

State of Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021 (Unaudited)

Introduction

This section of the State of Ohio's annual financial report presents management's discussion and analysis of the State's financial performance during the fiscal year ended June 30, 2021. The management's discussion and analysis section should be read in conjunction with the preceding transmittal letter and the State's financial statements, which follow.

Financial Highlights

Government-wide Financial Statements

During fiscal year 2021, net position of the State's primary government increased by \$4.16 billion (after a restatement of beginning balance) and ended fiscal year 2021 with a \$34.62 billion balance. Net position of the State's component units increased by \$6.26 billion (after a restatement of beginning balance) and ended fiscal year 2021 with a \$16.81 billion balance. See additional discussion beginning on page 9.

Fund Financial Statements

Governmental funds reported a combined ending fund balance of \$21.71 billion that was comprised of \$371.6 million in nonspendable, \$9.59 billion restricted for specific purposes, \$2.18 billion committed, \$3.86 billion in assigned, and \$5.71 billion in unassigned. See additional discussion beginning on page 12.

As of June 30, 2021, the General Fund's fund balance was approximately \$12.06 billion, including \$47 million in nonspendable, \$1.61 billion in restricted, \$837.6 million in committed, \$3.86 billion in assigned, and \$5.72 billion in unassigned. The General Fund's fund balance increased by \$3.47 billion (after restatement and exclusive of a \$6 million decrease in inventories) or 40.3 percent during fiscal year 2021. See additional discussion beginning on page 13.

Proprietary funds reported net position of \$8.8 billion, as of June 30, 2021, a decrease of \$2.84 billion or 24.4 percent over the prior fiscal year. This decrease is largely due to the net decrease of \$2.21 billion in the Workers' Compensation Fund along with a \$735.8 million decrease in the Unemployment Compensation Fund. For more information, see additional discussion beginning on page 14.

Capital Assets

The carrying amount of capital assets for the State's primary government increased to \$29.5 billion at June 30, 2021. The majority of the \$400.5 million increase during fiscal year 2021 was from additions made to the construction in progress and land. See additional discussion beginning on page 14.

Long-Term Debt — Bonds and Notes Payable and Certificates of Participation Obligations

Overall, the carrying amount of total long-term debt for the State's primary government increased \$248.1 million or 1.3 percent during fiscal year 2021, for an ending balance of \$18.97 billion. During the year, the State issued a par amount of \$1.6 billion dollars in long-term debt of which \$319 million was refunding bonds and certificates of participation. See additional discussion beginning on page 16.

Overview of the Financial Statements

This annual report consists of three required components: management's discussion and analysis, basic financial statements, including the accompanying notes to the financial statements, and required supplementary information. In addition, this report includes an optional section that contains combining statements and schedules for the nonmajor governmental funds, nonmajor proprietary funds, fiduciary funds, and nonmajor discretely presented component unit funds.

The basic financial statements are comprised of the government-wide financial statements and fund financial statements. The table on the following page summarizes the major features of these statements.

Major Features of the State of Ohio's Government-wide and Fund Financial Statements				
		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's component units	The activities of the State that are not proprietary or fiduciary, such as general government, transportation, justice and public protection, etc.	Activities the State operates similar to private businesses, such as the workers' compensation insurance program, lottery, tuition credit program, etc.	Instances in which the State is the trustee or agent for someone else's resources
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements – Reporting the State as a Whole

The two government-wide financial statements, prepared on a basis and focus similar to those used by private-sector companies, report the State's net position and how it has changed. Net position — the difference between the State's assets/deferred outflows of resources and liabilities/deferred inflows of resources — is one way to measure the State's financial health, or position. Over time, increases or decreases in the State's net position indicate whether its financial health has improved or deteriorated, respectively. However, a reader should consider additional nonfinancial factors, such as changes in the State's economic indicators and the condition of the State's highway system, when assessing the State's overall financial status.

These statements, found on pages 22 through 25 of this report, are divided into three categories as follows.

Governmental Activities — Most of the State's basic services are reported under this category, such as primary, secondary and other education, higher education support, public assistance and Medicaid, and transportation. Taxes, federal grants, and charges for services, fees, fines and forfeitures finance most of these activities.

Business-type Activities — The State charges fees to customers to help cover the costs of certain services it provides. The State reports the following programs and activities as business-type: workers' compensation insurance program, lottery operations, unemployment compensation program, guaranteed college tuition credit program, and the Auditor of State's governmental auditing and accounting services.

Component Units — The State presents the financial activities of the Ohio Facilities Construction Commission, Ohio State University, and other entities as discretely presented component units under a separate column in the government-wide financial statements. The Buckeye Tobacco Settlement Financing Authority is presented as a blended component unit with its activities blended and included under governmental activities. Although legally separate, the State is financially accountable for its component units. For further explanation and a complete list of component units, see NOTE 1A. to the financial statements.

Fund Financial Statements – Reporting more detail about the State’s most significant funds

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. State law and bond covenants mandate the use of some funds. The Ohio General Assembly establishes other funds to control and manage money for particular purposes or to show that the State is properly using certain taxes and grants. The State employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The basic fund financial statements can be found on pages 26 through 45 of this report while the combining fund statements and schedules can be found on pages 183 through 255. The State has three kinds of funds as follows:

Governmental Funds — Most of the State’s basic services are included in governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out (i.e., near-term inflows and outflows of spendable resources) and the balances remaining at year-end that are available for spending (i.e., balances of spendable resources). Consequently, the governmental fund financial statements provide a detailed short-term view that helps the financial statement reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the State’s programs. Because these statements do not encompass the long-term focus of the government-wide statements, a reconciliation schedule, which follows each of the governmental fund financial statements, explains the relationship (or differences) between them.

The State’s governmental funds include the General Fund, Job, Family and Other Human Services Special Revenue Fund, Buckeye Tobacco Settlement Financing Authority Revenue Bonds Debt Service Fund, and Pandemic Relief Funds Special Revenue Fund, all of which are considered major funds. Data from the other governmental funds, which are classified as nonmajor funds, are combined into an aggregated presentation under a single column on the basic governmental fund financial statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

For budgeted governmental funds, the State also presents budgetary comparison schedules in required supplementary information and combining statements to demonstrate compliance with the appropriated budget. The State’s budgetary process is explained further in NOTE 1D. to the financial statements.

Proprietary Funds — Services for which the State charges customers a fee are generally reported in proprietary funds. Financial statements for the proprietary funds, which are classified as enterprise funds, provide both long- and short-term financial information.

Presented under separate columns on the three statements is information for the Workers’ Compensation, Lottery Commission, and Unemployment Compensation enterprise funds, all of which are considered to be major funds. Data from the other enterprise funds, which are classified as nonmajor funds, are combined into an aggregated presentation under a single column on the statements. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The enterprise funds are the same as the State’s business-type activities reported in the government-wide financial statements, but the proprietary fund financial statements provide more detail and additional information, such as information on cash flows.

Fiduciary Funds — The State is the trustee, or fiduciary, for assets that — because of a trust arrangement — can only be used for the trust beneficiaries. The State is also the fiduciary of some custodial funds. The State is responsible for ensuring the assets reported in these funds are used for their intended purposes. The State Highway Patrol Retirement System Pension Trust Fund, Private Purpose Trust Funds, STAR Ohio Investment Trust Fund, and the Custodial Funds are presented on two statements. Fiduciary information is excluded from the government-wide financial statements because the State cannot use these assets to finance its operations. Individual fund data for the Private Purpose Trust Funds and Custodial Funds is provided in the form of combining statements elsewhere in this report.

Discretely Presented Component Unit Statements (Component Unit)

Following the fund financial statements, the State includes statements for its major discretely presented component units within the basic financial statements section. Nonmajor discretely presented component units are also presented in aggregation under a single column in the component unit financial statements and in combining statements elsewhere in this report.

Notes to the Financial Statements

The basic financial statements section includes notes that more fully explain the information in the government-wide and fund financial statements; the notes provide additional detail that is essential to a full understanding of the data presented in the financial statements. The notes can be found on pages 50 through 148 of this report.

Required Supplementary Information

Following the notes is a section of required supplementary information in three parts. The first part discusses the assessed condition and estimated and actual maintenance and preservation costs of the state's highway and bridge infrastructure assets that are reported using the modified approach. Limited in application to a government's infrastructure assets, the modified approach provides an alternative to the traditional recognition of depreciation expense. The second part presents schedules disclosing the following for the various retirement systems in which the State participates: the State's share of pension and other postemployment benefit (OPEB) obligations, required employer contributions for pension/actuarially determined employer contributions for OPEB as compared to employer contributions actually paid, and covered payroll. The final part is the budgetary comparison schedule for the General Fund and major special revenue funds and the accompanying note that explains the GAAP versus budgetary basis. Required supplementary information can be found on pages 149 through 181 of this report.

FINANCIAL ANALYSIS OF THE STATE AS A WHOLE

Net Position

During fiscal year 2021, as shown in the table below, the combined net position of the State's primary government increased by \$4.16 billion (after a restatement of beginning balance) or by 13.6 percent. Net position reported for governmental activities increased approximately \$7 billion (after restatement) or 37.2 percent, compared to the net position on July 1, 2020, and business-type activities decreased \$2.84 billion, or 24.4 percent. Condensed financial information derived from the Statement of Net Position for the primary government is presented in the following table.

	As of June 30, 2021			As of June 30, 2020 (as restated)		
	Govern- mental Activities	Business- Type Activities	Total Primary Government	Govern- mental Activities	Business- Type Activities	Total Primary Government
Current and Other Assets	\$ 35,992,871	\$ 25,592,938	\$ 61,585,809	\$ 26,111,513	\$ 28,405,731	\$ 54,517,244
Capital Assets	29,391,217	106,726	29,497,943	28,983,214	114,253	29,097,467
Total Assets	65,384,088	25,699,664	91,083,752	55,094,727	28,519,984	83,614,711
Deferred Outflows of Resources	4,905,832	30,417	4,936,249	5,314,116	68,905	5,383,021
Current and Other Liabilities	15,769,199	2,236,992	18,006,191	10,816,307	692,521	11,508,828
Noncurrent Liabilities	24,268,507	14,510,132	38,778,639	27,418,195	16,154,457	43,572,652
Total Liabilities	40,037,706	16,747,124	56,784,830	38,234,502	16,846,978	55,081,480
Deferred Inflows of Resources	4,425,762	184,556	4,610,318	3,346,892	102,024	3,448,916
Net Position:						
Net Investment in Capital Assets	25,297,331	91,810	25,389,141	24,838,706	111,342	24,950,048
Restricted	5,905,280	9,480,977	15,386,257	4,783,877	11,674,798	16,458,675
Unrestricted	(5,376,159)	(774,386)	(6,150,545)	(10,795,134)	(146,253)	(10,941,387)
Total Net Position	\$ 25,826,452	\$ 8,798,401	\$ 34,624,853	\$ 18,827,449	\$ 11,639,887	\$ 30,467,336

As of June 30, 2021, the primary government's Net Investment in Capital Assets (e.g., land, buildings, infrastructure, and construction-in-progress) was \$25.39 billion. Restricted net position was approximately \$15.39 billion, resulting in an unrestricted \$6.15 billion deficit. Net position is restricted when constraints placed on their use are either 1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2) legally imposed through constitutional or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." The State's Budget Stabilization Fund balance of over \$2.69 billion at June 30, 2021, is included within unrestricted net position.

The government-wide Statement of Net Position reflects a \$5.38 billion deficit for unrestricted governmental activities, which is primarily attributable to the following three factors:

1) The State of Ohio, like many other state governments, issues general and special obligation debt, the proceeds of which benefit local governments and component units. The proceeds are used to build facilities for public-assisted colleges and universities and local school districts and finance infrastructure improvements for local governments. The policy of selling general obligation and special obligation bonds for these purposes has been the practice for many years. Of the \$12.07 billion of outstanding general obligation and special obligation debt at June 30, 2021, \$8.41 billion is attributable to debt issued for state assistance to component units (Ohio Facilities Construction Commission and the colleges and universities) and local governments. The balance sheets of component unit and local government recipients reflect ownership of the related constructed capital assets without the burden of

recording the debt. Unspent proceeds related to these bond issuances are included on the Statement of Net Position as restricted net position. By issuing such debt, the State is left to reflect significant liabilities without the benefit of recording the capital assets constructed with the proceeds from the debt issuances.

2) The State reported liabilities of \$3.42 billion as of June 30, 2021, for its proportionate share of the net pension liability of the associated pension plans that provide benefits to State employees. This liability was a 21.3 percent decrease from fiscal year 2020.

3) The State reported OPEB liabilities of \$633.4 million as of June 30, 2021. This liability was a net 79.7 percent decrease from the fiscal year 2020 amount.

For more information related to pensions and OPEB see NOTES 9, 14, 15, and 18.

Condensed financial information derived from the Statement of Activities, which reports how the net position of the State's primary government changed during fiscal years 2021 and 2020 follows.

Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020
(dollars in thousands)

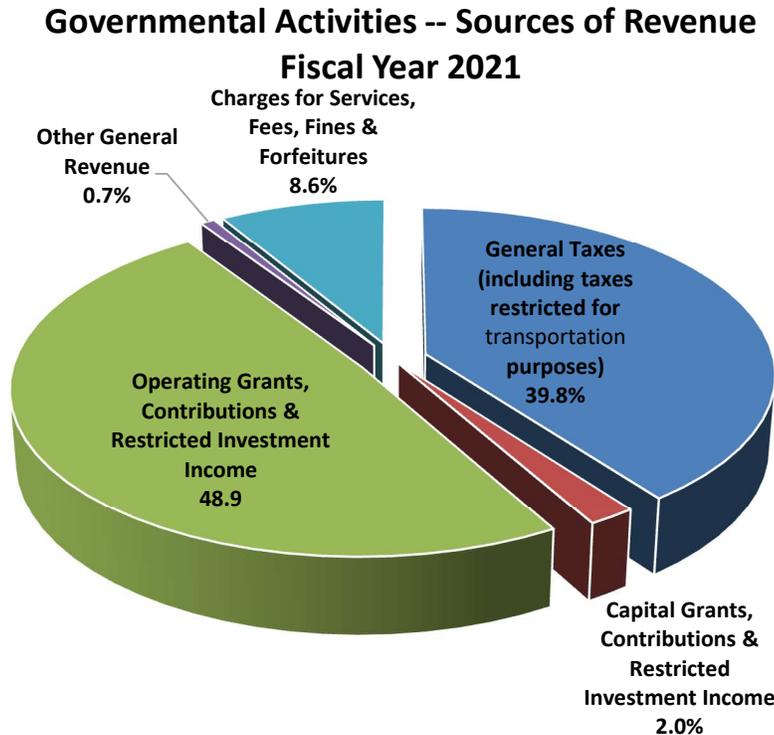
	Fiscal Year 2021			Fiscal Year 2020 (as restated)		
	Governmental Activities	Business- Type Activities	Total Primary Government	Governmental Activities	Business- Type Activities	Total Primary Government
Program Revenue:						
Charges for Services, Fees, Fines and Forfeitures	\$ 6,509,382	\$ 8,008,488	\$14,517,870	\$ 5,644,997	\$ 6,766,392	\$12,411,389
Operating Grants, Contributions and Restricted Investment Income/ (loss)...	36,859,973	16,042,228	52,902,201	28,334,834	9,011,299	37,346,133
Capital Grants, Contributions and Restricted Investment Income/ (loss)...	1,485,791	-	1,485,791	1,509,920	-	1,509,920
Total Program Revenues.....	<u>44,855,146</u>	<u>24,050,716</u>	<u>68,905,862</u>	<u>35,489,751</u>	<u>15,777,691</u>	<u>51,267,442</u>
General Revenues:						
General Taxes.....	27,422,768	-	27,422,768	24,775,978	-	24,775,978
Taxes Restricted for Transportation.....	2,547,613	-	2,547,613	2,593,158	-	2,593,158
Tobacco Settlement.....	362,378	-	362,378	324,269	-	324,269
Escheat Property.....	230,265	-	230,265	194,814	-	194,814
Unrestricted Investment Income.....	(22,994)	7	(22,987)	210,539	21	210,560
Other.....	723	552	1,275	67	15	82
Total General Revenues.....	<u>30,540,753</u>	<u>559</u>	<u>30,541,312</u>	<u>28,098,825</u>	<u>36</u>	<u>28,098,861</u>
Total Revenue.....	<u>75,395,899</u>	<u>24,051,275</u>	<u>99,447,174</u>	<u>63,588,576</u>	<u>15,777,727</u>	<u>79,366,303</u>
Expenses:						
Primary, Secondary and Other Education	14,679,666	-	14,679,666	13,500,953	-	13,500,953
Higher Education Support.....	3,008,618	-	3,008,618	2,696,257	-	2,696,257
Public Assistance and Medicaid.....	37,646,142	-	37,646,142	32,728,623	-	32,728,623
Health and Human Services.....	1,898,068	-	1,898,068	1,894,296	-	1,894,296
Justice and Public Protection.....	3,303,035	-	3,303,035	4,209,070	-	4,209,070
Environmental Protection and Natural Resources.....	457,657	-	457,657	505,950	-	505,950
Transportation.....	2,565,694	-	2,565,694	2,661,529	-	2,661,529
General Government.....	2,085,214	-	2,085,214	1,331,397	-	1,331,397
Community and Economic Development..	4,003,838	-	4,003,838	3,498,595	-	3,498,595
Interest on Long term Debt (excludes interest charged as program expense).....	91,499	-	91,499	98,824	-	98,824
Workers' Compensation.....	-	6,845,396	6,845,396	-	2,772,348	2,772,348
Lottery Commission.....	-	4,091,517	4,091,517	-	3,209,778	3,209,778
Unemployment Compensation.....	-	14,539,576	14,539,576	-	9,765,240	9,765,240
Tuition Trust Authority.....	-	31,902	31,902	-	44,813	44,813
Office of Auditor of State.....	-	41,946	41,946	-	95,221	95,221
Total Expenses.....	<u>69,739,431</u>	<u>25,550,337</u>	<u>95,289,768</u>	<u>63,125,494</u>	<u>15,887,400</u>	<u>79,012,894</u>
Surplus/ (Deficiency) Before Gains (Losses) and Transfers.....						
Transfers - Internal Activities.....	1,342,535	(1,342,535)	-	1,109,508	(1,109,508)	-
Change In Net Position.....	6,999,003	(2,841,486)	4,157,517	1,572,590	(1,219,181)	353,409
Net Position, July 1 (as restated).....	18,827,449	11,639,887	30,467,336	17,254,859	12,859,068	30,113,927
Net Position, June 30.....	<u>\$25,826,452</u>	<u>\$ 8,798,401</u>	<u>\$34,624,853</u>	<u>\$18,827,449</u>	<u>\$11,639,887</u>	<u>\$30,467,336</u>

Governmental Activities

Revenues exceeded expenses during fiscal year 2021 for governmental activities. Revenues of \$75.4 billion for fiscal year 2021 were \$11.81 billion higher (after restatement) than those reported for fiscal year 2020. General Taxes (including taxes restricted for transportation purposes) comprised 39.8 percent of fiscal year 2021 total revenues, an increase of 9.5 percent over the prior fiscal year. Operating Grants, Contributions, and Restricted Investment Income, making up 48.9 percent of total revenues, increased by 30.9 percent (after restatement) compared

to fiscal year 2020. Expenses for fiscal year 2021 increased \$6.61 billion or 10.5 percent (after restatement) from over the prior fiscal year primarily in the Public Assistance and Medicaid and Primary, Secondary and Other Education functions. Fiscal year 2021 net transfers-in of \$1.34 billion reflect an increase of 21 percent over the prior fiscal year.

The following chart illustrates revenues by source of governmental activities as percentages of total reported for the fiscal year ended June 30, 2021.



Total FY 2021 Revenue for Governmental Activities = \$75.4 Billion

The following table presents the total expenses and net cost of each of the State's governmental programs for the fiscal year ended June 30, 2021, with comparative numbers from June 30, 2020. The net cost (total program expenses less revenues generated by the program) represents the financial burden that was placed on the State's taxpayers by each of these programs. This cost is essentially funded with the State's general revenues from taxes, Tobacco Settlement, Escheat Property, and Unrestricted Investment Income.

Program Expenses and Net Costs of Governmental Activities by Program
For the Fiscal Years Ended June 30, 2021 and 2020
(dollars in thousands)

Program	Program Expenses	Percent of Total Expense	Net Cost of Program		Net Cost as Percentage of Total Expenses for Program		Net Cost as Percentage of Total Expenses — All Programs	
			2021	2020	2021	2020	2021	2020
Primary, Secondary and								
Other Education.....	\$ 14,679,666	21.0%	\$ 11,832,061	\$ 11,551,466	80.6%	85.6%	17.0%	18.3%
Higher Education Support.....	3,008,618	4.3%	2,672,008	2,667,194	88.8%	98.9%	3.8%	4.2%
Public Assistance and Medicaid....	37,646,142	54.1%	5,345,039	5,862,560	14.2%	17.9%	7.7%	9.3%
Health and Human Services.....	1,898,068	2.7%	204,528	360,956	10.8%	18.8%	0.3%	0.5%
Justice and Public Protection.....	3,303,035	4.7%	1,502,929	2,823,042	45.5%	67.0%	2.2%	4.5%
Environmental Protection								
and Natural Resources.....	457,657	0.7%	79,068	170,329	17.3%	33.7%	0.1%	0.3%
Transportation.....	2,565,694	3.7%	485,726	896,290	18.9%	33.7%	0.7%	1.4%
General Government.....	2,085,214	3.0%	(233,875)	776,160	-11.2%	58.3%	-0.3%	1.2%
Community and								
Economic Development.....	4,003,838	5.7%	2,905,302	2,702,852	72.6%	77.3%	4.2%	4.3%
Interest on Long-Term Debt.....	91,499	0.1%	91,499	98,824	100.0%	100.0%	0.1%	0.2%
Total Governmental Activities.....	<u>\$ 69,739,431</u>	<u>100.0%</u>	<u>\$ 24,884,285</u>	<u>\$ 27,909,673</u>	<u>35.7%</u>	<u>44.2%</u>	<u>35.6%</u>	<u>44.2%</u>

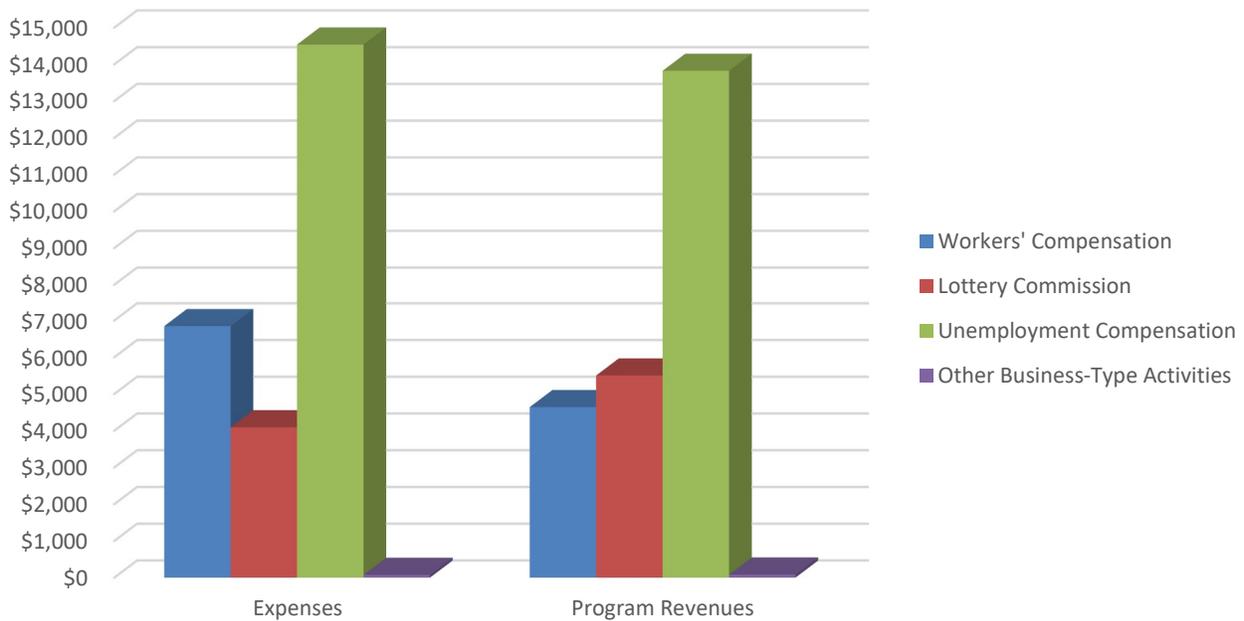
Table not restated for GASB 84

Business-Type Activities

The State’s enterprise funds reported net position of \$8.8 billion, as of June 30, 2021, compared to \$11.64 billion, as of June 30, 2020, a decrease of \$2.84 billion, or 24.4 percent. The Unemployment Compensation Fund reported a \$735.8 million decrease in net position during fiscal year 2021, primarily due to the novel coronavirus (COVID-19) pandemic and the resulting spike in unemployment rates. The Workers’ Compensation Fund reported a \$2.21 billion decrease in net position during fiscal year 2021 primarily from a reduction in premium rates for employers and distribution of \$6.2 billion in dividends to policy holders.

The chart below compares program expenses and program revenues for business-type activities. Additional analysis of the Business-Type Activities’ revenues, expenses, and other changes in net position is included with the discussion of the Proprietary Funds beginning on page 14.

Business-Type Activities — Expenses and Program Revenues
Fiscal Year 2021
(dollars in millions)



FINANCIAL ANALYSIS OF THE STATE’S FUNDS

The State uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds reported the following results, as of and for the fiscal years ended June 30, 2021, and June 30, 2020 (dollars in thousands).

	As of and for the Fiscal Year Ended June 30, 2021			
	General Fund	Other Major Funds	Nonmajor	Total
			Governmental Funds	Governmental Funds
Unassigned Fund Balance (Deficit).....	\$ 5,717,927	\$ (6,674)	\$ -	\$ 5,711,253
Total Fund Balance.....	12,063,898	5,030,070	4,615,946	21,709,914
Total Revenues.....	42,950,405	20,509,247	11,887,437	75,347,089
Total Expenditures.....	38,782,210	20,280,569	14,671,242	73,734,021

	As of and for the Fiscal Year Ended June 30, 2020 (as restated)			
	General Fund	Other Major Funds	Nonmajor	Total
			Governmental Funds	Governmental Funds
Unassigned Fund Balance (Deficit).....	\$ 2,924,183	\$ -	\$ -	\$ 2,924,183
Total Fund Balance.....	8,600,905	4,731,605	3,863,853	17,196,363
Total Revenues.....	38,124,841	15,452,503	9,882,243	63,459,587
Total Expenditures.....	36,005,625	15,692,379	13,264,124	64,962,128

General Fund

The main operating fund of the State is the General Fund. During fiscal year 2021, General Fund revenue increased by \$4.83 billion (after restatement). Federal grant revenue rose \$2.21 billion or 21.9 percent primarily due to increased funding for Medicaid and recognition of revenue for COVID-19 pandemic related expenditures. Income and Sales tax revenues each rose over \$1 billion. The increase in income tax revenue is primarily due to employees returning to work in early fiscal year 2021 after a spike in unemployment starting with the onset of the COVID-19 pandemic in March 2020. Additionally, in late fiscal year 2020 into early fiscal year 2021, restrictions eased and economic recovery began at a slow pace resulting in increased consumer spending and associated increased sales tax revenue in fiscal year 2021. Expenditures increased \$2.78 billion, or 7.7 percent, from the prior year. Public Assistance and Medicaid showed increased expenditures of \$2.27 billion largely due to increased public assistance needs in response to the COVID-19 pandemic. Total fund balance at June 30, 2021, increased by \$3.47 billion or 40.3 percent (after restatement and exclusive of a \$6 million decrease in inventories). The State's Budget Stabilization Fund remained unchanged with a balance of over \$2.69 billion that is included within unassigned fund balance.

General Fund Budgetary Highlights

The State ended the second year of its 2020-21 biennial budget on June 30, 2021, with a General Fund budgetary fund balance (i.e., cash less encumbrances) of \$9.66 billion. Total budgetary sources for the General Fund (including \$929.5 million in transfers from other funds) in the amount of \$47.76 billion were below final estimates by 143.6 million or 0.3 percent during fiscal year 2021. Primarily this shortfall was the result of lower-than-expected transfers from other funds. Total tax receipts were above final estimates by \$363.1 million or 1.3 percent due to higher-than-expected income and sales tax receipts.

Total budgetary uses for the General Fund (including \$1.34 billion in transfers to other funds) in the amount of \$45.06 billion were below final estimates by \$3.9 billion or 7.9 percent for fiscal year 2021. The majority of lower than appropriated spending came from Medicaid, economic development programs, and higher education. Additionally, there were lower than expected transfers to other funds. There was no budget stabilization designation at June 30, 2020, for use in balancing the final fiscal year 2021 budget.

The main appropriations act (Act) for the 2020-21 biennium for the General Revenue Fund (GRF), the largest, non-GAAP, budgetary-basis operating fund included in the State's General Fund, was passed by the General Assembly and signed (with selective vetoes) by the Governor on July 18, 2019, following a 17-day interim appropriations act. Reflecting a goal of making wise investments to positively impact Ohio's future, the budget targeted resources to children and families, as well as to Ohio's education system, workforce, local communities, environment, and mental health and addiction recovery efforts. The Act provided for GRF appropriations of approximately \$36 billion in fiscal year 2021, a 6 percent increase from fiscal year 2020 appropriations. The underlying economic forecast does not consider the possible economic effects of the COVID-19 pandemic.

GRF appropriations for major program categories in 2021, relative to 2020 appropriations, reflect the following changes: 11.8 percent increase in Medicaid; increase of 0.2 percent, which included transfers from the GRF in support of student wellness and success, for primary and secondary education; increase of 2.6 percent for higher education; 2.8 percent increase for mental health and developmental disabilities; and an increase of 3.5 percent for corrections and youth services.

The Act reflected tax law changes that were projected to decrease GRF revenues by approximately \$177 million in fiscal year 2021. These items included an across-the-board four percent reduction in State personal income tax rates and elimination of the bottom two tax brackets (effective in tax year 2019). Also reflected in the 2020-21 Act was the creation of the H2Ohio Fund to pay for water quality projects in Lake Erie and across Ohio's rivers, lakes, and waterways.

As is customary in the second year of a biennium, the State revised its fiscal year 2021 GRF revenue forecast to reflect updated economic assumptions (influenced largely by the COVID-19 Pandemic) and actual fiscal year 2020 revenue performance. Initial revised fiscal year 2021 revenue projections indicated State revenue receipts and balances would be \$2.43 billion less than originally estimated and additional cost savings measures were implemented. In January 2021 the final fiscal year 2021 budget reductions were lower than previously anticipated. On March 11, 2021, President Biden signed into law the American Rescue Plan Act of 2021 (ARPA). Under ARPA, Ohio directly received approximately \$5.6 billion, with an additional \$274 million specifically to use in State capital projects, to help mitigate fiscal effects resulting from COVID-19 pandemic.

The Ohio Constitution prohibits the State from borrowing money to fund operating expenditures in the GRF. Therefore, by law, the GRF's budget must be balanced so that appropriations do not exceed available cash receipts and cash balances for the current fiscal year.

The State ended fiscal year 2021 with a GRF cash balance of \$4.72 billion and a GRF budgetary fund balance of \$4.03 billion. In addition to meeting the State's statutory target to maintain an ending fund balance reflecting one-half of one percent of fiscal year 2021 GRF revenues, the State transferred \$1.2 billion into the Health and Human Services Fund, \$132 million to the H2Ohio fund, \$100 million to the Investing in Ohio fund, and \$66.3 million to three other purposes in early fiscal year 2022.

Other Major Governmental Funds

The *Job, Family and Other Human Services Fund* had a fund balance of \$742.8 million at June 30, 2021, an increase of \$342.7 million (after restatement), or 85.6 percent, compared to fiscal year 2020. During fiscal year 2021, Federal Government revenue increased \$2.28 billion and Public Assistance and Medicaid expenditures increased \$2.59 billion related to Food Assistance Programs and Medicaid spending partly due to COVID-19 pandemic effects. Contributing in part to the increase in fund balance was a \$289.3 million increase in Licenses, Permits and Fees revenue.

The fund balance for the *Buckeye Tobacco Settlement Financing Authority Revenue Bonds Fund*, as of June 30, 2021, totaled approximately \$4.18 billion dollars, a decrease of \$122.9 million or 2.9 percent over the prior fiscal year. Refunding bonds were issued in fiscal year 2020 resulting in a decrease of \$287.2 million in Debt Service expenditures and a net decrease in other sources/uses of \$293.4 million in fiscal year 2021. Overall expenditures exceeded revenues resulting in a net decrease in fund balance.

Fund balance for the *Pandemic Relief Funds* (formerly named the *Coronavirus Relief Fund*), was \$103.2 million at June 30, 2021, a net increase of \$78.6 million (including a \$78.8 million increase in inventories), or 319.6 percent since June 30, 2020. The fund was created in late fiscal year 2020 to receive federal funding for emergency expenditures related to the COVID-19 pandemic. During fiscal year 2021, Federal Government revenue recognition increased \$2.28 billion. Fiscal year total expenditures were \$2.7 billion, an increase of \$2.27 billion, or 528.2% over the prior fiscal year. General Government expenditures comprised \$1.42 billion for allowable distributions to local governments to cover expenses incurred due to the public health emergency. Additionally, expenditures for both Higher Education Support and Health and Human Services exceeded \$300 million each, with \$648.1 in other expenditure categories to cover allowable COVID-19 pandemic related costs. The balance of funding received but not expended as of June 30, 2021, is reported as a \$4.46 billion Unearned Revenue liability.

Proprietary Funds

Major Proprietary Funds

The State's proprietary fund financial statements report the same type of information found in the business-type activities portion of the government-wide financial statements, but in a slightly different format.

The *Workers' Compensation Fund's* fiscal year 2021 net position decreased by \$2.21 billion, or 19.1 percent, to \$9.36 billion, as compared to the prior year. An increase in operating expenses primarily due to the distribution of \$6.2 billion in dividends to policy holders resulted in the significant decrease in net position over the prior year.

For fiscal year 2021, the *Lottery Commission Fund* reported \$1.41 billion in net income before transfers of approximately \$1.36 billion to the Lottery Profits Education Fund. Net position at June 30, 2021, in the amount of \$297.2 million, increased 20.5 percent from fiscal year 2020.

The Unemployment Compensation Fund ended fiscal year 2021 with a \$912.4 million deficit. The \$735.8 million net position decrease in the Unemployment Compensation Fund over the prior year is due to the economic impact of the COVID-19 pandemic and resulting high unemployment rates. The unemployment rate decreased from its initial spike starting late in fiscal year 2020 but remained high throughout fiscal year 2021 at an average of 6.1 percent. Federal Government revenue increased \$5.46 billion due to additional funding in response to the ongoing COVID-19 pandemic. Unemployment Benefits and Claims expense increased \$4.77 billion over the previous fiscal year due to continued pandemic high unemployment rates and associated unemployment claims. Federal repayable advances (loans) with an outstanding balance of \$1.47 billion at June 30, 2021, were repaid in full to the federal government in early fiscal year 2022.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2021, and June 30, 2020, the State's primary government had invested \$29.5 billion and \$29.1 billion, respectively, net of accumulated depreciation of \$5.21 billion and \$4.99 billion, respectively, in a broad range of capital assets, as detailed in the table on the following page.

The total increase in the State's capital assets, net of accumulated depreciation, for the current fiscal year was 1.4 percent (a 1.4 percent increase for governmental activities and a 6.6 percent decrease for business-type activities).

Depreciation expense increased 8 percent for governmental activities and decreased 23.7 percent for business-type activities.

The State completed construction on a variety of infrastructure, facilities, and software projects during fiscal year 2021 totaling approximately \$397.5 million, as compared with \$1.01 billion in the previous fiscal year when the construction for a major bypass was completed. As further detailed in the notes to the financial statements (NOTE 20D), the State had \$527.6 million in major construction commitments (unrelated to infrastructure), as of June 30, 2021, compared to \$487.9 million for the prior year.

Capital Assets, Net of Accumulated Depreciation						
As of June 30, 2021 and 2020						
<i>(dollars in thousands)</i>						
	As of June 30, 2021			As of June 30, 2020		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 2,622,710	\$ 9,466	\$ 2,632,176	\$ 2,519,465	\$ 9,466	\$ 2,528,931
Buildings	1,695,070	7,181	1,702,251	1,644,209	7,960	1,652,169
Land Improvements	168,402	-	168,402	172,476	-	172,476
Machinery and Equipment	520,118	88,684	608,802	505,189	21,491	526,680
Vehicles	197,831	1,395	199,226	226,724	1,413	228,137
Infrastructure:						
Highway Network:						
General Subsystem	9,097,505	-	9,097,505	9,074,849	-	9,074,849
Priority Subsystem	9,210,434	-	9,210,434	9,143,435	-	9,143,435
Bridge Network	2,994,689	-	2,994,689	2,996,353	-	2,996,353
Parks, Recreation, and Natural Resources System	218,230	-	218,230	225,860	-	225,860
	<u>26,724,989</u>	<u>106,726</u>	<u>26,831,715</u>	<u>26,508,560</u>	<u>40,330</u>	<u>26,548,890</u>
Construction-in-Progress	2,666,228	-	2,666,228	2,474,654	73,923	2,548,577
Total Capital Assets, Net	<u>\$ 29,391,217</u>	<u>\$ 106,726</u>	<u>\$ 29,497,943</u>	<u>\$ 28,983,214</u>	<u>\$ 114,253</u>	<u>\$ 29,097,467</u>

Modified Approach

For reporting its highway and bridge infrastructure assets, the State has adopted the use of the modified approach. To use this approach, a government must maintain an asset management system and demonstrate that the infrastructure is being preserved approximately at or above an established condition level. Under this approach, infrastructure is not depreciated, and maintenance and preservation costs are expensed. Infrastructure assets accounted for using the modified approach include approximately 43,433 lane miles of highway and approximately 109 million square feet of deck area that comprises 14,265 bridges for which the State has the responsibility for ongoing maintenance.

Ohio accounts for its pavement network in two subsystems: Priority and General. It is the State's goal to allow no more than 25 percent of the total lane-miles reported for each of the priority and general subsystems to be classified with a "poor" condition rating. The most recent condition assessment, completed by the Ohio Department of Transportation (ODOT) for fiscal year 2021, indicates that 3.2 percent and 1.8 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating. Comparatively, 4.1 percent and 2.2 percent of the priority and general subsystems, respectively, were assigned a "poor" condition rating in fiscal year 2020.

For the bridge network, it is the State's intention to allow no more than 15 percent of the total number of square feet of deck area to be in "fair" or "poor" condition. The most recent condition assessment, completed by ODOT for fiscal year 2021, indicates that only 1.6 percent of the number of square feet of bridge deck area was considered to be in "fair" or "poor" conditions, a 0.2 percent increase over the prior year.

Fiscal year 2021 total actual maintenance and preservation costs for the pavement network were \$834.4 million, compared to estimated costs of \$707.1 million, while total actual maintenance and preservation costs for the bridge network were \$397 million, \$27.5 million above estimate. In the previous fiscal year, total actual maintenance and preservation costs for the pavement network were \$898.5 million, compared to estimated costs of \$699.2 million, while total actual maintenance and preservation costs for the bridge network were \$447.5 million, \$55.4 million above estimate. Overall, the State's costs for actual maintenance and preservation for highway infrastructure

assets have exceeded estimates over the past two years due to steadily increasing underlying costs for the materials and labor associated with infrastructure projects.

More detailed information on the State’s capital assets can be found in NOTE 8 to the financial statements and in the Required Supplementary Information Infrastructure section of this report.

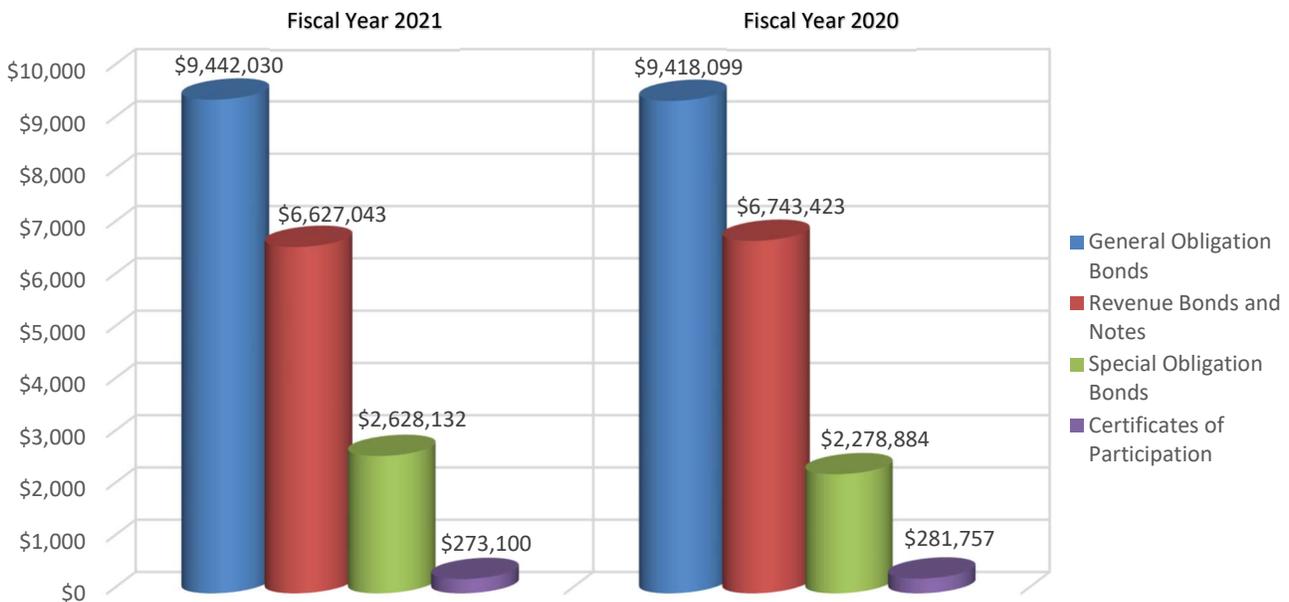
Debt — Bonds and Notes Payable and Certificates of Participation Obligations

The State’s general obligation bonds are backed by its full faith and credit. Revenue bonds and notes are secured with revenues pledged for the retirement of debt principal and the payment of interest. Special obligation bonds are supported with lease payments from tenants of facilities constructed with the proceeds from the bonds. Under certificate of participation (COPs) financing arrangements, the State is required to pay base rent (subject to appropriation) that approximates interest and principal payments made by trustees to certificate holders.

During fiscal year 2021, the State issued a par amount of \$799.1 million in general obligation bonds, \$150.2 million in revenue bonds, \$563.7 million in special obligation bonds, and \$88.5 million in certificates of participation. Of the general obligation bonds, revenue bonds, special obligation bonds, and certificates of participation issued, \$126 million, \$58.2 million, \$66.8 million, and \$68 million, respectively, were refunding bonds and certificates. The total increase in the State’s debt for the current fiscal year, based on carrying amount, was 1.3 percent, all in governmental activities.

As of June 30, 2021, and June 30, 2020, the State had total debt, all in governmental activities, of approximately \$18.97 billion and \$18.72 billion, respectively, as shown in the chart below.

**Bonds and Notes Payable and Certificates of Participation
As of June 30, 2021 and 2020
(dollars in thousands)**



Credit Ratings

Both the State’s general and special obligation bonds carry a “stable” credit outlook from all three credit rating agencies. A credit outlook is an indication of the pressure on the rating over the near-to-intermediate term and should not be viewed as a precursor to a rating change. On August 5, 2021, Fitch elevated the State’s credit outlook to positive. That puts Ohio’s bond rating and outlook at the highest level in 42 years. In addition, Buckeye Tobacco Settlement Financing Authority’s 2031 A-2 maturity was upgraded from A- to A on September 30, 2021.

The ratings and rating outlooks in effect from time to time reflect only the views of the particular rating organization. An explanation of its view of the meaning and significance of its rating or outlook may be obtained from the respective rating agency. Generally, the rating agencies base their rating on submitted information and on their own investigations, studies, and assumptions. There can be no assurance that the ratings or outlooks assigned will continue for any given time. Rating agencies may lower or withdraw a rating at any time, if in its judgment circumstances so warrant.

The State's bonds and notes are rated as follows:

Credit Ratings							
As of June 30, 2021							
Bonds and Notes	Issuer	Fitch Inc.	Kroll Bond Agency Rating	Moody's Investor Services, Inc.	S & P Global Ratings	Security and Source of Funds	
General Obligations Bonds:							
Common Schools Capital Facilities ..	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Higher Education Capital Facilities ...	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Highway Capital Improvements	Treasurer of State	AA+	AAA	Aa1	AAA	Highway User Receipts	
Infrastructure Improvements	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Coal Research and Development	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Natural Resources Capital Facilities	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Conservation Projects	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Third Frontier Research and Development	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Site Development	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Veterans' Compensation	Ohio Public Facilities Commission	AA+	N/A	Aa1	AA+	General Revenue Funds	
Revenue Bonds:							
Major New State Infrastructure.....	Treasurer of State	N/A	N/A	Aa2	AA	Federal Transportation Grants	
	Buckeye Tobacco Settlement				BBB+ to	Pledged Receipts from the Tobacco Master	
Tobacco Settlement Asset-Backed.	Financing Authority	N/A	N/A	N/A	A*	Settlement Agreement	
*The Class 2 Senior Current Interest Bonds and the Class 2 Turbo Capital Appreciation Bonds are Non-Rated. The 2030 A-2 maturity was upgraded from A- to A on February 25, 2021							
Special Obligation Bonds:							
Mental Health Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Parks and Recreation Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Cultural and Sports Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Adult Correctional Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Administrative Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Juvenile Correctional Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	General Revenue Funds	
Transportation Building Projects.....	Treasurer of State	AA	N/A	Aa1	AA	Highway User Receipts	
Highway Safety Facilities.....	Treasurer of State	AA	N/A	Aa2	AA	Highway User Receipts	

Limitations on Debt

Section 17 of Article VIII of the Ohio Constitution, approved by Ohio voters in November 1999, establishes an annual debt service "cap" applicable to future issuances of direct obligations payable from the GRF or net state lottery proceeds. Generally, new obligations may not be issued if debt service for any future fiscal year on those new and the then outstanding bonds of those categories would exceed five percent of the total of estimated GRF revenues plus net state lottery proceeds for the fiscal year of issuance.

Those direct obligations of the State include general obligation and special obligation bonds that are paid from the State's GRF but exclude general obligation debt for Third Frontier Research and Development, development of sites and facilities, and veterans' compensation, and general obligation bonds payable from non-GRF funds (such as highway bonds that are paid from highway user receipts). Pursuant to the implementing legislation, the Governor has designated the Director of the Ohio Office of Budget and Management as the State official responsible for making the five percent determinations and certifications. Application of the five percent cap may be waived in a particular instance by a three-fifths vote of each house of the Ohio General Assembly and may be changed by future constitutional amendments.

The State met the requirements of Section 17 of Article VIII of the Ohio Constitution. More detailed information on the State's long-term debt, including changes during the year, can be found in NOTES 10 through 13 and NOTE 15 to the financial statements.

Conditions Expected to Affect Future Operations

Economic Factors

Through October 2021, the economy continues to recover from the decrease in economic activity due to the COVID-19 pandemic. Ohio's unemployment rate decreased from 5.6 percent in October 2020 to 5.1 percent in October 2021. At the beginning of November 2021, the consensus among forecasters suggests the economy will have robust acceleration in the fourth quarter. In October 2021, Ohio's nonfarm payroll employment increased by almost 10 thousand jobs but still remained 4.5 percent lower than February 2020's pre-pandemic levels.

Nationally, real gross domestic product (GDP) expanded in the third quarter at an annualized rate of 2 percent. Growth has slowed from the second quarter due to a decrease in consumer spending resulting from a surge in the delta variant of COVID-19 and the end of federal pandemic assistance. Persistent disruptions to the supply chain and labor shortages have resulted in high prices for goods and services.

The national labor market outlook strengthened further in October 2021, as the level of nonfarm payroll employment increased by 531 thousand jobs. While employment was up significantly from April 2020 during the height of the pandemic, employment was still below February 2020's pre-pandemic levels by 4.2 million jobs. The U.S. unemployment rate for October 2021 was 4.6 percent, down from 6.9 percent in October 2020.

The 2022-23 Biennial Budget

The main appropriations act (Act) for the 2022-23 biennium for the General Revenue Fund (GRF), the largest, non-GAAP, budgetary-basis operating fund included in the State's General Fund, was passed by the General Assembly, and signed (with selective vetoes) by the Governor on June 30, 2021. Reflecting a conservative underlying economic forecast, the Act provides for GRF appropriations of approximately \$34.9 billion in fiscal year 2022, a 2 percent decrease over fiscal year 2021 actual expenditures, and \$39.3 billion in fiscal year 2023, a 12.6 percent increase over fiscal year 2022 appropriations.

GRF appropriations for major program categories in fiscal years 2022, relative to 2021 expenditures, and 2023, relative to 2022 appropriations, reflect the following changes: for Medicaid, 11.7 percent decrease in fiscal year 2022 and 26.1 percent increase in fiscal year 2023; for elementary and secondary education, including transfers in support of student wellness and success, 5.8 percent increase in fiscal year 2022, and 2 percent increase in fiscal year 2023; for higher education, 2.7 percent increase in fiscal year 2022, and 0.1 percent increase in fiscal year 2023; for health and human services (excluding Medicaid), 18 percent increase in fiscal year 2022, and 0.6 percent decrease in fiscal year 2023; for corrections services, 8.1 percent increase in fiscal year 2022, and 3.4 percent increase in fiscal year 2023; and for general government, 17.1 percent increase in fiscal year 2022, and 0.2 percent increase in fiscal year 2023. The large increase in GRF Medicaid spending in fiscal year 2023 is partly due to the expected end to the federal enhanced rate for Medicaid.

The Act reflects certain tax policy changes, resulting in estimated net GRF revenue decreases of \$1 billion in fiscal year 2022 and \$977 million in fiscal year 2023. Included in these changes are an across-the-board 4 percent reduction in personal income tax rates (effective in tax year 2019), establishes new non-refundable tax credits related to home-schooling and non-chartered private schools and repeals sales and use tax on employment services. The Act also revised the school funding formula to consider resident income levels in addition to property tax values and authorized the Budget Stabilization Fund to retain interest earnings.

General Revenue Fund

For fiscal year 2022, total fiscal year-to-date GRF receipts collected through October 2021 are \$125.6 million above estimates and \$939.9 million less than collections through October of the prior fiscal year. Total fiscal year-to-date GRF disbursements through October 2021 are \$701.2 million below estimates for the first four months of fiscal year 2022 and \$708.2 million less than expenditures for the first four months of the prior fiscal year. As of October 2021, receipts were 1 percent above budget estimates and disbursements were 5.3 percent below budget estimates for fiscal year 2022. Fiscal year 2022 receipts are 7 percent behind of receipts for the first four months of fiscal year 2021, due largely to a significant amount of pandemic related federal grant funding received in fiscal year 2021. Disbursements for fiscal year 2022 are 5.4 percent below disbursements for the same time period of fiscal year 2021.

Budget Stabilization Fund

The Budget Stabilization Fund (BSF) is Ohio's rainy day savings account, a reserve balance set aside in good economic times to protect the State's budget from cyclical changes in revenues and expenditures should the economy become weakened unexpectedly. By law, the target balance for the BSF can be up to 8.5 percent of the prior fiscal year's GRF revenues. The BSF continues to maintain a balance of over \$2.69 billion.

Workers' Compensation Fund

The Ohio Bureau of Workers' Compensation (BWC) continues to take actions to address the impact on its financial position and the economic challenges its customers are experiencing related to the COVID-19 pandemic. These actions include: reducing private employer estimated payroll by 20 percent; approving \$28 million in federal COVID-19 pandemic Indoor Air Quality Assistance Grants to improve heating, ventilation and air conditioning systems for adult day cares, nursing homes and assisted living facilities; shipping masks to employers; utilizing personnel to monitor retail establishments for compliance with COVID-19 pandemic safety protocols; and assisting the Ohio Department of Job and Family Services in fielding calls due to the large influx of unemployment claims. In addition, statewide average base rates will decrease an average of 15 percent for private employers for the July 1, 2021, policy year and for public taxing district (PEC) employers for the January 1, 2022, policy year.

Contacting the Ohio Office of Budget and Management

This financial report is designed to provide the State's citizens, taxpayers, customers, investors and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Ohio Office of Budget and Management, Financial Reporting Section, 30 East Broad Street, 34th Floor, Columbus, Ohio 43215-3457 or through the OBM Website at [Contact Us | Office of Budget and Management \(ohio.gov\)](#).