Ohio Building Authority

Financial Statements for the Year Ended June 30, 2009 and Independent Auditors' Report

Members of the Authority
Ohio Building Authority
30 East Broad Street
Suite 4020
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Ohio Building Authority, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Building Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

November 16, 2009

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

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OHIO BUILDING AUTHORITY

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383 North Front Street
Columbus, Ohio 43215

Kennedy Cottrell Richards

Phone: 614.358.4682
Fax: 614.888.8634
www.kcr-cpa.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the Ohio Building Authority and
The Honorable Mary Taylor, Auditor of the State of Ohio
Columbus, Ohio

We have audited the accompanying financial statements of the enterprise fund and the remaining fund information of the Ohio Building Authority, (the "Authority") a component unit of the State of Ohio, as of and for the year ended June 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents. These component unit financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these component unit financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the financial statements of the Ohio Building Authority are intended to present the financial position and results of operations and cash flows of only that portion of the funds of the State of Ohio that is attributable to the transactions of the Ohio Building Authority.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the enterprise fund and the remaining fund information of the Ohio Building Authority as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2009 on our consideration of the Ohio Building Authority's internal control over financial reporting and our test of its compliance and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 3-5 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedules of Projects on pages 26-33 are presented for the purposes of additional analysis and are not a required part of the component unit financial statements of the Authority. The supplementary information is the responsibility of the management of the Authority. The schedules have been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
October 29, 2009

OHIO BUILDING AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2009 (Dollars in thousands)

This section of the Ohio Building Authority's (the "Authority") annual financial report presents our discussion and analysis of the Authority's financial activities for the fiscal year ended June 30, 2009. The Authority is a component unit of the State of Ohio. Readers are encouraged to consider this information in conjunction with the accompanying financial statements and notes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements consist of (1) the basic financial statements, (2) management's discussion of and analysis and (3) notes to the financial statements. Because the Authority is a component unit of the State of Ohio, all of the statements presented in this discussion focus on the portion of the funds of the State of Ohio that are attributed to the transactions of the Ohio Building Authority.

- The financial statements and the management's discussion and analysis provide both long-term and short-term information about the Authority's overall financial status.

- Management's discussion and analysis provides a narrative overview of the financial statements from management's perspective.

- The basic financial statements provide information about the Authority's overall financial status.

- The notes to the financial statements explain some of the information in the financial statements and provide more detailed data.

Please refer to Note 1 to the financial statements for a more complete discussion of the Authority's basis of presentation.

Financial Information and Analysis

The following summarizes the Authority's financial positions for the fiscal year ended June 30, 2009 and 2008:

	2009	2008
Assets:		
Current Assets	$221,778	$225,064
Non-Current Assets	1,389,184	1,458,454
Total Assets	$1,610,962	$1,683,518
Liabilities:		
Current Liabilities	$200,239	$202,691
Non-Current Liabilities	1,389,186	1,458,451
Total Liabilities	1,589,425	1,661,142
Total Net Assets—Restricted	$21,537	$22,376

During the period ending June 30, 2009, net assets of the Authority decreased by $839 or 3.75%. The decrease in net assets is a result of the Authority's planned utilization of existing resources during the period ending June 30, 2009.

The following represents the Authority's summary of changes in net assets for the fiscal year ended June 30, 2009 and 2008:

	2009	2008
Operating Revenues	$98,147	$105,318
Operating Expenses	26,836	28,076
Net Operating Gain	71,311	77,242
Non-Operating Expenses	(72,150)	(77,632)
Net Loss	(839)	(390)
Net Assets - Beginning of Year	22,376	22,766
Net Assets - End of year	$21,537	$22,376

Operating revenues decreased $7,170 or 6.8% as budgeted due to the continuing reduction in the overall State of Ohio Budget, thus reducing available appropriations for rent increases. Operating expenses decreased by $1,240 or 4.4% due to the Authority continuing to reduce cost based on available resources, as well as a continued decrease in building cost related to tenant improvements.

Capital Asset Activity

During the fiscal year ended June 30, 2009, the Authority disbursed a total of $221 in connection with renovations to the Bureau of Workers' Compensation's facility. Activities related to this project are accounted for in an agency fund. Please refer to Note 1 to the financial statements for a more complete discussion of the basis of presentation for these projects.

Long-term Debt Activity

During the fiscal year ended June 30, 2009, the Authority issued four series of bonds totaling $139,510, of which $37,825 was used to currently refund the 1999B Juvenile Correctional bonds, resulting in an economic gain of $2,469. The remaining $101,685 of bonds issued were new money bonds. During the fiscal year ended June 30, 2009, the Authority paid $171,390 of principal on bonds. Please refer to Note 5 to the financial statements for a more complete discussion of the Authority's long-term debt activity.

Subsequent Event

On September 17, 2009 the Authority, as part of the State's biennium budget as enacted by Am. Sub. House Bill No. 1, refunded portions of 27 series of previously issued bonds in order to restructure the debt service on bonds coming due October 1, 2009 and April 1, 2010 in the amount of $134,025. Additionally, $51,900 was refunded for bonds due in 2014 through 2020. The overall transaction resulted in an economic gain of $1,252 and issuance cost of $1,167.

Request for Information

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the Authority's finances and to show its accountability for the money it receives. If you have questions about this report or need additional information, contact Kevin T. Fenlon, Assistant Executive Director - Financial Affairs, Ohio Building Authority, 30 East Broad Street, Columbus, Ohio 43215

OHIO BUILDING AUTHORITY

STATEMENT OF NET ASSETS—ENTERPRISE FUND
JUNE 30, 2009
(Dollars in thousands)

ASSETS

CURRENT ASSETS:	
Cash—unrestricted	$ 394
Investments—restricted	25,308
Receivables:	
Leases—current portion, net	174,970
Lease interest receivable	19,894
Interest	4
Due from other agency	2
Accounts receivable	833
Other assets	373
Total current assets	221,778
NON-CURRENT ASSETS:	
Leases receivable, net	1,383,387
Deferred debt issuance cost	5,797
Total assets	$ 1,610,962

LIABILITIES

CURRENT LIABILITIES:	
Accounts payable and accrued liabilities:	
Restricted	5,002
Unrestricted	168
Bonds payable—current portion, net	174,966
Other liabilities	209
Accrued interest	19,894
Total current liabilities	200,239
NON-CURRENT LIABILITIES—Bonds payable, net	1,389,186
Total liabilities	1,589,425
TOTAL NET ASSETS—Restricted	$ 21,537

See notes to financial statements.

OHIO BUILDING AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS—ENTERPRISE FUND YEAR ENDED JUNE 30, 2009 (Dollars in thousands)

OPERATING REVENUES:	
Rents	$ 24,393
Lease interest	72,075
Other	1,679
Total operating revenues	98,147
OPERATING EXPENSES:	
Building maintenance and operations	17,597
Utilities	4,917
General administration	2,985
Other	1,337
Total operating expenses	26,836
OPERATING GAIN	71,311
NON-OPERATING REVENUES (EXPENSES):	
Earnings on investments	159
Interest expense and other	(72,309)
Total non-operating expenses	(72,150)
NET LOSS	(839)
NET ASSETS—Beginning of year	22,376
NET ASSETS—End of year	$ 21,537

See notes to financial statements.

OHIO BUILDING AUTHORITY

STATEMENT OF CASH FLOWS—ENTERPRISE FUND
YEAR ENDED JUNE 30, 2009
(Dollars in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers:	
State operating rent	$ 20,448
Local operating rent	3,443
Lease interest income receipts	75,736
Total cash received from customers	99,627
Cash received from quasi-external operating transactions with other funds	1,470
Cash payments to suppliers for goods and services	(27,518)
Cash payments to employees for services	(1,286)
Miscellaneous fees and commissions	1,659
Net cash flows provided by operating activities	73,952
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal payments on bonds	(171,390)
Interest paid	(75,972)
Principal receipts on capital leases	171,390
Refunding bond proceeds	79
Payment of debt issue costs	(184)
Net cash flows used in capital and related financing activities	(76,077)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	304,153
Purchase of investments	(302,270)
Investment income received	180
Net cash flows provided by investing activities	2,063
NET INCREASE IN CASH AND CASH EQUIVALENTS	(62)
RESTRICTED AND UNRESTRICTED—Beginning of year	456
RESTRICTED AND UNRESTRICTED—End of year	$ 394
OPERATING GAIN	$ 71,311
ADJUSTMENTS TO RECONCILE OPERATING GAIN TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Amortization of lease discount / premium	3,536
Miscellaneous nonoperating expenses	8
Changes in assets and liabilities:	
Decrease in lease interest receivable	155
Decrease in account receivable—other	99
Increase in other assets	(24)
Decrease in accounts payable and other liabilities	(1,133)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 73,952

See notes to financial statements.

OHIO BUILDING AUTHORITY

STATEMENT OF NET ASSETS—AGENCY FUND
JUNE 30, 2009
(Dollars in thousands)

ASSETS	
INVESTMENTS	$ 978
Other assets:	
Prepaid expenses	22
TOTAL ASSETS	1,000
LIABILITIES	
Accounts payable	1
Due to other agency	2
Payable on behalf of the Agency	997
Total liabilities	1,000
NET ASSETS	$ -

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—The Ohio Building Authority (the "Authority"), as created under the Ohio Revised Code, consists of five individuals appointed by the Governor with the advice and consent of the Senate. The Authority is an entity, both corporate and politic, of the State of Ohio (the "State").

The powers and duties of the Authority are assigned to it by Chapter 152 of the Ohio Revised Code. These powers and duties include the authorization to acquire, purchase, construct, reconstruct, equip, furnish, improve, alter, enlarge, maintain, repair and operate office buildings and related storage and parking facilities for use by departments and agencies of the State of Ohio (and local and federal agencies in certain circumstances) on one or more sites within the State and to issue revenue obligations or other obligations to finance the cost of its projects. In addition, the Authority has been given the power to finance the construction of new, and improvements to, existing arts, sports, correctional, highway safety and transportation facilities. The holders or owners of its obligations are not given the right to require the General Assembly to levy excises or taxes for the payment of debt service on such obligations.

The Authority is a component unit of the State (the primary government) which uses funds to report on its combined financial position and results of its operations.

In October 1993, the Authority issued $214,255,000 of bonds at rates from 3.3% to 5.1%, with payments due through 2014 on behalf of the Bureau of Workers' Compensation ("BWC"). In May 2003, the Authority issued $142,500,000 of refunding bonds at rates from 2.0% to 5.0% to completely refund the bonds issued in 1993. The Authority will retain title to BWC's facility until the debt is repaid. Since BWC is a proprietary component unit of the State of Ohio, its financial statements report the asset and debt financed through the Authority. Accordingly, the Authority's Enterprise Fund does not include BWC's facility, leases receivable or long-term obligations issued by the Authority. The Authority's financial statements include an Agency Fund to report construction and certain general administrative costs, respectively, related to BWC. At June 30, 2009, $78,800,000 BWC bonds were outstanding.

Basis of Presentation—The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board ("GASB"), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* issued June 1999. GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis– for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*.

Significant components of Statement No. 34 include the following:

- A Management's Discussion and Analysis ("MD&A") section providing an analysis of the Authority's overall financial position and results of operations.

- Financial statements reported using the full-accrual basis of accounting for all of the Authority's activities. The Authority follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provides a comprehensive look at the Authority's financial activities.

Basis of Accounting—The financial statements of the Authority have been prepared on the accrual basis whereby revenue is recognized when earned, and expenses are recognized when the related liabilities are incurred and certain measurement and matching criteria are met. The notes accompanying these financial statements relate directly to the Authority. The Authority applies all applicable GASB pronouncements and the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements; Financial Accounting Standards Board ("FASB") statements and interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure. The Authority has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its enterprise funds.

Charges for services are reported as operating revenues. Transactions, which are capital, financing or investment related, are reported as non-operating revenues. Expenses from employee wages and benefits, purchases of services, materials and supplies and other miscellaneous expenses are reported as operating expenses.

Leases Receivable—Leases receivable represent amounts due from the State for rent obligations, net of unearned income. No allowance for uncollectible amounts has been provided.

Restricted Assets and Liabilities—Proceeds from each of the projects that the Authority manages are restricted to use within that project by the bond trust agreements. All of the Authority's assets and liabilities, with exception of cash held for administrative purposes, are classified as restricted, and equate to expendable restricted net assets.

Lease Revenue—Lease payments are collected from the State to satisfy the rent obligations under all of the project leases. Lease transactions are accounted for as direct financing leases whereby the present value of the future lease payments are recorded as a lease receivable using the interest rate implicit in the lease. Lease revenue is recognized as a constant percentage return on asset-carrying values.

Deferred Revenue—Deferred revenue represents certain bond proceeds due to the State, but remitted to the Authority at the direction of the State.

Long-Term Obligations—Long-term liabilities are reported on the Authority's statement of net assets net of the applicable bond premiums and discounts, which are deferred and amortized over the life of the bonds using the effective interest method. Commercial paper notes are recorded at par at the time of issuance.

Compensated Absences—The Authority follows GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability be accrued for sick leave if it is probable that the employee will be compensated through a cash payment.

Investments—Investments are reported at fair value. Securities are valued at the last sale price on the last business day of the fiscal year, as quoted on a recognized exchange or an industry standard pricing service. The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in a given year may have been recognized as an increase or decrease in the fair value of investments reported in prior years. In fiscal year 2009 the Authority invested only in governmental money market type funds that are carried at a dollar per dollar value thus, resulting in no difference between cost and carrying value of investment amounts, other than interest earnings.

Statement of Cash Flows— For purposes of the statement of cash flows the Authority consider all cash deposits to be cash equivalents.

2. CASH AND INVESTMENTS

Deposits

Custodial Credit Risk. The risk that, in the event of a bank failure, the Authority's deposits may not be returned. The bank and financial statement balances of the Authority's cash with custodians at June 30, 2009 was $394 (in thousands). Of this amount $250 was insured by Federal depository insurance. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures,* as of June 30, 2009, $144 of the Authority's bank balance was exposed to custodial risk and is considered uninsured, however, they are collateralized with investments held in pledged collateral pools by the various financial institutions. The Authority does not have a policy related to custodial credit risk for investments; however, all of the Authority's investments are book-entry securities held by a safekeeping agent and are, therefore, not exposed to custodial credit risk.

Investments

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy generally limits investment portfolio maturities to five years or less on individual investments. Each portfolio should have an average maturity not exceeding two years, based upon the cash flow requirements of each account. Portfolio investments should be balanced across maturities to achieve the appropriate average maturity for the portfolio.

At year-end, the Authority had the following investments and maturities (in thousands) as follows:

			Investment Maturities	
Investment Type		Fair Value		12 months or less
STAROhio	$	36	$	36
Governmental Money Markets		26,250		26,250
Total investments	$	26,286	$	26,286

Credit Risk. The majority of the Authority's investments are governed by the Bond trust agreements authorizing the Authority to invest, in general, in (1) U.S. Treasury obligations; (2) U.S. agency obligations; (3) collateralized certificates of deposits and repurchase agreements; (4) obligations of any state or political subdivision of any state of the United States (provided such obligations carry one of the two highest ratings of a nationally recognized rating service, provided further that the interest on such obligations is excluded from gross income for federal tax purposes); and (5) in certain circumstances, any money market fund invested solely in obligations described in clauses (1) and (2) above. The Authority may and does also invests in STAROhio, an investment pool managed by the State Treasurer's office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a-7 of the Investment Company Act of 1940.

Investments in STAROhio are valued at STAROhio's share price that is the price the investment could be sold for on June 30, 2009.

Management of STAROhio states that its policy also prohibits investing in derivatives and/or engaging in the use of reverse repurchase agreements. Average days to maturity of the STAROhio portfolio at June 30, 2009 was 45 days.

The Authority's investments in the various governmental money markets and STAROhio were all rated "AAAm" by Standard & Poors.

Of the investment balance at June 30, 2009, $25,308 represents restricted investments held in the Enterprise Fund and $978 restricted investments held in the Agency Fund.

3. LEASES RECEIVABLE

The Authority's leasing operations consist of leasing of facilities for use by the State of Ohio (or any of its agencies) and by the local governments, under direct financing arrangements expiring in various years through 2029.

Following is a summary of the components of the Authority's net investment in direct financing leases (in thousands), at June 30, 2009:

Total minimum lease principal payments to be received	$ 1,528,059
Add—deferred income-non current	25,343
Add—deferred income current	3,712
Add—deferred debt issuance cost - current	1,243
Net leases receivable	$ 1,558,357

Minimum lease payments (in thousands) to be received as of June 30, 2009 are as follows:

2010	$ 243,529
2011	228,160
2012	216,319
2013	188,877
2014	172,029
2015-2019	624,570
2020-2024	260,068
2025-2029	51,729
Total minimum payments	1,985,281
Interest for capital leases	(457,222)
Minimum lease principal payments	$ 1,528,059

4. RESTRICTED ASSETS

In general, the trust agreements related to the issuance of the bonds payable established various funds that are used for the deposit and disbursement of cash. Deposits are principally lease receipts, cost reimbursements, interest earnings, and miscellaneous income. Expenditures are principally for project costs, debt service payments, and operating expenses. Deposits to and disbursements from the funds are governed by the provisions of the trust agreements. The trust agreements also require the segregation of specific funds (pledged receipts) as security for the bonds.

Pledged receipts (in thousands) at June 30, 2009 by type of project were:

	Pledged Receipts
Rhodes State Office Tower	$ 4,058
Lausche State Office Building	2,909
DiSalle Government Center	7,047
Ocasek Government Office Building	4,004
Riffe Center for Government and the Arts	6,937
State Correctional Facilities	5
State Transportation Facilities	2
Administrative Building and Project	1
Juvenile Correctional Facilities	4
Bureau of Workers' Compensation	948
Total	$ 25,915

5. BONDS AND NOTES PAYABLE

The Authority issues bonds and notes to finance the costs of capital facilities for State departments and agencies and, in some cases, related facilities for local governments. Bonds issued for State agencies are reflected in the financial statements as special obligation bonds and bonds issued for local government facilities are shown as revenue bonds.

The bonds represent limited obligations of the Authority and do not constitute general obligations of the Authority or general obligations or debts of the State or any of the institutions of higher education within the meaning of any constitutional or statutory limitation. The Authority has no taxing power. The bonds are payable from lease revenue to be paid by the State pursuant to the provision of the leases and certain other funds and revenue provided for in the bond resolution.

Special obligation bonds are collateralized by pledges of lease rental payments from biennial General Fund, Highway Operating Fund, and BWC Administrative Cost Fund appropriations, funds held by trustees pursuant to related trust agreements and other receipts. The leases generally coincide with the State biennium, and are renewable for successive two-year periods until the project bonds are retired.

Lease payments are based upon the estimated debt service and administrative costs. In addition, lease payments from the Department of Administrative Services include reimbursement for building operating costs. However, lease payments are limited to an amount appropriated by the Ohio General Assembly. Under the Ohio Constitution, an appropriation may not be made for more than a two-year period. Currently, appropriations are made on or before July 1 of each odd-numbered year. The appropriations for fiscal year 2009 were as follows (in thousands):

	Rent	Operations
Ohio Department of Administrative Services— Office/Administrative Facilities	$ 106,476	$ 27,303
Ohio Department of Rehabilitation and Correction— Correctional Facilities	109,225	
Ohio Department of Transportation— Transportation Facilities	3,615	
Ohio Department of Natural Resources— Fountain Square Project	1,081	
Ohio Department of Youth Services— Juvenile Facilities	24,209	
Ohio Department of Public Safety— Highway Safety	14,017	
Bureau of Workers' Compensation	20,687	
Total	$ 279,310	$ 27,303

Changes in long-term bonds were as follows (in thousands):

Principal of bonds outstanding—June 30, 2008	$1,598,585
Debt issued on behalf of other agencies under legislation enacted by the Ohio General Assembly	139,510
Principal retired	(171,390)
Bonds defeased	(38,645)
Principal of bonds outstanding—June 30, 2009	1,528,060
Unamortized bond premium and discounts, net	64,297
Deferred amounts on refundings	(28,205)
Total bonds outstanding	$1,564,152

Bonds outstanding - due in one year	$ 174,966
Bonds outstanding - due in more than one year	1,389,186
Total bonds outstanding - June 30, 2009	$1,564,152

	Amount of Obligation Issued	Bond Issue Date	Final Maturity Date	Interest Rates	2009 Balance
1996A (State Correctional)	69,540	December 1, 1996	October 1, 2009	5.25%	$ 6,990
1998B (Administrative Building)	19,545	January 15, 1998	October 1, 2010	5.25%	2,920
1998A (DAS Data Center)	15,605	January 15, 1998	October 1, 2010	5.25%	2,335
1998A (Rhodes Tower)	43,735	September 15, 1998	June 1, 2011	4.5%-5.25%	6,955
1999A (Juvenile Correctional)	50,000	February 1, 1999	October 1, 2009	4.0%-4.125%	2,430
1999A (Administrative Building)	100,000	May 15, 1999	October 1, 2009	4.375%-4.5%	4,815
1999B (Administrative Building)	18,930	May 15, 1999	October 1, 2011	4.25%-5.25%	6,820
1999A (Adult Correctional)	150,000	July 1, 1999	October 1, 2009	4.9%-5.5%	7,570
2000A (Adult Correctional)	100,000	June 1, 2000	April 1, 2010	5.125%-5.75%	7,090
2001A (Juvenile Correctional)	39,000	February 1, 2001	April 1, 2011	5.50%	5,465
2001A (Administrative Building)	120,000	April 1, 2001	October 1, 2011	5.0%-5.25%	35,660
2001A (Highway Safety)	20,000	April 1, 2001	October 1, 2020	4.125%-5.5%	14,010
2001A (Adult Correctional)	249,850	July 1, 2001	October 1, 2014	5.50%	122,135
2002A (Administrative Building)	70,000	April 10, 2002	April 1, 2022	5.0%-5.5%	53,060
2002A (State Transportation)	13,060	April 10, 2002	September 1, 2009	4.00%	1,470
2002B (Administrative Building)	58,670	June 25, 2002	October 1, 2012	4.0%-5.25%	34,405
2002A (Adult Correctional)	50,000	October 8, 2002	April 1, 2022	5.00%	37,900
2002B (Adult Correctional)	90,560	October 8, 2002	April 1, 2017	5.0%-5.25%	85,530
2003A (Juvenile Correctional)	30,000	March 14, 2003	April 1, 2018	3.0%-5.0%	19,810
2003A (Administrative Building)	100,000	July 22, 2003	April 1, 2023	4.75%-5.0%	81,715
2004A (Adult Correctional)	57,400	March 23, 2004	April 1, 2024	2.0%-5.25%	47,555
2004A (Highway Safety)	10,400	March 23, 2004	April 1, 2019	2.0%-4.0%	7,360
2004B (Highway Safety)	41,695	March 23, 2004	October 1, 2011	5.00%	23,840
2004A (Administrative Building)	75,000	May 11, 2004	April 1, 2024	3.0%-5.0%	61,720
2004B (Administrative Building)	130,750	October 21, 2004	October 1, 2018	3.125%-5.25%	121,235
2004C (Adult Correctional)	225,350	October 21, 2004	October 1, 2018	5.0%-5.25%	203,960
2005A (Administrative Building)	85,000	March 30, 2005	April 1, 2025	5.00%	73,930
2005B (Administrative Building)	29,150	March 30, 2005	October 1, 2011	5.00%	22,865
2005A (Highway Safety)	5,000	March 30, 2005	April 1, 2010	5.00%	1,000
2005A (Adult Correctional)	75,000	June 1, 2005	April 1, 2025	5.00%	65,535
2005A (Juvenile Correctional)	15,000	October 6, 2005	October 1, 2015	3.25%-4.0%	11,025
2005B (Juvenile Correctional)	27,445	October 6, 2005	October 1, 2018	4.0%-5.0%	27,445
2005A (State Transportation)	7,400	October 6, 2005	September 1, 2010	3.25%-3.5%	3,575
2006A (Administrative Building)	40,000	October 3, 2006	April 1, 2016	4.0%-5.0%	27,405
2006B (Administrative Building)	70,335	October 3, 2006	April 1, 2018	5.00%	70,335
2007A (Juvenile Correctional)	20,000	May 2, 2007	April 1, 2017	4.0%-5.0%	16,590
2007B (Juvenile Correctional)	16,410	May 2, 2007	April 1, 2016	5.0%-5.5%	16,410
2008A (Administrative Building)	25,000	March 6, 2008	April 1, 2023	3.5%-5.5%	23,830
2008A (Adult Correctional)	25,000	March 6, 2008	April 1, 2023	3.5%-5.25%	23,850
2009A (Administrative Building)	60,000	January 22, 2009	October 1, 2028	2.5%-5.0%	60,000
2009A (Adult Correctional)	40,000	January 22, 2009	October 1, 2028	3.0%-5.0%	40,000
2009A (Highway Safety)	1,685	January 22, 2009	October 1, 2028	3.00%	1,685
2009A (Juvenile Correctional)	37,825	January 22, 2009	October 1, 2028	2.25%-5.0%	37,825
Total bonds principal outstanding					1,528,060
Unamortized bond discount					64,297
Deferred amounts on refundings					(28,205)
Total bonds outstanding					$ 1,564,152

Bonds maturing on or after specified dates are subject to redemption prior to maturity, in whole or in part, in inverse order of maturity. The redemption price varies from 101% to 100% dependent upon the terms of the particular series of the bonds and the date redeemed.

The maturities (in thousands) for all of the Authority's bonds and notes for the fiscal years ending June 30 are as follows:

	Principal	Interest
2010	$ 170,015	$ 73,514
2011	164,320	63,840
2012	160,185	56,134
2013	139,920	48,957
2014	129,590	42,439
2015-2019	496,920	127,649
2020-2024	220,420	39,648
2025-2029	46,690	5,039
Unamortized bond premium and discounts, net	64,297	
Deferred amounts on refundings	(28,205)	
Total	$ 1,564,152	$ 457,220

During the fiscal year ended June 30, 2009, the Authority issued four series of bonds totaling $139,510 on behalf of other agencies, under legislation enacted by the Ohio General Assembly. Of the $139,510 of bonds issued, $101,685 were new money bonds (2009A Administrative Building, 2009A Adult Correctional, and 2009A Highway Safety). Bond proceeds from new money bond issues are generally sent directly to the State by the trustee.

During the year ended June 30, 2009, the Authority currently refunded the 1999B Juvenile Correctional Building Fund Project Bonds by issuing $37,825 of refunding bonds (2009A Juvenile Correctional Bonds). The 2009A Juvenile Correctional Bonds, with an average interest rate of 2.06%, currently refunded $38,645 in principal, plus interest, of the 1999B Juvenile Correctional Building Fund Project Bonds. The refunded bonds had an average interest rate of 5.24%. The refunding resulted in an economic gain of $2,469 and enabled the Authority to reduce its total debt service payments over the life of the bonds by $2,545.

The proceeds of the refunding bonds were used to purchase U.S. Government securities in amounts sufficient, without further investment, to pay, when due, the principal, interest and redemption premium on the bonds being refunded. The U.S. Government securities referred to above were placed with an escrow agent pursuant to the terms of related escrow agreement. The escrow agent was responsible for future debt service on the refunded bonds which were called on April 1, 2009.

The bond issues refunded in prior years and the remaining principal outstanding at June 30, 2009 are as follows (in thousands):

Issue Refunded	Balance Outstanding
1999A Administrative Building Fund Projects	$ 56,765
1999A Adult Correctional Building Fund Projects	90,560
2000A Adult Correctional Building Fund Projects	41,995
2001A Administrative Building Fund Projects	51,915
2001A Juvenile Correctional Building Fund Projects	16,520
Total	$ 257,755

Certain bonds defeased as of June 30, 2008, were called or retired during the year ended June 30, 2009:

Defeased Bonds Called	Amount Called
1998 Series A Administrative Building Fund Projects	$ 74,935
1999 Series A Juvenile Correctional Building Fund Projects	$ 27,825

Defeased Bonds Retired

None

6. SEGMENT INFORMATION

The Authority issued bonds to finance the construction of the five buildings to which it has title, as well as to finance capital construction for various Departments and Agencies of the State of Ohio. Investors in these bonds rely solely on revenues generated by individual activities for repayment. Summary financial at June 30, 2009 information for individual activities is presented below (dollars in thousands).

CONDENSED STATEMENT OF NET ASSETS

	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities
ASSETS:							
Current assets	$ 10,067	$ 2,997	$ 7,689	$ 4,216	$ 7,111	$ 80,008	$ 3,334
Other assets	1,009					591,061	1,768
Total assets	11,076	2,997	7,689	4,216	7,111	671,069	5,102
LIABILITIES:							
Current liabilities	6,477	441	1,674	626	1,668	79,936	3,316
Noncurrent liabilities	1,010					591,062	1,768
Total liabilities	7,487	441	1,674	626	1,668	670,998	5,084
Total net assets—(restricted)	$ 3,589	$ 2,556	$ 6,015	$ 3,590	$ 5,443	$ 71	$ 18

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Account	Total
ASSETS:							
Current assets	$ 1,606	$	$ 73,143	$ 19,173	$ 12,025	$ 409	$ 221,778
Other assets	753		635,637	122,244	36,712		1,389,184
Total assets	2,359		708,780	141,417	48,737	409	1,610,962
LIABILITIES:							
Current liabilities	1,603		73,137	18,932	12,020	409	200,239
Noncurrent liabilities	753		635,637	122,244	36,712		1,389,186
Total liabilities	2,356		708,774	141,176	48,732	409	1,589,425
Total net assets—(restricted)	$ 3	$	$ 6	$ 241	$ 5	$ -	$ 21,537

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities
Rents	$ 6,839	$ 3,817	$ 4,412	$ 2,079	$ 6,936	$ 150	$ 10
Lease interest	643				15	31,995	234
Other	492	127	414	121	525		
Operating expenses	(8,182)	(3,726)	(4,841)	(2,127)	(7,437)	(195)	(21)
Operating gain (loss)	(208)	218	(15)	73	39	31,950	223
Non-operating revenues (expenses):							
Earnings on investments	31	7	41	10	17	21	1
Interest expense and other	(714)				(53)	(32,041)	(268)
Change in net assets	(891)	225	26	83	3	(70)	(44)
Beginning net assets	4,480	2,331	5,989	3,507	5,440	141	62
Ending net assets	$ 3,589	$ 2,556	$ 6,015	$ 3,590	$ 5,443	$ 71	$ 18

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Account	Total
Rents	$ 15	$	$ 125	$	$ 10	$	$ 24,393
Lease interest	166	18	31,070	5,727	2,207		72,075
Other							1,679
Operating expenses	(16)	(4)	(149)	(108)	(30)		(26,836)
Operating gain (loss)	165	14	31,046	5,619	2,187		71,311
Non-operating revenues (expenses):							
Earnings on investments			10	12	9		159
Interest expense and other	(167)	(18)	(31,084)	(5,745)	(2,219)		(72,309)
Change in net assets	(2)	(4)	(28)	(114)	(23)	-	(839)
Beginning net assets	5	4	34	355	28	-	22,376
Ending net assets	$ 3	$	$ 6	$ 241	$ 5	$ -	$ 21,537

CONDENSED STATEMENT OF CASH FLOWS

	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities
Net cash flows provided by (used in):							
Operating activities	$ (410)	$ (188)	$ (1,473)	$ 134	$ 998	$ 33,553	$ 220
Capital and related financing activities	(641)				(87)	(33,651)	(240)
Investing activities	1,051	188	1,451	(134)	(911)	98	20
Net increase (decrease) in cash and cash equivalents	-	-	(22)	-	-	-	-
Beginning cash and cash equivalents			22				
Ending cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Account	Total
Net cash flows provided by (used in):							
Operating activities	$ 161	$ 22	$ 32,509	$ 6,034	$ 2,432	$ (40)	$ 73,952
Capital and related financing activities	(162)	(26)	(32,551)	(6,255)	(2,464)		(76,077)
Investing activities	1	4	42	221	32		2,063
Net increase (decrease) in cash and cash equivalents	-	-	-	-	-	(40)	(62)
Beginning cash and cash equivalents						434	456
Ending cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 394	$ 394

7. DEFINED BENEFIT PENSION PLAN

Employees of the Authority participate in the Ohio Public Employees Retirement System of Ohio (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan-a cost sharing, multiple-employer defined benefit pension plan
2. The Member-Directed Plan-a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan-a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Chapter 145 of the Ohio Revised Code assigns the authority to establish and amend benefit provisions to the OPERS Board.

OPERS issues a stand alone financial report, which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)-466-2085 or 1-800-222-PERS (7377).

Employee and employer contributions to PERS are established under the Ohio Revised Code and are based upon percentages of covered employee's gross salaries, with the contribution rate percentages being calculated annually by the Retirement Board's actuaries. At the end of fiscal year 2009 the employee and the employer contribution were 10.0% and 14.0% respectively, for all Authority employees. These rates changed effective January 1, 2008. At the end of fiscal year 2007 the employee and the employer contribution were 9.5% and 13.77% respectively, for all Authority employees. The Authority's required contributions to PERS for the years ended June 30, 2009, 2008, and 2007 were $198,994, $194,464, and $182,451, respectively. These contributions represent 100% of the required contributions for each year.

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – OPERS maintains a cost sharing multiple employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B Premium reimbursement.

To qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2009, state employers contributed 14.00 percent of covered payroll. Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The amount of the employer contributions, which was allocated to fund post-employment health care, was 7.00 percent of covered payroll from July 1 through June 30, 2008 and July 1 to June 30, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The Authority's contributions allocated to fund post-employment health care benefits for the years ended June 30, 2009 was approximately $99,500.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan, which was effective January 1, 2007. Members and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

The Authority has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* prospectively, and reports a zero net OPEB obligation as of June 30, 2008.

9. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority purchases insurance coverage for these risks. In the past three years, there were no losses exceeding insurance coverage.

10. DUE TO/FROM OTHER AGENCY

Due To/Due From balance is primarily $2 due from Agency fund.

11. SUBSEQUENT EVENT

On September 17, 2009 the Authority as part of the State's biennium budget as enacted by Am. Sub. House Bill No. 1, refunded portions of 27 series of previously issued bonds in order to restructure the debt service on bonds coming due October 1, 2009 and April 1, 2010 in the amount of $134,025. Additionally, $51,900 was refunded for bonds due in 2014 through 2020. The overall transaction resulted in an economic gain of $1,252 and issuance cost of $1,167. The refunding resulted in the Authority increasing its total debt service payments over the life of the bonds by $45,524. However, as a result of the refunding, current assets and liabilities were reduced by $135,739 and $135,777, respectively. The pro forma statement of net assets after the refunding is as follows:

PRO FORMA STATEMENT OF NET ASSETS—ENTERPRISE FUND

JUNE 30, 2009
(Dollars in thousands)

ASSETS	
CURRENT ASSETS:	
Cash—unrestricted	$ 394
Investments—restricted	25,309
Receivables:	
Leases—current portion, net	41,237
Lease interest receivable	17,523
Interest	3
Due from other agency	2
Accounts receivable	833
Other assets	373
Cash—restricted	325
Total current assets	85,999
NON-CURRENT ASSETS:	
Leases receivable, net	1,517,181
Deferred debt issuance cost	6,367
Total assets	$ 1,609,547
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued liabilities:	
Restricted	5,329
Unrestricted	168
Due to other agency	
Bonds payable—current portion, net	41,234
Other liabilities	208
Accrued interest	17,523
Total current liabilities	64,462
NON-CURRENT LIABILITIES—Bonds payable, net	1,523,548
Total liabilities	1,588,010
TOTAL NET ASSETS—Restricted	$ 21,537

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SUPPLEMENTAL SCHEDULES

OHIO BUILDING AUTHORITY

SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF NET ASSETS
JUNE 30, 2009
(Dollars in thousands)

ASSETS	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transporation Facilities
CURRENT ASSETS:							
Cash—unrestricted	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Investments—restricted	4,058	2,908	7,047	4,004	6,936	36	12
Receivables:							
Leases—current portion	5,896					71,377	3,259
Lease interest receivable	30					8,558	60
Interest	1	1		1	1		
Due from (to) other projects	(59)	2	27	(7)	28	37	3
Due from other agency							
Accounts receivable	9	26	560	192	46		
Other Assets	132	60	55	26	100		
Cash—restricted							
Total current assets	10,067	2,997	7,689	4,216	7,111	80,008	3,334
NONCURRENT ASSETS:							
Leases receivable	1,008					588,837	1,767
Deferred debt issuance and other expense	1					2,224	1
TOTAL ASSETS	11,076	2,997	7,689	4,216	7,111	671,069	5,102
LIABILITIES:							
CURRENT LIABILITIES:							
Accounts payable and accrued liabilities:							
Restricted	551	441	1,674	626	1,668	1	1
Unrestricted							
Due to other agency							
Bonds payable—current portion	5,896					71,377	3,255
Other liabilities							
Accrued interest	30					8,558	60
Total current liabilities	6,477	441	1,674	626	1,668	79,936	3,316
NONCURRENT LIABILITIES—Bonds payable (net of unamortized premiums and discounts)	1,010					591,062	1,768
Total liabilities	7,487	441	1,674	626	1,668	670,998	5,084
TOTAL NET ASSETS - RESTRICTED	$ 3,589	$2,556	$ 6,015	$ 3,590	$ 5,443	$ 71	$ 18

(Continued)

OHIO BUILDING AUTHORITY

SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF NET ASSETS
JUNE 30, 2009
(Dollars in thousands)

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Account	Total
ASSETS							
CURRENT ASSETS:							
Cash—unrestricted	$ -	$ -	$ -	$ -	$ -	$ 394	$ 394
Investments—restricted	6		12	245	8	36	25,308
Receivables:							
Leases—current portion	1,571		64,314	17,100	11,453		174,970
Lease interest receivable	31		8,822	1,827	566		19,894
Interest							4
Due from (to) other projects	(2)		(5)	1	(2)	(23)	
Due from other agency						2	2
Accounts receivable							833
Other Assets							373
Cash—restricted							
Total current assets	1,606		73,143	19,173	12,025	409	221,778
NONCURRENT ASSETS:							
Leases receivable	753		632,595	121,824	36,603		1,383,387
Deferred debt issuance and other expense			3,042	420	109		5,797
TOTAL ASSETS	2,359		708,780	141,417	48,737	409	1,610,962
LIABILITIES:							
CURRENT LIABILITIES:							
Accounts payable and accrued liabilities:							
Restricted	1		1	1	1	36	5,002
Unrestricted						168	168
Bonds payable—current portion	1,571		64,314	17,100	11,453		174,966
Other liabilities				4		205	209
Accrued interest	31		8,822	1,827	566		19,894
Total current liabilities	1,603		73,137	18,932	12,020	409	200,239
NONCURRENT LIABILITIES—Bonds payable (net of unamortized premiums and discounts)	753		635,637	122,244	36,712		1,389,186
Total liabilities	2,356		708,774	141,176	48,732	409	1,589,425
TOTAL NET ASSETS - RESTRICTED	$ 3	$	$ 6	$ 241	$ 5	$ -	$ 21,537

See notes to financial statements.

(Concluded)

OHIO BUILDING AUTHORITY
SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2009
(Dollars in thousands)

	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities
OPERATING REVENUES:							
Rents	$ 6,839	$ 3,817	$ 4,412	$ 2,079	$ 6,936	$ 150	$ 10
Lease interest	643				15	31,995	234
Other	492	127	414	121	525		
Total operating revenues	7,974	3,944	4,826	2,200	7,476	32,145	244
OPERATING EXPENSES:							
Building maintenance and operations	5,257	2,529	3,422	1,574	4,815		
Utilities	1,561	726	950	303	1,377		
General administration	973	202	190	221	876	195	21
Other	391	269	279	29	369		
Total operating expenses	8,182	3,726	4,841	2,127	7,437	195	21
OPERATING GAIN (LOSS)	(208)	218	(15)	73	39	31,950	223
NONOPERATING REVENUES (EXPENSES):							
Earnings on investments	31	7	41	10	17	21	1
Interest expense and other	(714)				(53)	(32,041)	(268)
Total nonoperating expenses	(683)	7	41	10	(36)	(32,020)	(267)
NET GAIN (LOSS)	(891)	225	26	83	3	(70)	(44)
NET ASSETS—Beginning of year	4,480	2,331	5,989	3,507	5,440	141	62
NET ASSETS—End of year	$ 3,589	$ 2,556	$ 6,015	$ 3,590	$ 5,443	$ 71	$ 18

(Continued)

OHIO BUILDING AUTHORITY
SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2009
(Dollars in thousands)

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Account	Total
OPERATING REVENUES:							
Rents	$ 15	$	$ 125	$	$ 10	$ -	$ 24,393
Lease interest	166	18	31,070	5,727	2,207		72,075
Other							1,679
Total operating revenues	181	18	31,195	5,727	2,217		98,147
OPERATING EXPENSES:							
Building maintenance and operations							17,597
Utilities							4,917
General administration	16	4	149	108	30		2,985
Other							1,337
Total operating expenses	16	4	149	108	30		26,836
OPERATING GAIN (LOSS)	165	14	31,046	5,619	2,187	-	71,311
NONOPERATING REVENUES (EXPENSES):							
Earnings on investments			10	12	9		159
Interest expense and other	(167)	(18)	(31,084)	(5,745)	(2,219)		(72,309)
Total nonoperating expenses	(167)	(18)	(31,074)	(5,733)	(2,210)		(72,150)
NET GAIN (LOSS)	(2)	(4)	(28)	(114)	(23)	-	(839)
NET ASSETS—Beginning of year	5	4	34	355	28		22,376
NET ASSETS—End of year	$ 3	$	$ 6	$ 241	$ 5	$ -	$ 21,537

See notes to financial statements.

(Concluded)

OHIO BUILDING AUTHORITY

SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009
(Dollars in thousands)

	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from customers:							
State operating rent	$ 6,711	$ 3,787	$ 35	$ 1,514	$ 8,091	$ 150	$ 10
Local operating rent			2,955	488			
Lease interest income receipts	570				20	33,606	231
Total cash received from customers	7,281	3,787	2,990	2,002	8,111	33,756	241
Cash received from quasi-external operating transactions with oth							
Cash payments to suppliers for goods and services	(7,806)	(4,076)	(4,879)	(1,991)	(7,238)	(203)	(21)
Cash payments to employees for services	(407)				(372)		
Miscellaneous fees and commissions	522	101	416	123	497		
Net cash flows provided by operating activities	(410)	(188)	(1,473)	134	998	33,553	220
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on bonds	(5,660)				(3,495)	(70,290)	(3,355)
Interest paid	(641)				(87)	(33,651)	(240)
Principal receipts on capital leases	5,660				3,495	70,290	3,355
Refunding bond proceeds							
Payment of debt issue costs							
Other—net premium on sale of bonds							
Net cash flows provided by (used) in capital and related financing activities	(641)				(87)	(33,651)	(240)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Proceeds from sales and maturities of investments	25,109	7,497	4,340	6,334	22,540	104,148	3,631
Purchase of investments	(24,093)	(7,318)	(2,941)	(6,479)	(23,470)	(104,071)	(3,612)
Investment income received	35	9	52	11	19	21	1
Net cash flows provided by (used in) investing activities	1,051	188	1,451	(134)	(911)	98	20
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALEN			(22)				
RESTRICTED AND UNRESTRICTED—Beginning of year	-	-	22	-	-	-	-
RESTRICTED AND UNRESTRICTED—End of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -

(Continued)

OHIO BUILDING AUTHORITY

SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2009
(Dollars in thousands)

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Acount	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash received from customers:							
State operating rent	$ 15	$	$ 125	$	$ 10	$	$ 20,448
Local operating rent							3,443
Lease interest income receipts	162	26	32,537	6,133	2,451		75,736
Total cash received from customers	177	26	32,662	6,133	2,461		99,627
Cash received from quasi-external operating transactions with other funds						1,470	1,470
Cash payments to suppliers for goods and services	(16)	(4)	(153)	(99)	(29)	(1,003)	(27,518)
Cash payments to employees for services						(507)	(1,286)
Miscellaneous fees and commissions							1,659
Net cash flows provided by operating activities	161	22	32,509	6,034	2,432	(40)	73,952
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Principal payments on bonds	(1,495)	(1,045)	(58,265)	(16,940)	(10,845)		(171,390)
Interest paid	(162)	(26)	(32,551)	(6,150)	(2,464)		(75,972)
Principal receipts on capital leases	1,495	1,045	58,265	16,940	10,845		171,390
Refunding bond proceeds			75	4			79
Payment of debt issue costs			(75)	(109)			(184)
Net cash flows provided by (used) in capital and related financing activities	(162)	(26)	(32,551)	(6,255)	(2,464)		(76,077)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Proceeds from sales and maturities of investments	1,682	1,075	91,161	23,298	13,338		304,153
Purchase of investments	(1,681)	(1,071)	(91,129)	(23,090)	(13,315)		(302,270)
Investment income received			10	13	9		180
Net cash flows provided by (used in) investing activities	1	4	42	221	32		2,063
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALE						(40)	(62)
RESTRICTED AND UNRESTRICTED—Beginning of year	-	-	-	-	-	434	456
RESTRICTED AND UNRESTRICTED—End of year	$ -	$ -	$ -	$ -	$ -	$ 394	$ 394

See notes to financial statements.

(Concluded)

OHIO BUILDING AUTHORITY

SCHEDULE OF PROJECTS IN THE ENTERPRISE FUND—STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2009

(Dollars in thousands)

	Rhodes State Office Tower	Lausche State Office Building	DiSalle Government Office Building	Ocasek Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities
OPERATING GAIN (LOSS)	$ (208)	$ 218	$ (15)	$ 73	$ 39	$ 31,950	$ 223
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Amortization of lease premium (discount)	(97)				(9)	1,361	(43)
Changes in assets and liabilities:							
(Increase) decrease in lease interest receivable	24				44	250	40
(Increase) decrease in account receivable—other	31	(26)	173	(51)	(28)		
(Increase) decrease in other assets	(12)	7	(6)	29	(8)		
Increase (decrease) in accounts payable and other liabilities	(148)	(387)	(1,625)	83	960	(8)	
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ (410)	$ (188)	$ (1,473)	$ 134	$ 998	$ 33,553	$ 220

	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Highway Safety	Custodial Account	Total
OPERATING GAIN (LOSS)	$ 165	$ 14	$ 31,046	$ 5,619	$ 2,187	$	$ 71,311
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Amortization of lease premium (discount)	(24)	(5)	1,833	383	137		3,536
Miscellaneous nonoperating expenses				8			8
Changes in assets and liabilities:							
(Increase) decrease in lease interest receivable	20	13	(366)	23	107		155
(Increase) decrease in account receivable—other							99
(Increase) decrease in other assets		1	1			(36)	(24)
Increase (decrease) in accounts payable and other liabilities		(1)	(5)	1	1	(4)	(1,133)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 161	$ 22	$ 32,509	$ 6,034	$ 2,432	$ (40)	$ 73,952

See notes to financial statements.

(Concluded)

383 North Front Street
Columbus, Ohio 43215

Kennedy Cottrell Richards

Phone: 614.358.4682
Fax: 614.888.8634
www.kcr-cpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED UPON THE AUDIT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Members of the Ohio Building Authority and
The Honorable Mary Taylor, Auditor of the State of Ohio
Columbus, Ohio

We have audited the financial statements of the enterprise fund and the remaining fund information of the Ohio Building Authority (the "Authority"), a component unit of the State of Ohio, as of and for the year ended June 30, 2009, and have issued our report thereon dated October 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in G*overnment Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Trustees, management of the Authority, and the Auditor of State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
October 29, 2009

Mary Taylor, CPA
Auditor of State

OHIO BUILDING AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 1, 2009

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us