

# ***Ohio Building Authority***

*Financial Statements for the  
Year Ended June 30, 2001  
and Independent Auditors' Report*





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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To the Members of the  
Ohio Building Authority

We have reviewed the independent auditor's report of the Ohio Building Authority, Franklin County, prepared by Deloitte & Touche LLP, for the audit period July 1, 2000 through June 30, 2001. 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.

JIM PETRO  
Auditor of State

October 29, 2001

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# OHIO BUILDING AUTHORITY

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
The Ohio Building Authority and  
The Honorable Jim Petro, Auditor of the State of Ohio:

We have audited the accompanying combined financial statements of the Ohio Building Authority, a component unit of the State of Ohio, as of and for the year ended June 30, 2001, as listed in the foregoing Table of Contents. These component unit financial statements are the responsibility of the Ohio Building Authority's management. Our responsibility is to express an opinion 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 combined 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 opinion.

As described in Note A, the combined 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 and account groups of the State of Ohio that are attributable to the transactions of the Ohio Building Authority.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Building Authority as of June 30, 2001, and the results of its operations and cash flows of its Internal Service Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the combined financial statements of the Authority taken as a whole. The combining financial statements listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the component unit financial statements of the Ohio Building Authority. These combining financial statements are also the responsibility of the management of the Authority. Such additional information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly presented in all material respects in relation to the combined financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2001 on our consideration of the Ohio Building Authority's internal control over reporting and our test of its compliance with certain provisions of laws, contracts and regulations. 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.

DELOITTE & TOUCHE LLP

August 31, 2001



# OHIO BUILDING AUTHORITY

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS AS OF JUNE 30, 2001 (DOLLARS IN THOUSANDS)

ASSETS AND OTHER DEBITS	Debt Service	Capital Projects	Internal Service	General Fixed Assets Account Group	Long-Term Obligations Account Group	Total (Memorandum Only)
CASH			\$ 235			\$ 235
INVESTMENTS			1,626			1,626
RECEIVABLES:						
Leases			23,086			23,086
Interest	\$ 511	\$ 97	82			690
Due from other projects			109			109
Other			852			852
RESTRICTED ASSETS:						
Cash	8					8
Investments	48,567	13,442	38,667			100,676
FIXED ASSETS				\$290,269		290,269
OTHER ASSETS			437			437
AMOUNT AVAILABLE IN DEBT SERVICE FUND FOR SPECIAL LONG-TERM OBLIGATIONS					\$ 48,054	48,054
AMOUNT TO BE PROVIDED FOR THE RETIREMENT OF SPECIAL LONG-TERM OBLIGATIONS					2,388,326	2,388,326
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$49,086</u>	<u>\$13,539</u>	<u>\$65,094</u>	<u>\$290,269</u>	<u>\$2,436,380</u>	<u>\$2,854,368</u>
<b>LIABILITIES, FUND BALANCE AND OTHER CREDITS</b>						
LIABILITIES:						
Accounts payable		\$ 243	\$12,787			\$ 13,030
Due to other projects			109			109
Deferred revenue			243			243
Special obligations bonds payable					\$2,436,380	2,436,380
Revenue bonds payable			25,646			25,646
Accrued interest	\$ 1,032		412			1,444
Total liabilities	<u>1,032</u>	<u>243</u>	<u>39,197</u>		<u>2,436,380</u>	<u>2,476,852</u>
FUND BALANCE AND OTHER CREDITS:						
Investment in general fixed assets				\$290,269		290,269
Retained earnings			25,897			25,897
Fund balances:						
Reserved for:						
Debt Service	48,054					48,054
Capital Projects		13,296				13,296
Total fund balance and other credits	<u>48,054</u>	<u>13,296</u>	<u>25,897</u>	<u>290,269</u>		<u>377,516</u>
<b>TOTAL LIABILITIES, FUND BALANCE AND OTHER CREDITS</b>	<u>\$49,086</u>	<u>\$13,539</u>	<u>\$65,094</u>	<u>\$290,269</u>	<u>\$2,436,380</u>	<u>\$2,854,368</u>

See notes to combined financial statements.

# OHIO BUILDING AUTHORITY

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES FOR THE YEAR ENDED JUNE 30, 2001 (DOLLARS IN THOUSANDS)

	Debt Service	Capital Projects	Total (Memorandum Only)
REVENUES:			
State lease payments	\$ 247,749		\$ 247,749
Earnings on investments	<u>3,077</u>	\$ 857	<u>3,934</u>
Total revenues	<u>250,826</u>	<u>857</u>	<u>251,683</u>
EXPENDITURES:			
Capital outlay		7,189	7,189
Debt service:			
Principal	156,006		156,006
Interest	<u>125,020</u>		<u>125,020</u>
Total expenditures	<u>281,026</u>	<u>7,189</u>	<u>288,215</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(30,200)</u>	<u>(6,332)</u>	<u>(36,532)</u>
OTHER FINANCING SOURCES (USES):			
Bond proceeds		239,541	239,541
Transfers in	32,090		32,090
Transfers out	(4,209)	(346)	(4,555)
Transfers to other State agency		<u>(232,415)</u>	<u>(232,415)</u>
Total other financing sources	<u>27,881</u>	<u>6,780</u>	<u>34,661</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(2,319)	448	(1,871)
FUND BALANCES, Beginning of year	<u>50,373</u>	<u>12,848</u>	<u>63,221</u>
FUND BALANCES, End of year	<u>\$ 48,054</u>	<u>\$ 13,296</u>	<u>\$ 61,350</u>

See notes to combined financial statements.

# OHIO BUILDING AUTHORITY

## COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS - INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2001 (DOLLARS IN THOUSANDS)

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OPERATING REVENUES:	
Rents	\$ 26,600
Other	<u>2,672</u>
Total operating revenues	<u>29,272</u>
OPERATING EXPENSES:	
Building maintenance and operations	21,003
Utilities	5,372
General administration	2,808
Other	<u>1,415</u>
Total operating expenses	<u>30,598</u>
Operating loss	<u>(1,326)</u>
NONOPERATING REVENUES (EXPENSES):	
State lease payments	25,613
Earnings on investments	1,833
Interest expense and other	<u>(1,720)</u>
Total nonoperating revenues	<u>25,726</u>
Income before operating transfers	24,400
OPERATING TRANSFERS IN	4,244
OPERATING TRANSFERS OUT	<u>(31,778)</u>
NET LOSS	(3,134)
RETAINED EARNINGS, Beginning of year	<u>29,031</u>
RETAINED EARNINGS, End of year	<u>\$ 25,897</u>

See notes to combined financial statements.

# OHIO BUILDING AUTHORITY

## COMBINED STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2001 (DOLLARS IN THOUSANDS)

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#### CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers:

State operating rent	\$ 22,770
Local operating rent	3,958
Total cash received from customers	<u>26,728</u>

Cash received from quasi-external operating transactions with other funds	1,011
Cash payments to suppliers for goods and services	(31,342)
Cash payments to employees for services	(1,130)
Miscellaneous fees and commissions	<u>3,083</u>

Net cash flows used in operating activities (1,650)

#### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Other cash inflows (BWC debt service lease payments)	16,437
Other cash outflows (BWC principal and interest payments)	<u>(16,914)</u>

Net cash flows used in noncapital financing activities (477)

#### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal payments on bonds	(3,194)
Interest paid	(1,728)
Principal receipts on capital leases	3,194
Other cash inflows (state debt service lease payments)	25,613
Other cash inflows (transfers in)	4,244
Other cash outflows (transfers out)	<u>(31,778)</u>

Net cash flows used in capital and related financing activities (3,649)

#### CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales and maturities of investments	118,150
Purchase of investments	(114,922)
Investment income received	<u>2,592</u>

Net cash flows provided by investing activities 5,820

Net increase in cash and cash equivalents 44

RESTRICTED AND UNRESTRICTED - BEGINNING OF YEAR 191

RESTRICTED AND UNRESTRICTED - END OF YEAR \$ 235

See notes to combined financial statements.

# OHIO BUILDING AUTHORITY

## COMBINED STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2001

(DOLLARS IN THOUSANDS)

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Operating loss	\$ (1,326)
Adjustments to reconcile operating loss from operations to net cash provided by operating activities:	
Investment income	(677)
Miscellaneous nonoperating expenses	477
Changes in assets and liabilities:	
Increase in account receivable - other	664
Decrease in other assets	(73)
Decrease in deferred revenue	(136)
Increase in accounts payable and due to other projects	<u>(579)</u>
Net cash flows used by operating activities	<u>\$ (1,650)</u>

# OHIO BUILDING AUTHORITY

## NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

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### A. 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 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 of Ohio (the primary government) which uses funds and account groups to report on its combined financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

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). The Authority acquired 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 General Fixed Asset Account Group does not include BWC's facility, and the Authority's Long-Term Obligations Account Group does not include BWC's debt issued by the Authority. The Authority's financial statements include a capital projects and internal service fund to report construction and certain general administrative costs, respectively, related to BWC. At June 30, 2001, \$179,255,000 BWC bonds were outstanding.

***Basis of Presentation - Fund Accounting*** - A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting entity designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect expendable available financial resources. The financial transactions of the Authority are recorded in individual funds that are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The Authority uses the following fund types and account groups:

1. Governmental Fund Types

*Debt Service* - The Debt Service Funds account for the accumulation of resources for the payment of long-term debt principal and interest.

*Capital Projects* - The Capital Projects Funds account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by Proprietary funds.

2. Proprietary Fund Type

*Internal Service Funds* - The Internal Service Funds account for the financing of management services provided to other State agencies or Ohio local governments.

3. Accounts Groups

*General Fixed Assets* - The General Fixed Account Group accounts for fixed assets acquired or constructed for use by the State for general governmental purposes for which title is retained by the Authority (except BWC, as described above).

*Long-Term Obligations* - The Long-Term Obligations Account Group reflects the Authority's unmatured special obligation bonds and other long-term obligations not required to be accounted for in the Proprietary funds (except BWC, as described above).

***Basis of Accounting*** - The modified accrual basis of accounting has been applied to all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The State considers revenues available if they are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made in the subsequent fiscal year.

The accrual basis of accounting has been applied to Internal Service Funds. Under this method, revenues are recorded when earned, and expenses are recorded when incurred.

The Authority's Internal Service Fund applies all applicable GASB pronouncements and the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with 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.

**Fixed Assets - General Fixed Assets** - General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost. The costs of normal maintenance and repairs that do not add to the asset value or materially extend an asset's useful life are not capitalized. The cost of major improvements is capitalized. Interest costs associated with the acquisition of general fixed assets are not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated.

**Long-Term Obligations** - Only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the Long-Term Obligations Account Group. Long-term bonds are recognized as a liability of an Internal Service Fund at the date the funds are borrowed.

**Interfund Transactions - Operating Transfers** - Legally required transfers are reported when incurred as "operating transfers in" by the Receiving Fund and as "operating transfers out" by the Disbursing Fund.

**Memorandum Only - Total Columns** - Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in aggregating this data.

**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 2001, there were \$84,000 of realized gains. The net increase in fair value of investments during 2001 is \$64,000. These amounts take into account all changes in fair value (including purchases and sales) that occur during each respective year. The unrealized appreciation on investments held at June 30, 2001 is \$534,000.

**New Accounting Pronouncement** - In June, 1999, the GASB issued Statement No. 34, *Basic Financial Statements-and Management, Discussion and Analysis for State and Local Governments*. This statement establishes new financial reporting requirements for state and local governments, which consist of Management's discussion and analysis and required supplementary information. The Authority will be required to implement this statement for the June 30, 2002 annual report. Effective July 1, 2001, one of the changes required is that the Authority will commence depreciation of fixed assets.



**B. CASH AND INVESTMENTS**

Cash includes demand deposits. The bank and financial statement balances of the Authority’s unrestricted cash with custodians at June 30, 2001 were \$234,939. These balances were partially insured by the Federal Deposit Insurance Corporation and fully collateralized.

Bond trust agreements authorize 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’s investments are categorized below to give an indication of the level of risk assumed by the Authority at June 30, 2001. Category 1 includes investments that are insured or collateralized with securities held by the trustees in the Authority’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the trustees in the Authority’s name. Category 3 includes uninsured and unregistered investments (or investments registered in book entry form) for which the securities are held by the broker or dealer, or by the trustees, but are not in the Authority’s name.

	Category (in thousands)			Market Value
	1	2	3	
Total categorized investments -				
U.S. Treasury obligations			<u>\$ 102,272</u>	<u>\$ 102,272</u>

The total market value amounts of deposits and investments included in the balance sheet are (in thousands):

	Cash	Investments	Total
Unrestricted assets	\$ 235	\$ 1,626	\$ 1,861
Restricted assets	<u>8</u>	<u>100,676</u>	<u>100,684</u>
Total	<u>\$ 243</u>	<u>\$ 102,302</u>	<u>\$ 102,545</u>

Of the investment balance at June 30, 2001, \$30,000 (market value) represents non-categorized investments in the State Treasury Asset Reserve.

**C. 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. Certain trust agreements also specify that a required reserve fund be maintained at levels varying from 50% to 100% of the highest annual debt service due during the life of the bonds.

Pledged receipts and required reserves (in thousands) at June 30, 2001 by type of project were:

	<b>Pledged Receipts</b>	<b>Required Reserves (1)</b>
Rhodes State Office Tower	\$ 6,744	
Lausche State Office Building	6,823	\$ 3,156
DiSalle Government Center	19,412	7,347
Ocasek Government Office Building	6,406	1,711
Riffe Center for Government and the Arts	19,620	14,837
State Correctional Facilities	17,011	16,686
State Transportation Facilities	1,369	1,066
Local Jails	2	
DAS Data Center	59	
Juvenile Correctional Facilities	114	
Administrative Building Fund Projects	9,101	
Arts and Sports Facilities	215	
Bureau of Workers' Compensation	13,745	10,320
Highway Safety	<u>63</u>	
Total	<u>\$ 100,684</u>	<u>\$ 55,123</u>

(1) Required reserves are also included in pledged receipts.

**D. 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.

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 2001 are as follows (in thousands):

	<b>Rent</b>	<b>Operations</b>
Ohio Department of Administrative Services - Office/ Administrative Facilities	\$ 97,335	\$ 25,498
Ohio Department of Rehabilitation and Correction - Correctional Facilities	129,500	
Ohio Department of Transportation - Transportation Facilities	21,100	
Ohio Department of Natural Resources - Fountain Square Project	1,093	
Ohio Department of Youth Services - Juvenile Facilities	16,300	
Ohio Arts and Sports Facilities Commission - Arts and Sports Facilities	32,600	
Ohio Department of Public Safety - Highway Safety Bureau of Workers' Compensation	<u>14,000</u> <u>16,915</u>	
Total	<u>\$ 328,843</u>	<u>\$ 25,498</u>

Changes in special obligations long-term debt were as follows (in thousands):

Special obligation bonds outstanding - June 30, 2000	\$2,364,587
Debt issued on behalf of other agencies under legislation enacted by the Ohio General Assembly	231,690
Accretion of deep discount debt	(3,891)
Principal retired	<u>(156,006)</u>
Special obligation bonds outstanding - June 30, 2001	<u>\$2,436,380</u>

Bonds and notes outstanding (in thousands) at June 30, 2001 are as follows:

	<b>Amount of Obligation Issued</b>	<b>Bond Issue Date</b>	<b>Final Maturity Date</b>	<b>Interest Rates</b>	<b>2001 Balance</b>
State Facilities Bonds:					
1985A (Lausche Building)	\$ 36,233	12-1-85	10-1-07	6.0%-9.75%	\$ 5,630
1985A (DiSalle Center)	84,174	12-1-85	10-1-07	6.0%-9.75%	13,059
1985A (Ocasek Building)	19,644	12-1-85	10-1-07	6.0%-9.75%	3,046
1985B (Riffe Center)	13,674	12-1-85	10-1-07	6.0%-9.75%	2,120
1991A (State Transportation)	25,000	5-1-91	9-1-03	6.1%-6.25%	8,400
1991A (Rhodes Tower)	71,105	10-1-91	6-1-11	6.0%	3,760
1992A (Administrative Building)	30,000	5-1-92	10-1-11	5.75%-6.0%	2,800
1992A (State Transportation)	17,000	9-1-92	9-1-07	5.4%-6.1%	7,920
1993A (DAS Data Center)	36,765	1-1-93	10-1-07	5.3%-5.9%	20,440
1993A (Administrative Building)	60,000	3-1-93	4-1-13	5.0%-5.6%	42,895
1993A (Aronoff Center)	35,000	6-1-93	4-1-08	4.85%-5.45%	19,405
1993A (Arts Facilities)	10,000	6-1-93	4-1-08	4.85%-5.45%	5,505
1994A (DNR Fountain Square)	9,290	1-1-94	4-1-09	4.1%-5.00%	7,140
1994A (Riffe Center)	96,405	1-1-94	4-1-09	4.1%-5.75%	68,250
1994A (Administrative Building)	80,000	9-15-94	10-1-11	5.2%-6.15%	58,505
1994A (State Transportation)	25,000	12-1-94	9-1-09	4.4%-6.5%	14,985
1994A (Highway Safety)	10,000	9-15-94	10-1-09	5.2%-6.0%	6,880
1995A (Administrative Building)	60,000	12-1-95	10-1-10	4.35%-6.0%	42,050
1996A (Arts Facilities)	10,000	4-1-96	10-1-05	4.6%-5.0%	5,790
1996A (Highway Safety)	18,200	4-1-96	9-1-10	4.4%-6.0%	13,815
1996A (State Transportation)	26,800	4-1-96	9-1-10	4.4%-6.0%	17,850
1996A (DiSalle Center)	38,570	8-15-96	10-1-05	5.0%-6.0%	21,340
1996A (Lausche Building)	16,545	8-15-96	10-1-05	5.0%-6.0%	9,145
1996A (Ocasek Building)	9,215	8-15-96	10-1-05	4.5%-5.0%	5,045
1996A (Riffe Center)	6,045	8-15-96	10-1-05	4.5%-5.0%	3,300
1997A (Administrative Building)	85,000	1-15-97	10-1-11	4.6%-5.5%	68,310
1997A (Arts Facilities)	40,000	1-15-97	10-1-06	4.5%-5.5%	26,330
1997A (Sports Facilities)	37,000	1-15-97	10-1-11	4.4%-5.375%	29,525
1997A (Highway Safety)	75,000	4-1-97	10-1-11	4.75%-6.0%	60,285
1998A (Administrative Building)	130,000	1-15-98	10-1-17	4.0%-5.375%	117,680
1998B (Administrative Building)	19,545	1-15-98	10-1-10	4.0%-5.25%	15,495
1998A (DAS Data Center)	15,605	1-15-98	10-1-10	4.0%-5.25%	12,365
1998A (State Transportation)	12,000	3-15-98	9-1-07	4.25%-4.50%	8,400
1998B (State Transportation)	34,800	3-15-98	9-1-07	4.25%-5.00%	25,850
1998A (Rhodes Tower)	43,735	9-15-98	6-1-11	4.0%-5.25%	42,070
1999A (Arts Facility)	75,000	3-15-99	10-1-08	5.00%	62,840
1999A (Sports Facilities)	39,000	3-15-99	10-1-13	4.0%-5.25%	35,095
1999A (Administrative Building)	100,000	5-15-99	10-1-18	4.0%-5.375%	93,000
1999B (Administrative Building)	18,930	5-15-99	10-1-11	3.5%-4.50%	18,445
2001A (Arts Facilities)	29,000	2-1-01	4-1-16	3.50%-5.50%	29,000
2001A (Sports Facilities)	23,690	2-1-01	4-1-16	3.50%-5.50%	23,690
2001A (Administrative Building)	120,000	4-1-01	10-1-20	4.25%-5.50%	120,000
2001A (Highway Safety)	20,000	4-1-01	10-1-20	4.0%-5.5%	20,000

Bonds and notes outstanding (in thousands) at June 30, 2001 are as follows (continued):

	<b>Amount of Obligation Issued</b>	<b>Bond Issue Date</b>	<b>Final Maturity Date</b>	<b>Interest Rates</b>	<b>2001 Balance</b>
State Correctional Facilities Bonds:					
1985C	\$160,000	12-1-85	1-1-05	9.75%	\$ 5,710
1991A	58,745	4-1-91	10-1-04	6.25%-6.50%	47,110
1993A	69,970	1-1-93	10-1-08	5.3%-6.00%	39,550
1994A	212,665	1-1-94	4-1-07	4.2%-4.85%	111,965
1996A	69,540	12-1-96	10-1-09	5.0%-6.0%	51,065
1992A (Adult Correctional)	30,000	5-1-92	10-1-11	5.75%-6.3%	20,455
1993A (Adult Correctional)	100,000	1-1-93	10-1-12	5.3%-6.125%	71,855
1994A (Adult Correctional)	125,000	3-15-94	4-1-14	5.10%-6.125%	95,735
1995A (Adult Correctional)	100,000	2-1-95	10-1-14	5.3%-5.95%	80,965
1996A (Adult Correctional)	85,000	4-1-96	4-1-16	4.70%-6.00%	71,180
1997A (Adult Correctional)	110,000	4-1-97	4-1-17	4.75%-6.0%	96,070
1998A (Adult Correctional)	100,000	3-15-98	10-1-18	5.0%-5.50%	90,555
1999A (Adult Correctional)	150,000	7-1-99	10-1-18	4.5%-5.50%	147,065
2000A (Adult Correctional)	100,000	6-1-00	4-1-15	4.5%-5.75%	94,070
1992A (Juvenile Correctional)	20,000	1-1-92	10-1-11	5.80 %	1,885
1992B (Juvenile Correctional)	43,000	9-1-92	10-1-12	5.4%-6.30%	5,900
1994A (Juvenile Correctional)	50,000	12-1-94	10-1-14	5.6%-6.50%	10,625
1999A (Juvenile Correctional)	50,000	2-1-99	10-1-18	3.1%-5.25%	46,595
1999B (Juvenile Correctional)	70,790	2-1-99	10-1-14	3.1%-5.25%	68,790
2001A (Juvenile Correctional)	39,000	2-1-01	4-1-16	3.50%-5.50%	39,000
Local Jail Grant Bonds:					
1994A	43,305	1-1-94	4-1-09	4.1%-4.95%	30,660
Capital Appreciation Bond Accreted Values					18,094
Unamortized bond discount					<u>(328)</u>
Total bonds outstanding					<u><u>\$ 2,462,026</u></u>

State Facilities Bonds, State Correctional Facilities Bonds and Local Jail Grant 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 103% 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:

	<b>General Long-Term Obligations Account Group</b>		<b>Internal Service Funds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2002	\$ 178,256	\$ 126,280	\$ 3,359	\$ 1,565
2003	188,064	116,437	3,531	1,394
2004	199,205	106,686	3,730	1,196
2005	201,557	103,986	2,478	2,446
2006	196,653	92,567	2,843	2,079
Thereafter	1,457,439	400,516	7,146	433
Capital Appreciation Bond Accreted Values	15,206		2,888	
Unamortized bond discount			(328)	
<b>Total</b>	<b><u>\$2,436,380</u></b>	<b><u>\$ 946,472</u></b>	<b><u>\$25,647</u></b>	<b><u>\$ 9,113</u></b>

The Authority has refunded various bonds by issuing refunding bonds. The proceeds of refunding bond issues were used to purchase U.S. Government securities in amounts sufficient, without further investment, to pay, when due, the principal and interest on the bonds being refunded. The U.S. Government securities referred to above are placed with an escrow agent pursuant to the terms of related escrow agreements. The escrow agents are responsible for future debt service on the refunded bonds until they are fully retired. The funding of the escrow agreements defeased the related trust agreements and, accordingly, escrow accounts assets and the related outstanding principal balance of the refunded bonds are not reflected in the accompanying combined financial statements.

For the year ended June 30, 2001, the Authority had no bond refundings.

The bond issues refunded in prior years and the remaining principal outstanding at June 30, 2001 are as follows (in thousands):

<b>Issue Refunded</b>	<b>Balance Outstanding</b>
1982A (State Facilities Bonds)	\$ 76,645
1991A (Administrative Facilities)	16,340
1991A (DAS Data Center Project)	13,090
1992A (Administrative Buildings)	17,655
1992A (Juvenile Corrections)	11,905
1992B (Juvenile Corrections)	25,225
1994A (Juvenile Corrections)	<u>29,985</u>
<b>Total</b>	<b><u>\$ 190,845</u></b>

**E. DEFINED BENEFIT PENSION PLAN**

The Ohio Building Authority contributes to the Public Employees Retirement System of Ohio (PERS) a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio Revised Code. PERS issues a publicly available financial report that includes financial information for the plan. That report may be obtained by writing to PERS, 277 East Town Street, Columbus, Ohio 43215-4642.

Regularly plan members are required to contribute 8.5% of their annual covered salary, while employers are required to contribute 13.31%. For 2000, PERS adopted a one-year employer contribution rate rollback of 20% by administering a contribution rollback of 40% July through December 2000, in effect requiring employers to contribute only 7.99% for the rollback period. The Authority's contributions to PERS for the years ended June 30, 2001, June 30, 2000 and June 30, 1999, respectively, were \$133,393, \$165,101 and \$158,734 which equals the required contribution.

**F. OTHER POSTEMPLOYMENT BENEFITS**

PERS provides postemployment health care benefits to age and service retirants who retire with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability retirants is also available. During 2000, PERS returned to an actuarially pre-funded type of disclosure because it is a better presentation of PERS' actual funding methodology.

The Authority and all employees are required by Chapter 145 of the ORC to contribute to PERS. A portion of each employer's contribution is set aside to fund postemployment health care benefits. Such contributions, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to sustain the program indefinitely. Of the 13.31% (7.99% for July-December) of employee payroll contributed by the Authority, 4.2% or approximately \$42,092 was the portion used to fund health care expenses. 10,805.5 million represents the actuarial value of PERS' net assets available for postemployment health care. The actuarial accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

**G. GENERAL FIXED ASSETS**

Various legislative bills, enacted by the Ohio General Assembly, revised the administrative procedures and financial responsibility for certain capital outlays financed from debt proceeds. Under the revised procedures, certain debt proceeds are deposited with the Treasurer of State rather than with a trustee selected by the Authority. Capital outlays that are funded from the proceeds are authorized by the agency for which the asset is being constructed. Assets thus constructed are titled to State agencies other than the Authority and are excluded from the fixed asset account group; these assets are reflected below as a net asset transfer out of Construction in Progress. Following is a summary of the Authority's fixed asset group (in thousands):

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
June 30, 2000 balance	<u>\$ 12,126</u>	<u>\$ 278,143</u>	<u>\$ 290,269</u>
June 30, 2001 balance	<u>\$ 12,126</u>	<u>\$ 278,143</u>	<u>\$ 290,269</u>

**H. LEASES RECEIVABLE**

The Authority has entered into long-term lease agreements for office space under financing leases for the DiSalle and Ocasek buildings with the cities of Toledo and Akron, respectively, and the counties of Lucas and Summit, respectively. These governments are charged a pro rata share of the buildings' debt service and operating costs based on the square footage occupied. A schedule of future payments due, net of executory costs, is as follows (in thousands):

<b>Fiscal Year Ending June 30:</b>	<b>Lease Payments Due</b>
2002	\$ 5,008
2003	5,012
2004	5,037
2005	4,187
2006	8,876
Thereafter	<u>7,793</u>
Total minimum lease payments	35,913
Less: amount representing interest	<u>(12,826)</u>
Present value of minimum lease payments to be received	<u>\$ 23,087</u>



**I. INTERFUND PAYABLES AND RECEIVABLES**

Amounts due to and from other projects at June 30, 2001 were as follows (in thousands):

	<b>Projects</b>	<b>Projects</b>
Rhodes State Office Tower	\$ (58)	
Lausche State Office Building		\$ 16
DiSalle Government Office Building		10
Ocasek Government Office Building		26
Riffe Government Center		15
State Correctional Facilities		35
State Transportation Facilities		4
DAS Data Center		1
Administrative Fund Projects	(4)	
Juvenile Facilities		2
Custodial Fund	(37)	
Workers' Compensation	(1)	
Arts and Sports Facilities	<u>(9)</u>	<u>        </u>
 Total	 <u>\$ (109)</u>	 <u>\$ 109</u>

**J. SUBSEQUENT EVENTS**

Subsequent to the year ended June 30, 2001, the Authority issued approximately \$250 million in refunding Bonds with an average interest rate of 4.38% to defease approximately \$250 million in principal and interest on the bonds being refunded. The Bonds partially refunded were the 1991A State Correctional Facilities Bonds, and the 1992A, 1993A, 1994A, and 1995A Adult Correctional Building Fund Projects Bonds. At June 30, 2001, the refunded Bonds had an average interest rate of 5.98%.

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**OHIO BUILDING AUTHORITY**

**COMBINING BALANCE SHEET - DEBT SERVICE FUNDS  
AS OF JUNE 30, 2001 (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	DAS Data Center	Administrative Fund Projects	Juvenile Correctional Facilities	Arts and Sports Facilities	Highway Safety	Total
<b>ASSETS</b>													
RECEIVABLES - Interest	\$ 20	\$ 64	\$ 21	\$ 35	\$ 298	\$ 43	\$ 27		\$ 1	\$ 2			\$ 511
RESTRICTED ASSETS:													
Cash										6		\$ 2	8
Investments	<u>22</u>	<u>3,514</u>	<u>7,770</u>	<u>1,962</u>	<u>16,108</u>	<u>17,013</u>	<u>1,369</u>	<u>\$60</u>	<u>431</u>	<u>107</u>	<u>\$ 150</u>	<u>61</u>	<u>48,567</u>
TOTAL ASSETS	<u>\$ 42</u>	<u>\$3,578</u>	<u>\$ 7,791</u>	<u>\$ 1,997</u>	<u>\$ 16,406</u>	<u>\$ 17,056</u>	<u>\$ 1,396</u>	<u>\$60</u>	<u>\$ 432</u>	<u>\$ 115</u>	<u>\$ 150</u>	<u>\$ 63</u>	<u>\$ 49,086</u>
<b>LIABILITIES AND FUND BALANCE</b>													
LIABILITIES - Accrued interest						\$ 321			\$ 400	\$ 111	\$ 140	\$ 60	\$ 1,032
FUND BALANCE RESERVED FOR DEBT SERVICE	<u>\$ 42</u>	<u>\$ 3,578</u>	<u>\$ 7,791</u>	<u>\$ 1,997</u>	<u>\$ 16,406</u>	<u>16,735</u>	<u>\$ 1,396</u>	<u>\$60</u>	<u>32</u>	<u>4</u>	<u>10</u>	<u>3</u>	<u>48,054</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 42</u>	<u>\$ 3,578</u>	<u>\$ 7,791</u>	<u>\$ 1,997</u>	<u>\$ 16,406</u>	<u>\$ 17,056</u>	<u>\$ 1,396</u>	<u>\$60</u>	<u>\$ 432</u>	<u>\$ 115</u>	<u>\$ 150</u>	<u>\$ 63</u>	<u>\$ 49,086</u>

**OHIO BUILDING AUTHORITY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - DEBT SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2001 (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	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Arts and Sports Facilities	Highway Safety	Total
<b>REVENUES:</b>														
State lease payments						\$127,564	\$14,879	\$4,922	\$1,071	\$48,683	\$13,251	\$27,304	\$10,075	\$247,749
Earnings on investments	\$ 53	\$ 173	\$ 409	\$ 96	\$ 795	1,187	111	24	2	152	11	47	17	3,077
Total revenues	53	173	409	96	795	128,751	14,990	4,946	1,073	48,835	13,262	27,351	10,092	250,826
<b>EXPENDITURES -</b>														
Debt Service:														
Principal	3,885	2,035	1,853	844	10,800	67,849	10,500	3,325	725	24,335	6,495	17,795	5,565	156,006
Interest	2,413	1,113	1,010	421	3,833	63,955	4,690	1,875	348	24,509	6,768	9,557	4,528	125,020
Total expenditures	6,298	3,148	2,863	1,265	14,633	131,804	15,190	5,200	1,073	48,844	13,263	27,352	10,093	281,026
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,245)	(2,975)	(2,454)	(1,169)	(13,838)	(3,053)	(200)	(254)		(9)	(1)	(1)	(1)	(30,200)
<b>OTHER FINANCING SOURCES (USES):</b>														
Transfers in	6,255	3,743	3,475	1,705	16,601			311						32,090
Transfers out		(613)	(1,065)	(432)	(2,099)									(4,209)
Total other financing sources (uses)	6,255	3,130	2,410	1,273	14,502			311						27,881
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	10	155	(44)	104	664	(3,053)	(200)	57		(9)	(1)	(1)	(1)	(2,319)
FUND BALANCES, Beginning of year	32	3,423	7,835	1,893	15,742	19,788	1,596	3		41	5	11	4	50,373
FUND BALANCES, End of year	\$ 42	\$ 3,578	\$ 7,791	\$ 1,997	\$ 16,406	\$ 16,735	\$ 1,396	\$ 60	\$	\$ 32	\$ 4	\$ 10	\$ 3	\$ 48,054

# OHIO BUILDING AUTHORITY

## COMBINING BALANCE SHEET - CAPITAL PROJECT FUNDS AS OF JUNE 30, 2001 (DOLLARS IN THOUSANDS)

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<b>ASSETS</b>	<b>Ocasek Government Office Building</b>	<b>Administrative Fund Projects</b>	<b>Arts and Sports Facilities</b>	<b>Bureau of Workers' Compensation</b>	<b>Total</b>
RECEIVABLES - Interest	\$ 4	\$ 38		\$ 55	\$ 97
RESTRICTED ASSETS - Investments	<u>1,580</u>	<u>8,669</u>	<u>37</u>	<u>3,156</u>	<u>13,442</u>
TOTAL ASSETS	<u>\$ 1,584</u>	<u>\$ 8,707</u>	<u>\$ 37</u>	<u>\$ 3,211</u>	<u>\$ 13,539</u>
<b>LIABILITIES AND FUND BALANCE</b>					
LIABILITIES		\$ 243			\$ 243
FUND BALANCE - Reserved for Capital Projects	<u>\$ 1,584</u>	<u>8,464</u>	<u>\$ 37</u>	<u>\$ 3,211</u>	<u>13,296</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,584</u>	<u>\$ 8,707</u>	<u>\$ 37</u>	<u>\$ 3,211</u>	<u>\$ 13,539</u>

## OHIO BUILDING AUTHORITY

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECT FUNDS FOR THE YEAR ENDED JUNE 30, 2001 (DOLLARS IN THOUSANDS)

	Lausche State Office Building	Ocasek Government Office Building	DAS Data Center	Administrative Fund Projects	Juvenile Correctional Facilities	Arts and Sports Facilities	Bureau of Workers' Compensation	Highway Safety	Total
REVENUES - Earnings on investments	\$ 2	\$ 72	\$ 8	\$ 304		\$ 2	\$ 469		\$ 857
EXPENDITURES - Capital outlay	—	—	329	3,941		—	2,919		7,189
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2	72	(321)	(3,637)		2	(2,450)		(6,332)
OTHER FINANCING SOURCES (USES):									
Bonds proceeds				124,067	\$ 41,041	54,429		\$ 20,004	239,541
Transfers out	(35)		(311)						(346)
Transfers to other State Agencies	—	—	—	(116,941)	(41,041)	(54,429)	—	(20,004)	(232,415)
Total other financing sources (uses)	(35)	—	(311)	7,126	—	—	—	—	6,780
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(33)	72	(632)	3,489		2	(2,450)		448
FUND BALANCES, Beginning of year	33	1,512	632	4,975	—	35	5,661	—	12,848
FUND BALANCES, End of year	\$ —	\$ 1,584	\$ —	\$ 8,464	\$ —	\$ 37	\$ 3,211	\$ —	\$ 13,296

**OHIO BUILDING AUTHORITY**

**COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS  
AS OF JUNE 30, 2001 (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	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Custodial Fund	Juvenile Correctional Facilities	Arts and Sports Facilities	Bureau of Workers' Compensation	Highway Safety	Total
<b>ASSETS</b>																
CASH											\$235					\$ 235
INVESTMENTS						\$247	\$ 39	\$ 65	\$ 20	\$137	30	\$856	\$224	\$ 7	\$ 1	1,626
RECEIVABLES:																
Leases			\$20,983	\$2,103												23,086
Interest	\$ 20	\$ 8	36	7	\$ 8							2	1			82
Due from other projects		16	10	26	15	35	4	1				2				109
Other	8	3	711	130												852
RESTRICTED ASSETS - Investments	6,723	3,308	11,643	2,864	3,513								30	10,586		38,667
OTHER ASSETS	125	57	60	25	111								29	30		437
<b>TOTAL ASSETS</b>	<b>\$6,876</b>	<b>\$3,392</b>	<b>\$33,443</b>	<b>\$5,155</b>	<b>\$3,647</b>	<b>\$282</b>	<b>\$ 43</b>	<b>\$ 66</b>	<b>\$ 20</b>	<b>\$137</b>	<b>\$265</b>	<b>\$860</b>	<b>\$284</b>	<b>\$10,623</b>	<b>\$ 1</b>	<b>\$65,094</b>
<b>LIABILITIES AND RETAINED EARNINGS</b>																
LIABILITIES:																
Accounts payable	\$ 817	\$ 225	\$ 153	\$ 157	\$ 441	\$177				\$ 15	\$228	\$ 11		\$10,562	\$ 1	\$12,787
Due to other projects	58									4	37		\$ 9	1		109
Deferred revenue												243				243
Revenue bonds payable			23,334	2,312												25,646
Accrued interest			377	35												412
Total liabilities	875	225	23,864	2,504	441	177				19	265	254	9	10,563	1	39,197
RETAINED EARNINGS	6,001	3,167	9,579	2,651	3,206	105	\$ 43	\$ 66	\$ 20	118		606	275	60		25,897
<b>TOTAL</b>	<b>\$6,876</b>	<b>\$3,392</b>	<b>\$33,443</b>	<b>\$5,155</b>	<b>\$3,647</b>	<b>\$282</b>	<b>\$ 43</b>	<b>\$ 66</b>	<b>\$ 20</b>	<b>\$137</b>	<b>\$265</b>	<b>\$860</b>	<b>\$284</b>	<b>\$10,623</b>	<b>\$ 1</b>	<b>\$65,094</b>

## OHIO BUILDING AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -  
INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2001 (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	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Juvenile Correctional Facilities	Arts and Sports Facilities	Bureau of Workers' Compensation	Highway Safety	Total
OPERATING REVENUES:															
Rents	\$ 7,482	\$ 3,234	\$ 5,594	\$ 1,932	\$ 6,777	\$ 100	\$ 50		\$ 10	\$225	\$136	\$975	\$ 25	\$ 60	\$ 26,600
Other	941	221	462	393	655										2,672
Total operating revenues	8,423	3,455	6,056	2,325	7,432	100	50		10	225	136	975	25	60	29,272
OPERATING EXPENSES:															
Building maintenance and operations	7,189	2,485	3,137	1,814	5,728							650			21,003
Utilities	1,967	685	912	393	1,415				12	208	131	190	23	79	5,372
General administration	707	143	191	140	588	330	51	\$ 15							2,808
Other	401	244	327	24	390								29		1,415
Total operating expenses	10,264	3,557	4,567	2,371	8,121	330	51	15	12	208	131	840	52	79	30,598
Operating income (loss)	(1,841)	(102)	1,489	(46)	(689)	(230)	(1)	(15)	(2)	17	5	135	(27)	(19)	(1,326)
NONOPERATING REVENUES (EXPENSES):															
State lease payments	5,719	2,733	2,696	1,104	13,361										25,613
Earnings on investments	497	193	594	152	303	11	1	4	2	9	43	20	3	1	1,833
Interest expense			(1,567)	(153)											(1,720)
Total nonoperating revenues	6,216	2,926	1,723	1,103	13,664	11	1	4	2	9	43	20	3	1	25,726
INCOME (LOSS) BEFORE OPERATING TRANSFERS	4,375	2,824	3,212	1,057	12,975	(219)		(11)		26	48	155	(24)	(18)	24,400
OPERATING TRANSFERS IN		648	1,065	432	2,099										4,244
OPERATING TRANSFERS OUT	(6,254)	(3,743)	(3,474)	(1,706)	(16,601)										(31,778)
Net income (loss)	(1,879)	(271)	803	(217)	(1,527)	(219)		(11)		26	48	155	(24)	(18)	(3,134)
RETAINED EARNINGS - Beginning of year	7,880	3,438	8,776	2,868	4,733	324	43	77	20	92	558	120	84	18	29,031
RETAINED EARNINGS - End of year	\$ 6,001	\$ 3,167	\$ 9,579	\$ 2,651	\$ 3,206	\$ 105	\$ 43	\$ 66	\$ 20	\$118	\$606	\$275	\$ 60	\$	\$ 25,897

**OHIO BUILDING AUTHORITY**

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2001 (DOLLARS IN THOUSANDS)**

	Rhodes State Office Tower	Lausche State Office Building	DiSalvo Government Office Building	Ocasak Government Office Building	Riffe Government Center	State Correctional Facilities	State Transportation Facilities	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Custodial Fund	Juvenile Correctional Facilities	Arts and Sports Facilities	Bureau of Workers' Compensation	Highway Safety	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>																
Cash received from customers:																
State operating rent	\$ 7,482	\$ 3,234	\$ 2,460	\$ 1,372	\$ 6,777	\$ 100	\$ 50		\$ 10	\$ 225			\$ 975	\$ 25	\$ 60	\$ 22,770
Local operating rent			3,387	571												3,958
Total cash received from customers	7,482	3,234	5,847	1,943	6,777	100	50		10	225			975	25	60	26,728
Cash received from quasi-external operating transactions with other funds																
Cash payments to suppliers for goods and services	(10,251)	(3,547)	(4,707)	(2,472)	(8,230)	(189)	(52)	\$ (15)	(12)	(194)	\$ 1,011	\$ (122)	(846)	(84)	(80)	1,011
Cash payments to employees for services	(404)				(300)						(541)					(31,342)
Miscellaneous fees and commissions	990	535	469	423	666						(426)					(1,130)
Total other operating cash receipts	(9,665)	(3,012)	(4,238)	(2,049)	(7,864)	(189)	(52)	(15)	(12)	(194)	44	(122)	(846)	(84)	(80)	(28,378)
Net cash flows provided (used) by operating activities	(2,183)	222	1,609	(106)	(1,087)	(89)	(2)	(15)	(2)	31	44	(122)	129	(59)	(20)	(1,650)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>																
Other cash inflows (BWC debt service lease payments)																
Other cash outflows (BWC principal and interest payments)														16,437		16,437
														(16,914)		(16,914)
Net cash flows provided (used) by noncapital financing activities														(477)		(477)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>																
Principal payments on bonds																
Interest paid			(2,898)	(296)												(3,194)
Principal receipts on capital leases			(1,580)	(148)												(1,728)
Other cash inflows (state debt service lease payments)	5,719	2,733	2,696	1,104	13,361											25,613
Other cash inflows (transfers in)		648	1,065	432	2,099											4,244
Other cash outflows (transfers out)	(6,254)	(3,743)	(3,474)	(1,706)	(16,601)											(31,778)
Net cash flows provided (used) by capital and related financing activities	(535)	(362)	(1,293)	(318)	(1,141)											(3,649)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>																
Proceeds from sales and maturities of investments																
Purchase of investments	23,737	10,666	8,522	5,980	29,399	208	75	16	21	213		122	448	38,663	80	118,150
Investment income received	(21,536)	(10,725)	(9,448)	(5,717)	(27,488)	(131)	(75)	(5)	(20)	(252)	(2)	(40)	(597)	(38,825)	(61)	(114,922)
Net cash flows provided (used) by investing activities	2,201	(659)	(926)	263	1,911	77	70	11	1	(439)		82	41	38,838	19	3,278
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS											44					44
RESTRICTED AND UNRESTRICTED, BEGINNING OF YEAR											191					191
RESTRICTED AND UNRESTRICTED, END OF YEAR	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 235	\$	\$	\$	\$	\$ 235



**OHIO BUILDING AUTHORITY**

**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2001 (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	DAS Data Center	ODNR Fountain Square	Administrative Fund Projects	Custodial Fund	Juvenile Correctional Facilities	Arts and Sports Facilities	Bureau of Workers' Compensation	Highway Safety	Total
Operating income (loss)	\$ (1,841)	\$ (102)	\$ 1,489	\$ (46)	\$ (689)	\$ (230)	\$ (1)	\$ (15)	\$ (2)	\$ 17		\$ 5	\$ 135	\$ (27)	\$ (19)	\$ (1,326)
Adjustments to reconcile operating income (loss) from operations to net cash provided by operating activities:																
Investment income											\$ (2)			(675)		(677)
Miscellaneous nonoperating expenses														477		477
Changes in assets and liabilities:																
(Increase) decrease in account receivable - other	49	311	259	41	4											664
Decrease in other assets	(19)	(16)	(2)	(11)	(17)								(6)	(2)		(73)
Decrease in deferred revenue												(136)				(136)
Increase (decrease) in accounts payable	(372)	29	(137)	(90)	(385)	141	(1)			14	46	9		168	(1)	(579)
<b>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (2,183)</u>	<u>\$ 222</u>	<u>\$ 1,609</u>	<u>\$ (106)</u>	<u>\$ (1,087)</u>	<u>\$ (89)</u>	<u>\$ (2)</u>	<u>\$ (15)</u>	<u>\$ (2)</u>	<u>\$ 31</u>	<u>\$ 44</u>	<u>\$ (122)</u>	<u>\$ 129</u>	<u>\$ (59)</u>	<u>\$ (20)</u>	<u>\$ (1,650)</u>

# OHIO BUILDING AUTHORITY

## COMBINING BALANCE SHEET - GENERAL FIXED ASSET ACCOUNT GROUP AS OF JUNE 30, 2001 (DOLLARS IN THOUSANDS)

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<b>ASSETS</b>	<b>Rhodes State Office Tower</b>	<b>Lausche State Office Building</b>	<b>DiSalle Government Office Building</b>	<b>Ocasek Government Office Building</b>	<b>Riffe Government Center</b>	<b>Total</b>
Land	\$ 2,706	\$ 922	\$ 1,356	\$ 714	\$ 6,428	\$ 12,126
Building	<u>76,890</u>	<u>33,044</u>	<u>19,480</u>	<u>16,947</u>	<u>131,782</u>	<u>278,143</u>
Total assets	<u>\$79,596</u>	<u>\$33,966</u>	<u>\$20,836</u>	<u>\$17,661</u>	<u>\$138,210</u>	<u>\$290,269</u>
<b>OTHER CREDITS</b>						
INVESTMENT IN GENERAL FIXED ASSETS	<u>\$79,596</u>	<u>\$33,966</u>	<u>\$20,836</u>	<u>\$17,661</u>	<u>\$138,210</u>	<u>\$290,269</u>



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

To The Members of  
The Ohio Building Authority and  
The Honorable Jim Petro, Auditor of the State of Ohio:

We have audited the combined financial statements of the Ohio Building Authority (the Authority) as of and for the year ended June 30, 2001, and have issued our report thereon dated August 31, 2001. 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.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the Authority's combined financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the combined financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

DELOITTE & TOUCHE LLP

August 31, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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  
NOVEMBER 8, 2001**