OHIO AUDITOR OF STATE
KEITH FABER

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
FRANKLIN COUNTY
DECEMBER 31, 2021

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Franklin County Convention Facilities Authority
Franklin County
400 North High Street, 4th Floor
Columbus, Ohio 43215

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and each major fund of the Franklin County Convention Facilities Authority, Franklin County, Ohio (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Franklin County Convention Facilities Authority, Franklin County, Ohio, as of December 31, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 18 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

THIS PAGE INTENTIONALLY LEFT BLANK

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of the Franklin County Convention Facilities Authority (herein referred to as the Authority) and an introduction to the Authority's basic financial statements for the year ended December 31, 2021. The information contained in this MD&A should be considered in conjunction with information presented in the Authority's basic financial statements and corresponding notes to the basic financial statements.

OVERVIEW OF THE AUTHORITY

The Authority is a public authority responsible for the development and operation of the Greater Columbus Convention Center and adjacent parking facilities (herein referred to as Convention Center), the Hilton Columbus Downtown (herein referred to as Hilton Hotel) and Nationwide Arena (herein referred to as Arena) in Columbus, Ohio. As owner/developer of the Convention Center, Hilton Hotel and Arena, the Authority is responsible for the development, construction, improvement, management and successful operation of these facilities and related properties. In addition, the Authority is responsible for ensuring the continued success and growth of the convention market within the Greater Columbus community. These responsibilities are directly linked to the Authority's continued investment in and support of services, resources, facilities and projects that enhance the use of the Convention Center and expand convention activity within the community.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Authority's basic financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The financial information of the Authority is accounted for in three separate proprietary (enterprise) funds to better reflect limitations and restrictions placed on the use of available resources. The Arena Fund is used to account for financial resources used for the acquisition and capital improvement of the Arena, as well as the accumulations of resources for, and the payment of capital debt principal, interest and related costs. The Hotel Fund is used to account for financial resources used for the development and construction of the Hilton Hotel, as well as the accumulations of resources for, and the payment of capital debt principal, interest and related costs. The Convention Center Fund is used to account for financial resources used for the acquisition, development and construction of the Convention Center, as well as the accumulations of resources for, and the payment of capital debt principal, interest and related costs. The Convention Center Fund is used to account for all financial resources and expenses of the Authority except those required to be accounted for in the Hotel Fund and the Arena Fund.

Following this MD&A, are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the basic financial statements. The basic financial statements for the Authority are the following:

- Statement of Net Position – This statement presents information on all Authority assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position.
- Statement of Revenues, Expenses and Changes in Net Position - This statement shows how the Authority's net position has changed during the most recent year. This includes operating and non-operating revenues and expenses of the Authority.

- Statement of Cash Flows – This statement reports cash and cash equivalent activities for the fiscal year resulting from operating, non-capital financing, capital financing and investing activities. A reconciliation of operating loss with net cash used for operating activities is provided.

FINANCIAL POSITION OF THE AUTHORITY

The following represents the Authority's financial position within the Convention Center Fund for the years ended December 31:

	Convention Center Fund		
	2020	2021	Increase (Decrease) over/ (under) 2020
Current and other assets	$ 58,881,290	$ 60,017,234	$ 1,135,944
Capital assets, Net	295,148,283	278,916,048	(16,232,235)
Total assets	354,029,573	338,933,282	(15,096,291)
Deferred outflows of resources	16,651,078	14,428,531	(2,222,547)
Current liabilities	3,677,057	1,826,107	(1,850,950)
Noncurrent liabilities	311,334,725	309,814,653	(1,520,072)
Total liabilities	315,011,782	311,640,760	(3,371,022)
Deferred inflows of resources	2,982,995	3,077,071	94,076
Net investment in capital assets	37,918,938	20,810,816	(17,108,122)
Restricted for debt service	5,204,519	5,240,365	35,846
Restricted for capital projects	550,920	243,018	(307,902)
Restricted for other	1,000,000	-	(1,000,000)
Unrestricted	8,011,497	12,349,783	4,338,286
Total net position	**$ 52,685,874**	**$ 38,643,982**	**$ (14,041,892)**

In the Convention Center Fund, total assets plus deferred outflows of resources exceeded total liabilities plus deferred inflows of resources by $38.6 million (net position) at December 31, 2021. A large portion of net position, $20.8 million at December 31, 2021, represents the Authority's investment in capital assets, less the related debt outstanding used to acquire those capital assets. These capital assets are property, facilities, equipment and related items that support the initial construction, as well as the continual expansion and improvement of the convention center and parking facilities. Although the Authority's investment in capital assets is reported net of debt; it is noted that the resources needed to repay the debt associated with the Convention Center are provided annually from collection of hotel occupancy taxes and revenue acquired through the operation of parking facilities, since capital assets themselves cannot be used to liquidate liabilities.

An additional component of Convention Center Fund net position, $5.5 million at December 31, 2021, represents resources that are subject to external restrictions as to how they may be used. These assets are not available for new spending, as the majority of these assets are held in reserve and escrow accounts.

The Convention Center Fund's remaining unrestricted net position of $12.3 million may be used to meet any of the Authority's ongoing obligations.

The following represents the Authority's financial position within the Hotel Fund for the years ended December 31:

	Hotel Fund		
	2020	2021	Increase (Decrease) over/ (under) 2020
Current and other assets	$ 280,001,091	$ 164,602,631	$ (115,398,460)
Capital assets, Net	167,657,840	262,873,896	95,216,056
Total assets	447,658,931	427,476,527	(20,182,404)
Current liabilities	10,917,807	20,049,051	9,131,244
Noncurrent liabilities	429,565,105	424,727,676	(4,837,429)
Total liabilities	440,482,912	444,776,727	4,293,815
Net investment in capital assets	(38,631,552)	(56,644,391)	(18,012,839)
Restricted for debt service	31,380,893	27,497,986	(3,882,907)
Restricted for capital projects	12,478,991	9,896,694	(2,582,297)
Restricted for other	1,947,687	1,949,511	1,824
Total net position	**$ 7,176,019**	**$ (17,300,200)**	**$ (24,476,219)**

In the Hotel Fund, total liabilities exceeded total assets by $17.3 million (negative net position) at December 31, 2021. A large amount of net position, negative $56.6 million at December 31, 2021, represents the Authority's investment in capital assets, less the related debt outstanding used to acquire those capital assets. The reported negative net investment in capital assets within the Hotel Fund reflects the difference between the value of bonds issued for hotel development and the value of items capitalized as a result of the implementation of the hotel development projects. Most of the bond proceeds received from hotel development bond issues were and are being used to construct and expand the hotel and all of those costs have been capitalized as required. However, bond proceeds were also deposited into debt service reserve funds, bond payment funds and a rental reserve fund established per terms of bond indentures. Such deposits were not capitalized. Furthermore, bond proceeds from the 2010 and 2019 bond issues were used to purchase items for the Hilton Hotel and the Hilton Hotel expansion that were not capitalized per guidelines provided by the Authority's approved capital asset program. These items were planned as part of the hotel development projects and included hotel operating supplies, furniture, fixtures and minor equipment.

An additional component of the Hotel Fund's net position, $27.5 million at December 31, 2021, is subject to restrictions as set forth in the Authority's bond indentures for the original hotel development project and the current hotel expansion project. These assets are not available for new spending, as all of these assets are held in reserve to meet debt service requirements should other revenue sources prove inadequate.

The Hotel Fund net position also includes $1.9 million in restricted funds (other) held in reserve for hotel operations and $9.9 million in restricted funds held in reserve for future hotel capital improvement projects and furniture, fixture and equipment (FF&E) purchases.

The following represents the Authority's financial position within the Arena Fund for the years ended December 31:

	Arena Fund		
	2020	2021	Increase (Decrease) over/ (under) 2020
Current and other assets	$ 618,400	$ 12,721,611	$ 12,103,211
Capital assets, Net	39,205,875	39,681,368	475,493
Total assets	39,824,275	52,402,979	12,578,704
Current liabilities	1,439,953	9,003,320	7,563,367
Noncurrent liabilities	56,392,617	55,892,617	(500,000)
Total liabilities	57,832,570	64,895,937	7,063,367
Net investment in capital assets	(6,546,545)	(6,346,807)	199,738
Restricted for capital projects	383,067	4,756,240	4,373,173
Unrestricted	(11,844,817)	(10,902,391)	942,426
Total net position	**$ (18,008,295)**	**$ (12,492,958)**	**$ 5,515,337**

In the Arena Fund, total liabilities exceeded total assets by $12.5 million (negative net position) at December 31, 2021. The net position of the Arena Fund is negative because intergovernmental revenue from casino taxes was less than expected and, as a result, revenues into the Arena Fund were not available to cover all expenses. All 2021 expenses for which the Authority is responsible for with respect to the Arena, excluding real estate tax obligations and some State of Ohio loan provisions, are funded solely from, and only to the extent of the Authority's receipt of casino tax revenue from the City of Columbus and Franklin County and grant monies from the federal government.

The following represents the changes in revenues, expenses and net position in the Convention Center Fund for the years ended December 31:

	Convention Center Fund		
	2020	2021	Increase (Decrease) over/ (under) 2020
Operating Revenues			
Lease rent	$ 344,736	$ 443,250	$ 98,514
Gain from operations	150,800	314,959	164,159
Miscellaneous	235,994	74,875	(161,119)
Nonoperating Revenues			
Hotel/motel excise tax	10,328,042	18,451,847	8,123,805
(Decrease)/increase in fair value of investments	567,986	(655,098)	(1,223,084)
Intergovernmental revenue	1,000,000	-	(1,000,000)
Interest earnings	653,321	405,908	(247,413)
Total Revenues	13,280,879	19,035,741	5,754,862
Operating Expenses			
Salary and fringe benefits	1,369,522	438,190	(931,332)
Insurance	536,938	584,873	47,935
Purchased services	4,932,234	743,944	(4,188,290)
Materials and supplies	224,742	8,382	(216,360)
Depreciation	16,902,478	16,980,074	77,596
Other	205,363	218,408	13,045
Nonoperating Expenses			
Interest expense	10,134,926	10,295,920	160,994
Bond issue costs	1,456,703	-	(1,456,703)
Total Expenses	35,762,906	29,269,791	(6,493,115)
Change before Transfers	(22,482,027)	(10,234,050)	12,247,977
Transfers out	(1,380,351)	(3,807,842)	(2,427,491)
Change in Net Position	(23,862,378)	(14,041,892)	9,820,486
Beginning Net Position	76,548,252	52,685,874	(23,862,378)
Ending Net Position	**$ 52,685,874**	**$ 38,643,982**	**$ (14,041,892)**

Key descriptions of Convention Center revenues, expenses and net position, as listed, are as follows:

- In July 1988, the Authority was established by the Franklin County Commissioners to construct a new Convention Center in downtown Columbus. The Authority was also given the ability to levy excise taxes on lodging transactions within Franklin County to pay for costs associated with the actual construction and operation of the Convention Center. Since completion of the original Convention Center in 1993, the Authority has continued to expand and grow the Convention Center into an active, self-sustaining facility. Currently consisting of 1.8 million square feet of space, the Convention Center has been renovated and expanded several times since its original construction. The most recent expansion and renovation of the convention center was completed in 2017. With the completion of the most recent renovation, the Convention Center now has over 372,000 square feet of contiguous exhibit hall space; 114,000 square feet of ballroom space comprised of a 25,000 square foot Union Station Ballroom, a 15,000 square foot Short North Ballroom, and a 74,000 square foot Battelle Grand multipurpose space; 118,000 square feet of meeting room space or 75 meeting rooms; and 10,000 square feet of outdoor event space. The Convention Center features spacious atriums and pre-function space with decorative lighting and colorful node walls in the concourse. The center also displays local contemporary art throughout the building and is home to "As We Are", a fourteen-foot-high interactive digital art piece.

- In addition to the Convention Center, the Authority also owns and operates several parking facilities. The Authority's newest parking facility, the Ohio Center garage, opened in early 2020. With this opening, the Authority now owns and operates four parking facilities and two surface parking lots totaling approximately 4,700 individual parking spaces.

- The Authority has issued tax and lease revenue anticipation bonds to finance the original construction, expansion and continual improvement of the Convention Center. Annual hotel tax revenue is pledged as the funding source for payment of principal and interest due on these bonds. Both the City of Columbus and Franklin County provide credit support for the bonds and have agreed to cover outstanding debt obligations in equal shares if all indentured lease revenues prove insufficient to cover debt costs.

- To pay outstanding debt service due on tax and lease revenue anticipation bonds, the Authority levies a 4.0 percent countywide bed tax on all occupied hotel rooms. In addition, the City of Columbus has allocated 0.9 percent of the City's bed tax towards the payment of debt service due on Convention Center bonds. Revenue collected from this excise tax as well as earnings from investments of funds held in reserve are first used to pay for annual Convention Center debt service obligations of the Authority. Revenues and earnings in excess of Convention Center debt service obligations are deposited into the Convention Center Fund as available equity.

  Hotel tax collections altered drastically in 2020 with the on-set of COVID-19 and related restrictions on group gatherings and travel as health officials locally as well as world-wide tried to manage through the pandemic. Such restrictions significantly impacted hotel occupancy within Franklin County and as a result, hotel tax collections during 2020 proved to be 60.3 percent below prior year collections. Recovery from the initial shock of the pandemic began to occur in 2021. Hotel tax collections improved in 2021 with total collections equaling $18.5 million; $8.1 million above collections in 2020.

- Lease rent is annual lease payments received for the use of property owned or leased by the Authority. The Authority currently manages two such lease agreements; the first with the Hyatt Regency Hotel connected to the Convention Center and the second with Drury Inn, also connected to the Convention Center. Both lease payments include a fixed lease payment which is consistent from year to year and a performance-based lease payment which varies from year to year pending the financial success of the hotels. In 2021, the Authority received only base rent payments from both properties as well as a minor performance-based payment from the Drury Inn. Both hotels continued to struggle in 2021 with occupancy levels below average due to the pandemic.

  The Authority also receives a land lease payment from the Arena per terms of the Arena transaction. This lease payment is fixed and is payable only to the extent casino tax revenues are available to cover the expense. In 2021, casino tax revenues were available to cover this lease payment.

- The management, operation and marketing of the Convention Center is facilitated through the Authority's management agreement with ASM Global (formally known as SMG). As part of this management agreement, ASM Global is responsible for the financial activity of the Convention Center. ASM Global financially manages all revenues collected through the operation of the Convention Center and utilizes these revenues to pay for all expenses associated with operating the facility.

  Initially, the financial performance of the Convention Center in 2020 was expected to out-perform prior years as the center was projected to end the year with over $1.0 million in net operating income. Unfortunately, this all changed drastically with the outbreak and spread of COVID-19. Because of the pandemic, the center suspended its operations on March 16, 2020, furloughed and laid off over 200 employees and remained under public health order restrictions until June 2021. Almost all events scheduled during the months of March 2020 through mid-year 2021 either cancelled or moved to future years.

During 2021, the Convention Center staff explored alternative uses for the center as the ability to host mass gatherings remained limited during the first half of the year. The center was the site for a potential surge hospital although fortunately such resource was not needed. The center also served as home to the Franklin County municipal and traffic courts. So too, several sporting events did occur during the first half of the year although attendance was limited due to health restrictions. With the lifting of restrictions and the roll-out of COVID-19 vaccines mid-2021, the center experienced an increase in activity. While several events rescheduled, some did occur during the second half of the year. Revenue from held events plus well managed spending resulted in the center reporting positive net income during several months of the year. Overall, the center ended the year with net income of approximately \$86,000; a \$2.2 million improvement over original budget projections for the year.

- The management and operation of parking facilities owned by the Authority is also facilitated through the Authority's management agreement with ASM Global. Revenues from parking facility operations are pledged towards the payment of debt service due on parking garage improvement revenue bonds issued for the development and construction of these facilities. Such bonds were purchased by the Franklin County Treasurer. The Franklin County Treasurer with respect to the Authority's parking facilities has no recourse against other revenues or assets of the Authority. Revenues from parking operations used to pay debt service is considered a gain from operations in the financial statements. During 2021, such parking revenues were minimal as parking operations continued to be negatively impacted by COVID-19. To address the decline in parking revenue, the Authority did restructure parking garage improvement revenue bonds in 2020 thereby shifting most debt service due in 2020 and 2021 to future years.

- 2021 interest earnings are mainly acquired through investment of resources in U.S. Agency Securities and Treasuries consistent with an investment policy approved by the Authority. While investments will mostly be held until maturity, there is a reported decrease in investment income for 2021 due to the valuation of such investments at current market. The current decrease in fair value of investments is temporary as reported gains and losses will fluctuate throughout the investment period.

- The Authority has an office that is responsible for implementing policies and programs of the board. Most operating expenses as listed are used to support this office.

- Insurance is a major expense for the Convention Center Fund. Included in this line item are costs associated with purchasing property, general liability, umbrella and public official's liability insurance.

- Beginning in October 2016, the Authority entered into an agreement with Levy Premium Foodservice Limited Partnership to provide food and beverage services for the Convention Center. Included within this agreement is the requirement that a capital reserve fund equal to 3.5 percent of gross sales be established to fund the repair, maintenance and replacement of food/beverage service equipment. Expenses made using resources from the capital reserve fund are recorded as an operating expense unless such purchases are capitalized. Any funds within the capital reserve that are not used during the year remain in the fund and are reserved for future purchases of food/beverage service equipment.

The following represents the changes in revenues, expenses and net position in the Hotel Fund for the years ended December 31:

	Hotel Fund		
	2020	2021	Increase (Decrease) over/ (under) 2020
Operating Revenues			
Gain from operations	$ -	$ 4,043,483	$ 4,043,483
Nonoperating Revenues			
(Decrease)/increase in fair value of investments	2,041,941	(2,095,166)	(4,137,107)
Interest earnings	4,068,540	1,870,306	(2,198,234)
Intergovernmental revenue	367,455	587,754	220,299
Interest subsidy revenue	3,173,878	3,107,053	(66,825)
Total Revenues	9,651,814	7,513,430	(2,138,384)
Operating Expenses			
Purchased services	1,498,266	3,683,535	2,185,269
Insurances	-	5,543	5,543
Materials and supplies	4,680	6,940,231	6,935,551
Depreciation	3,772,009	3,769,085	(2,924)
Other	35,000	48,180	13,180
Nonoperating Expenses			
Interest expense	20,225,028	20,064,917	(160,111)
Total Expenses	25,534,983	34,511,491	8,976,508
Change before Transfers	(15,883,169)	(26,998,061)	(11,114,892)
Transfers in	1,017,371	2,521,842	1,504,471
Change in Net Position	(14,865,798)	(24,476,219)	(9,610,421)
Beginning Net Position	22,041,817	7,176,019	(14,865,798)
Ending Net Position	**$ 7,176,019**	**$ (17,300,200)**	**$ (24,476,219)**

Key descriptions of Hotel Fund revenues, expenses and net position, as listed, are as follows:

- In answer to increasing demand for hotel rooms near and connected to the Convention Center, the Authority in partnership with the City of Columbus and Franklin County, constructed a convention hotel on property near the Convention Center. Opened in October 2012, the original Hilton Hotel, branded and managed by Hilton Management LLC, includes 532 guest rooms of which 48 are suites, a ballroom, meeting/banquet rooms, lobby, a three meal restaurant, bar/lounge area, coffee shop, pool, fitness center and walkway to the Convention Center. Parking for the Hilton Hotel is provided by the

Vine Street Parking Facility located next to the Hilton Hotel site. The Hilton Hotel is 14 floors with over 429,600 square feet of usable space.

- To finance the development and construction of the original Hilton Hotel, the Authority issued lease revenue anticipation bonds backed by Franklin County. Bonds were issued in February 2010 as Build America Bonds. Debt service due on the Hilton Hotel is paid for with net operating income from the Hilton Hotel as well as revenue equivalent to the Hilton Hotel's occupancy (hotel) tax and revenue received from the U.S. Treasury.

- The management, operation, marketing and branding of the Hilton Hotel is facilitated through the Authority's management agreement with Hilton Management LLC. As part of this management agreement, Hilton financially manages all revenues collected form the operation of the Hilton Hotel and utilizes these revenues to pay for all expenses associated with operating the facility. Bottom line performance of the Hilton Hotel is recorded as "gain from operations" in the Hotel Fund. Net income from hotel operations is used to pay debt service associated with the hotel project.

  Prior to 2020, hotel operations had been very successful. Since opening, strong occupancy and high average daily rates have provided the Authority with the resources needed to cover annual debt service obligations and to build up healthy operating and debt related reserves. This all changed in 2020 with the on-set of COVID-19 and corresponding health restrictions and stay-at-home orders that limited travel and group gatherings. Overall hotel revenue per available room (Revpar) in 2020 dropped by approximately 71.0 percent below 2019 levels. Because of this drop in Revpar, net operating income available in 2020 for debt service was negligible. As a result, the CFA for the first time, had to draw on reserve funds to cover annual debt obligations associated with the 2010 bond issue. Fortunately, the Hilton Hotel had performed extremely well in the years preceding the pandemic and as such had established and fully funded several reserves for payment of debt service if net operating income from the hotel proved to be insufficient.

  While Hotel operations in 2021 experienced significant improvement over 2020, the year remained challenging. Similar to patterns experienced in the hotel market overall, hotel operations during the first half of the year struggled as health restrictions due to COVID continued. Second half of the year proved different, as hotel occupancy began to improve with the return of travel; although returned travel was still below levels experienced prior to the pandemic. While operations in 2021 did result in positive net operating income, the amount received by the Authority for debt coverage was below levels needed to fully meet debt obligations for the year. As in 2020, the Authority again used monies within reserve funds to meet annual debt obligations. Monies from reserve funds that were used in 2020 and 2021 for debt obligations will be fully replenished as the Hilton Hotel continues to recover from the pandemic.

- U.S. Treasury interest subsidy payments of $3.1 million were made to the Authority in 2021 for debt service pursuant to bond requirements. These payments are impacted by mandatory budget reductions made to the Build America Bond program at the federal level (sequestration).

- Hotel tax revenue generated from the operation of the Hilton Hotel equaled approximately $1.1 million in 2021. Hotel occupancy taxes generated through the Hilton Hotel (both the City of Columbus' and the Authority's tax) are used to pay debt service associated with the Hilton Hotel project. The city's occupancy tax from the Hilton Hotel equaled approximately $538,000 in 2021 and is recorded as intergovernmental revenue. The Authority's occupancy tax received from the operation of the Hilton Hotel equaled approximately $517,000 and is recorded as a transfer from the Convention Center Fund.

The transfer from the Convention Center Fund occurs only if the Authority can meet all Convention Center related debt service obligations for the year.

- Capital improvement projects and FF&E purchases for the Hilton Hotel are funded through a capital reserve fund that was established with the opening of the Hilton Hotel. Every year, a percent of gross revenues from hotel operations is deposited into this fund. In 2021, this deposit equaled 4.0 percent of gross revenues. Capital improvement projects and FF&E purchases completed during the year using resources from the capital reserve fund are recorded as either an operating expense or a capital asset. Any funds within the capital reserve that are not used during the year remain in the fund and are reserved for future improvements and FF&E purchases.

  Currently, the Authority is in the process of completing a "soft goods" renovation of the original Hilton Hotel. The renovation project is scheduled for completion in mid-2022. The project will replace all "soft goods" within guest rooms to include carpet, draperies, bedding, wall coverings, lighting and upholstery. The project will also add 5 additional rooms to the hotel (increasing rooms within the original Hilton Hotel to 537). Funds within the Hilton Hotel's capital reserve will finance the renovation.

- Due to the hotel's success; the Authority in partnership with the City of Columbus and Franklin County is expanding and improving the Hilton Columbus Downtown by constructing a new 28-story tower. The new tower will include 463 guest rooms, several ballrooms, significant meeting room space, a lobby, two restaurants, a lobby bar and lounge, a fitness center and connections to the existing hotel and the convention center. One of the restaurants in the new tower will be located on the top level of the hotel. Art will continue to be a prominent feature of the new tower. Currently under construction, opening of the new tower is scheduled for August 2022. Once opened the expanded hotel will operate and function as a single enterprise of 1,000 rooms under common management.

- To provide the financing structure for the development of the new tower; the City of Columbus, Franklin County and the Authority agreed to work together to develop a financing plan for the expansion project. Per terms of this plan, the construction of the new tower was financed through the issue of two series of bonds. Series A bonds are project revenue bonds backed by the Hilton's net income and lodging tax revenue. Series B are lease appropriation bonds backed equally by the appropriation of the city and county. Series B bonds are subordinate to Series A. Total net operating income from hotel operations plus hotel tax revenue generated from the hotel itself will be split; with 41.0 percent of such revenues used to pay debt service on the 2010 bonds and 59.0 percent of revenues used to pay debt service (both series) on the new 2019 bonds. Such split in revenue will begin in 2023 as initial interest due on the new bonds was capitalized through 2022.

The following represents the changes in revenues, expenses and net position in the Arena Fund for the years ended December 31:

	Arena Fund		
	2020	2021	Increase (Decrease) over/ (under) 2020
Nonoperating Revenues			
Interest earnings	$ 5,689	$ 3,475	$ (2,214)
Capital contributions	57,297	1,548,565	1,491,268
Special item - Gain on debt restructuring	12,976,125	-	(12,976,125)
Intergovernmental revenue	5,700,063	15,662,737	9,962,674
Total Revenues	18,739,174	17,214,777	(1,524,397)
Operating Expenses			
Purchased services	5,028,955	9,695,844	4,666,889
Depreciation	2,240,252	2,538,596	298,344
Other	696,000	751,000	55,000
Nonoperating Expenses			
Interest expense	254,692	-	(254,692)
Bond issuance costs	50,000	-	(50,000)
Total Expenses	8,269,899	12,985,440	4,715,541
Change before Transfers	10,469,275	4,229,337	(6,239,938)
Transfers in	362,980	1,286,000	923,020
Change in Net Position	10,832,255	5,515,337	(5,316,918)
Beginning Net Position	(28,840,550)	(18,008,295)	10,832,255
Ending Net Position	**$ (18,008,295)**	**$ (12,492,958)**	**$ 5,515,337**

Key descriptions of Arena Fund revenues, expenses and net position, as listed, are as follows:

- In March 2012, the City of Columbus, Franklin County, Nationwide Realty Investors (Nationwide), Columbus Blue Jackets, The Ohio State University (OSU) and the Authority agreed to a plan for Nationwide Arena that transitioned the Arena from private to public ownership. This transition was designed to strengthen the facility's financial position thus ensuring that the Arena remained a valuable asset within the community for years to come. Terms of this agreement are as follows:

    - Since the Authority already owned the land under Nationwide Arena, the Authority purchased the physical facilities of the Arena including the Ice Haus, parking garage, restaurant space and offices for $42.5 million. To do so, the Authority borrowed $32.5 million from Nationwide Realty Investors and $10 million from the State of Ohio. (The Authority also borrowed $11.7 million from Nationwide to support an initial capital improvement program for the facility as well as to pay for Arena operating expenses in 2012.)
    - The Columbus Blue Jackets agreed to make Nationwide Arena their home until September 15, 2039. Should the Columbus Blue Jackets breech this home ice covenant, they are liable for liquidated damages. When not in use by the Columbus Blue Jackets, the Arena is available for concerts, family shows, conventions and other events.
    - The Arena is managed by Columbus Arena Management LLC or CAM. CAM consists of representatives from the Authority, Columbus Blue Jackets, OSU and Nationwide. CAM approves the operating and capital budgets for the facility. The Authority administers the capital improvements program. OSU provides day to day management services for the Arena.
    - Beginning in 2013, the city and county began paying the Authority a percentage of casino tax collections as lease/sublease payment for the Arena. This payment covers operating, capital and debt service expenses associated with the Arena. The financial statements classify this as intergovernmental revenue.
    - Casino tax revenue is first used to pay for operating, land lease, real estate taxes and capital expenses associated with the Arena (such payments were pre-determined as part of the transaction process). Only if casino revenues exceed operating, land lease, real estate tax and capital expenses will revenues be used to cover debt service obligations in any given year. There is no obligation on the part of the Authority to cover outstanding debt obligations for the Arena if casino tax revenues prove inadequate.
    - If casino lease/sublease payments are not sufficient to cover the operating and capital programs for the Arena; Nationwide, the Columbus Blue Jackets and OSU have agreed to cover operating and capital shortfalls. OSU has a $7.0 million cap on this obligation. Should OSU reach this cap, the Authority will begin to help fund the Arena.

- 2021 was the ninth year the Authority received casino tax revenues from the City of Columbus and Franklin County to pay for costs associated with the Arena. Total revenue received by the Authority from the city and county was $6.8 million. Of total revenue received, $5.2 million in casino tax revenue was transferred to CAM for Arena operations, $165,000 was transferred to the Authority for the land lease payment, $356,306 was set aside in a reserve for payment of real estate tax obligations and $1.1 million was deposited into the capital improvements fund for future arena capital improvement projects. Distribution of revenues was consistent with distribution requirements outlined in the arena transaction documents.

- In 2016, the State of Ohio General Assembly authorized a permanent real estate tax exemption for the Arena such that the Arena now enjoys the same tax treatment under state law as the fourteen other publicly owned entertainment and sports venues in Ohio. As part of the process to acquire authorization for real estate tax exemption, the Authority agreed to make an annual payment in-lieu-of-taxes to the Columbus Board of Education as long as the Arena remains publicly owned. This payment equals $586,000 a year.

  Beginning in 2016, the Arena transaction documents allow for casino tax revenues to be set aside in a reserve for real estate tax payments. This reserve is only funded after payment is made to CAM for Arena operations and to the Authority for the land lease payment. Transaction documents stipulate the maximum amount that is to be reserved for real estate payments. The reserve for real estate obligations is only funded to the extent casino tax revenues are available to do so. The reserve for real estate tax obligations is used to partially fund payment due to the Columbus Board of Education. Remaining amount due to the Columbus Board of Education is an obligation of the Authority and is paid for with available equity.

- In March of 2012, the Authority received a loan from the State of Ohio, Department of Development to finance a portion of the purchase of Nationwide Arena. The loan equaled $10.0 million and had an interest rate of 1.0 percent. Provision within the loan provides the State with the ability to forgive $5.0 million of the loan if the Arena meets certain economic development incentive targets. To date, the Authority has made a request to the State for forgiveness of all $5.0 million of the loan.

In 2018, the Authority and State of Ohio amended the loan agreement to change payment terms on the loan. Under the new amendment, the Authority agreed to provide the State of Ohio advertising rights within the Convention Center and the new Ohio Center Garage. The Authority also agreed to pay the State of Ohio $1.0 million; $200,000 a year for a five-year period beginning in 2017. Such payments were made from the Authority's equity reserves and, as of year-end 2021, are paid in full. These payments coupled with the value of advertising rights have and will continue to be used to off-set outstanding principal due on the loan. As of year-end 2021, the Authority has approximately $3.8 million due on the State of Ohio loan. Other than on-going advertising obligations and available casino tax revenue, there is no obligation on the part of the Authority to cover outstanding principal due on the State of Ohio loan.

- In January 2020, the Authority and Nationwide Arena LLC refinanced the original loan made to the Authority for purchase of the arena. Per terms of the refinancing, the revised arena loan was issued by Nationwide Arena LLC as noninterest-bearing bonds, in an amount of $51.5 million payable on December 15, 2029. Payment of the bonds will be made with monies held in the hotel residuals fund to the extent such monies are available. Any portion of the revised arena loan that is not paid on the payment date shall bear interest of 4.0 percent moving forward. At year-end 2021, the hotel residuals fund had a balance of approximately $1.9 million.

- Effective July 1, 2019, the City of Columbus imposed a 5.0 percent tax on ticketed admission to any venue in the city, to include Nationwide Arena and the Convention Center. Revenue generated from this admissions tax is used to support the arts community. Regarding Nationwide Arena, revenue generated through the admission tax on events held within the Arena are split with 80.0 percent of the revenue going back to the arena for capital improvements and 20.0 percent of the revenue going to the arts community. The City of Columbus is responsible for the collection of the tax revenue and distributes such collections to the Authority whereby such revenue is deposited into the Arena's capital improvements fund. The Authority forwards this revenue to the Arena for capital improvements as requested by CAM. While implementation of the admissions tax began in 2019, the City of Columbus did not begin distribution of the tax proceeds until 2020. Just as the program started, distributions to the arena stopped as the Arena was shut-down due to COVID-19 and the related health restrictions of public/social gatherings.

  During 2021, the Authority received approximately $787,000 in admission tax revenue from the City of Columbus. Of the proceeds received, the Authority forwarded all to the Arena for replacement of the lighting truss system.

- Because casino tax revenues and admission tax revenues in 2021 were not sufficient enough to provide funding for all needed capital improvements within the Arena, CAM decided to use operating reserve money to purchase needed furniture, fixture and equipment for the Arena. The operating reserve for the Arena is held by CAM. Operating reserve monies used to support Arena capital improvements is recorded as a capital contribution.

- During 2021 the Authority received a $10.0 million Shuttered Venue Operators Grant as part of the Small Business Administration COVID-19 Relief Program. Monies received have and will be used to reimburse the Arena for eligible expenses incurred during the shut-down of the venue as caused by COVID-19 and related health restrictions.

- Excluding terms of the revised State of Ohio loan, the Nationwide loan and the tax abatement agreement with the Columbus School Board; the Authority is not required to cover costs associated with the Arena; including operating and capital expenses. Such obligations are payable solely from, and only to the extent of, the Authority receiving casino tax revenue payments from the city and county.

CAPITAL ASSETS

At the end of fiscal year 2021, the Authority had $581.5 million (net of accumulated depreciation) invested in capital assets. This investment in capital assets includes land; four parking facilities and two parking lots totaling approximately 4,700 parking spaces; a convention center with over 373,000 square feet of contiguous exhibit hall space, three large ballrooms, and related meeting and back of house space; a 1,000 room full service hotel (463 rooms still under construction) with supporting meeting rooms, ballrooms, restaurants, and lobby spaces; and a 20,000 seat Arena with related concourses, suites, practice facility and parking garage.

The Authority's net capital assets increased by $79.5 million in fiscal year 2021. This increase represents the amount in which current year additions of $102.7 million exceeded current year depreciation expense of $23.3 million.

DEBT ADMINISTRATION

At December 31, 2021, the Authority had $792.8 million in bonds and related long term liabilities outstanding; of which $255.1 million are bonds associated with the Convention Center, $428.2 million are bonds issued for development of the Hilton Hotel, $14.6 million are bonds related to the expansion of the Vine Street parking facility, $15.0 million are bonds related to the development of the Goodale Street parking facility, $24.0 million are bonds related to the development of the Ohio Center parking facility and $55.9 million are bonds from the Arena transaction.

Annual debt service obligations for the Convention Center are paid with revenues received by the Authority from collection of a county-wide hotel occupancy tax. The bond indenture requires that proceeds from the hotel excise tax as well as from earnings received through investment of reserve funds must first be used to meet annual debt service obligations. Only after these obligations are met can tax proceeds and investment earnings be used to offset on-going improvement and operation of the Convention Center and other related expenses.

Annual debt service for the Hilton Hotel is met through income received from the operation of the Hilton Hotel as well as from hotel taxes generated through the operation of the Hilton Hotel, interest earnings and a subsidy payment from the U.S. Treasury. Revenue from these sources that exceed the annual debt service payment for the Hilton Hotel is reserved for future debt service obligations.

Annual debt service for the parking garage improvement revenue bonds (Series 2011, Series 2014, Series 2018 and Series 2019) is covered through parking revenue generated from parking facilities owned by the Authority.

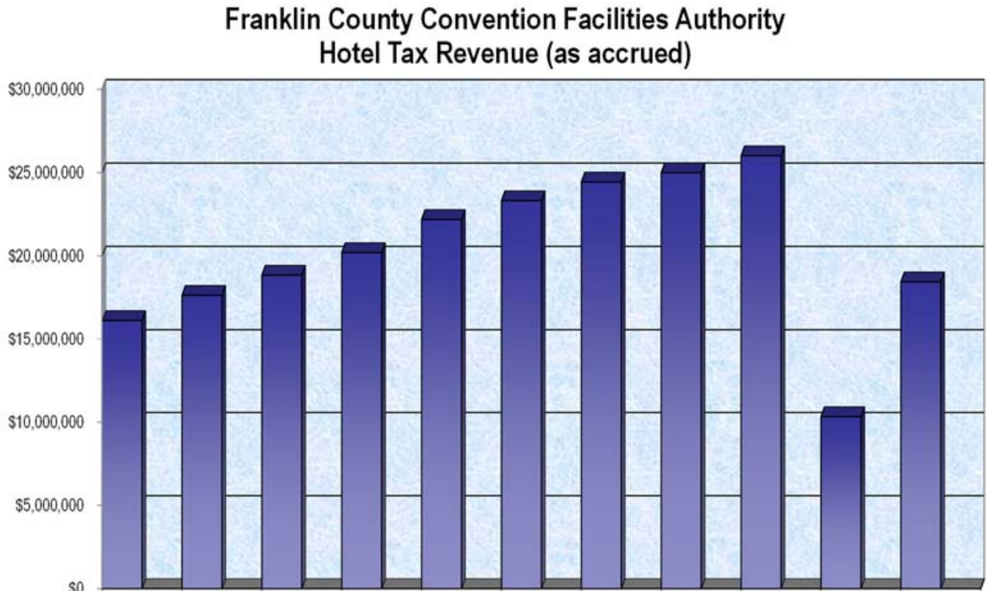
Debt service obligations for the lease revenue bonds associated with the acquisition of Nationwide Arena will be paid for with monies that accumulate in the Hotel residual fund through December 15, 2029. Any portion of the loan that remains outstanding after this date will be paid for with Hotel residual funds as they may become available thereafter. The Authority has no obligation in 2029 to cover the entire debt obligation if Hotel residual funds prove insufficient.

In accordance with all bond indentures, debt service reserve funds, bond payment funds, consolidated bond funds and rental reserve funds have been established as special trust funds to provide for the payment of bond principal and interest in the event the amount in the debt service fund is insufficient. The bond indenture prescribes the amount to be placed into each of these special trust funds as well as the minimum reserve balances. Per bond indenture requirements, reserve balances are valued on a cash basis. These reserves totaled $107.2 million at December 31, 2021.

Total debt for the Convention Center Fund decreased by $360,882 during 2021. This decrease represents premium amortization. Total debt for the Hotel Fund decreased by $4.6 million during 2021. This decrease represents principal payments and premium amortization. Total debt for the Arena Fund decreased by $900,000 during 2021. This decrease represents principal payments and principal forgiveness of $500,000.

ECONOMIC FACTORS

The success of the Convention Center, Hilton Hotel and Nationwide Arena relies on the economic health of the convention and travel industry not only within the Columbus market but within the national market as well. An excellent indicator of how this industry is performing, especially locally, is the year over year change in revenue the Authority receives from hotel occupancy tax collections. As illustrated in the graph below, the industry had performed well during the nine-year period prior to the pandemic. Over the period, hotel revenue growth averaged 6.4 percent a year. This growth was due to continual improvement in occupancy rates, average daily rates and supply of hotels within the Columbus community. The drastic drop in revenue from hotel taxes between 2019 and 2020 illustrates the devastating impact of COVID-19 on the hospitality industry. Within this community, hotel activity during 2020 declined by over 60.0 percent as travel was impacted by pandemic related health restrictions and travel advisories. 2021 proved to be a year of recovery, especially during the second half. With the availability of vaccines and the lifting of travel restrictions, the local hotel industry began to experience renewed activity. While total collections for the year proved to be approximately 30.0 percent below collections experienced in 2019 prior to the pandemic, collections were almost 79.0 percent over collection levels experienced during 2020. For the last six months of 2021, hotel collections were only 14.0 percent below collections for the same time period in 2019. This suggests that hotel activity within the community is trending up and the expectation is that this improvement will continue into 2022.



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Taxes (000)	16,130,121	17,641,191	18,851,325	20,203,554	22,190,146	23,317,996	24,441,477	24,998,762	26,013,712	10,328,043	18,451,847
% Change	8.10	9.37	6.86	7.17	9.83	5.08	4.82	2.28	4.06	-60.30	78.66

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances and to show accountability for money received by the Authority. For questions or for additional information regarding this report, please contact Maria Mercurio, Chief Financial Officer, at 614.827.2805 or mmercurio@fccfa.org.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 734,182	$ -	$ -	$ 734,182
Investments	13,937,660	-	-	13,937,660
Restricted assets:				
Investments	736,252	16,594,051	7,965,371	25,295,674
Hotel/motel excise tax receivable	1,400,145	-	-	1,400,145
Lease receivable	31,250	-	-	31,250
Interest receivable	73,795	237,316	-	311,111
Operations receivable	989,645	180,111	-	1,169,756
Prepaid items	129,341	-	-	129,341
Total current assets	18,032,270	17,011,478	7,965,371	43,009,119
Noncurrent Assets:				
Restricted cash	243,018	5,844,393	-	6,087,411
Restricted investments	41,639,826	141,746,760	4,756,240	188,142,826
Capital Assets:				
Nondepreciable capital assets	33,310,559	945,388	-	34,255,947
Construction in progress	277,893	154,113,553	312,155	154,703,601
Depreciable capital assets, net	245,327,596	107,814,955	39,369,213	392,511,764
Total capital assets	278,916,048	262,873,896	39,681,368	581,471,312
Net OPEB asset	102,120	-	-	102,120
Total noncurrent assets	320,901,012	410,465,049	44,437,608	775,803,669
Total assets	338,933,282	427,476,527	52,402,979	818,812,788
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	14,241,196	-	-	14,241,196
Pension	137,132	-	-	137,132
OPEB	50,203	-	-	50,203
Total deferred outflows of resources	14,428,531	-	-	14,428,531
LIABILITIES				
Current Liabilities:				
Accounts payable	387,612	11,137,620	5,900,558	17,425,790
Retainage payable	-	3,682,434	-	3,682,434
Accrued liabilities and other	702,243	-	3,102,762	3,805,005
Interest payable	736,252	1,773,997	-	2,510,249
Bonds payable	-	3,455,000	-	3,455,000
Total current liabilities	1,826,107	20,049,051	9,003,320	30,878,478
Noncurrent liabilities:				
Compensated absences payable	265,741	-	-	265,741
Bonds payable, net	308,711,085	424,727,676	55,892,617	789,331,378
Net pension liability	837,827	-	-	837,827
Total noncurrent liabilities	309,814,653	424,727,676	55,892,617	790,434,946
Total liabilities	311,640,760	444,776,727	64,895,937	821,313,424
DEFERRED INFLOWS OF RESOURCES				
Unamortized up-front service concession payment	1,000,000	-	-	1,000,000
Unamortized deferred amount on refunding	1,325,511	-	-	1,325,511
Pension	411,384	-	-	411,384
OPEB	340,176	-	-	340,176
Total deferred inflows of resources	3,077,071	-	-	3,077,071
NET POSITION				
Net investment in capital assets	20,810,816	(56,644,391)	(6,346,807)	(42,180,382)
Restricted for debt service	5,240,365	27,497,986	-	32,738,351
Restricted for capital projects	243,018	9,896,694	4,756,240	14,895,952
Restricted for other	-	1,949,511	-	1,949,511
Unrestricted	12,349,783	-	(10,902,391)	1,447,392
Total net position	$ 38,643,982	$ (17,300,200)	$ (12,492,958)	$ 8,850,824

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
OPERATING REVENUES				
Lease rent	$ 443,250	$ -	$ -	$ 443,250
Gain from operations	314,959	4,043,483	-	4,358,442
Miscellaneous	74,875	-	-	74,875
Total operating revenues	833,084	4,043,483	-	4,876,567
OPERATING EXPENSES				
Salaries and fringe benefits	438,190	-	-	438,190
Insurances	584,873	5,543	-	590,416
Purchased services	743,944	3,683,535	9,695,844	14,123,323
Materials and supplies	8,382	6,940,231	-	6,948,613
Other	218,408	48,180	751,000	1,017,588
Total operating expenses	1,993,797	10,677,489	10,446,844	23,118,130
Operating income/(loss) before depreciation	(1,160,713)	(6,634,006)	(10,446,844)	(18,241,563)
Depreciation	16,980,074	3,769,085	2,538,596	23,287,755
Operating income/(loss) before nonoperating revenues and expenses	(18,140,787)	(10,403,091)	(12,985,440)	(41,529,318)
NONOPERATING REVENUES (EXPENSES)				
Hotel/motel excise tax	18,451,847	-	-	18,451,847
Decrease in fair value of investments	(655,098)	(2,095,166)	-	(2,750,264)
Interest earnings	405,908	1,870,306	3,475	2,279,689
Interest expense	(10,295,920)	(20,064,917)	-	(30,360,837)
Intergovernmental revenue	-	587,754	15,662,737	16,250,491
Capital contributions	-	-	1,548,565	1,548,565
Interest subsidy revenue	-	3,107,053	-	3,107,053
Total nonoperating revenues (expenses)	7,906,737	(16,594,970)	17,214,777	8,526,544
Income/(Loss) before transfers	(10,234,050)	(26,998,061)	4,229,337	(33,002,774)
Transfers in	-	2,521,842	1,286,000	3,807,842
Transfers out	(3,807,842)	-	-	(3,807,842)
Change in net position	(14,041,892)	(24,476,219)	5,515,337	(33,002,774)
Total net position - beginning	52,685,874	7,176,019	(18,008,295)	41,853,598
Total net position - ending	$ 38,643,982	$ (17,300,200)	$ (12,492,958)	$ 8,850,824

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
Cash Flows from Operating Activities				
Receipts from leases	$ 475,333	$ -	$ -	$ 475,333
Receipts from services	153,547	3,863,372	-	4,016,919
Payments for professional services and operations	(2,788,662)	(11,224,725)	(6,171,105)	(20,184,492)
Payments to employees for services	(831,549)	-	-	(831,549)
Payments for retirement	(211,530)	-	-	(211,530)
Receipts from other	30,661	-	-	30,661
Net cash used in operating activities	(3,172,200)	(7,361,353)	(6,171,105)	(16,704,658)
Cash Flows from NonCapital Financing Activities				
Hotel/motel excise taxes received	17,584,103	-	-	17,584,103
Intergovernmental	625,000	587,754	17,609,643	18,822,397
Transfers in (out)	(3,807,842)	2,521,842	1,286,000	-
Net cash provided by noncapital financing activities	14,401,261	3,109,596	18,895,643	36,406,500
Cash Flows from Capital and related Financing Activities				
Purchases of capital assets	(2,027,497)	(89,497,172)	(224,803)	(91,749,472)
Cash paid on bond interest and fiscal charges	(9,742,967)	(21,461,835)	-	(31,204,802)
Cash paid on bond principal	-	(3,250,000)	(400,000)	(3,650,000)
Cash received from federal interest subsidy	-	4,698,366	-	4,698,366
Net cash used in capital and related financing activities	(11,770,464)	(109,510,641)	(624,803)	(121,905,908)
Cash Flows from Investing Activities				
Interest received from investments	414,003	2,315,546	3,475	2,733,024
Investment sales	60,285,587	344,213,689	9,566,792	414,066,068
Investment purchases	(59,663,575)	(235,403,756)	(21,670,002)	(316,737,333)
Net cash provided by (used in) investing activities	1,036,015	111,125,479	(12,099,735)	100,061,759
Net increase/(decrease) in cash and cash equivalents	494,612	(2,636,919)	-	(2,142,307)
Cash- January 1	482,588	8,481,312	-	8,963,900
Cash- December 31	$ 977,200	$ 5,844,393	$ -	$ 6,821,593

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$ (18,140,787)	$ (10,403,091)	$ (12,985,440)	$ (41,529,318)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	16,980,074	3,769,085	2,538,596	23,287,755
Increase in operations receivable	(1,064,645)	(180,111)	-	(1,244,756)
Decrease in intergovernmental receivable	21,901	-	-	21,901
Decrease in prepaid items	11,072	-	-	11,072
Decrease in net OPEB asset and net pension/OPEB related deferred outflows	40,602	-	-	40,602
Increase/(Decrease) in accounts payable	(84,291)	(512,236)	4,275,739	3,679,212
Decrease in accrued liabilities and other related items	(118,044)	(35,000)	-	(153,044)
Decrease in net pension/OPEB liability and related deferred inflows	(818,082)	-	-	(818,082)
Total adjustments	14,968,587	3,041,738	6,814,335	24,824,660
Net cash used in operating activities	$ (3,172,200)	$ (7,361,353)	$ (6,171,105)	$ (16,704,658)

Noncash financing activities:

Net amortization related to the capital debt	$ 1,526,613	$ -	$ -	$ 1,526,613

Schedule of noncash transactions:

Convention Center Fund:

At the end of calendar year 2020, the Authority had capital-related payables totaling $1,420,344 and at the end of calendar year 2021, the Authority had capital-Athority payables totaling $140,688.

Hotel Fund:

At the end of calendar year 2020, the Authority had capital-related payables totaling $5,262,768 and at the end of calendar year 2021, the Authority had capital related payables totaling $14,750,738.

Arena Fund:

At the end of calendar year 2020, the Authority had capital-related payables totaling $224,803 and at the end of calendar year 2021, the Authority had capital-related payables totaling $1,400,558.

During the year, the arena operator contributed capital assets to the Authority totaling $1,613,531.

During the year, the Authority met the annual incentive target for the State Loan. In accordance with the State Loan Agreement, the Authority's principal balance was reduced by $500,000.

1. DESCRIPTION OF ENTITY

Organization – The Franklin County Convention Facilities Authority (the "Authority") was established by the Board of County Commissioners of Franklin County, Ohio on July 12, 1988. The Authority is exempt from Federal corporate income taxes. The Authority was formed to acquire, construct, equip, and operate a Convention Center and related facilities in Columbus, Ohio.

The Authority levies an excise tax on hotels and motels in the amount of 4% of each transaction occurring within the boundaries of Franklin County, Ohio and an additional excise tax in the amount of .9% of each transaction occurring within the municipal limits of Columbus located within the boundaries of Franklin County. The Columbus City Auditor administers and collects these excise taxes on behalf of the Authority. The Columbus City Auditor remits taxes collected to the Authority's trustee on a monthly basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies – The significant accounting policies followed in preparation of these basic financial statements are summarized below. These policies conform to accounting principles generally accepted in the United States of America (GAAP) for governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

The Authority follows the business-type activities reporting requirements of GASB Statement No. 34. In accordance with GASB Statement No. 34, the accompanying basic financial statements are reported on an Authority-wide basis.

GASB Statement No. 34 requires the following, which collectively make up the Authority's basic financial statements:

- Management's Discussion and Analysis
- Basic financial statements
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Net Position
  - Statement of Cash Flows
- Notes to the basic financial statements
- Required Pension/OPEB Schedules

Measurement Focus and Basis of Accounting – The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the types of resources being measured and the basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, or for derived tax revenue, when the exchange transaction on which the tax is imposed occurs, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Proprietary Funds – The Authority operates using enterprise fund reporting. Enterprise funds are used to account for the costs of providing goods or services to the general public on a continuing basis which are financed or recovered primarily through user charges or to report any activity for which a fee is charged to external users for goods or services, regardless of whether the Authority intends to fully recover the cost of the goods or services provided.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The Authority's principal operating revenues consist of land lease rent and gain/loss from day-to-day operations of the facilities. Operating expenses for the Authority include administrative expenses, routine repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Accounting – The accounts of the Authority are maintained in accordance with the principles of "Fund Accounting" in order to reflect limitations and restrictions placed on the use of available resources. The following proprietary funds are used by the Authority:

> ***Convention Center Fund*** – The Convention Center Fund accounts for the operation of the Convention Center, parking facilities, and related expenses, including construction of and improvements to these facilities, as well as the accumulation of financial resources for, and the payment of, debt principal, interest, and related costs.
>
> ***Hotel Fund*** – The Hotel Fund accounts for the operation of the Hilton Hotel and related expenses, including construction of and improvements to the facility, as well as the accumulation of financial resources for, and the payment of, debt principal, interest, and related costs.
>
> ***Arena Fund*** – The Arena Fund accounts for the operation of the Arena and related expenses, including improvements to the facility, as well as the accumulation of financial resources for, and the payment of, debt principal, interest, and related costs.

Cash and Cash Equivalents – Cash and cash equivalents includes demand deposits and short-term investments with original maturities of less than three months from the date of acquisition, excluding STAR Ohio, cash held in escrow and trust funds, which are reported as investments.

Investments – During fiscal year 2021, the Authority invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "*Certain External Investment Pools and Pool Participants*." The Authority measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding $250 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Restricted Assets – Certain resources set aside for the construction of facilities and repayment of bonds are classified as restricted on the Statement of Net Position because their use is limited by applicable revenue bond indentures.

Prepaid Items – Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items under the consumption method.

Capital Assets and Depreciation – Office equipment, construction costs (including capitalized interest on assets constructed prior to January 1, 2018), and improvements are capitalized at cost. Generally, items purchased with individual costs ranging from $5,000 to $25,000 or more are capitalized based on the nature of the asset. Completed facilities are transferred from construction in progress to the appropriate category. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets, which range from 13 to 40 years for Buildings and Improvements, 20 to 30 years for Improvements other than Buildings, 3 to 60 years for Furnishings and Equipment, 40 years for Parking lots, and 7 years for major building equipment.

Deferred outflows/inflows of resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources are reported on the Statement of Net Position for deferred charges on refunding, pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for the up-front service concession payment received from the Convention Center operator, deferred charges on refunding, pension and OPEB. The up-front service concession payment received from the Convention Center operator is deferred and amortized using the straight-line method over one hundred twenty months, commencing January 1, 2012 and January 1, 2022, with the Authority responsible for repayment of the unamortized portion if the Convention Center operator is not retained for the full duration of such amortization period. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

Bond Discounts and Premiums – Bond discounts and premiums are netted against the outstanding bonds, as a liability valuation account, and are being accreted or amortized using the straight-line method over the life of the applicable bond issues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Position – Net position represents assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. Net position is displayed in three components – net investment in capital assets; restricted; and unrestricted. The net investment in capital assets component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvement of those assets. The restricted component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The Authority applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Estimates – The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Interfund Activity – Exchange transactions between funds are reported as revenues in the seller funds and as expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as nonoperating revenues/expenses. Transfers during the calendar year are considered allowable based upon the Authority's policies and the purpose of intended transfers.

Extraordinary and Special Items – Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Authority and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the calendar year.

Budgetary Accounting **–** The Authority adopts an annual Operating Budget, which lapses at the end of the year, for management purposes. The budget is adopted on a budgetary accounting basis in which purchase orders, contracts, and other commitments for the expense of monies are recorded as the equivalent of expenses. The defined legal level of control established by the Authority to monitor expenses is at the fund/function level.

Pensions/Other Postemployment Benefits (OPEB) – For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

3. DEPOSITS AND INVESTMENTS

Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Deposits
Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2021, the carrying amount of the Authority's deposits was $836,054, and the bank balance was $1,115,043. Of the bank balance, $601,869 was covered by Federal Deposit Insurance, and the remaining balance was uninsured and collateralized.

In addition, the Authority had $1,931,728 and $3,912,665 on deposit with the Hilton Hotel operator for operating reserves and furniture, fixtures and equipment reserves, respectively, and $243,018 on deposit with the Convention Center food and beverage operator for furniture, fixtures and equipment reserves, in accordance with the operating agreements. These amounts are also reported as Restricted Cash on the Statement of Net Position.

The Authority has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

1. Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

The Authority's financial institutions participate in OPCS and were approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

The Authority participates in OPCS.

Investments
The Authority has adopted a formal investment policy. The objectives of the policy are the preservation of capital and protection of principal while earning investment interest. Safety of principal is the primary objective of the investment program. Funds are invested in accordance with Section 135 "Uniform Depository Act" of the Ohio Revised Code, as well as Section 351.20 of the Ohio Revised Code.

3. DEPOSITS AND INVESTMENTS - CONTINUED

The types of obligations eligible for investment and deposits include:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), and Government National Mortgage Association (GNMA). All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) Section 135.32;

6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio); and

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

In accordance with GASB Statement No. 79, the Authority's investment in STAR Ohio is reported on an amortized cost basis, which approximates fair value. All other investments are reported at fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the Authority's investments reported at fair value are valued in accordance with market quotations or other valuation methodologies from financial industry services believed to be reliable (Level 2 inputs).

3. DEPOSITS AND INVESTMENTS – CONTINUED

The following chart illustrates the Authority's investments as of December 31:

	Amount	Credit Rating	Maturity in Years <1	Maturity in Years 1-3	Maturity in Years >3
Convention Center Fund:					
STAR Ohio	$ 16,045,088	AAAm	$ 16,045,088	$ -	$ -
Money Market Funds	26,718	NR	26,718	-	-
U.S. Treasuries	10,557,034	AA+	729,349	5,432,913	4,394,772
Negotiable Certificates of Deposit	245,435	NR	-	-	245,435
Federal Agency Securities	29,338,309	AA+	5,574,099	12,974,879	10,789,331
	56,212,584		22,375,254	18,407,792	15,429,538
Hotel Fund:					
STAR Ohio	15,574,330	AAAm	15,574,330	-	-
Money Market Fund - Dreyfus	40,742,060	AAAm	40,742,060	-	-
Money Market Funds - Other	179,264	NR	179,264	-	-
Commerical Paper	1,524,671	A-1	1,524,671		
Negotiable Certificates of Deposit	1,991,362	NR	248,478	1,243,503	499,381
U.S. Treasuries	41,399,802	AA+	34,992,400	5,278,671	1,128,731
Federal Agency Securities	56,928,604	AA+	35,730,460	10,454,987	10,743,157
	158,340,093		128,991,663	16,977,161	12,371,269
Arena Fund:					
STAR Ohio	12,721,611	AAAm	12,721,611		-
	12,721,611		12,721,611	-	-
Totals	$ 227,274,288		$ 164,088,528	$ 35,384,953	$ 27,800,807

Reconciliation of the Authority's deposits and investments to the Statements of Net Position is as follows:

	Convention Center	Hotel	Arena
Per Deposits and Investments Note:			
Deposits	$ 835,336	$ 718	$ -
On Deposit with Operators	243,018	5,844,393	-
Investments	56,212,584	158,340,093	12,721,611
Totals	$ 57,290,938	$ 164,185,204	$ 12,721,611
Per Statement of Net Position:			
Cash and Cash Equivalents	$ 734,182	$ -	$ -
Investments	13,937,660	-	-
Restricted Cash	243,018	5,844,393	-
Restricted Investments	42,376,078	158,340,811	12,721,611
Totals	$ 57,290,938	$ 164,185,204	$ 12,721,611

Concentration of Credit Risk - The Authority's investment policy does not limit the amounts that may be invested in any one issuer.

Interest Rate Risk - The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2021, is 51 days.

4. CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2021 is as follows:

Convention Center Fund	**Beginning Balance**	**Additions**	**Disposals/ Transfers**	**Ending Balance**
Capital assets, not being depreciated:				
Land	$ 32,556,992	$ -		$ 32,556,992
Works of Art	753,567	-		753,567
Construction in progress	573,574	662,903	(958,584)	277,893
Total capital assets, not being depreciated	33,884,133	662,903	(958,584)	33,588,452
Capital assets, being depreciated:				
Buildings & improvements	441,416,421	-	-	441,416,421
Improvements other than buildings	13,863,241	57,600	958,584	14,879,425
Major building equipment	7,147,215	-	-	7,147,215
Parking lot	1,144,557	-	-	1,144,557
Equipment & furnishings	8,760,738	27,336	-	8,788,074
Total capital assets, being depreciated	472,332,172	84,936	958,584	473,375,692
Less accumulated depreciation for:				
Buildings & improvements	(193,868,981)	(15,682,125)	-	(209,551,106)
Improvements other than buildings	(3,637,790)	(683,572)	-	(4,321,362)
Major building equipment	(7,147,215)	-	-	(7,147,215)
Parking lot	(887,030)	(28,614)	-	(915,644)
Equipment & furnishings	(5,527,006)	(585,763)	-	(6,112,769)
Total accumulated depreciation	(211,068,022)	(16,980,074)	-	(228,048,096)
Total capital assets, being depreciated,net	261,264,150	(16,895,138)	958,584	245,327,596
Total capital assets, net	$ 295,148,283	$ (16,232,235)	$ -	$ 278,916,048

Hotel Fund	**Beginning Balance**	**Additions**	**Disposals/ Transfers**	**Ending Balance**
Capital assets, not being depreciated:				
Land	$ 300,513	$ -	$ -	$ 300,513
Works of Art	394,700	250,175	-	644,875
Construction in progress	55,378,587	98,734,966	-	154,113,553
Total capital assets, not being depreciated	56,073,800	98,985,141	-	155,058,941
Capital assets, being depreciated:				
Buildings & improvements	143,584,752	-	-	143,584,752
Equipment & furnishings	2,289,395	-	-	2,289,395
Total capital assets, being depreciated	145,874,147	-	-	145,874,147
Less accumulated depreciation for:				
Buildings & improvements	(32,306,299)	(3,703,284)	-	(36,009,583)
Equipment & furnishings	(1,983,808)	(65,801)	-	(2,049,609)
Total accumulated depreciation	(34,290,107)	(3,769,085)	-	(38,059,192)
Total capital assets, being depreciated,net	111,584,040	(3,769,085)	-	107,814,955
Total capital assets, net	$ 167,657,840	$ 95,216,056	$ -	$ 262,873,896

4. CAPITAL ASSETS – CONTINUED

Arena Fund	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	$ 345,921	$ 312,155	$ (345,921)	$ 312,155
Total capital assets, not being depreciated	345,921	312,155	(345,921)	312,155
Capital assets, being depreciated:				
Buildings & improvements	48,658,979	1,747,578	-	50,406,557
Equipment & furnishings	7,185,591	954,356	345,921	8,485,868
Total capital assets, being depreciated	55,844,570	2,701,934	345,921	58,892,425
Less accumulated depreciation for:				
Buildings & improvements	(11,443,367)	(1,584,079)	-	(13,027,446)
Equipment & furnishings	(5,541,249)	(954,517)	-	(6,495,766)
Total accumulated depreciation	(16,984,616)	(2,538,596)	-	(19,523,212)
Total capital assets, being depreciated,net	38,859,954	163,338	345,921	39,369,213
Total capital assets, net	$ 39,205,875	$ 475,493	$ -	$ 39,681,368

5. LONG TERM OBLIGATIONS

Convention Center Fund bonds outstanding at December 31, 2021 are as follows:

Convention Center Fund	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2011 Parking Garage	$ 14,633,000	$ -	$ -	$ 14,633,000	$ -
Series 2014 Parking Garage	15,000,000	-	-	15,000,000	-
Series 2014 Renovation and Refunding	25,305,000	-	-	25,305,000	-
Series 2015 Refunding	22,725,000	-	-	22,725,000	-
Series 2017 Refunding	1,430,000	-	-	1,430,000	-
Series 2018 Parking Garage	18,000,000	-	-	18,000,000	-
Series 2019 Parking Garage	6,000,000	-	-	6,000,000	-
Series 2020A Refunding	6,700,000	-	-	6,700,000	-
Series 2020B Refunding	196,005,000	-	-	196,005,000	-
Total Convention Center Bonds	305,798,000	-	-	305,798,000	-
Plus: Unamortized Premiums	3,273,967	-	(360,882)	2,913,085	-
Total Convention Center Fund	$ 309,071,967	$ -	$ (360,882)	$ 308,711,085	$ -

Series 2011 Parking Garage

On December 6, 2011, the Authority issued $16 million in parking garage improvement revenue bonds to finance the expansion of the Vine Street parking facility. The Series 2011 term bonds mature December 1, 2016, 2021, 2026, 2031, 2036 and 2041. The stated interest rate on the Series 2011 term bonds ranges from 2.92% to 5.02%.

5. LONG TERM OBLIGATIONS – CONTINUED

On May 1, 2020, in order to address a shortfall in parking revenues resulting from the COVID-19 pandemic, the Authority entered into an investment modification agreement with the Franklin County Treasurer (Treasurer) to modify the terms of the remaining Series 2011 Parking Garage bonds, which were purchased by the Treasurer. As a result of this modification, the remaining Series 2011 term bond maturity dates were deferred to December 1, 2026, 2031, 2036 and 2041 and the stated interest rates on the remaining Series 2011 term bonds were reduced by 1.0%.

Series 2014 Parking Garage

On July 28, 2014, the Authority issued $18 million in parking garage improvement revenue bonds to finance the expansion of the Goodale Street parking facility. The Series 2014 term bonds mature December 1, 2018, 2023, 2028, 2033, 2038 and 2043. The stated interest rate on the Series 2014 term bonds ranges from 3.68% to 5.26%.

On May 1, 2020, in order to address a shortfall in parking revenues resulting from the COVID-19 pandemic, the Authority entered into an investment modification agreement with the Franklin County Treasurer (Treasurer) to modify the terms of the remaining Series 2014 Parking Garage bonds, which were purchased by the Treasurer. As a result of this modification, the remaining Series 2014 term bond maturity dates were deferred to December 1, 2028, 2033, 2038 and 2043 and the stated interest rates on the remaining Series 2014 term bonds were reduced by 1.0%.

Series 2014 Renovation and Refunding Bonds

On December 1, 2014, the Authority issued $160,140,000 of tax and lease revenue anticipation and refunding bonds of which $125,105,000 represented new money for convention center renovations and expansion and $35,035,000 represented refunding bonds. The Series 2014 serial bonds mature December 1, 2018 through December 1, 2033. The Series 2014 term bond matures December 1, 2035. All Series 2014 bonds except one maturing on or after December 1, 2024 are callable at par beginning December 1, 2024. The stated interest rate on the Series 2014 serial bonds ranges from 3% to 5%.

The Authority issued $35,035,000 of refunding bonds with a true interest cost of 2.63% to refund $36,385,000 of outstanding Series 2007 serial bonds. The net proceeds of $40,575,557 (including a net bond premium of $5,801,367 less $260,810 in underwriting fees and other issuance costs) provided for a deposit of $40,572,448 into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded Series 2007 serial bonds, which were called on December 1, 2017. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by $3,344,539. This amount, reported in the accompanying basic financial statements as a deferred outflow of resources, is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 21 years by $2,785,050 and resulted in an economic gain (difference between the present values of the old and new bond payments) of $2,223,931.

On September 22, 2020, the Authority advance refunded $134,340,000 of outstanding Series 2014 renovation and refunding bonds with the issuance of Series 2020A and Series 2020B refunding bonds.

5. LONG TERM OBLIGATIONS – CONTINUED

Series 2015 Refunding Bonds

On October 15, 2015, the Authority issued $56,150,000 of tax and lease revenue anticipation refunding bonds with a true cost of 2.95%, to refund $56,150,000 of outstanding 2005 bonds with a true interest cost of 3.65%. The proceeds of $56,150,000 provided for a deposit of $56,150,000 into an irrevocable trust with an escrow agent to provide for payment on the 2005 bonds, which were called on December 1, 2015. As a result, the liability for those bonds was removed from the bonds payable balance.

The 2015 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $713,281. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through calendar year 2027 using the straight-line method. The Authority completed the current refunding to reduce its total bond payments through calendar year 2027 by $9,484,969 and to obtain an economic gain (difference between the present values of the old and new bond payments) of $7,827,874.

On September 22, 2020, the Authority advance refunded $27,795,000 of outstanding Series 2015 refunding bonds with the issuance of Series 2020A and Series 2020B refunding bonds.

Series 2017 Refunding Bonds

On October 16, 2017, the Authority issued $4,705,000 of tax and lease revenue anticipation refunding bonds with a true cost of 2.05%, to refund $4,705,000 of outstanding 2007 bonds with a true interest cost of 4.92%. The proceeds of $4,705,000 provided for a deposit of $4,705,000 into an irrevocable trust with an escrow agent to provide for payment on the 2007 bonds, which were called on December 1, 2017. As a result, the liability for those bonds was removed from the bonds payable balance.

The 2017 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $128,729. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through calendar year 2027 using the straight-line method. The Authority completed the current refunding to reduce its total bond payments through calendar year 2027 by $776,979 and to obtain an economic gain (difference between the present values of the old and new bond payments) of $624,866.

On September 22, 2020, the Authority advance refunded $2,370,000 of outstanding Series 2017 refunding bonds with the issuance of Series 2020A and Series 2020B refunding bonds.

5. LONG TERM OBLIGATIONS – CONTINUED

Series 2018 Parking Garage

On April 18, 2018, the Authority issued $18 million in parking garage improvement revenue bonds to finance the expansion of the Ohio Center parking facility. The Series 2018 term bonds mature December 1, 2022, 2027, 2032, and 2037. The stated interest rate on the Series 2018 term bonds ranges from 4.65% to 4.91%.

On May 1, 2020, in order to address a shortfall in parking revenues resulting from the COVID-19 pandemic, the Authority entered into an investment modification agreement with the Franklin County Treasurer (Treasurer) to modify the terms of the Series 2018 Parking Garage bonds, which were purchased by the Treasurer. As a result of this modification, the Series 2018 term bond maturity dates were deferred to December 1, 2027, 2032, and 2037 and the stated interest rates on the Series 2018 term bonds were reduced by 1.0%.

Series 2019 Parking Garage

On June 26, 2019, the Authority issued $6 million in parking garage improvement revenue bonds to finance the expansion of the Ohio Center parking facility. The Series 2019 term bonds mature December 1, 2024, 2029, and 2034. The stated interest rate on the Series 2019 term bonds ranges from 4.08% to 4.40%.

On May 1, 2020, in order to address a shortfall in parking revenues resulting from the COVID-19 pandemic, the Authority entered into an investment modification agreement with the Franklin County Treasurer (Treasurer) to modify the terms of the Series 2019 Parking Garage bonds, which were purchased by the Treasurer. As a result of this modification, the Series 2019 term bond maturity dates were deferred to December 1, 2029 and 2034 and the stated interest rates on the Series 2019 term bonds were reduced by 1.0%.

Series 2020A Refunding Bonds

On September 22, 2020, the Authority issued $6,700,000 of tax and lease revenue anticipation refunding bonds, Series 2020A, with a true cost of 2.90%, to refund $9,695,000 of outstanding 2014, 2015 and 2017 bonds with interest rates of 5.0%, 2.96% and 2.05%, respectively. The proceeds of $6,700,000 plus $3,222,986 of additional funds provided for a deposit of $9,922,986 into an irrevocable trust with an escrow agent to provide for payment on the 2014, 2015 and 2017 bonds, which were called on December 1, 2020. As a result, the liability for those bonds was removed from the bonds payable balance.

The 2020A refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,531,775. This difference, reported in the accompanying basic financial statements as a deferred inflow of resources, is being amortized through calendar year 2028 using the straight-line method. As a result of the current refunding, the Authority's total bond payments through calendar year 2047 increased by $2,246,636 for an economic loss (difference between the present values of the old and new bond payments) of $911,195.

5. LONG TERM OBLIGATIONS – CONTINUED

Series 2020B Refunding Bonds

On September 22, 2020, the Authority issued $196,005,000 of tax and lease revenue anticipation refunding bonds, Series 2020B, with a true cost of 2.68%, to refund $154,810,000 of outstanding 2014, 2015 and 2017 bonds with interest rates of 5.0%, 2.96% and 2.05%, respectively. The proceeds of $196,005,000 provided for a deposit of $183,511,538 into an irrevocable trust with an escrow agent to provide for payment on the 2014, 2015 and 2017 bonds, which will all be called or mature on December 1, 2024. As a result, the liability for those bonds was removed from the bonds payable balance.

The 2020B refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $15,807,071. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being amortized through calendar year 2028 using the straight-line method. As a result of the current refunding, the Authority's total bond payments through calendar year 2047 increased by $26,494,279 for an economic loss (difference between the present values of the old and new bond payments) of $1,092,206.

Hotel Fund bonds outstanding at December 31, 2021 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Hotel Fund					
Series 2010					
Lease Revenue Bonds	$ 146,495,000	$ -	$ (3,250,000)	$ 143,245,000	$ 3,455,000
Series 2019					
Hotel Revenue Bonds	151,815,000	-	-	151,815,000	-
Lease Appropriation Bonds	91,765,000	-	-	91,765,000	-
Total Hotel Bonds	390,075,000	-	(3,250,000)	386,825,000	3,455,000
Unamortized Premiums	42,740,105	-	(1,382,429)	41,357,676	-
Total Hotel Fund	$ 432,815,105	$ -	$ (4,632,429)	$ 428,182,676	$ 3,455,000

Series 2010

On February 10, 2010, the Authority issued $160 million in Series 2010 lease revenue anticipation bonds for the purpose of providing funds to (i) pay costs of constructing, equipping, and furnishing a full-service convention center hotel and auxiliary facilities, (ii) fund a bond reserve fund, (iii) pay capitalized interest through August 31, 2012, and (iv) pay costs incurred in connection with the issuance of the Series 2010 Bonds. The Series 2010 serial and term bonds mature December 1, 2016 through December 1, 2042. The stated interest rate on the Series 2010 serial and term bonds ranges from 4.47% to 6.64%.

5. LONG TERM OBLIGATIONS – CONTINUED

Series 2019 – Project Revenue Bonds

On November 20, 2019, the Authority issued $151,815,000 in Series 2019 project revenue bonds for the purpose of providing funds to (1) finance a portion of the costs of expanding the existing full-service convention center hotel, (2) fund a debt service reserve fund, (3) fund capitalized interest for the 2019 project revenue bonds through December 1, 2022, and (4) pay certain costs of issuance related to the 2019 project revenue bonds. The Series 2019 hotel project revenue serial and term bonds mature December 1, 2025 through December 1, 2051. The stated interest rate on the Series 2019 serial and term bonds is 5.00%.

Series 2019 – Lease Appropriation Bonds

On November 20, 2019, the Authority issued $91,765,000 in Series 2019 lease appropriation bonds for the purpose of providing funds to (1) finance a portion of the costs of expanding the existing full-service convention center hotel, (2) fund capitalized interest for the 2019 lease appropriation bonds through December 1, 2022, and (3) pay certain costs of issuance related to the 2019 lease appropriation bonds. The Series 2019 lease appropriation serial and term bonds mature December 1, 2025 through December 1, 2051. The stated interest rate on the Series 2019 lease appropriation serial and term bonds ranges from 4.00% to 5.00%.

Arena Fund bonds outstanding at December 31, 2020 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Arena Fund					
First Lien Lease Revenue Bonds	$ 5,292,617	$ -	$ (900,000)	$ 4,392,617	$ -
Series 2020 Refunding Bonds	51,500,000	-	-	51,500,000	-
Total Arena Fund	$ 56,792,617	$ -	$ (900,000)	$ 55,892,617	$ -

2012 First Lien Arena Lease Revenue Bonds

On March 28, 2012, the Authority issued $10 million first lien arena lease revenue bonds to finance a portion of the purchase of Nationwide Arena. The first lien arena lease revenue bonds were acquired by the Director of Development on behalf of the State of Ohio. The arena lease revenue bonds mature on December 30, 2017, 2018, 2019, 2020 and 2021, with the final maturity subject to limited extension to accommodate principal forgiveness. The principal amount due at the final maturity may be reduced by up to $500,000 for each year in which certain economic development incentive targets are met to the satisfaction of the State of Ohio in the manner described in the Bond Legislation. During the year, the Authority met the annual incentive target. In accordance with the State Loan Agreement, the Authority's principal balance was reduced by $500,000.

The stated interest rate on the arena lease revenue bonds is 1.00%. In addition, during any time that principal amounts remain outstanding under the bonds, the Authority shall pay a servicing fee equal to one half of one quarter of one percent of the remaining principal amount then outstanding on the bonds, payable in arrears on a semi-annual basis as of June 30th and December 31st of each year.

5. LONG TERM OBLIGATIONS – CONTINUED

On January 30, 2018, the Authority amended the first lien arena lease revenue bonds agreement, dated March 28, 2012, with the Ohio Development Services Agency. In accordance with the amendment, $5,000,000 in principal of the bonds, together with all servicing fees and all interest accruing on the bonds, originally having $1,000,000 annual payments due December 31, 2017-2021, will be satisfied and replaced by: (1) $1,000,000 payable in five annual cash payments; and (2) at least $4,000,000 in payments in cash or in-kind in the form of advertising. The annual cash payment of $200,000 per year for five years shall be due on or before December 31 of each year beginning in calendar year 2017, except for calendar year 2017, for which payment shall be due 30 days after receipt of a written invoice from the Ohio Development Services Agency.

The additional $4,000,000 in payments in cash or in-kind in the form of advertising shall be due on or before December 31 of each year in calendar years 2018 through 2030 in amounts ranging from $31,583 to $389,262 per year. During the year, the Authority's principal balance was reduced by $0 for in-kind advertising.

2012 Second Lien Arena Lease Revenue Bonds

On March 28, 2012, the Authority issued $44,208,764 in second lien arena lease revenue bonds to finance a portion of the purchase of Nationwide Arena and to finance other capital and operating activities. The second lien arena lease revenue bonds were acquired by Nationwide Arena LLC. The second lien arena lease revenue bonds mature on December 30, 2039 and are callable for redemption at the option of the Authority, in whole or in part in such series as the Authority shall determine at any time at the redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date. The stated interest rate on the arena lease revenue bonds is 4.875%.

Beginning in calendar year 2013, the Authority began receiving a percentage of casino tax collections from the City and County. These collections are used fund operations, land lease payments, real estate taxes, and capital improvements of the arena. Once these obligations have been satisfied, any remaining collections were to be applied to debt service. If casino tax collections were insufficient to pay debt service, Nationwide had agreed to defer payments until revenues were available. There was no obligation on the part of the Authority to cover outstanding debt for the arena if casino tax collections proved inadequate.

On January 30, 2020, the Authority issued a $51,500,000 Second Lien Arena Lease Refunding Revenue Bond, Series 2020, to refund $62,693,285 (including outstanding principal and capitalized bond interest) of outstanding Series 2012 Second Lien Arena Lease Revenue Bonds. As a result, the liability for the 2012 Second Lien Arena Lease Revenue Bonds was removed from the bonds payable balance. The Series 2020 Second Lien Arena Lease Refunding Revenue Bond provides the Hotel Residuals Fund as an additional source of funding for the payment thereof at maturity on December 15, 2029. The principal amount of the refunding bond which is outstanding after the maturity date shall bear interest at the rate of four percent (4.00%) per annum until the principal amount thereof is paid or duly provided for, based on a 365 or 366-day year, as applicable, for the number of days elapsed.

The Series 2020 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $11,193,285. In addition, $1,782,840 of accrued, but not yet capitalized, bond interest was forgiven by the bond holder, for a total liability reduction of $12,976,125.

5. LONG TERM OBLIGATIONS – CONTINUED

Bond Principal and Interest Payments

Bonds mature on December 1. Interest on the term and serial bonds is payable semiannually on June 1 and December 1. Interest has been accrued on all bonds through December 31, 2020. Excise taxes and rents collected after the issuance date of the bonds, to the extent these taxes and rents are necessary to satisfy debt service requirements, are appropriated for principal and interest payments due and payable until the bonds are fully retired on December 1, 2051. Principal and interest requirements to retire the Authority's bonds are as follows:

	Convention Center Fund		Hotel Fund		Arena Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ -	$ 8,763,330	$ 3,455,000	$ 21,287,961	$ 889,262	$ -
2023	-	8,863,832	3,670,000	21,099,663	389,262	-
2024	2,550,000	8,914,832	3,895,000	20,897,813	389,262	-
2025	13,750,000	8,896,780	6,915,000	20,681,641	389,262	-
2026	17,417,500	8,450,244	7,465,000	20,311,111	389,262	-
2027-2031	102,218,500	33,390,914	46,405,000	94,375,870	53,446,307	-
2032-2036	96,768,500	21,007,438	64,535,000	78,831,781	-	-
2037-2041	50,203,500	8,141,715	84,465,000	57,925,338	-	-
2042-2046	19,430,000	2,513,242	79,945,000	32,851,412	-	-
2047-2051	3,460,000	116,193	86,075,000	13,330,500	-	-
	$ 305,798,000	$ 109,058,520	$ 386,825,000	$ 381,593,090	$ 55,892,617	$ -

Pledged Revenues

Revenues from the operation of all parking facilities owned by the Authority have been pledged towards the payment of debt service due on parking facility bonds. The lender with respect to the Authority's parking facilities has no recourse against other revenues or assets of the Authority.

Casino tax revenue appropriated by the City and the County and accumulated revenues in the Hotel Residual Fund have been pledged toward the payment of debt service due on the Series 2020 Arena Second Lien Arena Lease Refunding Revenue Bond.

Defeased Debt Outstanding

As noted above, the Authority has defeased various bond issues by creating separate irrevocable trust funds. When such debt has been issued, the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of December 31, 2021, the amount of defeased debt outstanding was $144,660,000 and the irrevocable trust account balance was $163,031,719.

6. RESTRICTED CASH AND INVESTMENTS

In accordance with the Convention Center Fund bond indentures, the Authority created the project construction and bond payment funds to provide for the payment of construction costs and bond principal and interest, as well as the debt service and rental reserve funds to provide for the payment of bond principal and interest in the event the amount in the bond payment fund is insufficient. The debt service reserve requirement is an amount equal to the maximum bond service charges payable with respect to the outstanding bonds during any bond year, without regard to any optional redemption. The rental reserve requirement is an amount equal to one-half of the maximum bond service charges payable with respect to the outstanding bonds during any bond year, without regard to optional redemption.

Additionally, for the Convention Center Fund, in accordance with lease and sublease agreements between the Authority and the City of Columbus and Franklin County, the City and County will provide necessary funds for the payment of bond principal and interest if the rental reserve and debt service funds are depleted. These amounts are subject to annual appropriation by the City and County. As an additional precaution, the lease with the City and County provides for the application of Convention and Visitors Bureau Taxes levied and collected by the City to deficiencies in debt service payments after the rental reserve fund has been depleted. If after the application of foregoing amounts, additional amounts are required to meet the City's and the County's obligations under the lease, such amounts will be paid by the City and the County, in equal shares, from their general resources, provided that their respective legislative bodies have appropriated funds for such purpose.

In accordance with the 2010 Hotel Fund bond indenture, the Authority created the project construction and bond payment funds to provide for the payment of construction costs and bond principal and interest, as well as the debt service and rental reserve funds to provide for the payment of bond principal and interest in the event the amount in the bond payment fund is insufficient. The debt service reserve requirement is equal to one-half of the maximum bond service charges payable with respect to the outstanding bonds during any bond year (excluding the final bond year), without regard to any optional redemption. The rental reserve requirement is $8.0 million.

Additionally, for the Hotel Fund, in accordance with the Cooperative Agreement dated January 1, 2010 among the Authority, Franklin County, and the City of Columbus, the County will provide necessary funds for the payment of bond principal and interest if the rental reserve and debt service funds are depleted. These amounts are subject to annual appropriation by the County. As an additional precaution, the Cooperative Agreement provides for the City to establish by January 1, 2012, a Parking Meter Contribution Fund with a balance of $1.4 million to assist with debt service payments if the rental reserve fund has been depleted. The Hotel Cooperative Agreement also provides for the Authority to establish a ground lease rents fund to assist with debt service payments if the rental reserve fund has been depleted. The parking meter contribution fund, the ground lease fund and the rental reserve fund will be used prior to use of the debt service reserve fund. Reserve funds used for debt service will be replenished to required balances as soon as funds become available.

6. RESTRICTED CASH AND INVESTMENTS - CONTINUED

Per the 2019 Hotel Fund bond indenture, the Authority created several new project construction and bond payment funds for the hotel to provide for the payment of construction costs and bond principal and interest payments. In accordance with the First Supplement to the Cooperative Agreement dated January 1, 2010, several new reserve accounts were established to provide for the payment of 2010 and 2019 bond principal and interest in the event that amounts in the bond payment fund are insufficient.

Such funds include a new debt service reserve fund for Hotel Project Revenue Bonds Series 2019 with a reserve requirement equal to $15,181,500; a hotel consolidated bond fund for both the 2010 bond issue and the 2019 bond issue (both series) with a reserve requirement equal to $25.0 million; and a new 2010 bond payment fund with an initial reserve requirement of $2.0 million. The consolidated bond fund and the 2010 bond payment fund, along with the parking meter contribution fund, the ground lease fund and the rental reserve fund will be used prior to the 2010 and 2019 debt service reserve funds to pay principal and interest. Reserve funds used for debt service will be replenished to required balances as soon as funds become available. Additionally, for the 2019 Bond Fund, in accordance with the First Supplement to the Cooperative Agreement dated January 1, 2010, the City and County will provide necessary funds for the payment of bond principal and interest for only the Lease Appropriation Bonds, Series 2019 if the consolidated bond fund is depleted. This payment is subject to annual appropriation by the City and County.

The First Supplement to the Cooperative Agreement dated January 1, 2010 also established a new fund for the deposit of residual monies available after all hotel debt service and interest payments are meet and all hotel reserve funds are fully funded. This reserve fund is restricted per terms of 2019 Hotel Fund bond indenture.

For the Arena Fund, in accordance with the Arena Management Agreement, the Authority is required to maintain an Arena capital improvements account. Each year, the Authority is required to make deposits to the account to the extent casino tax revenues are available. In 2021, casino tax deposits of $1.1 million were made to the account and interest earned was $795. At year-end, the balance in this account was $2.4 million. The entire balance is reported as Restricted Investments in the Statement of Net Position.

6. RESTRICTED CASH AND INVESTMENTS - CONTINUED

The balances in the Convention Center and Hotel funds at year-end, which are also reported as Restricted Cash and Restricted Investments in the Statement of Net Position, as well as the required balances, were as follows:

	Convention Center Fund		Hotel Fund	
	Required Balance	Restricted Balance	Required Balance	Restricted Balance
Construction Fund	$ -	$ -	$ 93,956,158	$ 93,956,158
Bond Payment Fund	4,256,234	4,256,234	-	-
Debt Service Reserve Fund	25,400,413	25,413,230	-	-
2010 Bond Payment Fund	-	-	2,000,000	775,356
2019 Bond Payment Fund	-	-	12,626,750	12,626,750
Consolidated Bond Fund	-	-	25,000,000	25,213,049
2010 Debt Service Reserve Fund	-	-	6,391,264	6,440,305
2019 Debt Service Reserve Fund	-	-	15,181,500	15,521,343
Rental Reserve Fund	12,700,207	12,742,176	8,000,000	1,253,348
Operating Reserve Fund	-	-	2,400,000	1,931,728
FF&E Reserve Fund	243,018	243,018	3,912,665	3,912,665
Ground Lease Rents Fund	-	-	1,000,000	1,002,186
Hotel Residuals Fund	-	-	1,917,782	1,917,782
Total	$ 42,599,872	$ 42,654,658	$ 172,386,119	$ 164,550,670

7. FACILITY OPERATOR AGREEMENTS

A. Convention Center

The management, operations and marketing of the Greater Columbus Convention Center (herein referred to as Convention Center) is facilitated through a Consulting, Marketing and Management Agreement with ASM Global Columbus, LLC (ASM, formerly SMG). The main term of the current agreement commenced on January 1, 2012 and ended at midnight on December 31, 2014. In accordance with the terms of the agreement, the Authority extended the term of the agreement several times on the same terms and conditions through December 31, 2021. On December 9, 2020, the Authority amended the Consulting, Marketing and Management Agreement with ASM and exercised two of the three two-year renewal terms. As such, the renewal term will begin on January 1, 2022 and continue for a four-year period.

As part of this agreement ASM is responsible for the financial activity of the Convention Center. ASM financially manages all revenues collected by the Convention Center from rental income; income from food and beverage sales; retail mall and food court lease income and revenue received from the operation of parking lots. In turn, ASM utilizes these revenues to pay for expenses associated with operating the facility (i.e., salaries of permanent and temporary staff who orchestrate events and handle administrative functions; utility expenses; the promotion and advertising of the Convention Center; and general facility maintenance and repair expenses). Financial activity of the Convention Center is audited annually and reviewed by management.

7. FACILITY OPERATOR AGREEMENTS – CONTINUED

As base compensation to ASM for providing services, the Authority shall pay ASM during each fiscal year of the main term and the renewal term, if any, an annual fixed fee as follows:

Year	Fixed Fee
2012	2010 Base Fee under the 2006 Management Agreement as adjusted by change in CPI-U from January 1, 2011 through December 31, 2011.
2013-2021	Based upon prior year, as adjusted below by change in CPI-U

For each of the calendar years during the main term (commencing with the 2013 calendar year), the fixed fee shall be equal to the fixed fee for the immediately preceding calendar year, increased or decreased by the lesser of (i) the percentage change in the CPI-U, during the one year period ending in November 30 immediately preceding such calendar year, or (ii) three percent (3%). The foregoing annual fixed compensation shall be payable in equal monthly installments due on or before the last day of each month during such calendar year. ASM is also eligible for an annual incentive fee, not to exceed the fixed fee noted above, for not only achieving, but surpassing, facility quality standards, guest service standards, and financial performance standards as set forth in the facility operator agreement. Evaluation of ASM's performance in regard to these standards is conducted annually by the Authority, in large part, upon input and surveys received directly from guests, client feedback and third-party review.

Bottom line performance of the Convention Center is incorporated annually into the Authority's basic financial statements as a reported change to gain/loss from center operations. During the year, ASM paid the Authority $0 and the receivable amount at fiscal year-end was $989,645. ASM's base fees during the calendar year were $336,684. The evaluation and calculation of ASM's incentive fee for the calendar year has not yet been finalized.

In accordance with the terms of the Management Agreement, the Authority is required to provide the operator certain operating funds sufficient to meet operating expenses. During the calendar year, the Authority provided ASM with $1.0 million to meet operating expenses.

In addition to the Authority's agreement with ASM, food and beverage operations are facilitated through a contract with Levy Premium Foodservice Limited Partnership (Levy). The initial five-year contract commenced on November 10, 2016. On February 28, 2021, the contract was extended through December 31, 2024. The Authority has an option to extend for up to three additional three-year terms by providing written notice at least 60 days prior to the end of the then-current term. The Authority also has the option to terminate the contract agreement at any time if Levy breaches any term of the agreement and the breach is not cured within 15 days or cannot be cured.

7. FACILITY OPERATOR AGREEMENTS – CONTINUED

As base compensation for providing services, the Authority shall pay Levy a Base Management Fee equal to the lesser of (a) $200,000 per contract year, or (b) 2.25% of gross receipts. The Base Management Fee will remain fixed during the initial term and will be reset, based on the consumer price index, at the beginning of any renewal term. In 2021, Levy had an opportunity to earn an Annual Incentive Fee, up to 2% of gross receipts each calendar year, not to exceed $100,000. After 2021, Levy has an opportunity to earn an Annual Incentive Fee, up to 1.6% of gross receipts each contract year, not to exceed $200,000. To earn the Annual Incentive Fee, certain minimum operating criteria must be me met, as set forth in the agreement.

B. Hotel

On July 16, 2010, the Authority executed a hotel operating agreement with Hilton Management, LLC (Manager) to manage and operate the Hotel, consisting of approximately 532 hotel guest rooms, approximately 22,750 square feet of net usable meeting space, a ballroom of at least 12,000 square feet, a pedestrian skybridge connecting directly to the Convention Center and other supporting facilities associated therewith. The term of the hotel operating agreement commenced on the opening date and was to continue for a period of 15 years from the date from and after the opening date.

On December 4, 2019, the Authority executed an amended and restated hotel operating agreement with Hilton Management, LLC, effective January 1, 2020, to engage the hotel operator to continue its management and operation of the hotel, including the management and operation of the new hotel tower. The initial operating term of the amended and restated hotel operating agreement will commence on January 1, 2020 and continue until October 18, 2027. Upon the expansion opening date, the operating term shall be automatically extended to expire on the date that is twenty-three years from and after the expansion opening date.

Base Management Fee – The base management fee shall mean an amount equal to a percentage of total operating revenue as follows:

Date of this Agreement until the Expansion Opening Date	3.00% of Total Operating Revenues
Expansion Opening Date through the First Full Year of Operations after the Expansion Opening Date	2.50% of Total Operating Revenues
Second Full Year of Operations after the Expansion Opening Date	2.75% of Total Operating Revenues
Third Full Year of Operations after the Expansion Opening Date and thereafter	3.00% of Total Operating Revenues

7. FACILITY OPERATOR AGREEMENTS - CONTINUED

Subordinate Management Fee – The subordinate management fee shall mean an amount equal to a percentage of total operating revenue as follows:

Date of this Agreement until the Expansion Opening Date	1.00% of Total Operating Revenues
Expansion Opening Date through the First Full Year of Operations after the Expansion Opening Date	0.50% of Total Operating Revenues
Second Full Year of Operations after the Expansion Opening Date	0.75% of Total Operating Revenues
Third Full Year of Operations after the Expansion Opening Date and thereafter	1.00% of Total Operating Revenues

The Subordinate Management Fee will be subordinated to certain other payments as provided for in the amended hotel operating agreement.

C. Arena

On March 28, 2012, the Authority entered into an Arena Management Agreement with Columbus Arena Management LLC (CAM) to manage and operate Nationwide Arena. The agreement provided that CAM be responsible for the financial results of the Arena operations effective January 1, 2012.

The Arena Management Agreement requires the Authority to provide a pre-determined annual funding amount to be used for Arena operational expenses to the extent casino tax revenues are available. For calendar year 2021, the Authority contributed $5.2 million.

8. VACATION, SICK AND PERSONAL LEAVE

Authority employees are granted vacation, sick, and personal leave at amounts which vary by length of service. In the event of termination, employees are reimbursed for accumulated vacation and personal leave, along with a percentage of their sick leave balance based on years of service at the employee's current wage.

Vacation, sick, and personal leave earned by the Authority's employees has been recorded in the Convention Center Fund. The Authority calculates sick leave based on the termination method. Payment of vacation, sick, and personal leave is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes the payment of vacation and sick leave will not have a material adverse impact on the availability of the Authority's cash balances.

8. VACATION, SICK AND PERSONAL LEAVE - CONTINUED

Changes in compensated absences balances for the fiscal year are as follows:

	Beginning Balance	Earned	Used	Ending Balance	Due Within One Year
Calendar Year 2021	$ 245,444	$ 134,830	$ (114,533)	$ 265,741	$ -

9. OPERATING LEASES

On November 27, 1996 the Authority entered into a Master Lease Agreement with the City of Columbus (the "City") which created leasehold estate interests for certain property, plant, and equipment (the "South Facility"), the site of the Convention Center, and the Columbus Hotel Community Urban Redevelopment Corporation lease.

In addition to the lease agreements noted below, the Authority owns all rights, title and interest in, to and under any and all leases, tenancy or occupancy agreements affecting the South Facility premises, as well as all security deposits and guaranties. These leases are retail leases with various retail terms. The retail lease revenue is recognized by the operators of the facility in accordance with the operating method.

Columbus Hotel Community Urban Redevelopment Corporation

The Authority leases land to the Columbus Hotel Community Urban Redevelopment Corporation (the Hyatt). The initial lease commenced on December 23, 1978 and was to end on July 19, 2051. On January 1, 2021, the lease was amended and the new lease is set to expire on December 31, 2071. Prior to January 1, 2023, the Hyatt will pay the Authority lease rent at an annual rate of $125,000. During this period, the Authority will also receive additional compensation from the Hyatt if the Hyatt meets certain targets for cash flow. Additional compensation for the calendar year was $0.

Commencing on January 1, 2023 and continuing until the expiration of the amended lease term, the Hyatt shall pay the Authority an annual amount for each lease year equal to $2,185,000 which shall automatically be increased by one and three-quarters percent (1.75%) on each anniversary during the lease term. Additionally, on the 15th anniversary, and every 15th anniversary thereafter, the base rent shall be adjusted to Fair Market Rent, in accordance with the lease agreement. ASM, the Authority's facility operator, also recorded revenues of $984,552 during the calendar year from Ohio Center Hotel Company, LTD. (an affiliate of Hyatt) for providing services consisting primarily of utilities, parking and meeting space rentals.

Drury Inns, Inc.

On February 20, 2001, the Authority entered into a ground lease agreement with Drury Inns, Inc. (the Tenant) under which the Tenant leased land from the Authority and developed the land with a hotel and related improvements. The term of the lease commenced on February 20, 2001 and expires on the last day of the 25th lease year, unless the term is extended or the lease is validly canceled before then.

9. OPERATING LEASES - CONTINUED

The Tenant has the option to extend the term for a period of ten lease years by giving notice of the exercise of the option any time prior to the 365th day before the last day of the 25th lease year. If the Tenant exercises the option to extend the term for a period of ten lease years, the Tenant shall have an additional option to extend the term for another period of ten lease years by giving notice of the exercise of the option any time prior to the 365th day before the extended expiration date. If the Tenant exercises the second option granted, the Tenant shall have the additional option to extend the term through July 19, 2051 by giving notice of the exercise of the option any time prior to the 365th day before the extended expiration date.

The Tenant pays the Authority basic rent, as well as percentage rent, which is the amount by which a certain percentage of revenue exceeds basic rent. Applicable amounts are as follows:

Lease Years	Basic Rent	Percentage Rent
Years 1 through 5, per annum	$125,000	4%
Years 6 through 10, per annum	$150,000	4.75%
Years 11 and after, per annum	$175,000	4.75% of the first $6,000,000 and 5.5% of any excess of $6,000,000

On March 31, 2020, due to the adverse financial impact of the COVID-19 pandemic, the Authority agreed to waive monthly basic rent from April 1, 2020 through September 30, 2020. Then on December 8, 2020, the Authority agreed to reduce monthly basic rent from $14,583 to $7,250 from December 1, 2020 through March 31, 2021. For the year 2021, the Tenant paid the Authority $153,250 in base rent.

10. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Authority's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Authority's obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including pension.

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

GASB 68 assumes the net pension liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued liabilities and other* on the accrual basis of accounting.

Plan Description

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Group A	**Group B**	**Group C**
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**Formula:**
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a benefit recipient has received benefits for 12 months, current law provides for an annual cost-of-living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2021 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $127,934 for 2021. Of this amount, $18,077 is reported as *accrued liabilities and other*.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS were measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional Plan	Combined Plan	Total
Proportionate Share of the Net Pension Liability	$ 837,827	$ -	$ 837,827
Current Measurement Date	0.005658%	0.000000%	
Prior Measurement Date	0.005979%	0.000000%	
Change in Proportionate Share	-0.000321%	0.000000%	
Pension Expense	$ (10,568)	$ 894	$ (9,674)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources			
Changes in proportionate share	$ -	$ 9,198	$ 9,198
Authority contributions subsequent to the measurement date	127,934	-	127,934
Total Deferred Outflows of Resources	127,934	9,198	137,132
Deferred Inflows of Resources			
Differences between expected and actual experience	35,047	-	35,047
Net difference between projected and actual earnings on pension plan investments	326,560	-	326,560
Changes in proportionate share	45,378	4,399	49,777
Total Deferred Inflows of Resources	$ 406,985	$ 4,399	$ 411,384

$127,934 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as pension expense in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional Plan	Combined Plan	Total
Year Ending December 31:			
2021	$ (168,350)	$ 894	$ (167,456)
2022	(60,980)	894	(60,086)
2023	(133,117)	894	(132,223)
2024	(44,538)	1,663	(42,875)
2025	-	411	411
Thereafter	-	43	43
Total	$ (406,985)	$ 4,799	$ (402,186)

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement:

Wage Inflation	3.25%
Projected Salary Increases	3.25 to 10.75% including wage inflation at 3.25%
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3% simple; Post-1/7/13 Retirees: .50% simple through 2021, then 2.15% simple
Investment Rate of Return	7.2%
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

Discount Rate The discount rate used to measure the total pension liability was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	25.00 %	1.32 %
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other investments	9.00	4.75
Total	100.00 %	5.43 %

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using a discount rate of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Single Discount Rate (7.20%)	1% Increase (8.20%)
Authority's proportionate share of the net pension liability	$ 1,598,159	$ 837,837	$ 96,592

11. DEFINED BENEFIT OPEB PLAN

Net OPEB Asset

The net OPEB asset reported on the statement of net position represents an asset for employees for other post-employment benefits (OPEB). OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB asset represents the Authority's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

11. DEFINED BENEFIT OPEB PLAN – CONTINUED

Ohio Revised Code limits the Authority's right to this asset to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB asset. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a net OPEB asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year would be included in *accrued liabilities and other* on the accrual basis of accounting. The Authority had no such liability at year-end.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure, the 401(h) Health Care Trust (401(h) Trust) and the Voluntary Employees' Beneficiary Association Trust (VEBA Trust), could not legally support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Trust was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The VEBA Trust accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 trust on July 1, 2016. Beginning in 2016, the 115 Trust, ode (IRC) Section 115, is the funding vehicle for all health care plans.

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age.

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

Beginning with January 2016 premiums, Medicare-enrolled retirees could select supplemental coverage through the OPERS Medicare Connector (Connector), and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expe -Medicare retirees includes hospitalization, medical expenses and prescription drugs.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend health care coverage is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, 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 Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, the Authority contributed at a rate of 14.0 percent of earnable salary. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14 percent of covered payroll. A portion of each employer contribution may be set aside for the funding of post-employment health care coverage. The portion of employer contributions allocated to health care was zero in 2021.

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset for OPERS was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB asset was based on the Authority's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPEB Plan
Proportionate Share of the Net OPEB Asset	$ 102,120
Current Measurement Date	0.0057320%
Prior Measurement Date	0.0060490%
Change in Proportionate Share	-0.0003170%
OPEB Expense	$ (639,872)

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPEB Plan
Deferred Outflows of Resources	
Changes of assumptions	$ 50,203
Total Deferred Outflows of Resources	$ 50,203
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 92,161
Net difference between projected and actual earnings on pension plan investments	54,390
Changes of assumptions	165,465
Changes in proportionate share	28,160
Total Deferred Inflows of Resources	$ 340,176

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	OPERS OPEB Plan
2022	$ 154,572
2023	105,452
2024	23.636
2025	6,413
Total	$ 289,973

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

11. DEFINED BENEFIT OPEB PLAN – CONTINUED

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

The actuarial valuation used the following actuarial assumptions and methods applied to all periods included in the measurement:

Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Single Discount Rate	
Current Measurement Date	6.00%
Prior Measurement Date	3.16%
Investment Rate of Return	
Current Measurement Date	6.00%
Prior Measurement Date	6.00%
Municipal Bond Rate	
Current Measurement Date	2.00%
Prior Measurement Date	2.75%
Health Care Cost Trend Rate	
Current Measurement Date	8.50 percent initial, 3.50 percent ultimate in 2035
Prior Measurement Date	10.50 percent, initial, 3.50 percent ultimate in 2030
Actuarial Cost Method	Individual entry age normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

Discount Rate A single discount rate of 6.00 percent was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). The single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projected period through which projected health care payments are fully funded.

The allocation of investment assets within the OPERS Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future rates of return by the target asset allocation adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant.

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
REITs	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	100.00 %	4.43 %

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

Sensitivity of the Authority's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, and the expected net OPEB asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease (5.00%)	Single Discount Rate (6.00%)	1% Increase (7.00%)
Authority's proportionate share of the net OPEB asset	$ 25,393	$ 102,120	$ 165,196

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB asset	$ 104,609	$ 102,120	$ 99,336

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.5 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

12. JOINT VENTURE

On March 28, 2012, the Authority, COLHOC Limited Partnership (COLHOC), Nationwide Arena, LLC (Nationwide), and The Ohio State University (Ohio State) formed Columbus Arena Management, LLC (CAM), a limited liability company, to operate, manage, maintain, repair and improve Nationwide Arena (Arena), and to serve as a joint undertaking to share expenses in connection therewith.

The Authority has entered into a long-term Arena Management Agreement with CAM. The agreement requires the Authority to provide pre-determined annual funding amount to be used for Arena operational expenses and capital improvements. These funding amounts are scheduled to increase 3.5% per year for the term of the agreement, which expires September 15, 2039.

The Authority's obligation to provide these annual funding amounts are contingent upon receiving sufficient proceeds from the City of Columbus and Franklin County based a percentage of casino receipts. Such amounts are currently and projected to continue to be insufficient to provide the necessary funding to the Authority and thus resulting in the Authority's inability to adequately fund capital improvements and debt service.

For calendar year 2021, the Authority's required and actual annual funding amounts were as follows:

Description	Required Funding Amount	Actual Funding Amount
Operational Expenses	$ 5,190,955	$ 5,190,955
Land Lease Expense	165,000	165,000
Real Estate Tax Reserve	356,306	356,306
Capital Improvements	10,167,219	1,110,525
Debt Service	4,593,000	-
Total Receipts from City and County:		$ 6,822,786

COLHOC, Nationwide, and Ohio State are required to contribute towards any operating deficit exceeding the Authority's annual funding amount plus any available operating reserves established from prior years' operating surpluses. These priority and extraordinary contributions would be made on an annual basis and COLHOC, Nationwide, and Ohio State each would contribute a proportionate share, except that Ohio State is not obliged to make aggregate contributions exceeding $7 million. This commitment extends until September 15, 2039.

Operating surpluses in any fiscal year will be allocated (1) to reimburse extraordinary contributions from prior fiscal years; (2) to fund an operating reserve account to the target amount, currently $6 million; (3) to reimburse priority contributions from prior fiscal years; and (4) to the Authority for the purpose of the advancement and promotion of arena, convention facilities, and sports purposes in the Franklin County, Ohio area. At June 30, 2021 (most recent audited information available), CAM's operating reserve account balance was $2,030,101. CAM financial statements were audited independently and are available upon request.

13. DISAGGREGATED PAYABLE BALANCES

The details of accrued liabilities and other, as reported in the Statement of Net Position, are as follows:

	Convention Center Fund	Hotel Fund	Arena Fund
Accrued Salaries Payable	$ 34,662	$ -	$ -
Accrued Pension and Taxes Payable	27,997	-	-
Accrued Property Taxes Payable	-	-	586,000
Unearned Revenue - Leases	14,584	-	-
Unearned Revenue - Grants	625,000	-	2,516,762
Accrued liabilities and other	$ 702,243	$ -	$ 3,102,762

14. INTERFUND ACTIVITY

The Authority committed hotel/motel tax related to the Hilton to debt service in the Hotel Fund as well as $3.5 million towards the Hilton Hotel Expansion Project. Interfund transfers in the amount of $517,391 and $2,004,451 from the Convention Center Fund to the Hotel Fund during the calendar year are the result of these commitments, respectively. In addition, the Authority transferred funds in the amount of $1,286,000 from the Convention Center Fund to the Arena Fund. This amount represents expenses related to the Arena Fund that the Convention Center Fund does not expect to receive reimbursement.

15. RISK MANAGEMENT

The Authority is subjected to certain types of risks in the performance of its normal functions. They include risks the Authority might be subjected to by its employees in the performance of their normal duties. The Authority manages these types of risks through commercial insurance. The amount of settlements has not exceeded insurance coverage for any of the past three calendar years. There has not been a significant reduction of coverage since the prior year in any of the major categories of risk.

16. CONTRACTUAL COMMITMENTS

At calendar year-end, the Authority had the following outstanding contractual commitments:

Vendor	Contract	Contract Amount	Amount Outstanding
Turner/Smoot Construction	Construction Services - Hotel Expansion	210,439,406	72,026,428
Turner/Smoot - Hilton 1.0	Construciton Services - Hotel Renovation	3,837,454	1,964,897
Cooper Cary	Design Services - Hotel Expansion Project	10,048,943	301,856
Cooper Cary - Hilton 1.0	Design Services - Hotel Renovation	310,000	57,296
Bray Whaler	FF&E Purchasing Services - Hotel Expansion	315,240	19,863
Jones Lang LaSalle Americas	Hotel Development Services - Hotel Expansion	1,800,000	508,911
CTL Engineering	Testing and Inspection Services -Hotel Expansion	858,111	96,337
Schooley Caldwell	Design Services - Hyatt Grand Ballroom	190,000	152,000

The outstanding balance noted above represents the difference between the contract amount and total services completed and stored to-date through the end of the year.

17. CHANGES IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2021, the Authority implemented GASB Statement No. 93, Replacement of Interbank Offered Rates. GASB Statement No. 93 preserves the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The implementation of this Statement did not have an effect on the financial statements of the Authority.

18. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the Authority received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Authority's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

19. CONTINGENCIES

For the period January 1, 2021 to December 31, 2021, the Authority received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

Franklin County Convention Facilities Authority
Required Supplementary Information
Schedule of Authority's Proportionate Share of the Net Pension (Asset)/Liability
Ohio Public Employees Retirement System

Last Eight Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014
Authority's Proportion of the Net Pension (Asset)/Liability								
Traditional Plan	0.005658%	0.005979%	0.006004%	0.006097%	0.005651%	0.005442%	0.006048%	0.006048%
Combined Plan	N/A	N/A	N/A	N/A	0.002450%	0.041750%	N/A	N/A
Authority's Proportionate Share of the Net Pension (Asset)/Liability								
Traditional Plan	$ 837,827	$ 1,181,790	$ 1,644,374	$ 956,501	$ 1,283,246	$ 942,623	$ 729,456	$ 712,980
Combined Plan	N/A	N/A	N/A	N/A	$ (1,363)	$ (20,316)	N/A	N/A
Authority's Covered Payroll	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767	$ 900,158	$ 743,942	$ 603,300
Authority's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Payroll	95.92%	128.77%	185.34%	109.16%	158.30%	102.46%	98.05%	118.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability								
Traditional Plan	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	N/A	N/A	N/A	N/A	116.55%	116.90%	N/A	N/A

(1) Information prior to 2014 is not available.

Amounts presented as of the Authority's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information.

Franklin County Convention Facilities Authority
Required Supplementary Information
Schedule of Authority Pension Contributions
Ohio Public Employees Retirement System

Last Nine Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 127,934	$ 122,288	$ 128,486	$ 124,212	$ 113,914	$ 97,172	$ 108,019	$ 89,273	$ 78,429
Contributions in Relation to the Contractually Required Contribution	$ 109,857	$ 122,288	$ 128,486	$ 124,212	$ 113,914	$ 97,172	$ 108,019	$ 89,273	$ 78,429
Contribution Deficiency (Excess)	$ 18,077	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 913,814	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767	$ 900,158	$ 743,942	$ 603,300
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

Franklin County Convention Facilities Authority
Required Supplementary Information
Schedule of Authority's Proportionate Share of the Net OPEB (Asset)/Liability
Ohio Public Employees Retirement System

Last Five Years (1)

	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Asset/Liability	0.0057320%	0.0060490%	0.0060920%	0.0061800%	0.0058505%
Authority's Proportionate Share of the Net OPEB (Asset)/Liability	$ (102,120)	$ 835,524	$ 794,253	$ 671,102	$ 590,916
Authority's Covered Payroll	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767
Authority's Proportionate Share of the Net OPEB Asset/Liability as a Percentage of its Covered Payroll	-11.69%	91.04%	89.52%	76.59%	72.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available.

Amounts presented as of the Authority's measurement date, which is the prior year-end.

See accompanying notes to the required supplementary information.

Franklin County Convention Facilities Authority
Required Supplementary Information
Schedule of Authority OPEB Contributions
Ohio Public Employees Retirement System

Last Nine Years (1)

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ 8,763	$ 16,195	$ 18,003	$ 14,879	$ 6,033
Contributions in Relation to the Contractually Required Contribution	$ -	$ -	$ -	$ -	$ 8,763	$ 16,195	$ 18,003	$ 14,879	$ 6,033
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 913,814	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767	$ 900,158	$ 743,942	$ 603,300
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

(1) Information prior to 2013 is not available.

See accompanying notes to the required supplementary information.

Note 1 - Net Pension Liability

Changes in Assumptions – OPERS

Changes of assumptions - Amounts reported in 2021 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed cost-of-living adjustments for post January 7, 2013 retirees from 1.40 percent simple through 2020 to 0.50 percent simple through 2021.

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Changes in Benefit Terms – OPERS

Changes of benefit terms - There were no significant changes of benefit terms in 2021.

Changes of assumptions - Changes of assumptions - Amounts reported in 2021 reflect changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed cost-of-living adjustments for post January 7, 2013 retirees from 1.40 percent simple through 2020 to 0.50 percent simple through 2021.

Note 2 - Net OPEB Liability

Changes in Assumptions - OPERS

Changes of benefit terms - On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements, however, they are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Changes of assumptions - Amounts reported in 2021 reflect changes in both demographic and economic assumptions. For 2021, the single discount rate changed from 3.16 percent to 6.00 percent and the municipal bond rate changed from 2.75 percent to 2.00 percent. The health care cost trend rate also changed from 10.50 percent initial and 3.50 percent ultimate in 2030 to 8.5 percent initial and 3.50 percent ultimate in 2035.

Changes in Benefit Terms – OPERS
No significant changes in benefit terms in CY 2021.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
FRANKLIN COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/ Pass Through Grantor Program Title	Federal AL Number	Disbursements
U.S. DEPARTMENT OF TREASURY		
Passed Through Franklin County:		
COVID-19 Coronavirus Relief Fund	21.019	500,000
Passed Through City of Columbus:		
COVID-19 Coronavirus Relief Fund	21.019	500,000
Total COVID-19 Coronavirus Relief Fund		1,000,000
Total U.S. Department of Treasury		**1,000,000**
U.S. SMALL BUSINESS ADMINISTRATION		
Direct		
Shuttered Venue Operators Grant Program	59.075	2,983,238
Total U.S. Small Business Administration		**2,983,238**
Total Expenditure of Federal Awards		**$3,983,238**

The accompanying notes to this schedule are an integral part of this schedule.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
FRANKLIN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Franklin County Convention Facilities Authority (the Authority) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Franklin County Convention Facilities Authority
Franklin County
400 North High Street, 4th Floor
Columbus, Ohio 43215

To the Board of Directors:

We have audited, 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, the financial statements of the business-type activities, and each major fund of the Franklin County Convention Facilities Authority, Franklin County, (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 24, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Franklin County Convention Facilities Authority
Franklin County
400 North High Street, 4th Floor
Columbus, Ohio 43215

To the Board of Directors:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Franklin County Convention Facilities Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Franklin County Convention Facilities Authority's major federal programs for the year ended December 31, 2021. The Authority's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, the Franklin County Convention Facilities Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

May 24, 2022

THIS PAGE INTENTIONALLY LEFT BLANK

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Coronavirus Relief Fund Shuttered Venue Operators Grant Program
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None

3. FINDINGS COSTS FOR FEDERAL AWARDS

None

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE
KEITH FABER

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 6/14/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov