Ohio Expositions Commission

Franklin County, Ohio

Regular Audit

For the Fiscal Year Ended June 30, 2022

Rea & associates

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OHIO AUDITOR OF STATE
KEITH FABER

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Board of Commissioners
Ohio Exposition Commission
717 East 17th Avenue
Columbus, Ohio 43211

We have reviewed the *Independent Auditor's Report* of the Ohio Exposition Commission, Franklin County, prepared by Rea & Associates, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

December 29, 2022

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OHIO EXPOSITIONS COMMISSION
Franklin County, Ohio
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Rea & associates a brighter way

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Ohio Expositions Commission
717 East 17th Avenue
Columbus, OH 43211

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Ohio Expositions Commission, Franklin County, Ohio (the Commission), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission'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 financial position of the Ohio Expositions Commission, Franklin County, Ohio, as of June 30, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Note 14 to the financial statements, during the year ended June 30, 2022, the Commission restated beginning net position due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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 Commission'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.

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission'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 Management's Discussion and Analysis and Pension and other Post-Employment Benefit Schedules, as listed in the table of contents, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2022 on our consideration of the Commission's internal control over financial reporting and on 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 Commission'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 Commission's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
December 12, 2022

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The discussion and analysis of the Ohio Expositions Commission (the Commission) financial performance provides an overall review of the financial activities for the year ended June 30, 2022. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the auditor's opinion page, notes to the basic financial statements, and the basic financial statements to enhance their understanding of the Commission's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999. Certain comparative information between the current and prior year is required to be presented, and is presented in the MD&A.

Financial Highlights

Key financial highlights for 2022 are as follows:

- Total net position decreased $2,378,794 from 2021.
- Total assets decreased $2,453,020 from 2021.
- Overall liabilities increased $2,059,459 mainly as a result of an increase in unearned income and accounts payable, partially offset by a decrease in pension liability. Unearned income and accounts payable increased as a result of the anticipation of the 2022 State Fair being a full fair.
- Fair revenues increased by $749,956 in Fiscal Year 2022 (2021 Ohio State Fair) as the 2021 Ohio State Fair was only partially in operation, due to COVID-19.
- Nonfair revenues increased by $1,946,284.
- Operating expenses increased $7,810,674 during the fiscal year. The largest increase was in payroll and fringe benefits as the facility began to reopen with COVID-19 restrictions waning.

Using this Financial Report

This annual report consists of two parts, the MD&A and the basic financial statements. The basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position and a statement of cash flows. Since the Commission only uses one fund for its operations, the entity wide and the fund presentations information is the same.

Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

This statement includes all assets and deferred outflows and liabilities and deferred inflows, both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid. While the Statement of Net Position provides information about the financial status of the Commission at year end, the Statement of Revenues, Expenses, and Changes in Net Position presents the results of the business activities over the course of the fiscal year and information as to how the Net Position changed during the year. This change, combined with the prior year net asset total reconciles to the total Net Position at the end of the fiscal year.

Table 1 provides a summary of the Ohio Expositions Commission's net position at June 30, 2022 and 2021.

Table 1

	2022	Restated 2021	Change
Assets			
Current and Other Assets	$ 7,534,128	$ 3,692,633	$ 3,841,495
Non-Current Leases Receivable	7,306,722	7,545,502	(238,780)
Net Pension/OPEB Asset	526,288	396,162	130,126
Capital Assets	77,237,509	83,423,370	(6,185,861)
Total Assets	92,604,647	95,057,667	(2,453,020)
Deferred Outflows of Resources			
Pension and OPEB	503,413	222,286	281,127
Liabilities			
Current and Other Liabilities	5,218,148	1,407,194	3,810,954
Non-Current Liabilities	842,377	989,365	(146,988)
Net Pension Liability	1,414,512	3,019,019	(1,604,507)
Total Liabilities	7,475,037	5,415,578	2,059,459
Deferred Inflows of Resources			
Pension and OPEB	3,826,898	5,423,100	(1,596,202)
Leases	7,289,146	7,545,502	(256,356)
Total Deferred Inflows of Resources	11,116,044	12,968,602	(1,852,558)
Net Position			
Net Investment in Capital Assets	77,133,062	83,423,370	(6,290,308)
Restricted for:			
Harness Racing Participants	316,766	287,405	29,361
Unrestricted	(2,932,849)	(6,815,002)	3,882,153
Total Net Position	$ 74,516,979	$ 76,895,773	$ (2,378,794)

Restated amounts for 2021 include Non-Current Leases Receivable, Deferred Inflows of Resources – Leases, Current and Other Liabilities and Unrestricted Net Positon. The restatement for the implementation of GASB 87 did have an effect on beginning net position. See Note 14 for more information.

For fiscal year 2022, current assets increased $3,841,495 from 2021. This consists primarily of an increase in cash and cash equivalents, which is due to receipts collected ahead of the 2022 State Fair. Capital assets decreased $6,185,861 from 2021. The Commission had minimal capital asset additions during the year while remaining consistent with depreciation expense.

For fiscal year 2022, overall liabilities increased $2,059,459, as previously discussed.

The net pension liability (NPL) is the second largest liability reported by the Commission at June 30, 2022, and is reported pursuant to GASB Statement 68, Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27. In a prior period, the Commission also adopted GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions... For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Commission's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB asset/liability to equal the Commission's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.

2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Commission is not responsible for certain key factors affecting the balance of these assets/liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability reported by the retirement boards... As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Commission's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

Table 2 shows a summary of the Statements of Revenues, Expenses and Changes in Net Position for the Years ended June 30, 2022 and 2021.

Table 2

	2022	2021	Change
Operating Revenues			
Fair Sources	$ 830,751	$ 80,795	$ 749,956
Non-Fair Sources	6,236,575	4,290,291	1,946,284
Lease Revenue	256,355	-	256,355
Interest Revenue	96,072	-	96,072
Total Operating Revenues	7,419,753	4,371,086	3,048,667
Operating Expenses			
Payroll and Fringe Benefits	407,104	(3,202,408)	3,609,512
Purchased Services	626,673	172,443	454,230
Depreciation	7,022,750	6,929,968	92,782
Utilities	2,110,207	1,422,711	687,496
Maintenance and Repair	1,805,745	447,480	1,358,265
Other Operating Expenses	2,333,505	725,116	1,608,389
Total Operating Expenses	14,305,984	6,495,310	7,810,674
Operating Income (Loss)	(6,886,231)	(2,124,224)	(4,762,007)
Non-Operating Revenues (Expenses)			
State Assistance	350,941	319,376	31,565
State and Federal Grants	3,424,054	-	3,424,054
Total Non-Operating Revenues (Expenses)	3,774,995	319,376	3,455,619
Income (Loss) Before Capital Contributions	(3,111,236)	(1,804,848)	(1,306,388)
State Capital Contributions	732,442	1,459,953	(727,511)
Change in Net Position	(2,378,794)	(344,895)	(2,033,899)
Net Position Beginning of Year	76,895,773	75,740,668	1,155,105
Restatement - See Note 14	-	1,500,000	(1,500,000)
Net Position End of Year	$ 74,516,979	$ 76,895,773	$ (2,378,794)

Total operating revenues increased $3,048,667 from 2021 to 2022. The main factor in this was the opening of the Ohio Expo Center for non-fair events and the State Fair.

Operating expenses increased $7,810,674 during the fiscal year. The largest increase was in payroll as the facility began its reopening from COVID-19 restrictions.

State capital contributions decreased during fiscal year 2022, which is mainly a function of the completion of capital projects in prior years which are paid out of the Capital Fund 7026. The Commission makes a request for these capital expenditures every two years through the capital budgeting process of the State of Ohio. The projects are then prioritized, bid out, and completed according to the State guidelines as provided by the Department of Administrative Services and the Office of Budget and Management.

State and federal grants increased as the Commission received COVID-19 related assistance passed through the State of Ohio.

Capital Assets

At fiscal year-end, the Commission had 77.2 million (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment, furniture, and fixtures, and vehicles, a decrease of $6.2 million in comparison with the prior fiscal year. This decrease represents the amount in which current year depreciation exceeded current year additions. See Note 4 to the basic financial statements for additional information on Capital Assets.

Management Operational Analysis

At June 30, 2022 the Ohio Expositions Commission had total assets of $92,604,647 and total net position of $74,516,979. The largest portion of the Commission's assets is comprised of the capital assets that make up this large, multi-event facility. The mission of the agency is "to professionally operate and maintain for public benefit a year-round, service oriented event facility and produce the annual Ohio State Fair."

The Ohio Expositions Commission began its recovery from the fall-out of COVID-19 during fiscal year 2022. The COVID-19 virus brought on a world-wide health pandemic and with it effectively shut down the operations of the Expositions Commission in early March 2020. The 2021 Good Guys car show held in July 2021 was the first full event held at the Expo Center since the closure of the facility. The 2021 Ohio State Fair was reduced to an Agriculture only fair with an eye towards the 2022 fair being a full fair. The All-American Quarter Horse Congress was held in October of 2021 but was still affected by the aftermath of COVID-19. A full schedule of non-fair events resumed in the winter of 2022 with attendance and revenues still lagging previous years.

The Ohio Expositions Commission faced many challenges in bringing the facility back on-line in fiscal year 2022. Inflation hit 9.1% in June, the highest levels in 40 years. The rising cost of goods coupled with a world-wide microchip shortages made procuring goods extremely difficult. The Commission began to rebuild staffing by bringing back employees who were displaced during the shutdown. Staffing levels began the fiscal year at less than 10 employees. The Commission was appropriated $5,000,000 thru the American Rescue Plan Act. These funds were to be used to bring staffing levels back to normal operating levels. Staffing levels at the end of the fiscal year were still short of normal operations at a total of 52 full-time employees. The Commission employed 62 employees at the time of the shut-down. Unemployment levels remained at record low levels of 3.9% during the fiscal year. The low unemployment levels have made it difficult for the Commission to meet the staffing levels necessary to operate the facility at full capacity.

The Ohio Expositions Commission has taken concerted steps to maintain financial stability on a long-term basis. The Commission's strategy is to continue to analyze pricing strategies, improve market penetration and improve the quality of management and administration, as well as the physical facility. This effort is intended to increase both participants and guests at the Fair as well as non-fair clients and their visitors.

The annual Ohio State Fair must meet all developmental, social, and political expectations while being supported by a reasonable pricing system. The primary fiscal and programmatic challenge of the Ohio State Fair lies in achieving public expectations, such as providing extensive support to the Junior Fair, while not negatively impacting the annual operating budget of the Ohio Expositions Commission.

Many fair visitors believe that prices for entry, admission and midway rides should be nominal. This is consistent with the Commission's, the Governor's, and the General Assembly's fiscal goals, a concerted attempt is made to keep Fair prices affordable. In fact, the Fair is currently not designed to break even in and of itself. Fair revenue is dependent upon paid attendance, which is related to admission and midway prices, and fair revenue is also dependent upon the weather. The Ohio Expositions Commission relies on a strong non-fair operation to financially buffer these Fair revenue factors and support the total annual operation of the Commission.

The Commission continues to face challenges for the entertainment dollar. The number of entertainment options available to consumers continues to grow, increasing competition for the consumer's disposable income and available time. The Commission also continues to face challenges in the area of securing entertainment for the Ohio State Fair. Local competition for big-name entertainment, from other government supported agencies (Columbus Zoo and Value City Arena) and private venues such as Nationwide Arena as well as the increase in music festivals make it increasingly difficult to fill the Celeste Center with entertainment for a 12-day fair.

The Commission continues to face increasing challenges on non-fair events as well. The event facility business has become extremely competitive, especially in the Columbus area. The Ohio Expo Center competes with a convention center and two arenas for events presently held at the Ohio Expo Center, as well as any new ones. Because the Commission is financially dependent on these non-fair events, we must continue to address our facility's image if we are to remain competitive in this marketplace. It is imperative that we also act to improve the appearance of the Ohio Expo Center and the impression it makes on our guests and potential contractors.

Contacting the Ohio Expositions Commission

This financial report is designed to provide the citizens, taxpayers, and customers of the Ohio Expositions Commission with a general overview of the Commission's finances and to show the Commission's accountability for the monies it receives. If you have any questions about this report or need additional information, contact Doug Smalley, the Commission's Finance Director, 717 E. 17th Avenue, Columbus, Ohio 43211, (614) 644-4025 or e-mail to: d.smalley@expo.state.oh.us.

Ohio Expositions Commission
Franklin County, Ohio
Statement of Net Position
June 30, 2022

Assets	
Current Assets:	
Cash and Cash Equivalents	$ 6,582,393
Restricted Cash and Cash Equivalents	316,766
Prepaid Fair Expenses	100,769
Other Prepaid Expenses	172,566
Accounts Receivable	62,950
State and Federal Grants Receivable	165,270
Leases Receivable	109,119
Interest Receivable	24,295
Total Current Assets	7,534,128
Non-Current Assets:	
Leases Receivable	7,306,722
Net Pension Asset	32,222
Net OPEB Asset	494,066
Non-Depreciable Capital Assets	3,512,698
Depreciable Capital Assets, Net	73,724,811
Total Non-Current Assets	85,070,519
Total Assets	92,604,647
Deferred Outflows of Resources	
Pension	503,413
Liabilities	
Current Liabilities:	
Accounts Payable	858,186
Contracts Payable	104,447
Accrued Liabilities	299,208
Unearned Income	3,621,769
Due to Others	316,766
Workers' Compensation Liability	17,772
Total Current Liabilities	5,218,148
Non-Current Liabilities:	
Compensated Absences	657,408
Net Pension Liability	1,414,512
Workers' Compensation Liability	184,969
Total Non-Current Liabilities	2,256,889
Total Liabilities	7,475,037
Deferred Inflows of Resources	
Pension	2,844,193
OPEB	982,705
Leases	7,289,146
Total Deferred Inflows of Resources	11,116,044
Net Position	
Net Investment in Capital Assets	77,133,062
Restricted for:	
Harness Racing Participants	316,766
Unrestricted	(2,932,849)
Total Net Position	$ 74,516,979

See accompanying notes to the basic financial statements.

Ohio Expositions Commission
Franklin County, Ohio
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

Operating Revenues	
Fair Sources	$ 830,751
Non-Fair Sources	6,236,575
Lease Revenue	256,355
Interest Revenue	96,072
Total Operating Revenues	7,419,753
Operating Expenses	
Payroll and Fringe Benefits	407,104
Purchased Services	626,673
Depreciation	7,022,750
Utilities	2,110,207
Maintenance and Repair	1,805,745
Premiums and Other	236,537
Supplies and Materials	693,706
Printing and Advertising	473,821
Rentals	37,186
Meals	9,560
Communication and Postage	147,145
Motor Vehicle	71,556
Travel	4,278
Refunds	342,950
Harness Racing	316,766
Total Operating Expenses	14,305,984
Operating Income (Loss)	(6,886,231)
Non-Operating Revenues (Expenses)	
State Assistance	350,941
State and Federal Grants	3,424,054
Total Non-Operating Revenues (Expenses)	3,774,995
Income (Loss) Before Capital Contributions	(3,111,236)
State Capital Contributions	732,442
Change in Net Position	(2,378,794)
Net Position Beginning of Year - Restated See Note 14	76,895,773
Net Position End of Year	$ 74,516,979

See accompanying notes to the basic financial statements.

Ohio Expositions Commission
Franklin County, Ohio
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

Cash Flows from Operating Activities		
Cash Received from Fair Sources	$	3,824,714
Cash Received from Non-Fair Sources		5,973,339
Cash Received from Leases		201,437
Cash Received from Harness Racing Funds		316,766
Cash Payments for Payroll and Fringe Benefits		(4,350,941)
Cash Payments for Utilities, Maintenance and Repair		(3,927,511)
Cash Payments for Other Services and Charges		(2,099,712)
Cash Payments for Harness Racing Funds		(287,405)
Net Cash Provided by (Used for) Operating Activities		(349,313)
Cash Flows from Noncapital Financing Activities		
State Assistance		350,941
State and Federal Grants		3,258,784
Net Cash Provided by (Used for) Noncapital Financing Activities		3,609,725
Cash Flows from Capital and Related Financing Activities		
State Capital Contributions		732,442
Acquisition of Capital Assets		(732,442)
Net Cash Provided by (Used for) Capital and Related Financing Activities		-
Net Increase (Decrease) in Cash and Cash Equivalents		3,260,412
Cash and Cash Equivalents Beginning of Year		3,638,747
Cash and Cash Equivalents End of Year	$	6,899,159
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	$	(6,886,231)
Adjustments:		
Depreciation		7,022,750
(Increase) Decrease in Assets and Deferred Outflows:		
Accounts Receivable		(62,950)
Prepaid Expenses		(219,449)
Leases Receivable		129,661
Interest Receivable		(24,295)
Net Pension Asset		11,490
Net OPEB Asset		(141,616)
Deferred Outflows - Pension		(454,395)
Deferred Outflows - OPEB		173,268
Increase (Decrease) in Liabilities and Deferred Inflows:		
Accounts Payable		503,963
Accrued Liabilities		66,283
Unearned Income		3,110,443
Due to Others		29,361
Workers' Compensation Liability		(40,202)
Compensated Absences		(110,329)
Net Pension Liability		(1,604,507)
Deferred Inflows - Pension		(401,841)
Deferred Inflows - OPEB		(1,194,361)
Deferred Inflows - Leases		(256,356)
Net Cash Provided by (Used For) Operating Activities	$	(349,313)

Noncash Capital Financing Activites:
The Commission purchased $104,447 of capital assets on account in fiscal year 2022.

See accompanying notes to the basic financial statements.

NOTE 1 – ORGANIZATION AND REPORTING ENTITY

The Ohio Expositions Commission (the Commission), a primary government of the State of Ohio, is a state governed body of the State of Ohio (the State). The Commission was created in 1961, pursuant to Sections 991.01 to 991.07 of the Ohio Revised Code (the Code) for the purpose of producing an annual agricultural exposition or fair and to maintain and manage the state-owned Expositions Center facilities for the purpose of conducting expositions, fairs and exhibits.

The Commission is governed by a 13-member Board of Commissioners. Nine of the members are appointed by the Governor of Ohio with the advice and consent of the Ohio Senate. The Director of Development, Director of Agriculture, and the chairs of the Ohio House and Senate Agriculture Committees fill the remaining positions on the Commission.

The Commission is not subject to federal or state income taxes under Section 501(c) (3) of the Internal Revenue Code and, accordingly, no provision for income taxes is required.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by management in the preparation of the accompanying financial statements follows:

Basis of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

Reporting Entity – Within the State of Ohio’s Comprehensive Annual Financial Report, the Commission is included as part of the primary Government. The Commission’s management believes these financial statements present all activities for which the Commission is financially responsible. The accompanying financial statements include all accounts, activities, and functions of the Commission and are not intended to present the net position, results of operations, or cash flows of the State taken as a whole. The financial information presented herein for the Commission will be incorporated within the State’s financial statements.

Non-exchange transactions, in which the Commission receives value without directly giving equal value in return, include state appropriations and state and federal grants. On an accrual basis, state appropriations and state and federal grants are recognized in the period in which all eligibility requirements are met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis.

Cash and Cash Equivalents – The Treasurer of the State of Ohio (Treasurer) acts, as the custodian of the funds for the State. Cash and cash equivalents of the Office are pooled and invested by the Treasurer. Account integrity is maintained through a series of checks and balances with the Auditor, Treasurer, and the Office of Budget and Management.

The cash and cash equivalents with the Treasurer has the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, within certain budgetary limitations, without prior notice or penalty.

Allowance for Doubtful Accounts – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectable accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. There was no allowance for doubtful accounts deemed necessary as of June 30, 2022.

Capital and Building Improvement Assistance – The State provides financial assistance for the acquisition of property and equipment. This assistance is recorded as capital contributions as the Commission incurs the cost of the project.

Assistance for the acquisition of property and equipment is credited to capital contributions as the related qualified expenditures are incurred. Depreciation on fixed assets resulting from capital assistance is allocated to net position using the straight-line method over the same lives as described for the related property and equipment as noted below.

Capital assets include property and equipment, which are stated at historical cost or estimated historical cost and include expenditures of $5,000 or more which substantially increase the useful lives of existing assets. Donated capital assets are recorded at their acquisition value as of the date received. Routine maintenance and repairs are expensed as incurred.

Property and equipment consisting of certain improvements owned by the Ohio Department of Transportation (ODOT) other than buildings (including roads, curbs and gutters, and sidewalks) have not been capitalized by the Commission and are not recorded as assets on the Commissions books.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Description	**Years**
Land Improvements	20
Buildings and Improvements	20-45
Equipment and Vehicles	3-10
Furniture and Fixtures	5-15

Assets acquired with capital grants are included in capital assets and depreciation on those assets is included in the statement of revenues, expenses, and changes in net position.

Prepaid Fair Expenses – The Ohio State Fair’s (Fair) prepaid expenses are recorded for cash disbursed prior to services being performed. These items include cash disbursed for the Fair in the fiscal year prior to the Fair taking place.

Unearned Income - Unearned income is recorded for cash received prior to services being performed. These items include deposits on rental contracts and cash received for the Fair in the fiscal year prior to the Fair taking place.

Compensated Balances – The Commission accounts for compensated absences in accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*. Vacation, compensatory time and personal leave benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributed to services already rendered and it is probable that the Commission will compensate the employees for the benefits through paid time off or some other means, such as a termination or retirement payment.

Leave time that has been earned, but is unavailable for use as paid time off or as some other form of compensation because an employee has not met a minimum service time requirement is accrued to the extent it is considered to be probable that the conditions for compensation will be met in the future. Sick leave benefits are accrued as a liability using the vesting method. The liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such cash payments. Included in the compensated absences liability is an amount accrued for salary-related payments directly and incrementally associated with the payment of compensated absences upon termination.

Net Position is displayed in three components as follows:

- **Net Investment in Capital Assets** – This consists of capital assets, net of accumulated depreciation that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted** – This consists of net position that is legally restricted by law through Ohio Legislature. When both restricted and unrestricted resources are available for use, generally it is the Commission's policy to use restricted resources first, then unrestricted resources when they are needed.

- **Unrestricted** – This consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

Classification of Revenues – The Commission has classified its revenues as either operating or non-operating. Operating Revenues include activities that have the characteristics of exchange transactions including fair revenues, non-fair revenues lease revenues and interest revenue. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as state assistance and state and federal grants. State and federal grants are grant revenue passed through the State of Ohio.

Uses of Estimates and Uncertainties of Financial Results – The accounting and reporting policies of the Commission conform to accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 plans. 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.

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 Commission, deferred outflows of resources are reported on the statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 6 and 7.

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 as an inflow of resources (revenue) until that time. For the Commission, deferred inflows of resources include pension, OPEB and leases. The deferred inflows of resources related to pension and OPEB are explained in Notes 6 and 7. The deferred inflows related to leases are explained in Note 5.

The Commission's annual financial results are dependent upon the success of that year's Fair. The financial results of the Fair are uncertain and vary depending on uncertainties such as weather conditions. In addition, the Commission is dependent upon the State for funding significant capital acquisitions and for operating assistance.

NOTE 3 – CASH AND CASH EQUIVALENTS

The deposit of the Commission monies is governed by the provisions of the Code. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. All investing transactions are conducted by the Treasurer of State. The statutes permit the Treasurer of State to invest the Commission's monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), and obligations of the United States government or certain agencies thereof.

Public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by specific government securities. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments maintained in the Commission's name.

During 2022, the Commission complied with the provisions of these statutes.

a) Deposits - The majority of the Commission's cash is in the State Rotary Fund which are commingled state funds invested by the Treasurer of State. At June 30, 2022 the carrying amount and bank balance of the Commission's deposits with the Treasurer of State was $6,578,348. In addition, the Commission had $4,045 of cash on hand at June 30, 2022.

b) Restricted Cash - At June 30, 2022, $316,766 was collected from harness racing participants registering for the 2022 Fair. These monies are held in the State Rotary Fund and will be remitted to others who manage the Fair harness racing event. At June 30, 2022, $0 was held in State Fair Reserve Fund to be accessed by legislative approval in case of poor weather fairs.

c) Credit Risk – All risk disclosures required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* are expected to be found in the State's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Non-Depreciable Capital Assets				
Land	$ 2,930,999	$ -	$ -	$ 2,930,999
Construction in Progress	-	581,699	-	581,699
Total Non-Depreciable Capital Assets	2,930,999	581,699	-	3,512,698
Depreciable Capital Assets				
Land Improvements	23,642,135	-	-	23,642,135
Buildings and Improvements	149,288,123	101,845	-	149,389,968
Equipment, Furniture and Fixtures	5,526,878	153,345	-	5,680,223
Vehicles	44,404	-	-	44,404
Total Depreciable Capital Assets	178,501,540	255,190	-	178,756,730
Less Accumulated Depreciation				
Land Improvements	(15,229,875)	(1,073,696)	-	(16,303,571)
Buildings and Improvements	(78,785,469)	(5,677,634)	-	(84,463,103)
Equipment, Furniture and Fixtures	(3,949,421)	(271,420)	-	(4,220,841)
Vehicles	(44,404)	-	-	(44,404)
Total Accumulated Depreciation	(98,009,169)	(7,022,750)	-	(105,031,919)
Depreciable Capital Assets, Net of Accumulated Depreciation	80,492,371	(6,767,560)	-	73,724,811
Total Capital Assets, Net	$ 83,423,370	$ (6,185,861)	$ -	$ 77,237,509

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NOTE 5 – LEASES RECEIVABLE

The Commission leases several parcels of land to various tenants including Troy Motel Associates, Inc., McDonald's Corporation, Confluence Community Authority, Verizon Wireless and AT&T Wireless. The lease with Troy Motel Associates, Inc. commenced in 2003, has an initial term of 30 years and contains 2, 15 year extension terms. The lease with McDonald's Corporation commenced in 1996, has an initial term of 20 years and contains 4, 5 year extension terms. The lease with Confluence Community Authority commenced in 2021, has an initial term of 40 years and contains 7, 5 year extension terms. The lease with Verizon Wireless commenced in 2018, has an initial term of 5 years and contains 2, 5 year extension terms. The lease with AT&T Wireless commenced in 2020, has an initial term of 5 years and contains 5, 5 year extension terms. The Commission is reporting a lease receivable of $7,415,841 at June 30, 2022. This amount represents the discounted future monthly lease payments. This discount is being amortized using the straight-line method. For 2022, the Commission reported lease revenue of $204,461 and interest revenue of $63,462.

A summary of future payments to be received is as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 109,119	$ 94,935	$ 204,054
2024	121,864	93,464	215,328
2025	224,788	91,880	316,668
2026	229,183	88,985	318,168
2027	245,728	85,969	331,697
2028-2032	1,263,096	381,643	1,644,739
2033-2037	1,049,629	305,449	1,355,078
2038-2042	833,090	247,517	1,080,607
2043-2047	900,513	192,185	1,092,698
2048-2052	927,691	132,651	1,060,342
2053-2057	926,265	73,735	1,000,000
2058-2062	584,875	15,125	600,000
	$ 7,415,841	$ 1,803,538	$ 9,219,379

NOTE 6 - DEFINED BENEFIT PENSION PLAN

The employees of the Commission are covered by the Ohio Public Employees Retirement System. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Net Pension (Asset)/Liability

The net pension (asset)/liability reported on the statement of net position represents a (asset)/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 (asset)/liability represents the Commission'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 (asset)/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 Commission's obligation for this (asset)/liability to annually required payments. The Commission cannot control benefit terms or the manner in which pensions are financed; however, the Commission does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the 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 (asset)liability for the contractually required pension contribution outstanding at the end of the fiscal year would be included in accrued liabilities on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Commission 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.

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 Annual Comprehensive Financial Report referenced above for additional information including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** 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 60 with 5 years of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	**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	**Formula:** 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.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. 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 will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

2022 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2022 Actual Contribution Rates		
Employer		
Pension	14.0	%
Post-employment Health Care Benefits	0.0	
Total Employer	14.0	%
Employee	10.0	%

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Commission's contractually required pension contribution was $440,168 for fiscal year 2022.

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

The net pension asset and net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension asset and net pension liability was based on the Commission'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 (Asset)/Liability	$1,414,512	($32,222)	
Current Measurement Date	0.016258%	0.008178%	
Prior Measurement Date	0.020388%	0.015143%	
Change in Proportionate Share	-0.004130%	-0.006965%	
Pension Expense	($2,210,963)	($4,505)	($2,215,468)

At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 72,110	$ 200	$ 72,310
Changes of assumptions	176,883	1,619	178,502
Changes in proportionate share	-	18,816	18,816
Commission contributions subsequent to the measurement date	233,785	-	233,785
Total Deferred Outflows of Resources	$ 482,778	$ 20,635	$ 503,413
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 31,024	$ 3,604	$ 34,628
Net difference between projected and actual earnings on pension plan investments	1,682,510	6,908	1,689,418
Changes in proportionate share	1,116,614	3,533	1,120,147
Total Deferred Inflows of Resources	$ 2,830,148	$ 14,045	$ 2,844,193

$233,785 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	OPERS Traditional Plan	OPERS Combined Plan	Total
2023	$ (1,192,556)	$ (209)	$ (1,192,765)
2024	(725,326)	(1,024)	(726,350)
2025	(395,616)	(17)	(395,633)
2026	(267,650)	488	(267,162)
2027	-	2,031	2,031
Thereafter	-	5,314	5,314
Total	$ (2,581,148)	$ 6,583	$ (2,574,565)

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.

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, 2021, using the following actuarial assumptions and methods applied to all prior periods included in the measurement:

Wage Inflation	2.75%
Projected Salary Increases	2.75% - 10.75% (includes wage inflation at 2.75%)
COLA or Ad Hoc COLA	Pre-1/7/13 Retirees: 3% Simple; Post-1/7/13 Retirees: 3.00% Simple through 2022, then 2.05% Simple
Investment Rate of Return	6.90%
Actuarial Cost Method	Individual entry age normal

In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2%

to 6.9%, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented above.

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Discount Rate The discount rate used to measure the total pension (asset)/liability was 6.9 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 statutorily required rates. 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 (asset)/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 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 geometric real 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, 2021, these best estimates are summaries in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00 %	1.03 %
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	100.00 %	4.21 %

Sensitivity of the Commission's Proportionate Share of the Net Pension (Asset)/Liability to Changes in the Discount Rate The following table presents the Commission's proportionate share of the net pension (asset)/liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Commission's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's Proportionate Share of the Net Pension Liability (Asset)			
Traditional Plan	$ 3,729,423	$ 1,414,512	$ (511,802)
Combined Plan	(24,043)	(32,222)	(38,600)

NOTE 7 – DEFINED BENEFIT OPEB PLAN

The employees of the Commission are covered by the Ohio Public Employees Retirement System. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Net OPEB Asset/Liability

The net OPEB asset/liability reported on the statement of net position represents an asset to 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/liability represents the Commission'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/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 these estimates annually.

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

GASB 75 assumes the asset/liability 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 asset 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 long-term net OPEB asset on the accrual basis of accounting. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in accrued liabilities on accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Health Care Plan Description - The Ohio Public Employees Retirement System (OPERS. OPERS administers three separate plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit plan with defined contribution features.

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, established under Internal Revenue Code (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.

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 expenses. Coverage of non-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/pubs-archive/financial/ACFR/2021-OPERS-Comprehensive-Annual-Financial-Report-ACFR.pdf, or by writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 1-800-222-7377.

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 fiscal year 2022, the Commission contributed at a rate of 14 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 for fiscal year 2022.

OPEB (Asset)/Liability, 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, 2021, and the total OPEB asset/liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date. The Commission's proportion of the net OPEB asset was based on the Commission's share of contributions to the retirement system relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Health Care Plan
Proportionate Share of the Net OPEB Asset	$494,066
Current Measurement Date	0.015774%
Prior Measurement Date	0.019783%
Change in Proportionate Share	-0.004009%
OPEB Expense	($1,162,709)

At June 30, 2022, the Commission reported deferred inflows of resources related to OPEB from the following sources:

	OPERS Health Care Plan
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 74,942
Net difference between projected and actual earnings on pension plan investments	235,536
Changes of assumptions	199,992
Changes in proportionate share	472,235
Total Deferred Inflows of Resources	$ 982,705

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 Health Care Plan
2023	$ (764,722)
2024	(132,695)
2025	(51,463)
2026	(33,825)
Total	$ (982,705)

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.

Projections of health care costs 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 the System and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to fund the plan. The demographic and economic assumptions have been updated to reflect the results of the experience study.

The actuarial valuation used the following key actuarial assumptions and methods, reflecting experience study results, applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Projected Salary Increases	2.75% - 10.75% (includes wage inflation at 2.75%)
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	1.84%
Health Care Cost Trend Rate	5.5% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual entry age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Discount Rate A single discount rate of 6.00% was used to measure the total OPEB asset/liability on the measurement date of December 31, 2021. 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) a 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). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this 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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

The allocation of investment assets within the 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 benefit 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 real 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 real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real 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, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return (Geometic)
Fixed Income	34.00 %	0.91 %
Domestic Equities	25.00	3.78
REITs	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	100.00 %	3.45 %

Sensitivity of the Commission's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Commission'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 percent lower or 1.0 percent higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's Proportionate Share of the Net OPEB Asset	$ 290,557	$ 494,066	$ 662,981

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
Commission's Proportionate Share of the Net OPEB Asset	$ 499,405	$ 494,066	$ 487,732

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50%. 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 the health care 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% in the most recent valuation.

NOTE 8 – COMPENSATED ABSENCES

Commission employees can earn vacation, sick, and personal leave at various rates as specified by Ohio law. Employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first five years of employment, up to a maximum of 9.2 hours every two weeks after twenty-five years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or separation from service, vested employees are paid at their full rate of pay for 100 percent of unused vacation and personal leave. Non-overtime-exempt employees may also be paid 100 percent of any unused compensatory time.

Sick leave for all employees is accumulated at a rate of 3.1 hours every two weeks. Sick leave benefits vest after five years of credited service for AFSCME employees and after one year of continuous service for other employees. Sick leave is paid at 100 percent of the employee's pay rate when used for the first 40 hours of the benefit year, at 70 percent of the employee's pay rate when used for 40.1 through 80 hours of the benefit year, and again at 100 percent of the employee's pay rate when used for any amount in excess of 80 hours of the benefit year. Annually, up to 80 hours of sick leave that was accrued in the current year and remains unused in December may be cashed out at varying rates.

Changes in compensated absences for the years ended June 30, 2022 are as follows:

Beginning Balance	$	810,476
Additions		411,364
Deductions		(511,896)
Ending Balance	$	709,944
Current Amount (Included within Accrued Laibilities on the Statement of Net Position)	$	52,536

NOTE 9 – CONTINGENCIES

From time to time the Commission has been named in various public liability and property damage claims and suits arising in the ordinary course of business. While ultimate liability, if any from these proceedings is presently indeterminable, in the opinion of management, these matters should not have a material adverse effect on the Commission's financial statements.

NOTE 10 – RELATED PARTY TRANSACTIONS

During fiscal year 2022, the Commission had, and expects to have in the future, transactions with other state agencies. The Commission recognized approximately $885,000 in rental fee revenues from other agencies of the State during fiscal year 2022. State agencies are charged essentially the same rental fees as those charged to third parties.

In addition, the Commission paid other state agencies for processing of payroll, general ledger, and fixed asset ledger. The Commission expensed approximately $255,000 during fiscal year 2022 for these services at rates comparable to those charged to other agencies of the State for these services.

The Commission maintains special agreements with the following three separate agencies of the State in which these state agencies rent certain buildings and space on the Commission grounds in exchange for services provided:

The Ohio Department of Transportation provides maintenance and renovation work on the roadways, curbs and parking lots of the Commission.

The State Highway Patrol operates a full-time post on the Commission's property and provides law enforcement on this property. In addition, the State Highway Patrol provides traffic control and law enforcement during the Fair. Both of these services are required by State law.

The Ohio Department of Natural Resources (ODNR) leases and maintains a large and extensive exhibit at the Fair. In addition, ODNR maintains a Civilian Conservation Corps district office on the Commission's grounds.

The basic financial statements do not give effect to these activities inasmuch as there is no reliable basis for determining their financial impact.

NOTE 11 – STATE FAIR RESERVE

The Ohio Legislature passed a House Bill (Am. Sub. H.B. No. 283, Section 49) which established a State Fair Reserve of $700,000. The reserve may be used if admission revenues for the Ohio State Fair are less than ninety percent of the projected admission revenues. The Commission must declare a state of fiscal exigency and request a release of funds by the Director of Budget and Management. The Director of Budget and Management then must approve the release of funds, and may make changes or stipulations before release of the funds. The outstanding balance of available funds was $0 at June 30, 2022.

NOTE 12 – RISK MANAGEMENT

The State retains the risk associated with claims arising from vehicle liability, property loss and tort liability. The State also maintains a public employee's blanket bond through a private carrier. However, the Commission is responsible for the replacement of equipment that may be lost or damaged as a result of the operations of the Commission. In addition, employees of the Commission have the option of participating in the Ohio Med Health Plan, a self-insured health benefit plan of the State. The Commission pays a premium each month to the State based on the number of employees opting for plan participation and the types of coverage selected by its employees. At the end of the year, the State allocates the incurred but not reported (IBNR) health benefits claim liability (actuarial determined) or refund to its departments based upon the department's percent of total monthly premiums. The IBNR claim liability was included in accounts payable at June 30, 2022 approximated $172,566. Additional disclosures are expected to be found in the State's ACFR.

There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

All other risk disclosures are expected to be found in the State's ACFR for the fiscal year ended June 30, 2022.

NOTE 13 – WORKERS' COMPENSATION

The Commission participates in a plan that pays workers' compensation benefits to beneficiaries who have been injured on the job with any of certain state agencies and state universities. The Ohio Bureau of Workers' Compensation (Bureau) calculates the estimated amount of cash needed in the subsequent fiscal year to pay the claims for these workers and sets rates to collect this estimated amount from these participating state agencies and universities in that subsequent one-year period. As these already-injured workers' claims will be paid out over a period of time, the Bureau also actuarially calculates estimated amounts that will be paid in future periods.

Workers' compensation liabilities at year ended June 30, 2022 was $17,772, current and $184,969, noncurrent.

NOTE 14 – CHANGE IN ACCOUNTING PRINCIPLES / RESTATEMENT OF NET POSITION

Change in Accounting Principles

For the fiscal year ended June 30, 2022, the Commission has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* certain provisions of GASB Statement No. 93, *Replacement of Interbank Offered Rates* and certain provisions of GASB Statement No. 97*, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.*

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in the Commission's financial statements; and there was an effect on beginning net position. See below for effect on beginning net position.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraphs 13 and 14 of GASB Statement No. 93 did not have an effect on the financial statements of the Commission.

GASB Statement No. 97 requirements that are related to a) the accounting and financial reporting for Section 457 plans and 2) determining whether a primary government is financially accountable for a potential component unit were implemented for fiscal year 2022. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the Commission.

Restatement of Net Position

The implementation of GASB Statement No. 87 had the following effect on beginning net position:

Net Position, June 30, 2021	$ 75,395,773
GASB Statement No. 87	1,500,000
Restated Net Position, June 30, 2021	$ 76,895,773

Ohio Expositions Commission

Required Supplementary Information

Schedule of Commission's Proportionate Share of the Net Pension (Asset)/Liability

Ohio Public Employees Retirement System

Last Nine Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the Net Pension (Asset)/Liability									
Traditional Plan	0.01625800%	0.02038800%	0.03345000%	0.03174500%	0.03241900%	0.03211850%	0.03297400%	0.03270700%	0.03270700%
Combined Plan	0.00817800%	0.01514300%	0.01970000%	0.01859900%	0.01812100%	0.01005400%	0.00987000%	0.01027100%	0.01027100%
Proportionate Share of the Net Pension (Asset)/Liability									
Traditional Plan	$ 1,414,512	$ 3,019,019	$ 6,611,619	$ 8,694,312	$ 5,085,912	$ 7,308,666	$ 5,711,512	$ 3,944,829	$ 3,855,729
Combined Plan	$ (32,222)	$ (43,712)	$ (41,079)	$ (20,798)	$ (24,669)	$ (5,596)	$ (4,803)	$ (3,955)	$ (1,078)
Covered Payroll	$ 2,459,836	$ 2,991,886	$ 4,856,870	$ 4,435,002	$ 4,411,369	$ 4,247,093	$ 4,176,307	$ 4,050,921	$ 4,007,143
Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of Covered Payroll	56.19%	99.45%	135.28%	195.57%	114.73%	171.95%	136.64%	97.28%	96.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability									
Traditional Plan	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
Combined Plan	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%	104.56%

(1) Information prior to 2014 is not available.

Amounts presented as of the Commission's measurement date, which is December 31.

See accompanying notes to the required supplementary information.

Ohio Expositions Commission

Required Supplementary Information

Schedule of Commission's Proportionate Share of the Net OPEB (Asset)/Liability

Ohio Public Employees Retirement System

Last Six Fiscal Years (1)

	2022	2021	2020	2019	2018	2017
Proportion of the Net OPEB (Asset)/Liability						
Health Care Plan	0.01577400%	0.01978300%	0.03214800%	0.03057600%	0.03114000%	0.03073200%
Proportionate Share of the Net OPEB (Asset)/ Liability						
Health Care Plan	$ (494,066)	$ (352,450)	$ 4,440,474	$ 3,986,389	$ 3,381,575	$ 3,104,073
Covered Payroll	$ 2,459,836	$ 2,991,886	$ 4,856,870	$ 4,435,002	$ 4,411,369	$ 4,247,093
Proportionate Share of the Net OPEB (Asset)/ Liability as a Percentage of Covered Payroll	-20.09%	-11.78%	91.43%	89.88%	76.66%	73.09%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability						
Health Care Plan	128.23%	115.57%	47.80%	46.33%	54.14%	68.52%

(1) Information prior to 2017 is not available.

Amounts presented as of the Commission's measurement date, which is December 31.

See accompanying notes to the required supplementary information.

Ohio Expositions Commission
Required Supplementary Information
Schedule of Commissions Contributions
Ohio Public Employees Retirement System

Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution										
Pension	$ 440,168	$ 158,708	$ 687,780	$ 644,276	$ 606,643	$ 542,807	$ 506,960	$ 497,643	$ 501,419	$ 460,657
OPEB	-	-	-	-	22,468	65,137	84,493	82,940	60,170	100,143
Contributions in relation to the contractually required contribution	(440,168)	(158,708)	(687,780)	(644,276)	(629,111)	(607,944)	(591,453)	(580,583)	(561,589)	(560,800)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,144,057	$ 1,133,628	$ 4,912,714	$ 4,601,971	$ 4,493,650	$ 4,342,457	$ 4,224,664	$ 4,147,021	$ 4,011,350	$ 4,005,714
Contributions as a percentage of covered payroll										
Pension	14.00%	14.00%	14.00%	14.00%	13.50%	12.50%	12.00%	12.00%	12.50%	11.50%
OPEB	0.00%	0.00%	0.00%	0.00%	0.50%	1.50%	2.00%	2.00%	1.50%	2.50%

See accompanying notes to the required supplementary information.

Net Pension Liability – Ohio Public Employees Retirement System

Changes of benefit terms - There were no significant changes of benefit terms in 2022.

Changes of assumptions - Amounts reported in 2022 reflect changes in both demographic and economic assumptions. The following reflects the changes made during 2022.

- Wage Inflation: 3.25 percent in 2021 down to 2.75 percent in 2022
- Projected Salary Increases: 3.25 to 10.75 percent including wage inflation at 3.25 percent in 2021 down to 2.75 to 10.75 percent including wage inflation of 2.75 percent in 2022
- COLA or Ad Hoc COLA: 2.15 percent simple in 2021 down to 2.05 percent simple in 2022
- Investment Rate of Return: 7.20 percent in 2021 down to 6.90 percent in 2022

Net OPEB Liability – Ohio Public Employees Retirement System

Changes of benefit terms - There were no significant changes of benefit terms in 2022.

Changes of assumptions - Amounts reported in 2022 reflect changes in both demographic and economic assumptions. The following reflects the changes made during 2022.

- Wage Inflation: 3.25 percent in 2021 down to 2.75 percent in 2022
- Projected Salary Increases: 3.25 to 10.75 percent including wage inflation at 3.25 percent in 2021 down to 2.75 to 10.75 percent including wage inflation of 2.75 percent in 2022
- Municipal Bond Rate: 2.00 percent in 2021 down to 1.84 percent in 2022
- Health Care Cost Trend Rate: 8.50 percent initial down to 5.50 percent ignition in 2022

Rea & associates a brighter way

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

To the Board of Commissioners:
Ohio Expositions Commission
717 East 17th Avenue
Columbus, OH 43211

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Ohio Expositions Commission Franklin County, Ohio (the Commission), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 12, 2022, wherein we noted the Commission restated net position to account for the implementation of GASB 87, *Leases*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 we must report 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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Gahanna, Ohio
December 12, 2022

Ohio Expositions Commission
Franklin County, Ohio
Summary Schedule of Prior Audit Findings
June 30, 2022

Finding Number	Finding Summary	Status	Additional Information
2021-001	Financial Reporting – Material Weakness	Corrected	

OHIO AUDITOR OF STATE
KEITH FABER

OHIO EXPOSITIONS COMMISSION

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 1/10/2023

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