

ROBERT SPRAGUE

OHIO TREASURER

September 28, 2020

TO: Mike DeWine, Governor
Ohio General Assembly

FROM: Robert Cole Sprague, State Treasurer of Ohio

**TREASURER OF STATE LEASE-REVENUE OBLIGATIONS
(Chapter 154 & 152 O.R.C.)**

ANNUAL REPORT

AND

ACCOUNTANTS' REPORT

**FISCAL YEAR 2020
(July 1, 2019 --- June 30, 2020)**

**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, 2019 through June 30, 2020**

The Treasurer of State (“Treasurer”) makes this annual report for the Fiscal Year ending June 30, 2020 (“FY 2020”) in accordance with Section 154.05(B) of the Ohio Revised Code (“Act”) and its lease-revenue bond proceedings.

Chapter 154 of the Act 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 for stated purposes of revenue obligations 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 Act 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agencies of state government (for which no specific authorization to issue obligations was ever granted and which was repealed in FY 2001).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 (issuing authority generally referred to herein as “Issuing Authority”) and functions of the Commission with respect to these special obligations (lease-revenue) bonds. The Treasurer succeeded the Commission as Issuing Authority and with all responsibilities and obligations under the bond proceedings relating to 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 of 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 facilities for housing branches and agencies of State government will be 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 of State 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 will be 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 \$1,850,000,000 for mental health facilities, \$1,042,400,000 for parks and recreation facilities, \$725,000,000 for cultural and sports facilities, \$2,462,000,000 for adult correctional facilities, \$400,000,000 for juvenile correctional facilities, \$2,069,700,000 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 in FY 2020:

Bond Program & Series No.	Amount	Dated Date	Final Maturity Date
Administrative Facilities – 2019A ¹	\$ 25,935,000	07/09/2019	10/01/2024
Adult Correctional Facilities – 2019A ¹	\$ 25,350,000	07/09/2019	10/01/2024
Adult Correctional Facilities – 2019B ²	\$ 53,000,000	08/07/2019	10/01/2032
Adult Correctional Facilities – 2019C ²	\$ 45,000,000	08/07/2019	10/01/2039
Administrative Facilities – 2019B ¹	\$ 22,270,000	11/05/2019	10/01/2029
Juvenile Correctional Facilities – 2019A ²	\$ 33,000,000	11/05/2019	04/01/2039
Juvenile Correctional Facilities – 2019B ¹	\$ 13,205,000	11/05/2019	10/01/2024
Administrative Facilities – 2020A ¹	\$ 71,460,000	03/10/2020	10/01/2032
Adult Correctional Facilities – 2020A ¹	\$ 57,055,000	03/10/2020	10/01/2033
Mental Health Facilities – 2020A ²	\$ 50,000,000	03/10/2020	02/01/2030
Administrative Facilities – 2020B ²	\$ 68,750,000	04/30/2020	04/01/2040
Administrative Facilities – 2020C ²	\$ 7,210,000	04/30/2020	04/01/2025

The principal and interest requirements on the Obligations sold and delivered in FY 2020 are set forth in the attached Schedules 1 through 12. The Obligations issued in FY 2020 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, 2020, 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	AA	Aa2	AA
Transportation Facilities	AA	Aa2	AA

¹ Refunding issuance.

² New Money issuance.

As contemplated by the Act, 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, the Ohio Department of Public Safety, and the Ohio Department of Transportation (collectively, the "Using Agencies"), under which the Commission undertakes to finance capital facilities designated by or pursuant to acts of the General Assembly. In turn, the Using Agencies assume the management of those facilities intended for the particular department'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, 2021, the General Assembly, by Acts passed prior to July 1, 2019, appropriated the following amounts for rental payments under the lease agreements relating to the respective categories of Obligations:

Appropriation to:	Biennial Amount¹	FY 2020	FY 2021
Dept. of Mental Health & Addiction Services	\$ 32,964,887.50	\$ 18,347,175.00	\$ 14,617,712.50
Dept. of Developmental Disabilities	32,964,887.50	18,347,175.00	14,617,712.50
Dept. of Natural Resources	92,781,725.00	47,398,537.50	45,383,187.50
Facilities Construction Commission	60,738,538.90	33,023,025.65	27,715,513.25
Dept. of Administrative Services	171,428,343.69	85,884,534.57	85,543,809.12
Dept. of Rehabilitation and Correction	124,621,425.00	62,094,850.00	62,526,575.00
Dept. of Youth Services	27,787,400.03	13,889,103.52	13,898,296.51
Dept. of Public Safety	3,133,950.00	1,565,700.00	1,568,250.00
Dept. of Transportation	33,037,500.00	16,518,500.00	16,519,000.00
Total Appropriation	\$ 579,458,657.62	\$ 297,068,601.24	\$ 282,390,056.38

¹ Appropriations listed are in accordance with Senate Bill 171, passed by the 133rd 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, 2020)**

	Mental Health Facilities	Parks & Recreation Facilities	Cultural & Sports Facilities	Administrative Facilities
Authorized by General Assembly	\$1,850,000,000	\$1,042,400,000	\$725,000,000	\$2,069,700,000
Issued in Prior Fiscal Years (a)	\$1,617,085,000	\$828,000,000	\$639,690,000	\$1,916,000,000
Issued in FY2020 (b)	\$50,000,000	-	-	\$75,960,000
Authorized by General Assembly but not yet issued	\$182,915,000	\$214,400,000	\$85,310,000	\$77,740,000
Interest Paid FY2020	\$7,674,350	\$19,853,538	\$6,538,026	\$22,414,063
Principal Paid FY2020	\$29,020,000	\$27,545,000	\$26,485,000	\$61,110,000
Outstanding Principal (c)	\$185,360,000	\$385,390,000	\$118,395,000	\$559,310,000

	Adult Correctional Facilities	Juvenile Correctional Facilities	Highway Safety Facilities	Transportation Facilities
Authorized by General Assembly	\$2,462,000,000	\$400,000,000	\$140,285,000	\$385,000,000
Issued in Prior Fiscal Years (a)	\$2,134,500,000	\$367,000,000	\$140,285,000	\$326,590,000
Issued in FY2020 (b)	\$98,000,000	\$33,000,000	-	-
Authorized by General Assembly but not yet issued	\$229,500,000	-	-	\$58,410,000
Interest Paid FY2020	\$20,811,475	\$4,855,826	\$105,700	\$7,528,500
Principal Paid FY2020	\$40,705,000	\$9,620,000	\$1,460,000	\$8,990,000
Outstanding Principal (c)	\$537,695,000	\$119,305,000	\$1,530,000	\$141,580,000

(a) Includes Obligations refunded; excludes refunding Obligations. Includes portions of Bond Anticipation Notes retired from rental payments (\$3,000,000 mental health and \$900,000 parks and recreation).

(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 2020, 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 2020, and

the balances in those funds on June 30, 2020, 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 2021 of principal of and interest on the bonds outstanding on June 30, 2020 (which excludes bonds refunded) are as follows:

FY 2021 Debt Service Payments

	Mental Health Facilities	Parks & Recreation Facilities	Cultural & Sports Facilities	Administrative Facilities
Payment Dates				
August 1, 2020	\$ 2,378,879.17	\$ 5,006,112.50	\$ -	\$ -
October 1, 2020	-	-	17,080,131.25	62,525,930.81
December 1, 2020	1,898,000.00	24,421,700.00	-	-
February 1, 2021	20,129,712.50	9,510,425.00	-	-
April 1, 2021	-	-	10,635,400.00	24,947,022.81
June 1, 2021	11,273,000.00	6,444,950.00	-	-
Fiscal Year Total	<u>\$ 35,679,591.67</u>	<u>\$ 45,383,187.50</u>	<u>\$ 27,715,531.25</u>	<u>\$ 87,472,953.62</u>

	Adult Correctional Facilities¹	Juvenile Correctional Facilities	Highway Safety Facilities	Transportation Facilities
Payment Dates				
August 1, 2020	\$ -	\$ -	\$ -	\$ -
October 1, 2020	51,251,842.65	8,342,903.13	1,568,250.00	3,539,500.00
December 1, 2020	-	-	-	-
February 1, 2021	-	-	-	-
April 1, 2021	17,589,256.10	8,025,253.13	-	12,979,500.00
June 1, 2021	-	-	-	-
Fiscal Year Total	<u>\$ 68,841,098.75</u>	<u>\$ 16,368,156.26</u>	<u>\$ 1,568,250.00</u>	<u>\$ 16,519,000.00</u>

¹These figures include estimated amounts of interest payable for Series 2016B, 2016C and 2019C.

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, highway safety, and transportation facilities Obligations that may be issued during FY 2021 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 133rd General Assembly for the fiscal biennium ending June 30, 2021. 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, 2020, principal and interest on additional obligations that are projected to be issued in the biennium, and related applicable administrative and issuance expenditures.

SCHEDULE 1

\$25,935,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2019A
(Administrative Building Fund Projects) (Forward Delivery)

Dated: 07/09/2019

Date	Principal	Interest	Debt Service
10/01/2019	-	295,370.83	295,370.83
04/01/2020	-	648,375.00	648,375.00
10/01/2020	4,680,000.00	648,375.00	5,328,375.00
04/01/2021	-	531,375.00	531,375.00
10/01/2021	4,920,000.00	531,375.00	5,451,375.00
04/01/2022	-	408,375.00	408,375.00
10/01/2022	5,175,000.00	408,375.00	5,583,375.00
04/01/2023	-	279,000.00	279,000.00
10/01/2023	5,440,000.00	279,000.00	5,719,000.00
04/01/2024	-	143,000.00	143,000.00
10/01/2024	5,720,000.00	143,000.00	5,863,000.00
Total:	25,935,000.00	4,315,620.83	30,250,620.83

Average Life (years)	3.328
Average Coupon	5.000000%

Net Interest Cost (NIC)	3.050493%
True Interest Cost (TIC)	2.924094%
Bond Yield for Arbitrage Purposes	3.133544%
All Inclusive Cost (AIC)	3.025948%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Shumaker, Loop & Kendrick, LLP

Underwriter's Counsel: Taft Stettinius & Hollister LLP

Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 2

\$25,350,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2019A
(Adult Correctional Building Fund Projects) (Forward Delivery)

Dated: 07/09/2019

Date	Principal	Interest	Debt Service
10/01/2019	-	288,708.33	288,708.33
04/01/2020	-	633,750.00	633,750.00
10/01/2020	4,575,000.00	633,750.00	5,208,750.00
04/01/2021	-	519,375.00	519,375.00
10/01/2021	4,810,000.00	519,375.00	5,329,375.00
04/01/2022	-	399,125.00	399,125.00
10/01/2022	5,055,000.00	399,125.00	5,454,125.00
04/01/2023	-	272,750.00	272,750.00
10/01/2023	5,320,000.00	272,750.00	5,592,750.00
04/01/2024	-	139,750.00	139,750.00
10/01/2024	5,590,000.00	139,750.00	5,729,750.00
Total:	25,350,000.00	4,218,208.33	29,568,208.33

Average Life (years)	3.328
Average Coupon	5.000000%

Net Interest Cost (NIC)	3.050978%
True Interest Cost (TIC)	2.924590%
Bond Yield for Arbitrage Purposes	3.133544%
All Inclusive Cost (AIC)	3.024843%

Issuer's Counsel: Dinsmore & Shohl LLP
Bond Counsel: Shumaker, Loop & Kendrick, LLP
Underwriter's Counsel: Taft Stettinius & Hollister LLP
Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 3

\$53,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2019B

(Adult Correctional Building Fund Projects)

Dated: 08/07/2019

Date	Principal	Interest	Debt Service
04/01/2020	-	1,722,500.00	1,722,500.00
10/01/2020	2,970,000.00	1,325,000.00	4,295,000.00
04/01/2021	-	1,250,750.00	1,250,750.00
10/01/2021	3,120,000.00	1,250,750.00	4,370,750.00
04/01/2022	-	1,172,750.00	1,172,750.00
10/01/2022	3,280,000.00	1,172,750.00	4,452,750.00
04/01/2023	-	1,090,750.00	1,090,750.00
10/01/2023	3,450,000.00	1,090,750.00	4,540,750.00
04/01/2024	-	1,004,500.00	1,004,500.00
10/01/2024	3,625,000.00	1,004,500.00	4,629,500.00
04/01/2025	-	913,875.00	913,875.00
10/01/2025	3,810,000.00	913,875.00	4,723,875.00
04/01/2026	-	818,625.00	818,625.00
10/01/2026	4,005,000.00	818,625.00	4,823,625.00
04/01/2027	-	718,500.00	718,500.00
10/01/2027	4,210,000.00	718,500.00	4,928,500.00
04/01/2028	-	613,250.00	613,250.00
10/01/2028	4,425,000.00	613,250.00	5,038,250.00
04/01/2029	-	502,625.00	502,625.00
10/01/2029	4,655,000.00	502,625.00	5,157,625.00
04/01/2030	-	386,250.00	386,250.00
10/01/2030	4,895,000.00	386,250.00	5,281,250.00
04/01/2031	-	263,875.00	263,875.00
10/01/2031	5,145,000.00	263,875.00	5,408,875.00
04/01/2032	-	135,250.00	135,250.00
10/01/2032	5,410,000.00	135,250.00	5,545,250.00
Total:	53,000,000.00	20,789,500.00	73,789,500.00

Average Life (years) 7.845

Average Coupon 5.000000%

Net Interest Cost (NIC) 2.033027%

True Interest Cost (TIC) 1.762942%

Bond Yield for Arbitrage Purposes 2.478441%

All Inclusive Cost (AIC) 1.801193%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Bricker & Eckler LLP

Underwriter's Counsel: McDonald Hopkins

Financial Advisor: Acacia Financial Group, Inc.

SCHEDULE 4

\$45,000,000

State of Ohio

Capital Facilities Lease-Appropriation Variable Rate Bonds, Series 2019C
(Adult Correctional Building Fund Projects)

Dated: 08/07/2019

Date	Principal	Interest*	Debt Service
04/01/2020	-	879,354.37	879,354.37
10/01/2020	-	675,000.00	675,000.00
04/01/2021	-	672,220.97	672,220.97
10/01/2021	-	676,849.31	676,849.31
04/01/2022	-	673,150.69	673,150.69
10/01/2022	-	676,849.31	676,849.31
04/01/2023	-	673,150.69	673,150.69
10/01/2023	-	676,849.31	676,849.31
04/01/2024	-	675,929.70	675,929.70
10/01/2024	-	675,000.00	675,000.00
04/01/2025	-	672,220.97	672,220.97
10/01/2025	-	676,849.31	676,849.31
04/01/2026	-	673,150.69	673,150.69
10/01/2026	-	676,849.31	676,849.31
04/01/2027	-	673,150.69	673,150.69
10/01/2027	-	676,849.31	676,849.31
04/01/2028	-	675,929.70	675,929.70
10/01/2028	-	675,000.00	675,000.00
04/01/2029	-	672,220.97	672,220.97
10/01/2029	-	676,849.31	676,849.31
04/01/2030	-	673,150.69	673,150.69
10/01/2030	-	676,849.31	676,849.31
04/01/2031	-	673,150.69	673,150.69
10/01/2031	-	676,849.31	676,849.31
04/01/2032	-	675,929.70	675,929.70
10/01/2032	-	675,000.00	675,000.00
04/01/2033	-	672,220.97	672,220.97
10/01/2033	5,865,000.00	676,849.31	6,541,849.31
04/01/2034	-	585,416.72	585,416.72
10/01/2034	6,045,000.00	588,633.28	6,633,633.28
04/01/2035	-	494,990.14	494,990.14
10/01/2035	6,225,000.00	497,709.86	6,722,709.86
04/01/2036	-	403,530.03	403,530.03
10/01/2036	6,420,000.00	402,975.00	6,822,975.00
04/01/2037	-	305,412.39	305,412.39
10/01/2037	6,610,000.00	307,515.20	6,917,515.20
04/01/2038	-	206,956.44	206,956.44
10/01/2038	6,815,000.00	208,093.56	7,023,093.56
04/01/2039	-	105,011.51	105,011.51
10/01/2039	7,020,000.00	105,588.49	7,125,588.49
Total:	45,000,000.00	23,315,257.21	68,315,257.21

Average Life (years)	17.27
Average Coupon	3.000136%

Net Interest Cost (NIC)	3.007579%
True Interest Cost (TIC)	3.009439%
Bond Yield for Arbitrage Purposes	2.478441%
All Inclusive Cost (AIC)	3.033931%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Bricker & Eckler LLP
 Underwriter's Counsel: McDonald Hopkins
 Financial Advisor: Acacia Financial Group, Inc.

*Rates are estimated at time of sale and are reset weekly by Remarketing Agent.

SCHEDULE 5

\$22,270,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2019B
(Administrative Building Fund Projects)

Dated: 11/05/2019

Date	Principal	Interest	Debt Service
04/01/2020	-	428,530.28	428,530.28
10/01/2020	1,615,000.00	528,325.00	2,143,325.00
04/01/2021	-	496,025.00	496,025.00
10/01/2021	1,720,000.00	496,025.00	2,216,025.00
04/01/2022	-	453,025.00	453,025.00
10/01/2022	1,850,000.00	453,025.00	2,303,025.00
04/01/2023	-	406,775.00	406,775.00
10/01/2023	1,975,000.00	406,775.00	2,381,775.00
04/01/2024	-	367,275.00	367,275.00
10/01/2024	2,095,000.00	367,275.00	2,462,275.00
04/01/2025	-	325,375.00	325,375.00
10/01/2025	2,240,000.00	325,375.00	2,565,375.00
04/01/2026	-	269,375.00	269,375.00
10/01/2026	2,410,000.00	269,375.00	2,679,375.00
04/01/2027	-	209,125.00	209,125.00
10/01/2027	2,590,000.00	209,125.00	2,799,125.00
04/01/2028	-	144,375.00	144,375.00
10/01/2028	2,785,000.00	144,375.00	2,929,375.00
04/01/2029	-	74,750.00	74,750.00
10/01/2029	2,990,000.00	74,750.00	3,064,750.00
Total:	22,270,000.00	6,449,055.28	28,719,055.28

Average Life (years) 5.966

Average Coupon 4.853595%

Net Interest Cost (NIC) 1.878540%

True Interest Cost (TIC) 1.676981%

Bond Yield for Arbitrage Purposes 1.815735%

All Inclusive Cost (AIC) 1.755769%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Squire Patton Boggs (US) LLP

Underwriter's Counsel: Ice Miller LLP

Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 6

\$33,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2019A

(Juvenile Correctional Building Fund Projects)

Dated: 11/05/2019

Date	Principal	Interest	Debt Service
04/01/2020	-	644,366.94	644,366.94
10/01/2020	-	794,425.00	794,425.00
04/01/2021	1,130,000.00	794,425.00	1,924,425.00
10/01/2021	-	771,825.00	771,825.00
04/01/2022	1,175,000.00	771,825.00	1,946,825.00
10/01/2022	-	748,325.00	748,325.00
04/01/2023	1,220,000.00	748,325.00	1,968,325.00
10/01/2023	-	723,925.00	723,925.00
04/01/2024	1,270,000.00	723,925.00	1,993,925.00
10/01/2024	-	698,525.00	698,525.00
04/01/2025	1,320,000.00	698,525.00	2,018,525.00
10/01/2025	-	672,125.00	672,125.00
04/01/2026	1,370,000.00	672,125.00	2,042,125.00
10/01/2026	-	637,875.00	637,875.00
04/01/2027	1,440,000.00	637,875.00	2,077,875.00
10/01/2027	-	601,875.00	601,875.00
04/01/2028	1,515,000.00	601,875.00	2,116,875.00
10/01/2028	-	564,000.00	564,000.00
04/01/2029	1,590,000.00	564,000.00	2,154,000.00
10/01/2029	-	524,250.00	524,250.00
04/01/2030	1,665,000.00	524,250.00	2,189,250.00
10/01/2030	-	482,625.00	482,625.00
04/01/2031	1,750,000.00	482,625.00	2,232,625.00
10/01/2031	-	438,875.00	438,875.00
04/01/2032	1,840,000.00	438,875.00	2,278,875.00
10/01/2032	-	392,875.00	392,875.00
04/01/2033	1,930,000.00	392,875.00	2,322,875.00
10/01/2033	-	344,625.00	344,625.00
04/01/2034	2,025,000.00	344,625.00	2,369,625.00
10/01/2034	-	294,000.00	294,000.00
04/01/2035	2,130,000.00	294,000.00	2,424,000.00
10/01/2035	-	240,750.00	240,750.00
04/01/2036	2,235,000.00	240,750.00	2,475,750.00
10/01/2036	-	184,875.00	184,875.00
04/01/2037	2,345,000.00	184,875.00	2,529,875.00
10/01/2037	-	126,250.00	126,250.00
04/01/2038	2,465,000.00	126,250.00	2,591,250.00
10/01/2038	-	64,625.00	64,625.00
04/01/2039	2,585,000.00	64,625.00	2,649,625.00
Total:	33,000,000.00	19,257,666.94	52,257,666.94

Average Life (years)	11.8
Average Coupon	4.945302%

Net Interest Cost (NIC)	3.157050%
True Interest Cost (TIC)	2.766285%
Bond Yield for Arbitrage Purposes	1.815735%
All Inclusive Cost (AIC)	2.800182%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Squire Patton Boggs (US) LLP
 Underwriter's Counsel: Ice Miller LLP
 Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 7

\$13,205,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2019B
(Juvenile Correctional Building Fund Projects)

Dated: 11/05/2019

Date	Principal	Interest	Debt Service
04/01/2020	-	258,196.94	258,196.94
10/01/2020	2,360,000.00	318,325.00	2,678,325.00
04/01/2021	-	271,125.00	271,125.00
10/01/2021	2,475,000.00	271,125.00	2,746,125.00
04/01/2022	-	209,250.00	209,250.00
10/01/2022	2,630,000.00	209,250.00	2,839,250.00
04/01/2023	-	143,500.00	143,500.00
10/01/2023	2,785,000.00	143,500.00	2,928,500.00
04/01/2024	-	73,875.00	73,875.00
10/01/2024	2,955,000.00	73,875.00	3,028,875.00
Total:	13,205,000.00	1,972,021.94	15,177,021.94

Average Life (years)	3.019
Average Coupon	4.946395%

Net Interest Cost (NIC)	1.553323%
True Interest Cost (TIC)	1.449309%
Bond Yield for Arbitrage Purposes	1.815735%
All Inclusive Cost (AIC)	1.676584%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Squire Patton Boggs (US) LLP
 Underwriter's Counsel: Ice Miller LLP
 Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 8

\$71,460,000

State of Ohio

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

Dated: 03/10/2020

Date	Principal	Interest	Debt Service
10/01/2020	1,670,000.00	681,493.21	2,351,493.21
04/01/2021	-	597,249.73	597,249.73
10/01/2021	19,530,000.00	597,249.73	20,127,249.73
04/01/2022	-	444,720.43	444,720.43
10/01/2022	17,980,000.00	444,720.43	18,424,720.43
04/01/2023	-	301,599.63	301,599.63
10/01/2023	10,420,000.00	301,599.63	10,721,599.63
04/01/2024	-	217,718.63	217,718.63
10/01/2024	10,595,000.00	217,718.63	10,812,718.63
04/01/2025	-	128,826.58	128,826.58
10/01/2025	-	128,826.58	128,826.58
04/01/2026	-	128,826.58	128,826.58
10/01/2026	-	128,826.58	128,826.58
04/01/2027	-	128,826.58	128,826.58
10/01/2027	-	128,826.58	128,826.58
04/01/2028	-	128,826.58	128,826.58
10/01/2028	-	128,826.58	128,826.58
04/01/2029	-	128,826.58	128,826.58
10/01/2029	635,000.00	128,826.58	763,826.58
04/01/2030	-	121,806.65	121,806.65
10/01/2030	3,465,000.00	121,806.65	3,586,806.65
04/01/2031	-	82,981.33	82,981.33
10/01/2031	3,540,000.00	82,981.33	3,622,981.33
04/01/2032	-	42,430.63	42,430.63
10/01/2032	3,625,000.00	42,430.63	3,667,430.63
Total:	71,460,000.00	5,586,773.07	77,046,773.07

Average Life (years)	4.084
Average Coupon	1.914370%

Net Interest Cost (NIC)	2.012870%
True Interest Cost (TIC)	2.003383%
All Inclusive Cost (AIC)	2.075369%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Roetzel & Andress, LPA
 Underwriter's Counsel: Taft Stettinius & Hollister LLP
 Financial Advisor: Acacia Financial Group, Inc.

SCHEDULE 9

\$57,055,000

State of Ohio

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

Dated: 03/10/2020

Date	Principal	Interest	Debt Service
10/01/2020	1,255,000.00	551,317.65	1,806,317.65
04/01/2021	-	483,915.75	483,915.75
10/01/2021	10,220,000.00	483,915.75	10,703,915.75
04/01/2022	-	404,097.55	404,097.55
10/01/2022	11,845,000.00	404,097.55	12,249,097.55
04/01/2023	-	309,811.35	309,811.35
10/01/2023	12,035,000.00	309,811.35	12,344,811.35
04/01/2024	-	212,929.60	212,929.60
10/01/2024	12,225,000.00	212,929.60	12,437,929.60
04/01/2025	-	110,361.85	110,361.85
10/01/2025	235,000.00	110,361.85	345,361.85
04/01/2026	-	108,190.45	108,190.45
10/01/2026	-	108,190.45	108,190.45
04/01/2027	-	108,190.45	108,190.45
10/01/2027	-	108,190.45	108,190.45
04/01/2028	-	108,190.45	108,190.45
10/01/2028	-	108,190.45	108,190.45
04/01/2029	-	108,190.45	108,190.45
10/01/2029	-	108,190.45	108,190.45
04/01/2030	-	108,190.45	108,190.45
10/01/2030	-	108,190.45	108,190.45
04/01/2031	-	108,190.45	108,190.45
10/01/2031	3,010,000.00	108,190.45	3,118,190.45
04/01/2032	-	73,710.90	73,710.90
10/01/2032	3,075,000.00	73,710.90	3,148,710.90
04/01/2033	-	37,718.03	37,718.03
10/01/2033	3,155,000.00	37,718.03	3,192,718.03
Total:	57,055,000.00	5,114,693.11	62,169,693.11

Average Life (years)	4.609
Average Coupon	1.944967%

Net Interest Cost (NIC)	2.031936%
True Interest Cost (TIC)	2.022863%
All Inclusive Cost (AIC)	2.086014%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Roetzel & Andress, LPA
 Underwriter's Counsel: Taft Stettinius & Hollister LLP
 Financial Advisor: Acacia Financial Group, Inc.

SCHEDULE 10

\$50,000,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2020A
(Mental Health Facilities Improvement Fund Projects)

Dated: 03/10/2020

Date	Principal	Interest	Debt Service
08/01/2020	-	979,166.67	979,166.67
02/01/2021	4,215,000.00	1,250,000.00	5,465,000.00
08/01/2021	-	1,144,625.00	1,144,625.00
02/01/2022	4,150,000.00	1,144,625.00	5,294,625.00
08/01/2022	-	1,040,875.00	1,040,875.00
02/01/2023	4,360,000.00	1,040,875.00	5,400,875.00
08/01/2023	-	931,875.00	931,875.00
02/01/2027	4,580,000.00	931,875.00	5,511,875.00
08/01/2024	-	817,375.00	817,375.00
02/01/2025	4,805,000.00	817,375.00	5,622,375.00
08/01/2025	-	697,250.00	697,250.00
02/01/2026	5,045,000.00	697,250.00	5,742,250.00
08/01/2026	-	571,125.00	571,125.00
02/01/2027	5,300,000.00	571,125.00	5,871,125.00
08/01/2027	-	438,625.00	438,625.00
02/01/2028	5,565,000.00	438,625.00	6,003,625.00
08/01/2028	-	299,500.00	299,500.00
02/01/2029	5,845,000.00	299,500.00	6,144,500.00
08/01/2029	-	153,375.00	153,375.00
02/01/2030	6,135,000.00	153,375.00	6,288,375.00
Total:	50,000,000.00	14,418,416.67	64,418,416.67

Average Life (years) 5.767

Average Coupon 5.000000%

Net Interest Cost (NIC) 1.355845%

True Interest Cost (TIC) 1.187812%

Bond Yield for Arbitrage Purposes 1.119948%

All Inclusive Cost (AIC) 1.231500%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Roetzel & Andress, LPA

Underwriter's Counsel: Taft Stettinius & Hollister LLP

Financial Advisor: Acacia Financial Group, Inc.

SCHEDULE 11

\$68,750,000

State of Ohio

Capital Facilities Lease-Appropriation Bonds, Series 2020B

(Administrative Building Fund Projects)

Dated: 04/30/2020

Date	Principal	Interest	Debt Service
10/01/2020	-	1,441,840.28	1,441,840.28
04/01/2021	-	1,718,750.00	1,718,750.00
10/01/2021	-	1,718,750.00	1,718,750.00
04/01/2022	-	1,718,750.00	1,718,750.00
10/01/2022	-	1,718,750.00	1,718,750.00
04/01/2023	-	1,718,750.00	1,718,750.00
10/01/2023	-	1,718,750.00	1,718,750.00
04/01/2024	-	1,718,750.00	1,718,750.00
10/01/2024	-	1,718,750.00	1,718,750.00
04/01/2025	1,640,000.00	1,718,750.00	3,358,750.00
10/01/2025	-	1,677,750.00	1,677,750.00
04/01/2026	3,110,000.00	1,677,750.00	4,787,750.00
10/01/2026	-	1,600,000.00	1,600,000.00
04/01/2027	3,265,000.00	1,600,000.00	4,865,000.00
10/01/2027	-	1,518,375.00	1,518,375.00
04/01/2028	3,430,000.00	1,518,375.00	4,948,375.00
10/01/2028	-	1,432,625.00	1,432,625.00
04/01/2029	3,600,000.00	1,432,625.00	5,032,625.00
10/01/2029	-	1,342,625.00	1,342,625.00
04/01/2030	3,780,000.00	1,342,625.00	5,122,625.00
10/01/2030	-	1,248,125.00	1,248,125.00
04/01/2031	3,970,000.00	1,248,125.00	5,218,125.00
10/01/2031	-	1,148,875.00	1,148,875.00
04/01/2032	4,170,000.00	1,148,875.00	5,318,875.00
10/01/2032	-	1,044,625.00	1,044,625.00
04/01/2033	4,375,000.00	1,044,625.00	5,419,625.00
10/01/2033	-	935,250.00	935,250.00
04/01/2034	4,595,000.00	935,250.00	5,530,250.00
10/01/2034	-	820,375.00	820,375.00
04/01/2035	4,825,000.00	820,375.00	5,645,375.00
10/01/2035	-	699,750.00	699,750.00
04/01/2036	5,065,000.00	699,750.00	5,764,750.00
10/01/2036	-	573,125.00	573,125.00
04/01/2037	5,320,000.00	573,125.00	5,893,125.00
10/01/2037	-	440,125.00	440,125.00
04/01/2038	5,585,000.00	440,125.00	6,025,125.00
10/01/2038	-	300,500.00	300,500.00
04/01/2039	5,865,000.00	300,500.00	6,165,500.00
10/01/2039	-	153,875.00	153,875.00
04/01/2040	6,155,000.00	153,875.00	6,308,875.00
Total:	68,750,000.00	46,782,590.28	115,532,590.28

Average Life (years)	13.609
Average Coupon	5.000000%

Net Interest Cost (NIC)	3.023509%
True Interest Cost (TIC)	2.602650%
Bond Yield for Arbitrage Purposes	1.796626%
All Inclusive Cost (AIC)	2.629168%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: Tucker Ellis LLP
 Underwriter's Counsel: McDonald Hopkins
 Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 12

\$7,210,000

State of Ohio

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

Dated: 04/30/2020

Date	Principal	Interest	Debt Service
10/01/2020	-	54,408.24	54,408.24
04/01/2021	-	64,857.50	64,857.50
10/01/2021	-	64,857.50	64,857.50
04/01/2022	-	64,857.50	64,857.50
10/01/2022	-	64,857.50	64,857.50
04/01/2023	2,900,000.00	64,857.50	2,964,857.50
10/01/2023	-	40,207.50	40,207.50
04/01/2024	2,950,000.00	40,207.50	2,990,207.50
10/01/2024	-	12,920.00	12,920.00
04/01/2025	1,360,000.00	12,920.00	1,372,920.00
Total:	7,210,000.00	484,950.74	7,694,950.74

Average Life (years)	3.706
Average Coupon	1.814990%

Net Interest Cost (NIC)	1.992385%
True Interest Cost (TIC)	1.999787%
All Inclusive Cost (AIC)	2.240319%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Tucker Ellis LLP

Underwriter's Counsel: McDonald Hopkins

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)

Financial Statements
and
Supplementary Financial Information
For the Year Ended June 30, 2020
and
Independent Auditors' Report Thereon

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 or OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Financial Report
As of and for the Fiscal Year Ended June 30, 2020

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September 25, 2020

Treasurer of State of Ohio
Columbus, Ohio

INDEPENDENT AUDITOR'S REPORT

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 Building lease revenue bonds governed by the Ohio Revised Code Chapter 154 (the Obligations), as of and for the year ended June 30, 2020, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe the audit evidence we obtained is sufficient and appropriate to support our audit 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, 2020, 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.

Emphasis of a Matter

As discussed in Note 1, the financial statements present only the Funds and do not purport to, and do not, present fairly the financial position of the Treasurer of State of Ohio (which is part of the reporting entity of the State of Ohio) as of June 30, 2020, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted to opine on the Funds' basic financial statements taken as a whole. The supplementary schedules present additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2020, on our consideration of the Treasurer's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Treasurer's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea and Associates
Gahanna, Ohio

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Management's Discussion and Analysis
As of and For the Fiscal Year Ended June 30, 2020
(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, 2020. 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, 2020, total debt service fund assets exceeded liabilities and deferred inflows of resources by \$6.7 million. The total combined ending fund balance, which is restricted for debt service, decreased by \$4.2 million during fiscal year 2020.
- For fiscal year 2020, lease principal payments from state agency-lessees totaled \$200.4 million, and lease interest revenue was reported at \$89.5 million.
- During fiscal year 2020, the Treasurer of State issued \$257.0 million in new bonds with a total premium of \$49.2 million and \$215.3 million in refunding bonds with a total premium of \$9.0 million. In addition, \$204.9 million in bond principal and \$89.7 million in bond interest were paid to bondholders.

OVERVIEW OF THE FUND FINANCIAL STATEMENTS

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

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

The 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

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 17 of this report.

In addition, supplementary financial information follows the notes. Supplementary financial information, which can be found on Pages 18 to 31, provides additional information that is considered to be useful to certain users of the financial statements.

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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)

	As of 06/30/20	As of 06/30/19	Percentage Change
ASSETS:			
Cash.....	\$ 422	\$ 255	65.5%
Receivable from State Agencies:			
Lease Principal.....	2,048,565	1,995,490	2.7%
Lease Interest.....	20,759	21,553	-3.7%
TOTAL ASSETS.....	\$ 2,069,746	\$ 2,017,298	
LIABILITIES AND DEFERRED INFLOW OF RESOURCES:			
Accounts Payable.....	\$ 215	\$ 34	532.4%
Deferred Inflow of Resources-Unavailable Revenue.....	2,062,837	2,006,339	2.8%
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES.....	2,063,052	2,006,373	
FUND BALANCES:			
Restricted for Debt Service.....	6,694	10,925	-38.7%
TOTAL FUND BALANCES.....	6,694	10,925	
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES.....	\$ 2,069,746	\$ 2,017,298	

The increase in lease principal and unavailable revenue at June 30, 2020 compared to June 30, 2019 is the result of the amount the Treasurer issued in new bonds exceeding the continued payoff of outstanding bond principal,

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The tables that follow compare debt service fund revenues, expenditures, and other financing sources/(uses) reported for fiscal year 2020 with fiscal year 2019 results.

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

	Fiscal Year 2020	Percent of Total 2020 Revenue	Fiscal Year 2019	Percent Change
Lease Principal from State Agencies.....	\$ 200,400	68.1%	\$ 221,015	-9.3%
Lease Interest from State Agencies.....	89,496	30.4%	94,467	-5.3%
Administrative and Other Fees.....	4,325	1.5%	1,989	117.4%
TOTAL REVENUES.....	\$ 294,221	100.0%	\$ 317,471	

As the above table indicates, 98.5% of debt service fund revenues for fiscal year 2020 were comprised of lease principal and interest from state agencies. Lease interest decreased for fiscal year 2020 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 2019 and 2020. Lease principal decreased for fiscal year 2020 primarily due to varying maturity schedules for the outstanding bonds. The increase in administrative and other fees was attributable to a significant increase in new money and refunding bond issuances.

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

	Fiscal Year 2020	Percent of Total 2020 Expenditures	Fiscal Year 2019	Percent Change
Administrative Costs.....	\$ 353	0.1%	\$ 302	16.9%
Bond Issue Costs.....	3,482	1.2%	1,483	134.8%
Debt Service:				
Principal.....	204,935	68.7%	220,820	-7.2%
Interest.....	89,682	30.1%	95,024	-5.6%
TOTAL EXPENDITURES.....	\$ 298,452	100.0%	\$ 317,629	

As the table above shows, 98.8% of total reported expenditures for fiscal year 2020 were for debt service payments (principal and interest). Interest expenditures for fiscal year 2020 were less than fiscal year 2019 by 5.6% due to payments on bonds issued in 2019 and 2020. Principal expenditures for fiscal year 2020 were less than fiscal year 2019 by 7.2%. This decrease is due to varying maturity schedules for the outstanding bonds as well as six refunding bonds issued during fiscal year 2020. The total amount of outstanding bonds increased slightly in fiscal year 2020. Bond issuance costs increased for fiscal year 2020 because of an increase in bond issuances in fiscal year 2020.

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

	Fiscal Year 2020	Fiscal Year 2019	Percent Change
Bond Proceeds:			
Principal.....	\$ 256,960	\$ 205,000	25.3%
Premium.....	49,191	27,897	76.3%
Refunding Bond Proceeds:			
Principal.....	215,275	-	100.0%
Premium.....	9,011	-	100.0%
Payments to Refunding Escrow Agent.....	(222,667)	-	100.0%
Financing Provided to State Agencies Under Leases.....	(307,770)	(232,897)	32.1%
TOTAL OTHER			
FINANCING SOURCES/(USES).....	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	

The increase in new money bond proceeds (principal and premium) and financing provided to state agencies under leases are the result of five new bond issuances involving 12 series of bonds (six new and six refunding) in 2020 compared to two smaller bond issuances, involving four new series of bonds in 2019. The increase in refunding bond proceeds (principal and interest) and payments to refunding escrow agent are the result of refunding issuances involving six series of bonds during the 2020 fiscal year compared with no refunding issuances in 2019.

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.

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(UNAUDITED)

ECONOMIC FACTORS

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

<u>Bond Type</u>	<u>Authorized, but Unissued</u>
Mental Health Facilities	\$ 182,915
Parks and Recreation Facilities	214,400
Cultural and Sports Facilities	85,310
Adult Correctional Facilities	229,500
Administrative Facilities	77,740
Juvenile Correctional Facilities	-
Highway Safety Facilities	-
Transportation Facilities	58,410
Total	<u>\$ 848,275</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.

CHAPTER 154
LEASE REVENUE OBLIGATIONS
DEBT SERVICE FUNDS
FINANCIAL STATEMENTS

STATE OF OHIO
 CHAPTER 154 LEASE REVENUE OBLIGATIONS
 Debt Service Funds
 Balance Sheet
 As of June 30, 2020
 (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.....	\$ 56	\$ 10	\$ 26	\$ 84	\$ 161	\$ 40	\$ 20	\$ 25	\$ 422
Receivable from State Agencies:									
Lease Principal.....	185,360	385,390	118,395	537,695	559,310	119,305	1,530	141,580	2,048,565
Lease Interest.....	2,244	3,329	1,447	4,868	5,770	1,356	-	1,745	20,759
TOTAL ASSETS.....	\$ 187,660	\$ 388,729	\$ 119,868	\$ 542,647	\$ 565,241	\$ 120,701	\$ 1,550	\$ 143,350	\$ 2,069,746
LIABILITIES:									
Accounts Payable.....	\$ 45	\$ -	\$ -	\$ 50	\$ 120	\$ -	\$ -	\$ -	\$ 215
TOTAL LIABILITIES.....	45	-	-	50	120	-	-	-	215
DEFERRED INFLOW OF RESOURCES:									
Unavailable Revenue.....	185,666	384,170	119,842	542,563	565,080	120,661	1,530	143,325	2,062,837
TOTAL DEFERRED INFLOW OF RESOURCES.....	185,666	384,170	119,842	542,563	565,080	120,661	1,530	143,325	2,062,837
FUND BALANCES:									
Restricted for Debt Service.....	1,949	4,559	26	34	41	40	20	25	6,694
TOTAL FUND BALANCES.....	1,949	4,559	26	34	41	40	20	25	6,694
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES.....	\$ 187,660	\$ 388,729	\$ 119,868	\$ 542,647	\$ 565,241	\$ 120,701	\$ 1,550	\$ 143,350	\$ 2,069,746

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, 2020
 (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.....	\$ 26,370	\$ 25,660	\$ 26,485	\$ 40,705	\$ 61,110	\$ 9,620	\$ 1,460	\$ 8,990	\$ 200,400
Lease Interest from State Agencies.....	8,159	19,650	6,504	20,603	22,181	4,812	86	7,501	89,496
Administrative and Other Fees.....	395	40	59	1,482	1,798	481	30	40	4,325
TOTAL REVENUES.....	34,924	45,350	33,048	62,790	85,089	14,913	1,576	16,531	294,221
EXPENDITURES:									
Administrative Costs.....	29	30	28	142	69	30	10	15	353
Bond Issue Costs.....	352	-	-	1,181	1,541	408	-	-	3,482
Debt Service:									
Principal.....	29,020	27,545	26,485	40,705	61,110	9,620	1,460	8,990	204,935
Interest.....	7,659	19,850	6,535	20,795	22,359	4,853	106	7,525	89,682
TOTAL EXPENDITURES.....	37,060	47,425	33,048	62,823	85,079	14,911	1,576	16,530	298,452
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES.....	(2,136)	(2,075)	-	(33)	10	2	-	1	(4,231)
OTHER FINANCING SOURCES/(USES):									
Bond Proceeds:									
Principal.....	50,000	-	-	98,000	75,960	33,000	-	-	256,960
Premium.....	10,723	-	-	12,558	18,803	7,107	-	-	49,191
Refunding Bond Proceeds:									
Principal.....	-	-	-	82,405	119,665	13,205	-	-	215,275
Premium.....	-	-	-	1,765	5,848	1,398	-	-	9,011
Payments to Refunding Escrow Agent.....	-	-	-	(83,580)	(124,623)	(14,464)	-	-	(222,667)
Financing Provided to State Agencies Under Leases:									
Mental Health Facilities.....	(60,723)	-	-	-	-	-	-	-	(60,723)
Adult Correctional Facilities.....	-	-	-	(111,148)	-	-	-	-	(111,148)
Administrative Facilities.....	-	-	-	-	(95,653)	-	-	-	(95,653)
Juvenile Correctional Facilities.....	-	-	-	-	-	(40,246)	-	-	(40,246)
TOTAL OTHER FINANCING SOURCES/(USES).....	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(2,136)	(2,075)	-	(33)	10	2	-	1	(4,231)
FUND BALANCE, JULY 1.....	4,085	6,634	26	67	31	38	20	24	10,925
FUND BALANCE, JUNE 30.....	\$ 1,949	\$ 4,559	\$ 26	\$ 34	\$ 41	\$ 40	\$ 20	\$ 25	\$ 6,694

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, 2020
(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.

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.

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, 2020
(Dollars in 000s)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020, \$9,985 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 (CAFR) 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.

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.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Debt Service Funds
Notes to the Financial Statements
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(Dollars in 000s)

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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).

STATE OF OHIO
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Debt Service Funds
Notes to the Financial Statements
As of and for the Fiscal Year Ended June 30, 2020
(Dollars in 000s)

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

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, 2020 the Treasurer of State's deposits were held by Trustees. The total carrying amount of deposits was \$422. Of the bank balance, \$364 was insured or collateralized.

STATE OF OHIO
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Debt Service Funds
Notes to the Financial Statements
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(Dollars in 000s)

NOTE 3 — LEASES

The primary sources of payments, as contemplated under the respective bond and note proceedings, for meeting bond interest and principal requirements and establishing and maintaining any funded "required reserve" and meeting any note interest and principal (partial) requirements, are 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 nine 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 2020 are detailed in the schedule, below. 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 and interest).

	<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	\$ 36,707
Ohio Department of Natural Resources – Parks and Recreation Facilities	108,328	47,428
Ohio Facilities Construction Commission – Cultural and Sports Facilities	61,773	33,041
Ohio Department of Rehabilitation and Correction – Adult Correctional Facilities	137,738	61,468
Ohio Department of Administrative Services – Administrative Facilities	181,181	83,390
Ohio Department of Youth Services – Juvenile Correctional Facilities	32,432	14,502
Ohio Department of Public Safety – Highway Safety Facilities	3,194	1,575
Ohio Department of Transportation – Transportation Facilities	38,457	16,531

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 original issue premium on bond sales.

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, 2020
(Dollars in 000s)

NOTE 3 — LEASES (Continued)

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

As of June 30, 2020, 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, 2020

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		
2021.....	\$ 35,668	\$ 45,374	\$ 27,690	\$ 65,198		
2022.....	35,538	41,296	19,660	65,085		
2023.....	35,544	41,204	19,656	61,087		
2024.....	32,554	41,198	17,355	59,335		
2025.....	26,041	41,197	17,353	54,830		
2026-2030.....	58,426	194,551	39,541	155,489		
2031-2035.....	-	94,486	-	134,198		
2036-2040.....	-	31,632	-	72,298		
	<u>223,771</u>	<u>530,938</u>	<u>141,255</u>	<u>667,520</u>		
Amount Representing Interest.....	(38,411)	(145,548)	(22,860)	(129,825)		
Leases Receivable, as of June 30, 2020.....	<u>\$ 185,360</u>	<u>\$ 385,390</u>	<u>\$ 118,395</u>	<u>\$ 537,695</u>		

Year Ending June 30,	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total
2021.....	\$ 87,432	\$ 16,328	\$ 1,548	\$ 16,494	\$ 295,732
2022.....	77,637	16,313	-	16,522	272,051
2023.....	74,800	16,340	-	16,526	265,157
2024.....	64,754	16,373	-	16,521	248,090
2025.....	59,250	16,422	-	16,524	231,617
2026-2030.....	179,138	42,213	-	82,601	751,959
2031-2035.....	133,923	23,755	-	25,133	411,495
2036-2040.....	65,646	10,863	-	-	180,439
	<u>742,580</u>	<u>158,607</u>	<u>1,548</u>	<u>190,321</u>	<u>2,656,540</u>
Amount Representing Interest.....	(183,270)	(39,302)	(18)	(48,741)	(607,975)
Leases Receivable, as of June 30, 2020.....	<u>\$ 559,310</u>	<u>\$ 119,305</u>	<u>\$ 1,530</u>	<u>\$ 141,580</u>	<u>\$ 2,048,565</u>

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, 2020
(Dollars in 000s)

NOTE 3 — LEASES (Continued)

A summary of the unavailable portion of leases receivable by debt service fund as of June 30, 2020 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	\$ 185,360	\$ 383,065	\$ 118,395	\$ 537,695	
Lease Interest	306	1,105	1,447	4,868	
Total Unavailable Revenue as of June 30, 2020.....	\$ 185,666	\$ 384,170	\$ 119,842	\$ 542,563	

	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Highway Safety Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
Lease Principal	\$ 559,310	\$ 119,305	\$ 1,530	\$ 141,580	\$ 2,046,240
Lease Interest	5,770	1,356	-	1,745	16,597
Total Unavailable Revenue as of June 30, 2020.....	\$ 565,080	\$ 120,661	\$ 1,530	\$ 143,325	\$ 2,062,837

NOTE 4 — CONSOLIDATION OF DEBT SERVICE FUND BALANCES IN THE STATE OF OHIO'S CAFR

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 CAFR as of and for the year ended June 30, 2020.

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 12, 2020, the Treasurer's Office issued Series 2020A Parks and Recreation Facilities Bonds, totaling \$56.3 million. \$2.4 million of the proceeds was used to refund the outstanding balance on the 2011A Parks and Recreation Facilities Bonds. The bonds have an average coupon of 5.00% and a final maturity date of December 1, 2032.

On August 12, 2020, the Treasurer's Office issued Series 2020B Parks and Recreation Facilities Bonds, totaling \$57.0 million. The bonds were sold with a variable interest rate and a final maturity date of December 1, 2040.

On August 12, 2020, the Treasurer's Office issued Series 2020D Administrative Facilities Bonds, totaling \$59.0 million, which refunded a portion of the outstanding balance on the 2011A, 2012A, 2012B, 2013A, 2015C, 2016A, 2017A, 2017B, and 2019A Administrative Facilities Bonds. The bonds have an average coupon of 1.32% and a final maturity date of October 1, 2036.

On September 24, 2020, the Treasurer's Office issued Series 2020A Cultural Facilities Bonds, totaling \$44.0 million. The bonds have an average coupon of 5.00% and a final maturity date of October 1, 2030.

On September 24, 2020, the Treasurer's Office issued Series 2020A Juvenile Correctional Facilities Bonds, totaling \$5.5 million, which refunded a portion of the outstanding balance on the 2010D Juvenile Correctional Facilities Bonds. The bonds have an average coupon of 4.34% and a final maturity date of October 1, 2024.

SUPPLEMENTARY INFORMATION

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Net Position - Accrual Basis
As of June 30, 2020

(Dollars in 000s)

	Total Debt Service Funds
ASSETS:	
Cash.....	\$ 422
Receivables from State Agencies:	
Leases.....	2,048,565
Unamortized Lease Premium/Discount, Net.....	219,126
Interest.....	20,759
TOTAL ASSETS.....	2,288,872
DEFERRED OUTFLOW OF RESOURCES:	
Deferred Charge on Refunding.....	11,192
TOTAL DEFERRED OUTFLOW OF RESOURCES.....	11,192
LIABILITIES:	
Accounts Payable.....	215
Bond Interest Payable.....	20,965
Bonds Payable, Net of Premiums and Discount:	
Due in One Year.....	245,154
Due in More Than One Year.....	2,033,730
TOTAL LIABILITIES.....	2,300,064
NET POSITION	
Restricted for Debt Service.....	-
TOTAL NET POSITION.....	\$ -

STATE OF OHIO
 CHAPTER 154 LEASE REVENUE OBLIGATIONS
 Schedule of Activities - Accrual Basis
 For the Fiscal Year Ended June 30, 2020

(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.....	\$ 29	\$ 30	\$ 28	\$ 142	\$ 69	\$ 30	\$ 10	\$ 15	\$ 353
Bond Issue Costs.....	352	-	-	1,181	1,541	408	-	-	3,482
Interest on Debt.....	3,928	12,264	2,832	13,697	16,400	3,621	77	4,454	57,273
TOTAL EXPENSES.....	4,309	12,294	2,860	15,020	18,010	4,059	87	4,469	61,108
PROGRAM REVENUES:									
Charges for Services (1).....	4,309	12,294	2,860	15,020	18,010	4,059	87	4,469	61,108
TOTAL PROGRAM REVENUES.....	4,309	12,294	2,860	15,020	18,010	4,059	87	4,469	61,108
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, 2020
(Dollars in 000s)

Fund Balance per Debt Service Funds' Balance Sheet	\$ 6,694
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Amounts reported in the Schedule of Net Position are different from the Balance Sheet because:

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

Leases Receivable from State Agencies:

Lease Principal	2,046,240
Lease Interest	16,597
	2,062,837

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

Unamortized Lease Premium/Discount, Net	219,126
	219,126

The accounting loss reported as a deferred outflow of resources is applicable to future reporting periods and is not reported on the fund statements.	11,192
---	--------

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

Bonds Payable	(2,278,884)
Bond Interest Payable	(20,965)
	(2,299,849)

Net Position per Schedule of Net Position	\$ -
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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, 2020
(Dollars in 000s)

Net Change in Fund Balance per Debt Service Funds'
Statement of Revenues, Expenditures and Changes in Fund Balances **\$ (4,231)**

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	57,610
Lease Interest	<u>(1,111)</u>
	<u>56,499</u>

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

Unamortized Lease Premium/Discount, Net	18,164
	<u>18,164</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	(256,960)
Refunding Bonds	(215,275)
Premiums	(58,202)
Deferred Amount on Refunding	1,071
	<u>(529,366)</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	214,225
Scheduled Debt Principal Retirements	204,935
	<u>419,160</u>

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

Decrease in Bond Interest Payable	806
Amortization of Bond Premiums/Accretion of Bond Discounts, Net	45,574
Amortization of Deferred Refunding Amount	(6,606)
	<u>39,774</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, 2020
(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	Highway Safety Facilities	Transportation Facilities	Total
2021.....	\$ 35,668	\$ 45,374	\$ 27,690	\$ 65,198	\$ 87,432	\$ 16,328	\$ 1,548	\$ 16,494	\$ 295,732
2022.....	35,538	41,296	19,660	65,085	77,637	16,313	-	16,522	272,051
2023.....	35,544	41,204	19,656	61,087	74,800	16,340	-	16,526	265,157
2024.....	32,554	41,198	17,355	59,335	64,754	16,373	-	16,521	248,090
2025.....	26,041	41,197	17,353	54,830	59,250	16,422	-	16,524	231,617
2026-2030.....	58,426	194,551	39,541	155,489	179,138	42,213	-	82,601	751,959
2031-2035.....	-	94,486	-	134,198	133,923	23,755	-	25,133	411,495
2036-2040.....	-	31,632	-	72,298	65,646	10,863	-	-	180,439
	223,771	530,938	141,255	667,520	742,580	158,607	1,548	190,321	2,656,540
Amount Representing Interest.....	(38,411)	(145,548)	(22,860)	(129,825)	(183,270)	(39,302)	(18)	(48,741)	(607,975)
Lease Principal.....	185,360	385,390	118,395	537,695	559,310	119,305	1,530	141,580	2,048,565
Premium/(Discount), Net.....	23,966	51,665	13,488	44,506	52,272	14,299	5	18,925	219,126
Leases Receivable, as of June 30, 2020.....	\$ 209,326	\$ 437,055	\$ 131,883	\$ 582,201	\$ 611,582	\$ 133,604	\$ 1,535	\$ 160,505	\$ 2,267,691

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2020
(Dollars in 000s)

Outstanding Chapter 154 Lease Revenue Obligations as of June 30, 2020 are in the form of fully registered bonds that mature in various amounts and at various dates and bear interest payable semiannually at various interest rates. The bonds mature after specified dates and are subject to redemption prior to maturity, in whole or in part.

As of June 30, 2020, 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	AA	Aa2	AA
Transportation Facilities	AA	Aa2	AA

Through June 30, 2020, 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 2019-20 capital budget bill, 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	\$ 1,850,000
Parks and Recreation Facilities	1,042,400
Cultural and Sports Facilities	725,000
Adult Correctional Facilities	2,462,000
Administrative Facilities	2,069,700
Juvenile Correctional Facilities	400,000
Highway Safety Facilities	140,285
Transportation Facilities	385,000
Total Authorization	<u><u>\$ 9,074,385</u></u>

Details on bonds issued through June 30, 2020 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, 2020 (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, 2020
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,392,085	\$ 452,790	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2013A	25,000	—	03/07/2013	02/01/2023	3.55%	8,260
2014A	50,000	—	01/30/2014	02/01/2024	4.42%	5,595
2015A	50,000	—	03/05/2015	02/01/2025	4.95%	27,820
2016A	50,000	—	06/28/2016	06/01/2026	4.86%	33,780
2017A	—	17,765	11/07/2017	02/01/2024	4.74%	17,765
2018A	50,000	—	04/26/2018	06/01/2028	5.00%	42,140
2020A	50,000	—	03/10/2020	02/01/2030	5.00%	50,000
Total	<u>\$ 1,667,085</u>	<u>\$ 470,555</u>				<u>\$ 185,360</u>

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, 2020
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 343,000	\$ 118,305	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
II-2009A	35,000	—	03/12/2009	12/01/2020	4.38%	3,995
II-2011A	30,000	—	03/03/2011	08/01/2025	3.71%	4,740
2015A	40,000	—	03/05/2015	02/01/2030	4.98%	29,565
2016A	80,000	—	03/31/2016	02/01/2031	4.99%	64,190
2016B	—	10,415	06/28/2016	08/01/2025	4.81%	10,415
2016C	100,000	—	10/06/2016	12/01/2031	4.86%	84,885
2017A	100,000	—	12/14/2017	12/01/2032	5.00%	90,585
2018A	100,000	—	11/15/2018	12/01/2038	5.00%	97,015
Total	<u>\$ 828,000</u>	<u>\$ 128,720</u>				<u>\$ 385,390</u>

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2020 (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, 2020
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 428,690	\$ 64,985	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2010A	30,000	—	02/10/2010	10/01/2020	3.74%	3,725
2011A	28,000	—	03/03/2011	10/01/2020	4.64%	4,130
2013A	18,000	—	03/07/2013	04/01/2023	4.73%	6,280
2015B	30,000	—	08/12/2015	04/01/2025	5.00%	17,305
2016A	40,000	—	08/25/2016	10/01/2026	4.80%	29,795
2017A	30,000	—	12/14/2017	10/01/2027	5.00%	25,135
2019A	35,000	—	05/16/2019	04/01/2029	5.00%	32,025
Total	<u>\$ 639,690</u>	<u>\$ 64,985</u>				<u>\$ 118,395</u>

Adult Correctional Facilities Bonds						
Series	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2020
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,799,500	\$ 1,350,120	Various	Various	Various	\$ —
<i>Outstanding bonds:</i>						
2010A	—	79,325	08/31/2010	10/01/2024	4.42%	8,600
2011A	40,000	—	02/01/2011	04/01/2031	4.73%	1,945
2011B	—	101,530	09/15/2011	10/01/2024	4.18%	10,235
2012A	—	17,360	05/17/2012	04/01/2023	5.00%	10,915
2013A	—	47,320	03/07/2013	10/01/2024	5.00%	28,585
2014A	45,000	—	05/07/2014	04/01/2034	4.85%	1,850
2015A	—	10,030	02/26/2015	10/01/2022	5.00%	6,315
2015B	70,000	—	11/19/2015	10/01/2035	4.98%	44,465
2016A	—	20,565	05/25/2016	10/01/2028	4.95%	20,565
2016B	32,320	—	10/26/2016	10/01/2036	0.12%	32,320
2016C	32,300	—	10/26/2016	10/01/2036	0.20%	32,300
2016D	15,380	—	10/26/2016	10/01/2021	3.57%	6,555
2017A	100,000	—	11/07/2017	10/01/2037	4.96%	91,830
2017B	—	62,320	11/07/2017	10/01/2030	4.93%	60,810
2019A	—	25,350	07/09/2019	10/01/2024	5.00%	25,350
2019B	53,000	—	08/07/2019	10/01/2032	5.00%	53,000
2019C	45,000	—	08/07/2019	10/01/2039	0.12%	45,000
2020A	—	57,055	03/10/2020	10/01/2033	1.95%	57,055
Total	<u>\$ 2,232,500</u>	<u>\$ 1,770,975</u>				<u>\$ 537,695</u>

*The interest rates for the Series 2016B, 2016C, and 2019C bonds are set on a weekly basis and the above rates are as of June 30, 2020. 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 and 2019C 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, 2020 (Continued)
(Dollars in 000s)

Administrative Facilities Bonds							
	Original	Refunding		Final	Average	Outstanding	
	Issues	Issues	Issue	Maturity	Effective	Balance	
	at Par	at Par	Date	Date	Interest	at Par, as of	June 30, 2020
	at Par	at Par			Rate		
<i>Previously issued bonds with no outstanding balance:</i>							
Various	\$ 1,493,300	\$ 984,058	Various	Various	Various	\$	—
<i>Outstanding bonds:</i>							
2001A	120,000	—	04/24/2001	10/01/2020	5.14%		9,630
2010C	—	148,865	08/31/2010	10/01/2022	4.72%		17,200
2011A	—	38,595	09/15/2011	10/01/2024	4.60%		7,405
2012A	32,700	—	03/08/2012	04/01/2032	4.13%		17,330
2012B	—	28,055	03/08/2012	04/01/2025	5.00%		19,595
2013A	—	48,660	04/11/2013	04/01/2025	4.95%		27,330
2013B	50,000	—	07/31/2013	04/01/2033	4.82%		2,200
2015A	61,930	—	01/28/2015	04/01/2035	4.31%		55,645
2015B	18,070	—	01/28/2015	04/01/2025	2.59%		9,550
2015C	—	11,185	02/26/2015	10/01/2022	2.95%		6,625
2016A	—	31,095	05/25/2016	10/01/2028	4.95%		31,095
2017A	70,000	—	04/19/2017	04/01/2037	4.91%		64,400
2017B	—	30,790	11/07/2017	10/01/2029	4.86%		27,945
2018A	63,000	—	11/15/2018	10/01/2038	4.96%		63,000
2018B	7,000	—	11/15/2018	10/01/2021	3.11%		4,735
2019A	—	25,935	07/09/2019	10/01/2024	5.00%		25,935
2019B	—	22,270	11/05/2019	10/01/2029	4.85%		22,270
2020A	—	71,460	03/10/2020	10/01/2032	1.91%		71,460
2020B	68,750	—	04/30/2020	04/01/2040	5.00%		68,750
2020C	7,210	—	04/30/2020	04/01/2025	1.81%		7,210
Total	<u>\$ 1,991,960</u>	<u>\$ 1,440,968</u>				<u>\$</u>	<u>559,310</u>

Juvenile Correctional Facilities Bonds							
	Original	Refunding		Final	Average	Outstanding	
	Issues	Issues	Issue	Maturity	Effective	Balance	
	at Par	at Par	Date	Date	Interest	at Par, as of	June 30, 2020
	at Par	at Par			Rate		
<i>Previously issued bonds with no outstanding balance:</i>							
Various	\$ 282,000	\$ 191,920	Various	Various	Various	\$	—
<i>Outstanding bonds:</i>							
2010D	—	15,005	08/31/2010	10/01/2024	4.11%		7,095
2011A	15,000	—	05/03/2011	04/01/2025	4.13%		1,230
2011B	—	9,215	09/15/2011	10/01/2024	2.90%		4,605
2013A	15,000	—	01/30/2013	10/01/2026	4.24%		3,245
2015B	20,000	—	03/05/2015	04/01/2030	3.90%		14,555
2017A	—	10,515	12/14/2017	10/01/2026	4.39%		10,515
2018A	35,000	—	04/26/2018	04/01/2033	5.00%		31,855
2019A	33,000	—	11/05/2019	04/01/2039	4.95%		33,000
2019B	—	13,205	11/05/2019	10/01/2024	4.95%		13,205
Total	<u>\$ 400,000</u>	<u>\$ 239,860</u>				<u>\$</u>	<u>119,305</u>

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2020 (Continued)
(Dollars in 000s)

Highway Safety 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, 2020
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 140,285	\$ 45,510	Various	Various	Various	\$ —
<i>Outstanding Bonds:</i>						
2010A	—	10,860	04/01/2010	10/01/2020	4.55%	1,530
Total	<u>\$ 140,285</u>	<u>\$ 56,370</u>				<u>\$ 1,530</u>

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, 2020
<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%	62,890
2018A	86,490	—	02/21/2018	04/01/2033	5.00%	78,690
Total	<u>\$ 326,590</u>	<u>\$ —</u>				<u>\$ 141,580</u>

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Changes in Bonds Payable Balance
For the Year Ended June 30, 2020
(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, 2019.....	\$ 181,859	\$ 473,000	\$ 162,055	\$ 525,646	\$ 590,316	\$ 104,812	\$ 3,038	\$ 172,454	\$ 2,213,180
Additions:									
New Issuances:									
Bond Principal	50,000	-	-	98,000	75,960	33,000	-	-	256,960
Bond Premium	10,723	-	-	12,558	18,803	7,107	-	-	49,191
Refunding Issuances:									
Bond Principal	-	-	-	82,405	119,665	13,205	-	-	215,275
Bond Premium	-	-	-	1,765	5,848	1,398	-	-	9,011
Total Additions	<u>60,723</u>	<u>-</u>	<u>-</u>	<u>194,728</u>	<u>220,276</u>	<u>54,710</u>	<u>-</u>	<u>-</u>	<u>530,437</u>
Deductions:									
Bond Principal Repayments	29,020	27,545	26,485	40,705	61,110	9,620	1,460	8,990	204,935
Refunded Bonds:									
Bond Principal	-	-	-	79,935	119,990	14,300	-	-	214,225
Bond Premium	-	-	-	5,211	5,140	41	-	-	10,392
Amortization of Premium	4,230	7,563	3,687	8,024	7,060	1,624	35	2,958	35,181
Total Deductions	<u>33,250</u>	<u>35,108</u>	<u>30,172</u>	<u>133,875</u>	<u>193,300</u>	<u>25,585</u>	<u>1,495</u>	<u>11,948</u>	<u>464,733</u>
Outstanding Balance, June 30, 2020.....	\$ 209,332	\$ 437,892	\$ 131,883	\$ 586,499	\$ 617,292	\$ 133,937	\$ 1,543	\$ 160,506	\$ 2,278,884
Amount Due in One Year	\$ 32,186	\$ 33,901	\$ 25,385	\$ 54,665	\$ 72,228	\$ 13,026	\$ 1,543	\$ 12,220	\$ 245,154
Amount Due in More Than One Year	177,146	403,991	106,498	531,834	545,064	120,911	-	148,286	2,033,730
Outstanding Balance, June 30, 2020.....	\$ 209,332	\$ 437,892	\$ 131,883	\$ 586,499	\$ 617,292	\$ 133,937	\$ 1,543	\$ 160,506	\$ 2,278,884

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Future Debt Service Funding Requirements
As of June 30, 2020
(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
2021	\$ 26,855	\$ 8,825	\$ 35,680	\$ 26,760	\$ 18,623	\$ 45,383	\$ 22,165	\$ 5,551	\$ 27,716
2022	27,705	7,833	35,538	23,845	17,452	41,297	15,015	4,645	19,660
2023	29,025	6,519	35,544	24,910	16,294	41,204	15,770	3,886	19,656
2024	27,465	5,089	32,554	26,160	15,039	41,199	14,265	3,090	17,355
2025	22,325	3,715	26,040	27,490	13,707	41,197	14,985	2,368	17,353
2026-2030	51,985	6,441	58,426	147,255	47,296	194,551	36,195	3,346	39,541
2031-2035	-	-	-	80,295	14,191	94,486	-	-	-
2036-2040	-	-	-	28,675	2,957	31,632	-	-	-
	185,360	38,422	223,782	385,390	145,559	530,949	118,395	22,886	141,281
Premium/Discount, Net	23,972	-	23,972	52,502	-	52,502	13,488	-	13,488
Total, as of June 30, 2020	\$ 209,332	\$ 38,422	\$ 247,754	\$ 437,892	\$ 145,559	\$ 583,451	\$ 131,883	\$ 22,886	\$ 154,769

Fiscal Year Ending June 30,	Adult Correctional Facilities			Administrative Facilities			Juvenile Correctional Facilities		
	Principal	Interest*	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 47,175	\$ 18,056	\$ 65,231	\$ 64,720	\$ 22,753	\$ 87,473	\$ 10,905	\$ 5,463	\$ 16,368
2022	48,700	16,385	65,085	57,190	20,447	77,637	11,335	4,978	16,313
2023	46,515	14,572	61,087	56,300	18,500	74,800	11,895	4,445	16,340
2024	46,570	12,765	59,335	48,160	16,594	64,754	12,505	3,868	16,373
2025	43,735	11,095	54,830	44,520	14,730	59,250	13,150	3,272	16,422
2026-2030	116,395	39,094	155,489	124,025	55,113	179,138	30,975	11,238	42,213
2031-2035	118,210	15,988	134,198	105,935	27,988	133,923	18,910	4,845	23,755
2036-2040	70,395	1,904	72,299	58,460	7,186	65,646	9,630	1,233	10,863
	537,695	129,859	667,554	559,310	183,311	742,621	119,305	39,342	158,647
Premium/Discount, Net	48,804	-	48,804	57,982	-	57,982	14,632	-	14,632
Total, as of June 30, 2020	\$ 586,499	\$ 129,859	\$ 716,358	\$ 617,292	\$ 183,311	\$ 800,603	\$ 133,937	\$ 39,342	\$ 173,279

Fiscal Year Ending June 30,	Highway Safety Facilities			Transportation Facilities			Total Chapter 154 Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,530	\$ 38	\$ 1,568	\$ 9,440	\$ 7,079	\$ 16,519	\$ 209,550	\$ 86,388	\$ 295,938
2022	-	-	-	9,915	6,607	16,522	193,705	78,347	272,052
2023	-	-	-	10,415	6,111	16,526	194,830	70,327	265,157
2024	-	-	-	10,930	5,591	16,521	186,055	62,036	248,091
2025	-	-	-	11,480	5,044	16,524	177,685	53,931	231,616
2026-2030	-	-	-	66,585	16,016	82,601	573,415	178,544	751,959
2031-2035	-	-	-	22,815	2,319	25,134	346,165	65,331	411,496
2036-2040	-	-	-	-	-	-	167,160	13,280	180,440
	1,530	38	1,568	141,580	48,767	190,347	2,048,565	608,184	2,656,749
Premium/Discount, Net	13	-	13	18,926	-	18,926	230,319	-	230,319
Total, as of June 30, 2020	\$ 1,543	\$ 38	\$ 1,581	\$ 160,506	\$ 48,767	\$ 209,273	\$ 2,278,884	\$ 608,184	\$ 2,887,068

*The future interest payments for Adult Correctional Facilities, shown above, include interest on the Series 2016B, 2016B, and 2019C variable rate bonds, which is based on the effective interest rates as of June 30, 2020. See page 26 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, 2020
(Dollars in 000s)

Refunding Issues

During fiscal year 2020, 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 July 9, 2019, the Treasurer refunded portions of two series of previously issued bonds to reduce the State's total debt service payments by issuing \$25,350 of 2019A Adult Correctional Facilities refunding bonds, and \$25,935 of 2019A Administrative Facilities refunding bonds. The overall transaction resulted in an economic gain of \$2,882 and total issuance costs and underwriter's discount of \$412. The refunding resulted in the Treasurer decreasing its total debt service payments over the life of the bonds by \$3,082.

2019A Adult Correctional Facilities Bonds – The 2019A Adult Correctional Facilities Bonds, with an average interest rate of 5.00%, refunded \$26,255 in principal, plus interest of the 2009B Adult Correctional Facilities Bonds due on October 1, 2020 through October 1, 2024. The refunded bonds had an average interest rate of 5.00%.

2019A Administrative Facilities Bonds – The 2019A Administrative Facilities Bonds, with an average interest rate of 5.00%, refunded \$26,865 in principal, plus interest of the 2009B Administrative Facilities Bonds due on October 1, 2020 through October 1, 2024. The refunded bonds had an average interest rate of 4.94%.

- B.** On November 5, 2019, the Treasurer refunded portions of three series of previously issued bonds to reduce the State's total debt service payments by issuing \$13,205 of 2019B Juvenile Correctional Facilities refunding bonds, and \$22,270 of 2019B Administrative Facilities refunding bonds. The overall transaction resulted in an economic gain of \$3,313 and total issuance costs and underwriter's discount of \$339. The refunding resulted in the Treasurer decreasing its total debt service payments over the life of the bonds by \$3,602.

2019B Juvenile Correctional Facilities Bonds – The 2019B Juvenile Correctional Facilities Bonds, with an average interest rate of 4.95%, refunded \$14,300 in principal, plus interest of the 2009B, and 2010C Juvenile Correctional Facilities Bonds due on October 1, 2020 through October 1, 2024. The refunded bonds had an average interest rate of 4.52%.

2019B Administrative Facilities Bonds – The 2019B Administrative Facilities Bonds, with an average interest rate of 4.85%, refunded \$25,565 in principal, plus interest of the 2010B Administrative Facilities Bonds due on October 1, 2020 through October 1, 2029. The refunded bonds had an average interest rate of 5.86%.

- C.** On March 10, 2020, the Treasurer refunded portions of six series of previously issued bonds to reduce the State's total debt service payments by issuing \$57,055 of 2020A Adult Correctional Facilities refunding bonds, and \$71,460 of 2020A Administrative Facilities refunding bonds. The overall transaction resulted in an economic gain of \$11,795 and total issuance costs and underwriter's discount of \$858. The refunding resulted in the Treasurer decreasing its total debt service payments over the life of the bonds by \$12,621.

2020A Adult Correctional Facilities Bonds – The 2020A Adult Correctional Facilities Bonds, with an average interest rate of 1.94%, refunded \$53,680 in principal, plus interest of the 2010A, 2011B, and 2014A Adult Correctional Facilities Bonds due on October 1, 2021 through April 1, 2034. The refunded bonds had an average interest rate of 4.98%.

2020A Administrative Facilities Bonds – The 2020A Administrative Facilities Bonds, with an average interest rate of 1.91%, refunded \$67,560 in principal, plus interest of the 2010C, 2011A, and 2013B Administrative Facilities Bonds due on October 1, 2021 through April 1, 2033. The refunded bonds had an average interest rate of 4.92%.

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, 2020
(Dollars in 000s)

Prior Years' Defeasances

The Treasurer has defeased certain Chapter 154 Lease Revenue Obligations by placing the 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 2020 and prior, which are considered to be defeased and no longer outstanding as of June 30, 2020.

<u>Refunded Issue</u>	<u>Principal Yet to be Paid as of June 30, 2020</u>	<u>Scheduled Redemption Date</u>
Mental Health Facilities:		
2014A	\$ 18,315	February 1, 2021
	<u>\$ 18,315</u>	
Parks & Recreation Facilities:		
2011A	\$ 10,875	August 1, 2020
	<u>\$ 10,875</u>	
Adult Correctional Facilities:		
2010A	\$ 26,265	October 1, 2020
2011A	25,285	April 1, 2021
2011B	17,400	October 1, 2021
2014A	33,525	April 1, 2021
2015B	16,385	October 1, 2022
	<u>\$ 118,860</u>	
Administrative Facilities:		
2010C	\$ 43,145	October 1, 2020
2011A	12,555	October 1, 2021
2012A	5,280	April 1, 2021
2013B	36,455	April 1, 2021
	<u>\$ 97,435</u>	
Juvenile Correctional Facilities:		
2011A	\$ 5,480	April 1, 2021
2013A	5,160	October 1, 2022
	<u>\$ 10,640</u>	

September 25, 2020

Treasurer of State of Ohio
Columbus, Ohio

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

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Debt Service 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 Building lease revenue bonds governed by the Ohio Revised Code Chapter 154 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Funds' basic financial statements, and have issued our report thereon dated September 25, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Treasurer of State of Ohio
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Required by *Government Accounting Standards*

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Treasurer's internal control or on compliance. This report is an integral part of an audit performed under *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 and Associates
Gahanna, Ohio