

ROBERT SPRAGUE

OHIO TREASURER

September 26, 2025

Kelly Pickett
Legislative Service Commission - Library
77 South High Street, 9th Floor
Columbus, Ohio 43215

Dear Ms. Pickett,

Please find attached the Annual Report for the Treasurer of State Lease-Revenue Obligations (Chapter 154 & 152 O.R.C.).

An electronic copy of the report can also be found on the Treasurer's website, at: <https://www.ohiotreasurerbonds.com/the-state-of-ohio/financial-documents/i630>. Printed copies of the report can be mailed upon request. Please email debtmanagement@tos.ohio.gov to request a printed copy.

If you have any questions, please contact the Office of Debt Management at (614) 466-7752.

Sincerely,



Lisa Eisenberg
Senior Director of Debt Management
State Treasurer of Ohio

Enclosure

ROBERT SPRAGUE

OHIO TREASURER

September 26, 2025

TO: Mike DeWine, Governor
Ohio General Assembly

FROM: Robert Cole Sprague, Ohio Treasurer

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

ANNUAL REPORT

AND

ACCOUNTANTS' REPORT

FISCAL YEAR 2025
(July 1, 2024 --- June 30, 2025)

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

LEASE - REVENUE OBLIGATIONS
ANNUAL REPORT
For the period July 1, 2024 through June 30, 2025

The Treasurer of State (“Treasurer”) makes this annual report for the Fiscal Year (“FY”) as of and for the period ended June 30, 2025 in accordance with Section 154.05(B) of the Ohio Revised Code (“Revised Code”) and its lease-revenue bond proceedings.

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

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

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

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

The Treasurer may issue obligations only as authorized by the General Assembly, which has authorized lease-revenue obligations (“Obligations”) for capital facilities projects in aggregate principal amounts of up to \$2,131,700,000 for mental health facilities, \$1,466,133,513 for parks and recreation facilities, \$896,035,524 for cultural and sports facilities, \$2,915,000,000 for adult correctional facilities, \$705,800,000 for juvenile correctional facilities, \$2,623,500,000 for administrative facilities, and \$385,000,000 for transportation facilities. Within these authorizations, the Treasurer issued the following Obligations during FY 2025:

Bond Program & Series No.	Amount	Dated Date	Final Maturity Date
Administrative Facilities – 2025A ¹	\$ 43,570,000	01/08/2025	04/01/2035
Transportation Facilities – 2025A ¹	\$ 33,600,000	01/08/2025	04/01/2030
Cultural and Sports Facilities – 2025A ²	\$ 75,460,000	04/29/2025	04/01/2036

The principal and interest requirements related to the Obligations sold and delivered in FY 2025 are set forth in the attached Schedule 1. The Obligations issued in FY 2025 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, 2025, the Obligations that the Treasurer is authorized to issue were rated as follows:

	Fitch	Moody’s	Standard & Poor’s
Mental Health Facilities	AA+	Aa1	AA+
Parks & Recreation Facilities	AA+	Aa1	AA+
Cultural & Sports Facilities	AA+	Aa1	AA+
Administrative Facilities	AA+	Aa1	AA+
Adult Correctional Facilities	AA+	Aa1	AA+
Juvenile Correctional Facilities	AA+	Aa1	AA+
Transportation Facilities	AA+	Aa1	AA+

¹ Refunding issuance.

² New money issuance.

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

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

Trust agreements provide for additional security for the Obligations, each in form and content appropriate to the type of financing. The trustee for the parks and recreation and transportation facilities Obligations is U.S. Bank (successor to National City Bank). The trustee for the mental health and administrative facilities Obligations was Huntington National Bank on June 30, 2025. Trustee responsibilities for mental health and administrative facilities Obligations transitioned from Huntington National Bank to U.S. Bank on August 26, 2025. The trustee for the cultural and sports, adult correctional, and juvenile correctional Obligations is Bank of New York Mellon.

For the biennium ending June 30, 2027, the 136th General Assembly, by acts passed prior to July 1, 2025, appropriated the following amounts for rental payments under the lease agreements relating to the respective categories of Obligations:

Appropriation to:	Biennial Amount¹	FY 2026	FY 2027
Dept. of Mental Health & Addiction Services	\$ 51,700,000	\$ 27,500,000	\$ 24,200,000
Dept. of Developmental Disabilities	51,700,000	27,500,000	24,200,000
Dept. of Natural Resources	134,000,000	57,500,000	76,500,000
Facilities Construction Commission	75,000,000	37,500,000	37,500,000
Dept. of Administrative Services	106,000,000	45,500,000	60,500,000
Dept. of Rehabilitation and Correction	102,000,000	42,000,000	60,000,000
Dept. of Youth Services	35,000,000	17,500,000	17,500,000
Dept. of Transportation	46,000,000	23,000,000	23,000,000
Total Appropriation	\$ 601,400,000	\$ 278,000,000	\$ 323,400,000

¹ Appropriations listed are in accordance with Amended Substitute House Bill 54 and Amended Substitute House Bill 96 as passed by the 136th 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, 2025)**

	Mental Health Facilities	Parks & Recreation Facilities	Cultural & Sports Facilities	Administrative Facilities
Authorized by General Assembly	\$2,131,700,000	\$1,466,133,513	\$896,035,524	\$2,623,500,000
Issued in Prior Fiscal Years (a)	\$1,817,085,000	\$1,089,000,000	\$740,475,000	\$2,069,900,000
Issued in FY2025 (b)	-	-	\$75,460,000	-
Authorized by General Assembly but not yet issued	\$314,615,000	\$377,133,513	\$80,100,524	\$553,600,000
Interest Paid FY2025	\$9,256,250	\$22,895,618	\$6,417,500	\$16,974,462
Principal Paid FY2025	\$35,935,000	\$54,795,000	\$24,410,000	\$47,945,000
Outstanding Principal (c)	\$149,190,000	\$470,015,000	\$185,635,000	\$352,255,000

	Adult Correctional Facilities	Juvenile Correctional Facilities	Transportation Facilities
Authorized by General Assembly	\$2,915,000,000	\$705,800,000	\$385,000,000
Issued in Prior Fiscal Years (a)	\$2,346,500,000	\$400,000,000	\$379,455,000
Issued in FY2025 (b)	-	-	-
Authorized by General Assembly but not yet issued	\$568,500,000	\$305,800,000	\$5,545,000
Interest Paid FY2025	\$16,134,160	\$3,250,675	\$7,057,958
Principal Paid FY2025	\$49,220,000	\$20,170,000	\$14,320,000
Outstanding Principal (c)	\$364,730,000	\$51,415,000	\$135,065,000

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

The primary sources of moneys for payment of principal of and interest on outstanding Obligations in FY 2025, as in prior years, were funds appropriated by the General Assembly for that purpose. Original issue premium and accrued interest paid by original purchasers of bonds were applied to either bond service charges or the applicable improvement funds.

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

correctional, and transportation facilities bond service funds, and to the administrative service funds (to pay expenditures, including issuing costs), during FY 2025, and the balances in those funds on June 30, 2025, 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 2026 of principal of and interest on the Obligations outstanding on June 30, 2025 (which excludes refunded Obligations) are as follows:

FY 2026 Debt Service Payments

	Mental Health Facilities	Parks & Recreation Facilities¹	Cultural & Sports Facilities	Administrative Facilities
Payment Dates				
August 1, 2025	\$ 3,127,375.00	\$ 3,850,625.00	\$ -	\$ -
October 1, 2025	-	-	17,462,419.44	19,840,032.57
December 1, 2025	602,375.00	37,995,174.66	-	-
February 1, 2026	22,462,375.00	6,745,625.00	-	-
April 1, 2026	-	-	18,423,000.00	22,213,600.07
June 1, 2026	12,572,375.00	8,659,075.34	-	-
Fiscal Year Total	\$ 38,764,500.00	\$ 57,250,500.00	\$ 35,885,419.44	\$ 42,053,632.64

	Adult Correctional Facilities¹	Juvenile Correctional Facilities	Transportation Facilities
Payment Dates			
August 1, 2025	\$ -	\$ -	\$ -
October 1, 2025	34,798,645.75	2,552,300.00	3,376,625.00
December 1, 2025	-	-	-
February 1, 2026	-	-	-
April 1, 2026	6,783,587.30	4,911,700.00	17,766,625.00
June 1, 2026	-	-	-
Fiscal Year Total	\$ 41,582,233.05	\$ 7,464,000.00	\$ 21,143,250.00

¹ These figures include variable rate interest at an estimated 3% interest rate.

The anticipated sources of payment of amounts for outstanding Obligations and for additional mental health, parks and recreation, cultural and sports, administrative building, adult correctional, juvenile correctional, and transportation facilities Obligations that may be issued during FY 2026 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 136th General Assembly for the fiscal biennium ending June 30, 2027. 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, 2025, principal and interest on additional Obligations that are projected to be issued in the biennium, and related applicable administrative and issuance expenditures.

SCHEDULE 1

\$43,570,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2025A
(Administrative Building Fund Projects)

Dated:

Date	Principal	Interest	Debt Service
04/01/2025	375,000.00	502,265.28	877,265.28
10/01/2025	-	1,079,875.00	1,079,875.00
04/01/2026	3,435,000.00	1,079,875.00	4,514,875.00
10/01/2026	-	994,000.00	994,000.00
04/01/2027	3,605,000.00	994,000.00	4,599,000.00
10/01/2027	-	903,875.00	903,875.00
04/01/2028	3,790,000.00	903,875.00	4,693,875.00
10/01/2028	-	809,125.00	809,125.00
04/01/2029	3,975,000.00	809,125.00	4,784,125.00
10/01/2029	-	709,750.00	709,750.00
04/01/2030	4,175,000.00	709,750.00	4,884,750.00
10/01/2030	-	605,375.00	605,375.00
04/01/2031	4,380,000.00	605,375.00	4,985,375.00
10/01/2031	-	495,875.00	495,875.00
04/01/2032	4,605,000.00	495,875.00	5,100,875.00
10/01/2032	-	380,750.00	380,750.00
04/01/2033	4,830,000.00	380,750.00	5,210,750.00
10/01/2033	-	260,000.00	260,000.00
04/01/2034	5,075,000.00	260,000.00	5,335,000.00
10/01/2034	-	133,125.00	133,125.00
04/01/2035	5,325,000.00	133,125.00	5,458,125.00
Total:	\$43,570,000.00	\$13,245,765.28	\$56,815,765.28

Average Life (years)	6.080
Average Coupon	5.000000%

Net Interest Cost (NIC)	3.099741%
True Interest Cost (TIC)	2.877373%
Bond Yield for Arbitrage Purposes	2.767011%
All Inclusive Cost (AIC)	2.941489%

Issuer's Counsel: Dinsmore & Shohl LLP
 Bond Counsel: KMK Law
 Underwriter's Counsel: Taft Stettinius & Hollister LLP
 Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 2

\$33,600,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2025A
(Transportation Building Fund Projects)

Dated:

Date	Principal	Interest	Debt Service
04/01/2025	280,000.00	387,333.33	667,333.33
10/01/2025	-	833,000.00	833,000.00
04/01/2026	6,030,000.00	833,000.00	6,863,000.00
10/01/2026	-	682,250.00	682,250.00
04/01/2027	6,330,000.00	682,250.00	7,012,250.00
10/01/2027	-	524,000.00	524,000.00
04/01/2028	6,650,000.00	524,000.00	7,174,000.00
10/01/2028	-	357,750.00	357,750.00
04/01/2029	6,980,000.00	357,750.00	7,337,750.00
10/01/2029	-	183,250.00	183,250.00
04/01/2030	7,330,000.00	183,250.00	7,513,250.00
Total:	\$33,600,000.00	\$5,547,833.33	\$39,147,833.33

Average Life (years)	3.302
Average Coupon	5.000000%
Net Interest Cost (NIC)	2.919219%
True Interest Cost (TIC)	2.790528%
Bond Yield for Arbitrage Purposes	2.767011%
All Inclusive Cost (AIC)	2.915041%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: KMK Law

Underwriter's Counsel: Taft Stettinius & Hollister LLP

Financial Advisor: PFM Financial Advisors LLC

SCHEDULE 3

\$75,460,000

State of Ohio

Capital Facilities Lease-Appropriation Refunding Bonds, Series 2025A
(Cultural and Sports Facilities Building Fund Projects)

Dated:

Date	Principal	Interest	Debt Service
10/01/2025	-	1,593,044.44	1,593,044.44
04/01/2026	5,570,000.00	1,886,500.00	7,456,500.00
10/01/2026	-	1,747,250.00	1,747,250.00
04/01/2027	5,555,000.00	1,747,250.00	7,302,250.00
10/01/2027	-	1,608,375.00	1,608,375.00
04/01/2028	5,835,000.00	1,608,375.00	7,443,375.00
10/01/2028	-	1,462,500.00	1,462,500.00
04/01/2029	6,125,000.00	1,462,500.00	7,587,500.00
10/01/2029	-	1,309,375.00	1,309,375.00
04/01/2030	6,435,000.00	1,309,375.00	7,744,375.00
10/01/2030	-	1,148,500.00	1,148,500.00
04/01/2031	6,755,000.00	1,148,500.00	7,903,500.00
10/01/2031	-	979,625.00	979,625.00
04/01/2032	7,090,000.00	979,625.00	8,069,625.00
10/01/2032	-	802,375.00	802,375.00
04/01/2033	7,445,000.00	802,375.00	8,247,375.00
10/01/2033	-	616,250.00	616,250.00
04/01/2034	7,820,000.00	616,250.00	8,436,250.00
10/01/2034	-	420,750.00	420,750.00
04/01/2035	8,210,000.00	420,750.00	8,630,750.00
10/01/2035	-	215,500.00	215,500.00
04/01/2036	8,620,000.00	215,500.00	8,835,500.00
Total:	\$75,460,000.00	\$24,100,544.44	\$99,560,544.44

Average Life (years) 6.388

Average Coupon 5.000000%

Net Interest Cost (NIC) 4.002875%

True Interest Cost (TIC) 3.836121%

Bond Yield for Arbitrage Purposes 3.764365%

All Inclusive Cost (AIC) 3.897634%

Issuer's Counsel: Dinsmore & Shohl LLP

Bond Counsel: Ice Miller LLP

Underwriter's Counsel: Bricker Graydon LLP

Financial Advisor: Acacia Financial Group, Inc.

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

The following Accountants' Report by Clark Schaefer Hackett 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, and transportation facilities Obligations.

[THIS SPACE INTENTIONALLY LEFT BLANK]

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

FRANKLIN COUNTY

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Independent Auditors' Report	1
Management's Discussion and Analysis	5
Debt Service Fund Financial Statements:	
Balance Sheet	11
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	12
Notes to the Financial Statements	13
Supplementary Information:	
Schedule of Net Position – Accrual Basis	22
Schedule of Activities – Accrual Basis	23
Reconciliation Schedule between the Balance Sheet and the Schedule of Net Position	24
Reconciliation Schedule between the Statement of Revenues, Expenditures and Changes in Fund Balances and the Schedule of Activities.....	25
Schedule of Future Payments under Lease Agreements with State Agencies	26
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding	27
Schedule of Changes in Bonds Payable Balance	33
Schedule of Future Debt Service Funding Requirements	34
Schedule of Prior Years' Defeasances	36
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	37



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Debt Service Funds (the "Funds") as held in the name of the Treasurer of the State of Ohio (the "Treasurer") of the Mental Health Facilities, Parks and Recreation Facilities, Cultural and Sports Facilities, Adult Correctional Facilities, Administrative Facilities, Juvenile Correctional Facilities, and the Transportation Facilities lease revenue bonds governed by the Ohio Revised Code Chapter 154, as of and for the year ended June 30, 2025, and the related notes to the financial statements, as listed in the table of contents.

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

Basis for Opinion

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

Emphasis of Matter

As described in Note 1, the financial statements present only the debt service funds and do not purport to, and do not, present fairly the financial position of State of Ohio as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Treasurer's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Funds financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements

themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of the Funds' internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Funds' 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 Funds' internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Columbus, Ohio

September 26, 2025

This page is intentionally left blank.

State of Ohio
Chapter 154 Lease Revenue Obligations
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(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, 2025. 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, 2025, total debt service fund assets exceeded liabilities and deferred inflows of resources by \$6.5 million. The total combined ending fund balance, which is restricted for debt service, decreased by \$974,000 during fiscal year 2025.
- For fiscal year 2025, lease principal payments from state agency-lessees totaled \$246.9 million, and lease interest revenue was reported at \$80.4 million.
- During fiscal year 2025, the Ohio Treasurer paid \$246.8 million in bond principal and \$81.8 million in bond interest to bondholders.

OVERVIEW OF THE FUND FINANCIAL STATEMENTS

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

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

The Ohio Treasurer uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All seven 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
- Transportation Facilities Bond Service Fund

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

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

State of Ohio
Chapter 154 Lease Revenue Obligations
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

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 06/30/25	As of 06/30/24	Percentage Change
ASSETS:			
Cash.....	\$ 407	\$ 372	9.4%
Receivable from State Agencies:			
Lease Principal.....	1,708,305	1,885,595	-9.4%
Lease Interest.....	16,208	19,529	-17.0%
TOTAL ASSETS.....	<u><u>\$ 1,724,920</u></u>	<u><u>\$ 1,905,496</u></u>	
LIABILITIES AND DEFERRED INFLOW OF RESOURCES:			
Deferred Inflow of Resources-Unavailable Revenue.....	<u>1,718,389</u>	<u>1,897,991</u>	-9.5%
FUND BALANCES:			
Restricted for Debt Service.....	<u>6,531</u>	<u>7,505</u>	-13.0%
TOTAL FUND BALANCES.....	<u><u>6,531</u></u>	<u><u>7,505</u></u>	
TOTAL LIABILITIES, DEFERRED INFLOW OF			
RESOURCES, AND FUND BALANCES.....	<u><u>\$ 1,724,920</u></u>	<u><u>\$ 1,905,496</u></u>	

The decrease in lease principal and unavailable revenue at June 30, 2025 compared to June 30, 2024 is the result of the continued payoff of outstanding bond principal during the fiscal year.

State of Ohio
Chapter 154 Lease Revenue Obligations
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The tables that follow compare debt service fund revenues, expenditures, and other financing sources/(uses) reported for fiscal year 2025 with fiscal year 2024 results.

Revenue
Comparative Analysis
(Dollars in 000s)

	Fiscal Year 2025	Fiscal Year 2024	Percentage Change
Lease Principal from State Agencies.....	\$ 246,935	\$ 223,245	10.6%
Lease Interest from State Agencies.....	80,442	92,228	-12.8%
Administrative and Other Revenues.....	1,869	686	172.4%
TOTAL REVENUES.....	\$ 329,246	\$ 316,159	4.1%

A significant portion of debt service fund revenues for fiscal year 2025 were comprised of lease principal and interest from state agencies. Lease interest decreased for fiscal year 2025 primarily due to a decrease in bonds outstanding during the year. Lease principal increased for fiscal year 2025 primarily due to the early retirement of several bonds. The increase in administrative and other revenues was attributable to the Chapter 154 Lease Revenue Obligations issuing several bonds during the fiscal year.

Expenditures
Comparative Analysis
(Dollars in 000s)

	Fiscal Year 2025	Fiscal Year 2024	Percentage Change
Administrative Costs.....	\$ 409	\$ 473	-13.5%
Bond Issuance Costs.....	1,187	-	100.0%
Debt Service:			
Principal.....	246,795	223,115	10.6%
Interest.....	81,829	93,181	-12.2%
TOTAL EXPENDITURES.....	\$ 330,220	\$ 316,769	4.2%

A significant portion of total reported expenditures for fiscal year 2025 were for debt service payments principal and interest. Lease interest decreased for fiscal year 2025 primarily due to a decrease in bonds outstanding during the year. Lease principal increased for fiscal year 2025 with the early retirement of several bonds. Bond issuance costs increased for fiscal year 2025 due to the Chapter 154 Lease Revenue Obligations issuing several bonds during the fiscal year.

State of Ohio
Chapter 154 Lease Revenue Obligations
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

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

	Fiscal Year 2025	Fiscal Year 2024	Percentage Change
Bond Proceeds:			
Principal.....	\$ 75,460	\$ -	100.0%
Premium.....	5,117	-	100.0%
Refunding Bond Proceeds:			
Principal.....	77,170	-	100.0%
Premium.....	7,652	-	100.0%
Payments to Refunding Escrow Agent.....	(84,212)	-	100.0%
Financing Provided to State Agencies Under Leases.....	(81,187)	-	100.0%
TOTAL OTHER			
FINANCING SOURCES/(USES).....	<u>\$ -</u>	<u>\$ -</u>	

The Chapter 154 Lease Revenue Obligations issued several bonds during the year leading to the increases in proceeds and payments shown above.

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.

ECONOMIC FACTORS

- Generally, interest rates affect the pricing of new bond issues. As of June 30, 2025, the Federal Reserve's Federal Open Market Committee (FOMC) has set the target for the federal funds rate at 4.25% - 4.50%.
- The balances of Chapter 154 Lease Revenue Bonds authorized, but unissued, as of June 30, 2025, were as follows (dollars in thousands):

<u>Bond Type</u>	<u>Authorized, but Unissued</u>
Mental Health Facilities	\$ 314,615
Parks and Recreation Facilities	377,134
Cultural and Sports Facilities	80,101
Adult Correctional Facilities	568,500
Administrative Facilities	553,600
Juvenile Correctional Facilities	305,800
Transportation Facilities	5,545
Total	<u><u>\$ 2,205,295</u></u>

State of Ohio
Chapter 154 Lease Revenue Obligations
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

CONTACTING THE OHIO TREASURER'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Balance Sheet
As of June 30, 2025
(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	Transportation Facilities Bond Service	Total Debt Service Funds
ASSETS:								
Cash.....	\$ 21	\$ 114	\$ 29	\$ 114	\$ 60	\$ 42	\$ 27	\$ 407
Receivable from State Agencies:								
Lease Principal.....	149,190	470,015	185,635	364,730	352,255	51,415	135,065	1,708,305
Lease Interest.....	2,665	2,145	1,897	3,157	4,088	595	1,661	16,208
TOTAL ASSETS.....	\$ 151,876	\$ 472,274	\$ 187,561	\$ 368,001	\$ 356,403	\$ 52,052	\$ 136,753	\$ 1,724,920
DEFERRED INFLOW OF RESOURCES:								
Unavailable Revenue.....	149,287	468,604	187,532	367,887	356,343	52,010	136,726	1,718,389
TOTAL DEFERRED INFLOW OF RESOURCES	149,287	468,604	187,532	367,887	356,343	52,010	136,726	1,718,389
FUND BALANCES:								
Restricted for Debt Service.....	2,589	3,670	29	114	60	42	27	6,531
TOTAL FUND BALANCES.....	2,589	3,670	29	114	60	42	27	6,531
TOTAL DEFERRED INFLOW OF RESOURCES AND FUND BALANCES.....	\$ 151,876	\$ 472,274	\$ 187,561	\$ 368,001	\$ 356,403	\$ 52,052	\$ 136,753	\$ 1,724,920

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, 2025
(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	Transportation Facilities Bond Service	Total Debt Service Funds
REVENUES:								
Lease Principal Payments from State Agencies.....	\$ 35,935	\$ 54,935	\$ 24,410	\$ 49,220	\$ 47,945	\$ 20,170	\$ 14,320	\$ 246,935
Lease Interest from State Agencies.....	8,686	22,248	6,382	16,010	16,882	3,210	7,024	80,442
Administrative and Other Revenues.....	44	161	636	200	454	65	309	1,869
TOTAL REVENUES.....	44,665	77,344	31,428	65,430	65,281	23,445	21,653	329,246
EXPENDITURES:								
Administrative Costs.....	19	135	30	142	41	23	19	409
Bond Issue Costs.....	-	-	577	-	347	-	263	1,187
Debt Service:								
Principal.....	35,935	54,795	24,410	49,220	47,945	20,170	14,320	246,795
Interest.....	9,239	22,854	6,409	16,098	16,938	3,251	7,040	81,829
TOTAL EXPENDITURES.....	45,193	77,784	31,426	65,460	65,271	23,444	21,642	330,220
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES.....	(528)	(440)	2	(30)	10	1	11	(974)
OTHER FINANCING SOURCES/(USES):								
Bond Proceeds:								
Principal.....	-	-	75,460	-	-	-	-	75,460
Premium.....	-	-	5,117	-	-	-	-	5,117
Refunding Bond Proceeds:								
Principal.....	-	-	-	-	43,570	-	33,600	77,170
Premium.....	-	-	-	-	5,217	-	2,435	7,652
Payments to Refunding Escrow Agent.....	-	-	-	-	(48,440)	-	(35,772)	(84,212)
Financing Provided to State Agencies Under Leases:								
Cultural and Sports Capital Facilities.....	-	-	(80,577)	-	-	-	-	(80,577)
Administrative Facilities.....	-	-	-	-	(347)	-	-	(347)
Transportation Building.....	-	-	-	-	-	-	(263)	(263)
TOTAL OTHER FINANCING SOURCES/(USES).....	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(528)	(440)	2	(30)	10	1	11	(974)
FUND BALANCE, JULY 1.....	3,117	4,110	27	144	50	41	16	7,505
FUND BALANCE, JUNE 30.....	\$ 2,589	\$ 3,670	\$ 29	\$ 114	\$ 60	\$ 42	\$ 27	\$ 6,531

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(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 (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.

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

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

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

Community College Intercept Program—In fiscal year 2013, the Treasurer issued \$4,125 of bonds at rates from 2.0% to 4.0%, with payments due through 2033 on behalf of Rhodes State College (the College). Since the College is a proprietary component unit of the State of Ohio, its financial statements report the assets and debt financed through the Authority or Treasurer. Accordingly, the Treasurer's Debt Service Fund financial statements do not include the College's activity. At June 30, 2025, \$2,145 of College bonds were outstanding.

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

B. Fund Accounting and Basis of Presentation

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

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

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

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

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

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

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

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

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

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

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

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.

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

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

D. Budget

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

E. Leases

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

F. Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For Chapter 154 Lease Revenue Bonds, deferred inflows of resources include unavailable revenue. Unavailable revenue represents receivables which will not be collected within the available period. For Chapter 154 Lease Revenue Bonds, unavailable revenue includes lease principal and interest. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

G. Fund Balance

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

H. Use of Estimates

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

NOTE 2 — DEPOSITS

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Treasurer will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The bank balance of deposits was \$407. Of the bank balance, \$407 was insured or collateralized.

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

NOTE 3 — LEASES

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

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

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

For the 2024-25 fiscal biennium, the 135th 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 years 2024 and 2025 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, interest, and administrative costs).

	2024-2025 Biennium <u>Appropriations</u>	Principal, Interest, and Administrative <u>Fees Paid</u>
Ohio Department of Mental Health and Addiction Services and Ohio Department of Developmental Disabilities – Mental Health Facilities	\$ 97,000	\$ 96,907
Ohio Department of Natural Resources – Parks and Recreation Facilities	141,700	139,610
Ohio Facilities Construction Commission – Cultural and Sports Facilities	62,000	61,710
Ohio Department of Rehabilitation and Correction – Adult Correctional Facilities	141,000	136,022
Ohio Department of Administrative Services – Administrative Facilities	136,500	129,816
Ohio Department of Youth Services – Juvenile Correctional Facilities	38,750	38,744
Ohio Department of Transportation – Transportation Facilities	46,000	42,993

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

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

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

As of June 30, 2025, 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, 2025

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
2026.....	\$ 38,765	\$ 55,731	\$ 35,885	\$ 39,820
2027.....	32,114	52,851	35,891	39,989
2028.....	32,113	52,861	30,852	39,974
2029.....	25,597	52,857	27,034	36,356
2030.....	25,592	52,854	22,531	33,529
2031-2035.....	19,152	177,264	65,539	144,869
2036-2040.....	-	111,507	9,051	100,112
2041-2042.....	-	25,149	-	6,546
	173,333	581,074	226,783	441,195
Amount Representing Interest.....	(24,143)	(111,059)	(41,148)	(76,465)
Leases Receivable, as of June 30, 2025.....	\$ 149,190	\$ 470,015	\$ 185,635	\$ 364,730

Continued

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

Continued from the previous page

Year Ending June 30,	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Transportation Facilities Bond Service	Total
2026.....	\$ 42,054	\$ 7,464	\$ 21,143	\$ 240,862
2027.....	42,104	7,468	21,139	231,556
2028.....	42,370	6,109	21,144	225,423
2029.....	42,221	6,107	21,140	211,312
2030.....	37,893	6,105	21,137	199,641
2031-2035.....	162,484	23,755	50,469	643,532
2036-2040.....	96,642	10,863	15,202	343,377
2041-2042.....	6,216	-		37,911
	471,984	67,871	171,374	2,133,614
Amount Representing Interest.....	(119,729)	(16,456)	(36,309)	(425,309)
Leases Receivable, as of June 30, 2025.....	\$ 352,255	\$ 51,415	\$ 135,065	\$ 1,708,305

A summary of the unavailable portion of leases receivable by debt service fund as of June 30, 2025 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	\$ 149,190	\$ 467,215	\$ 185,635	\$ 364,730
Lease Interest	97	1,389	1,897	3,157
Total Unavailable Revenue as of June 30, 2025.....	\$ 149,287	\$ 468,604	\$ 187,532	\$ 367,887

Continued

Continued from the previous page

	Administrative Facilities Bond Service	Juvenile Correctional Facilities Bond Service	Transportation Facilities Bond Service	Total Debt Service Funds
Lease Principal	\$ 352,255	\$ 51,415	\$ 135,065	\$ 1,705,505
Lease Interest	4,088	595	1,661	12,884
Total Unavailable Revenue as of June 30, 2025.....	\$ 356,343	\$ 52,010	\$ 136,726	\$ 1,718,389

State of Ohio
Chapter 154 Lease Revenue Obligations
Debt Service Funds
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

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

The Ohio Office of Budget and Management will consolidate the accompanying financial statements of the debt service funds in the financial statements presented in the State of Ohio's Annual Comprehensive Financial Report as of and for the year ended June 30, 2025.

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, because the lease agreements are between organizations included within the State's primary government. The accounting treatment at the state level is in conformity with the guidance provided in Section L20 of the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*.

NOTE 5 — IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2025, Chapter 154 Lease Revenue Bonds has implemented GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation of GASB Statement No. 101 did not have an effect on the financial statements of Chapter 154 Lease Revenue Bonds.

GASB Statement No. 102 provides users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints as concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of Chapter 154 Lease Revenue Bonds.

NOTE 6 — SUBSEQUENT EVENTS

On September 24, 2025, the Treasurer's Office issued Series 2025A Adult Correctional Bonds, totaling \$112,255,000. The bonds have an average coupon of 5% and a final maturity date of October 1, 2035. On September 24, 2025, the Treasurer's Office issued Series 2025B Adult Correctional Bonds, totaling \$122,520,000. The bonds have a variable interest rate and a final maturity date of October 1, 2045.

SUPPLEMENTARY INFORMATION

State of Ohio
Chapter 154 Lease Revenue Obligations
 Schedule of Net Position - Accrual Basis
 As of June 30, 2025
(Dollars in 000s)

	Total Debt Service Funds
ASSETS:	
Cash.....	\$ 407
Receivables from State Agencies:	
Leases.....	1,708,305
Unamortized Lease Premium/Discount/Deferred Charge on.....	
Refunding, Net.....	157,518
Interest.....	16,208
TOTAL ASSETS.....	1,882,438
DEFERRED OUTFLOW OF RESOURCES:	
Deferred Charge on Refunding.....	1,403
TOTAL DEFERRED OUTFLOW OF RESOURCES.....	1,403
LIABILITIES:	
Bond Interest Payable.....	16,615
Bonds Payable, Net of Premiums and Discount:	
Due in One Year.....	200,546
Due in More Than One Year.....	1,664,610
TOTAL LIABILITIES.....	1,881,771
DEFERRED INFLOW OF RESOURCES:	
Deferred Charge on Refunding.....	2,070
TOTAL DEFERRED INFLOW OF RESOURCES.....	2,070
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, 2025
(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	Transportation Facilities Bond Service	Total Debt Service Funds
EXPENSES:								
Administrative.....	\$ 19	\$ 135	\$ 30	\$ 142	\$ 41	\$ 23	\$ 19	\$ 409
Bond Issue Costs.....	-	-	577	-	347	-	263	1,187
Interest on Debt.....	1,862	11,777	1,985	9,651	10,954	1,585	4,105	41,919
TOTAL EXPENSES.....	1,881	11,912	2,592	9,793	11,342	1,608	4,387	43,515
PROGRAM REVENUES:								
Charges for Services (1).....	1,881	11,912	2,592	9,793	11,342	1,608	4,387	43,515
TOTAL PROGRAM REVENUES.....	1,881	11,912	2,592	9,793	11,342	1,608	4,387	43,515
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, 2025
(Dollars in 000s)

Fund Balance per Debt Service Funds' Balance Sheet	\$ 6,531
---	-----------------

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	1,705,505
Lease Interest	12,884
	1,718,389

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

Unamortized Lease Premium/Discount/Deferred Charge on Refunding, Net	157,518
--	---------

The accounting loss reported as a deferred outflow of resources is applicable to future reporting periods and is not reported on the fund statements.	1,403
---	-------

The accounting gain reported as a deferred inflow of resources is applicable to future reporting periods and is not reported on the fund statements.	(2,070)
--	---------

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

Bonds Payable	(1,865,156)
Bond Interest Payable	(16,615)
	(1,881,771)

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

State of Ohio
Chapter 154 Lease Revenue Obligations
Reconciliation Schedule Between
Statement of Revenues, Expenditures and Changes in Fund Balances
and the Schedule of Activities
For the Fiscal Year Ended June 30, 2025
(Dollars in 000s)

Net Change in Fund Balance per Debt Service Funds'

Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (974)
---	-----------------

Amounts reported in the Schedule of Activities are 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	(177,430)
Lease Interest	(2,173)
	(179,603)

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

Unamortized Lease Premium/Discount, Net	(24,936)
---	----------

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	(75,460)
Refunding Bonds	(77,170)
Premiums	(12,769)
	(165,399)

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

Debt Principal Refundings	83,125
Scheduled Debt Principal Retirements	246,795
	329,920

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	3,286
Amortization of Bond Premiums/Accretion of Bond Discounts, Net	43,309
Amortization of Deferred Refunding Amount	(5,603)
	40,992

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, 2025
(Dollars in 000s)

Year Ending June 30,	Mental Health Facilities	Parks and Recreation Facilities	Cultural and Sports Facilities	Adult Correctional Facilities	Administrative Facilities	Juvenile Correctional Facilities	Transportation Facilities	Total
2026.....	\$ 38,765	\$ 55,731	\$ 35,885	\$ 39,820	\$ 42,054	\$ 7,464	\$ 21,143	\$ 240,862
2027.....	32,114	52,851	35,891	39,989	42,104	7,468	21,139	231,556
2028.....	32,113	52,861	30,852	39,974	42,370	6,109	21,144	225,423
2029.....	25,597	52,857	27,034	36,356	42,221	6,107	21,140	211,312
2030.....	25,592	52,854	22,531	33,529	37,893	6,105	21,137	199,641
2031-2035.....	19,152	177,264	65,539	144,869	162,484	23,755	50,469	643,532
2036-2040.....	-	111,507	9,051	100,112	96,642	10,863	15,202	343,377
2041-2042.....	-	25,149	-	6,546	6,216	-		37,911
	173,333	581,074	226,783	441,195	471,984	67,871	171,374	2,133,614
Amount Representing Interest...	(24,143)	(111,059)	(41,148)	(76,465)	(119,729)	(16,456)	(36,309)	(425,309)
Lease Principal.....	149,190	470,015	185,635	364,730	352,255	51,415	135,065	1,708,305
Premium/Discount, Net.....	18,531	35,780	18,130	21,352	44,160	5,995	12,903	156,851
Deferred Charge on Refunding.	-	(31)	-	(812)	(553)	(7)	2,070	667
Leases Receivable,								
as of June 30, 2025.....	\$ 167,721	\$ 505,764	\$ 203,765	\$ 385,270	\$ 395,862	\$ 57,403	\$ 150,038	\$ 1,865,823

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2025
(Dollars in 000s)

Outstanding Chapter 154 Lease Revenue Obligations as of June 30, 2025 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, 2025, 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+	Aa1	AA+
Parks and Recreation Facilities	AA+	Aa1	AA+
Cultural and Sports Facilities	AA+	Aa1	AA+
Adult Correctional Facilities	AA+	Aa1	AA+
Administrative Facilities	AA+	Aa1	AA+
Juvenile Correctional Facilities	AA+	Aa1	AA+
Transportation Facilities	AA+	Aa1	AA+

Through June 30, 2025, 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.

Bond Program	Total
Mental Health Facilities	\$ 2,131,700
Parks and Recreation Facilities	1,466,134
Cultural and Sports Facilities	896,036
Adult Correctional Facilities	2,915,000
Administrative Facilities	2,623,500
Juvenile Correctional Facilities	705,800
Transportation Facilities	385,000
Total Authorization	\$ 11,123,170

Details on bonds issued through June 30, 2025 are displayed in the following tables. Bond amounts issued in accordance with the above authorization amounts are listed under the "Original Issues at Par" column. Bond issue authorization limits do not apply to refunding issues. The final maturity dates and average effective interest rates reported on the following tables represent data valid at the time of the original issue; this data has not been adjusted for the effects of any refunding issues that occurred subsequent to the original bond series issue.

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2025
(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, 2025
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$1,517,085	\$470,555	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2016A	50,000	-	06/28/2016	06/01/2026	4.86%	6,340
2018A	50,000	-	04/26/2018	06/01/2028	5.00%	17,755
2020A	50,000	-	03/10/2020	02/01/2030	5.00%	27,890
2021A	150,000	-	05/18/2021	02/01/2031	5.00%	97,205
Total	<u>\$1,817,085</u>	<u>\$470,555</u>				<u>\$ 149,190</u>

This space is intentionally left blank.

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2025
(Dollars in 000s)

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, 2025
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 448,000	\$ 118,305	Various	Various	Various	\$ -
<i>Outstanding bonds:</i>						
2016A	80,000	-	03/31/2016	02/01/2031	4.99%	39,225
2016B	-	10,415	06/28/2016	08/01/2025	4.81%	2,800
2016C	100,000	-	10/06/2016	12/01/2031	4.86%	55,490
2017A	100,000	-	12/14/2017	12/01/2032	5.00%	62,490
2018A	100,000	-	11/15/2018	12/01/2038	5.00%	79,640
2020A	54,000	2,300	08/12/2020	12/01/2032	5.00%	42,080
2020B	57,000	-	08/12/2020	12/01/2040	1.65%	57,000
2022A	75,000	-	01/05/2022	12/01/2031	5.00%	56,290
2022B	75,000	-	01/05/2022	12/01/2041	2.00%	75,000
Total	\$ 1,089,000	\$ 131,020				\$ 470,015

*The interest rate for the Series 2020B and 2022B bonds is set on a weekly basis and the above rate is as of June 30, 2025. The rate is set on Tuesdays, and remains effective Wednesday through the following Tuesday (for a total period of 7 days). The rates for the Series 2020B and 2022B bonds are determined by a remarketing agent.

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2025
(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, 2025
---------------	---------------------------------------	--	-----------------------	------------------------------------	--	--

Previously issued bonds with no outstanding balance:

Various	\$ 534,690	\$ 64,985	Various	Various	Various	\$ -
---------	------------	-----------	---------	---------	---------	------

Outstanding bonds:

2016A	40,000	-	08/25/2016	10/01/2026	4.80%	9,600
2017A	30,000	-	12/14/2017	10/01/2027	5.00%	10,620
2019A	35,000	-	05/16/2019	04/01/2029	5.00%	15,975
2020A	44,000	-	09/24/2020	10/01/2030	5.00%	34,595
2021A	56,785	-	08/31/2021	04/01/2032	4.93%	39,385
2025A	75,460	-	04/29/2025	04/01/2036	5.00%	75,460
Total	\$815,935	\$ 64,985				\$ 185,635

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, 2025
---------------	---------------------------------------	--	-----------------------	------------------------------------	---	--

Previously issued bonds with no outstanding balance:

Various	\$ 1,969,880	\$ 1,631,035	Various	Various	Various	\$ -
---------	--------------	--------------	---------	---------	---------	------

Outstanding bonds:

2016A	-	20,565	05/25/2016	10/01/2028	4.95%	10,280
2016B	32,320	-	10/26/2016	10/01/2036	1.90%	26,950
2016C	32,300	-	10/26/2016	10/01/2036	1.90%	27,000
2017A	100,000	-	11/07/2017	10/01/2037	4.96%	73,845
2017B	-	62,320	11/07/2017	10/01/2030	4.93%	39,465
2019B	53,000	-	08/07/2019	10/01/2032	5.00%	36,555
2019C	45,000	-	08/07/2019	10/01/2039	1.75%	45,000
2020A	-	57,055	03/10/2020	10/01/2033	1.95%	9,475
2021A	57,000	-	04/21/2021	10/01/2030	5.00%	39,160
2021B	57,000	-	04/21/2021	10/01/2040	1.90%	57,000
Total	\$ 2,346,500	\$ 1,770,975				\$ 364,730

Continued

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2025
(Dollars in 000s)

Continued from the previous page

*The interest rates for the Adult Correctional Facilities Bonds Series 2016B, 2016C, 2019C, and 2021B bonds are set on a weekly basis and the above rates are as of June 30, 2025. 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, 2016C, 2019C, and 2021B bonds are determined by a remarketing agent.

Administrative Facilities Bonds						
	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2025
<i>Previously issued bonds with no outstanding balance:</i>						
Various	\$ 1,790,210	\$ 1,285,353	Various	Various	Various	\$ —
Outstanding bonds:						
2016A	-	31,095	05/25/2016	10/01/2027	4.95%	11,355
2017A	70,000	-	04/19/2017	04/01/2036	4.91%	45,005
2017B	-	30,790	11/07/2017	10/01/2028	4.86%	13,060
2018A	63,000	-	11/15/2018	10/01/2038	4.96%	55,280
2019B	-	22,270	11/05/2019	10/01/2029	4.85%	13,015
2020A	-	71,460	03/10/2020	10/01/2032	1.91%	11,265
2020B	68,750	-	04/30/2020	04/01/2040	5.00%	67,110
2020D	-	58,960	08/12/2020	10/01/2036	1.32%	16,695
2021A	77,940	-	05/18/2021	04/01/2041	5.00%	67,360
2022A	-	10,420	01/05/2022	04/01/2031	3.86%	8,915
2025A	-	43,570	01/08/2025	04/01/2035	5.00%	43,195
Total	\$2,069,900	\$1,553,918				\$ 352,255

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Credit Ratings and Bonds Authorized, Issued and Outstanding
As of June 30, 2025
(Dollars in 000s)

Juvenile Correctional Facilities Bonds

	Original Issues at Par	Refunding Issues at Par	Issue Date	Final Maturity Date	Average Effective Interest Rate	Outstanding Balance at Par, as of June 30, 2025
--	---------------------------------------	--	-----------------------	------------------------------------	--	--

Previously issued bonds with no outstanding balance:

Various	\$ 332,000	\$ 234,845	Various	Various	Various	\$ -
---------	------------	------------	---------	---------	---------	------

Outstanding bonds:

2017A	-	10,515	12/14/2017	10/01/2026	4.39%	2,615
2018A	35,000	-	04/26/2018	04/01/2033	5.00%	21,915
2019A	33,000	-	11/05/2019	04/01/2039	4.95%	26,885
Total	<u>\$400,000</u>	<u>\$245,360</u>				<u>\$ 51,415</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, 2025
--	---------------------------------------	--	-----------------------	------------------------------------	--	--

Previously issued bonds with no outstanding balance:

Various	\$240,100	\$ -	Various	Various	Various	\$ -
---------	-----------	------	---------	---------	---------	------

Outstanding Bonds:

2018A	86,490	-	02/21/2018	04/01/2033	5.00%	54,145
2023A	52,865	-	05/09/2023	04/01/2038	5.00%	47,600
2025A	-	33,600	01/08/2025	04/01/2030	5.00%	33,320
Total	<u>\$379,455</u>	<u>\$ 33,600</u>				<u>\$ 135,065</u>

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Changes in Bonds Payable Balance
For the Year Ended June 30, 2025
(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	Transportation Facilities Bond Service	Total
Outstanding Balance, June 30, 2024.....	\$ 210,458	\$ 570,848	\$ 152,266	\$ 440,843	\$ 452,698	\$ 79,043	\$ 166,830	\$ 2,072,986
Additions:								
New Issuances:								
Bond Principal	-	-	75,460	-	-	-	-	75,460
Bond Premium	-	-	5,117	-	-	-	-	5,117
Refunding Issuances:								
Bond Principal	-	-	-	-	43,570	-	33,600	77,170
Bond Premium	-	-	-	-	5,217	-	2,435	7,652
Total Additions	-	-	80,577	-	48,787	-	36,035	165,399
Deductions:								
Bond Principal Repayments	35,935	54,795	24,410	49,220	47,945	20,170	14,320	246,795
Refunded Bonds:								
Bond Principal	-	-	-	-	47,870	-	35,255	83,125
Bond Premium	-	-	-	-	3,027	-	2,743	5,770
Amortization of Premium	6,802	10,258	4,668	5,541	6,228	1,463	2,579	37,539
Total Deductions	42,737	65,053	29,078	54,761	105,070	21,633	54,897	373,229
Outstanding Balance, June 30, 2025.....	\$ 167,721	\$ 505,795	\$ 203,765	\$ 386,082	\$ 396,415	\$ 57,410	\$ 147,968	\$ 1,865,156
Amount Due in One Year	\$ 36,882	\$ 45,077	\$ 31,798	\$ 32,128	\$ 31,918	\$ 5,865	\$ 16,878	\$ 200,546
Amount Due in More Than One Year	130,839	460,718	171,967	353,954	364,497	51,545	131,090	1,664,610
Outstanding Balance, June 30, 2025.....	\$ 167,721	\$ 505,795	\$ 203,765	\$ 386,082	\$ 396,415	\$ 57,410	\$ 147,968	\$ 1,865,156

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Future Debt Service Funding Requirements
As of June 30, 2025
(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
2026	\$ 31,305	\$ 7,460	\$ 38,765	\$ 37,175	\$ 18,556	\$ 55,731	\$ 27,225	\$ 8,660	\$ 35,885
2027	26,220	5,894	32,114	36,120	16,731	52,851	28,315	7,576	35,891
2028	27,530	4,583	32,113	37,975	14,886	52,861	24,580	6,272	30,852
2029	22,390	3,207	25,597	39,910	12,947	52,857	21,905	5,128	27,033
2030	23,505	2,087	25,592	41,945	10,909	52,854	18,505	4,026	22,531
2031-2035	18,240	912	19,152	149,400	27,864	177,264	56,485	9,055	65,540
2036-2040	-	-	-	102,745	8,762	111,507	8,620	431	9,051
2041-2042	-	-	-	24,745	405	25,150	-	-	-
	149,190	24,143	173,333	470,015	111,060	581,075	185,635	41,148	226,783
Premium/Discount, Net	18,531	-	18,531	35,780	-	35,780	18,130	-	18,130
Total, as of June 30, 2025	\$ 167,721	\$ 24,143	\$ 191,864	\$ 505,795	\$ 111,060	\$ 616,855	\$ 203,765	\$ 41,148	\$ 244,913

Fiscal Year Ending June 30,	Adult Correctional Facilities			Administrative Facilities			Juvenile Correctional Facilities		
	Principal	Interest*	Total	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 27,360	\$ 12,460	\$ 39,820	\$ 25,745	\$ 16,309	\$ 42,054	\$ 4,945	\$ 2,519	\$ 7,464
2027	28,810	11,179	39,989	27,020	15,084	42,104	5,185	2,283	7,468
2028	30,145	9,829	39,974	28,690	13,680	42,370	4,045	2,064	6,109
2029	27,850	8,506	36,356	29,855	12,366	42,221	4,245	1,862	6,107
2030	26,245	7,284	33,529	26,730	11,163	37,893	4,455	1,650	6,105
2031-2035	123,115	21,754	144,869	123,920	38,564	162,484	18,910	4,845	23,755
2036-2040	94,720	5,392	100,112	84,375	12,267	96,642	9,630	1,233	10,863
2041-2042	6,485	61	6,546	5,920	296	6,216	-	-	-
	364,730	76,465	441,195	352,255	119,729	471,984	51,415	16,456	67,871
Premium/Discount, Net	21,352	-	21,352	44,160	-	44,160	5,995	-	5,995
Total, as of June 30, 2025	\$ 386,082	\$ 76,465	\$ 462,547	\$ 396,415	\$ 119,729	\$ 516,144	\$ 57,410	\$ 16,456	\$ 73,866

Continued

State of Ohio
Chapter 154 Lease Revenue Obligations
Schedule of Future Debt Service Funding Requirements
As of June 30, 2025
(Dollars in 000s)

Continued from the previous page.

Fiscal Year Ending June 30,	Transportation Facilities			Total Chapter 154 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 14,390	\$ 6,753	\$ 21,143	\$ 168,145	\$ 72,717	\$ 240,862
2027	15,105	6,034	21,139	166,775	64,781	231,556
2028	15,865	5,279	21,144	168,830	56,593	225,423
2029	16,655	4,485	21,140	162,810	48,501	211,311
2030	17,485	3,653	21,138	158,870	40,772	199,642
2031-2035	41,765	8,704	50,469	531,835	111,698	643,533
2036-2040	13,800	1,402	15,202	313,890	29,487	343,377
2041-2042	-	-	-	37,150	762	37,912
	135,065	36,310	171,375	1,708,305	425,311	2,133,616
Premium/Discount, Net	12,903	-	12,903	156,851	-	156,851
Total, as of June 30, 2025	\$ 147,968	\$ 36,310	\$ 184,278	\$ 1,865,156	\$ 425,311	\$ 2,290,467

*The future interest payments for Adult Correctional Facilities, shown above, include interest on the Series 2016B, 2016C, 2019C, and 2021B variable rate bonds. The future interest payments for Parks and Recreation Facilities, shown above, include interest on the Series 2020B and 2022B variable rate bonds. The interest of these bonds are based on the effective interest rates as of June 30, 2025.

STATE OF OHIO
CHAPTER 154 LEASE REVENUE OBLIGATIONS
Schedule of Prior Years' Defeasances
As of and For the Year Ended June 30, 2025
(Dollars in 000s)

Prior Years' Defeasances

The Treasurer has defeased certain Chapter 154 Lease Revenue Obligations by placing the net proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the financial statements of the Chapter 154 Lease Revenue Obligations. The following table details bonds refunded in fiscal years 2025 and prior, which are considered to be defeased and no longer outstanding as of June 30, 2025.

<u>Refunded Issue</u>	<u>Principal Yet to be Paid as of June 30, 2025</u>	<u>Scheduled Redemption Date</u>
Administrative Facilities:		
2016A	\$ 4,180	October 1, 2026
2017A	5,410	April 1, 2027
2017B	2,390	October 1, 2027
Total	<u>\$ 11,980</u>	

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Debt Service Funds (the "Funds"), as held in the name of the Treasurer of the State of Ohio (the "Treasurer") of the Mental Health Facilities, Parks and Recreation Facilities, Cultural and Sports Facilities, Adult Correctional Facilities, Administrative Facilities, Juvenile Correctional Facilities, and the Transportation Facilities lease revenue bonds governed by the Ohio Revised Code Chapter 154 as of and for the year ended June 30, 2025, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Columbus, Ohio
September 26, 2025