	15,770	6,086	21,856
2024	40,425	11,278	51,703	30,130	17,462	47,592	18,850	5,176	24,026
2025	35,935	9,256	45,191	31,665	15,927	47,592	19,805	4,218	24,023
2026	31,305	7,461	38,766	33,285	14,314	47,599	16,820	3,212	20,032
2027-2031	117,885	16,686	134,571	173,515	46,295	219,810	53,970	5,575	59,545
2032-2036	-	-	-	89,260	11,232	100,492	-	-	-
2037-2041	-	-	-	59,245	1,708	60,953	-	-	-
	308,505	71,110	379,615	469,515	146,021	615,536	140,230	31,112	171,342
Premium/Discount, Net	52,097	-	52,097	60,625	-	60,625	21,350	-	21,350
Total, as of June 30, 2021	\$ 360,602	\$ 71,110	\$ 431,712	\$ 530,140	\$ 146,021	\$ 676,161	\$ 161,580	\$ 31,112	\$ 192,692

Fiscal Year Ending June 30,	Adult Correctional Facilities			Administrative Facilities			Juvenile Correctional Facilities		
	Principal	Interest*	Total	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 50,860	\$ 18,826	\$ 69,686	\$ 61,745	\$ 21,953	\$ 83,698	\$ 11,285	\$ 4,935	\$ 16,220
2023	51,490	16,982	68,472	60,225	20,627	80,852	11,825	4,424	16,249
2024	51,790	14,921	66,711	51,840	18,951	70,791	12,420	3,863	16,283
2025	49,220	12,984	62,204	47,845	17,576	65,421	13,060	3,270	16,330
2026	27,360	11,460	38,820	26,410	16,337	42,747	6,430	2,827	9,257
2027-2031	152,555	38,121	190,676	140,810	62,201	203,011	29,225	9,837	39,062
2032-2036	143,835	11,865	155,700	120,215	32,456	152,671	16,465	3,899	20,364
2037-2041	77,410	777	78,187	70,715	8,334	79,049	7,395	752	8,147
	604,520	125,936	730,456	579,805	198,435	778,240	108,105	33,807	141,912
Premium/Discount, Net	53,829	-	53,829	68,430	-	68,430	12,835	-	12,835
Total, as of June 30, 2021	\$ 658,349	\$ 125,936	\$ 784,285	\$ 648,235	\$ 198,435	\$ 846,670	\$ 120,940	\$ 33,807	\$ 154,747

Fiscal Year Ending June 30,	Transportation Facilities			Total Chapter 154 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 9,915	\$ 6,607	\$ 16,522	\$ 214,135	\$ 92,442	\$ 306,577
2023	10,415	6,111	16,526	219,780	86,466	306,246
2024	10,930	5,591	16,521	216,385	77,242	293,627
2025	11,480	5,044	16,524	209,010	68,275	277,285
2026	12,050	4,470	16,520	153,660	60,081	213,741
2027-2031	61,770	12,687	74,457	729,730	191,402	921,132
2032-2036	15,580	1,178	16,758	385,355	60,630	445,985
2037-2041	-	-	-	214,765	11,571	226,336
	132,140	41,688	173,828	2,342,820	648,109	2,990,929
Premium/Discount, Net	16,146	-	16,146	285,312	-	285,312
Total, as of June 30, 2021	\$ 148,286	\$ 41,688	\$ 189,974	\$ 2,628,132	\$ 648,109	\$ 3,276,241

*The future interest payments for Adult Correctional Facilities, shown above, include interest on the Series 2016B, 2016C, 2019C, and 2021B variable rate bonds. The future interest payments for Parks and Recreation Facilities, shown above, include interest on the Series 2020B variable rate bonds. The interest of these bonds are based on the effective interest rates as of June 30, 2021. See pages 27 and 28 for more information regarding the variable rate interest on these bonds.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Refunding Issues and Prior Years' Defeasances
As of and For the Year Ended June 30, 2021
(Dollars in 000s)

Refunding Issues

During fiscal year 2021, three refunding issues were transacted whereby the Treasurer refunded lease revenue bond issues. The net proceeds of the refunding bonds, after payment of underwriting fees and bond issue costs, were deposited in escrow with a trustee pending the bond's maturity or call date. A resulting economic gain or loss from the refundings represents the difference between the present values of the debt service payments on the old and new debt. Detail on the refunding bond transactions are discussed below.

- A.** On August 12, 2020, the Treasurer refunded portions of ten series of previously issued bonds to reduce the State's total debt service payments by issuing \$2,300 of 2020A Parks and Recreation Facilities refunding bonds and \$58,960 of 2020D Administrative Facilities refunding bonds. The overall transaction resulted in an economic gain of \$1,032 and total issuance costs and underwriter's discount of \$448. The refunding resulted in the Treasurer decreasing its total debt service payments over the life of the bonds by \$1,419.

2020A Parks and Recreation Facilities Bonds – The 2020A Parks and Recreation Facilities Bonds, with an average interest rate of 5.00%, refunded \$2,415 in principal, plus interest of the 2011A Parks and Recreation Facilities Bonds due on August 1, 2021. The refunded bonds had an average interest rate of 4.00%.

2020D Administrative Facilities Bonds – The 2020D Administrative Facilities Bonds, with an average interest rate of 1.32%, refunded \$43,750 in principal, plus interest of the 2011A, 2012A, 2012B, 2013A, 2015C, 2016A, 2017A, 2017B, and 2019A Administrative Facilities Bonds due on October 1, 2021 through April 1, 2037. The refunded bonds had an average interest rate of 4.83%.

- B.** On September 24, 2020, the Treasurer refunded a series of previously issued bonds to reduce the State's total debt service payments by issuing \$5,500 of 2020A Juvenile Correctional Facilities refunding bonds. The overall transaction resulted in an economic gain of \$514 and total issuance costs and underwriter's discount of \$119. The refunding resulted in the Treasurer decreasing its total debt service payments over the life of the bonds by \$518.

2020A Juvenile Correctional Facilities Bonds – The 2020A Juvenile Correctional Facilities Bonds, with an average interest rate of 4.34%, refunded \$5,795 in principal, plus interest of the 2010D Juvenile Correctional Facilities Bonds due on October 1, 2021 through October 1, 2024. The refunded bonds had an average interest rate of 4.34%.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Refunding Issues and Prior Years' Defeasances
As of and For the Year Ended June 30, 2021
(Dollars in 000s)

Prior Years' Defeasances

The Treasurer has defeased certain Chapter 154 Lease Revenue Obligations by placing the net proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the financial statements of the Chapter 154 Lease Revenue Obligations. The following table details bonds refunded in fiscal years 2021 and prior, which are considered to be defeased and no longer outstanding as of June 30, 2021.

<u>Refunded Issue</u>	<u>Principal Yet to be Paid as of June 30, 2021</u>	<u>Scheduled Redemption Date</u>
Adult Correctional Facilities:		
2011B	\$ 17,400	October 1, 2021
2015B	16,385	October 1, 2022
	<u>\$ 33,785</u>	
Administrative Facilities:		
2011A	\$ 13,950	October 1, 2021
2012A	7,625	April 1, 2022
2012B	15,050	April 1, 2022
2013A	6,025	April 1, 2023
2015C	1,795	October 1, 2022
2016A	4,180	October 1, 2026
2017A	5,410	April 1, 2027
2017B	2,390	October 1, 2027
2019A	5,440	October 1, 2023
2019A	5,720	October 1, 2024
	<u>\$ 67,585</u>	
Juvenile Correctional Facilities:		
2013A	\$ 5,160	October 1, 2022
	<u>\$ 5,160</u>	
Total	<u>\$ 106,530</u>	

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Debt Service Funds (the Funds), as held in the name of the Treasurer of State of Ohio (the Treasurer) of the Mental Health Facilities, Parks and Recreation Facilities, Cultural and Sports Facilities, Adult Correctional Facilities, Administrative Facilities, Juvenile Correctional Facilities, Highway Safety Facilities and the Transportation Facilities lease revenue bonds governed by the Ohio Revised Code Chapter 154 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Funds’ basic financial statements, and have issued our report thereon dated September 28, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
September 28, 2021