

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY

FRANKLIN COUNTY

REGULAR AUDIT

JANUARY 1, 2024 – DECEMBER 31, 2024



OHIO AUDITOR OF STATE KEITH FABER

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

We have reviewed the *Independent Auditor's Report* of the Franklin County Convention Facilities Authority, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2024 through December 31, 2024. 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 Franklin County Convention Facilities Authority is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

July 11, 2025

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**FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
FRANKLIN COUNTY**

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and each major fund of the Franklin County Convention Facilities Authority, Franklin County, Ohio (the Authority), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and each major fund of the Franklin County Convention Facilities Authority, Franklin County, Ohio as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Franklin County Convention Facilities Authority
Franklin County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2025 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Wilson, Shannon & Son, Inc.

Newark, Ohio
May 9, 2025

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Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance of the Franklin County Convention Facilities Authority (herein referred to as the Authority) and an introduction to the Authority's basic financial statements for the year ended December 31, 2024. The information contained in this MD&A should be considered in conjunction with information presented in the Authority's basic financial statements and corresponding notes to the basic financial statements.

OVERVIEW OF THE AUTHORITY

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

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

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

- Statement of Net Position – This statement presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position.
- Statement of Revenues, Expenses and Changes in Net Position - This statement shows how net position has changed during the most recent year. This includes operating and non-operating revenues and expenses of the Authority.
- Statement of Cash Flows – This statement reports cash and cash equivalent activities for the fiscal year resulting from operating, non-capital financing, capital financing and investing activities. A reconciliation of operating income/loss with net cash provided by/used for operating activities is provided.

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

FINANCIAL POSITION OF THE AUTHORITY

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

	Convention Center Fund		
	2023	2024	Increase (Decrease) over/ (under) 2023
Current and other assets	\$ 141,785,463	\$ 160,645,435	\$ 18,859,972
Capital assets, Net	250,668,692	240,932,831	(9,735,861)
Total assets	392,454,155	401,578,266	9,124,111
Deferred outflows of resources	10,957,351	6,173,670	(4,783,681)
Current liabilities	5,514,488	13,642,993	8,128,505
Noncurrent liabilities	308,419,031	297,263,622	(11,155,409)
Total liabilities	313,933,519	310,906,615	(3,026,904)
Deferred inflows of resources	85,708,367	87,322,649	1,614,282
Net investment in capital assets	(11,726,130)	(31,153,515)	(19,427,385)
Restricted for debt service	7,041,094	17,896,101	10,855,007
Restricted for capital projects	460,558	307,801	(152,757)
Restricted for other	-	48,438	48,438
Unrestricted	7,994,098	22,423,847	14,429,749
Total net position	\$ 3,769,620	\$ 9,522,672	\$ 5,753,052

In the Convention Center Fund, total assets plus deferred outflows of resources exceeded total liabilities plus deferred inflows of resources by \$9.5 million (net position) on December 31, 2024. The total net position was impacted by a positive change in current assets due to increased investments as well as a negative change in net capital assets as depreciation exceeded capital additions for the year. A portion of net position, negative \$31.2 million on December 31, 2024, represents the Authority's investment in capital assets, less the related debt outstanding used to acquire those capital assets. These capital assets are property, facilities, equipment and related items that support the initial construction, as well as the continual expansion and improvement of the convention center and parking facilities. Net debt outstanding increased in 2024 due to the refinancing and restructuring of the Convention Center debt program. Although the Authority's investment in capital assets is reported net of debt; it is noted that the resources needed to repay the debt associated with the Convention Center are provided annually from collection of hotel occupancy taxes and revenue acquired through the operation of parking facilities, since capital assets themselves cannot be used to liquidate liabilities.

An additional component of Convention Center Fund net position, \$18.3 million on December 31, 2024, represents resources that are subject to external restrictions as to how they may be used. These assets are not available for new spending, as the majority of these assets are held in reserve and escrow accounts.

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

The Convention Center Fund's remaining unrestricted net position of \$22.4 million may be used to meet any of the Authority's ongoing obligations.

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

	Hotel Fund		
	2023	2024	Increase (Decrease) over/ (under) 2023
Current and other assets	\$ 57,160,014	\$ 66,066,252	\$ 8,906,238
Capital assets, Net	348,628,150	341,860,233	(6,767,917)
Total assets	405,788,164	407,926,485	2,138,321
Deferred outflows of resources	-	17,879,872	17,879,872
Current liabilities	8,461,517	7,687,027	(774,490)
Noncurrent liabilities	414,397,817	426,492,905	12,095,088
Total liabilities	422,859,334	434,179,932	11,320,598
Net investment in capital assets	(48,535,846)	(47,701,299)	834,547
Restricted for debt service	26,253,658	32,897,146	6,643,488
Restricted for capital projects	3,060,708	3,792,677	731,969
Restricted for other	2,150,310	2,667,216	516,906
Unrestricted	-	(29,315)	(29,315)
Total net position	\$ (17,071,170)	\$ (8,373,575)	\$ 8,697,595

In the Hotel Fund, total liabilities exceeded total assets and deferred outflow of resources by \$8.4 million (negative net position) at December 31, 2024. Total net position was impacted by a positive change in current assets due to increased investments as well as a negative change in net capital assets as depreciation exceeded capital additions for the year. Total net position for 2024 was also impacted by the Hilton Hotel's debt service program as 2010 bonds were refunded during the year thus impacting deferred outflows of resources and noncurrent liabilities. A large amount of net position, negative \$47.7 million at December 31, 2024, represents the Authority's investment in capital assets, less the related debt outstanding used to acquire those capital assets. For the most part, the reported negative net investment in capital assets within the Hotel Fund reflects the difference between the value of bonds issued for hotel development and the value of items capitalized as a result of the implementation of the hotel development projects. Most of the bond proceeds received from hotel development bond issues were used to construct and expand the hotel and all of those costs have been capitalized as required. However, bond proceeds were also deposited into debt service reserve funds, bond payment funds and a rental reserve fund established per terms of bond indentures. Such deposits were not capitalized. Furthermore, bond proceeds from the original 2010 and 2019 bond issues were used to purchase items for the Hilton Hotel and the Hilton Hotel expansion that were not capitalized per guidelines provided by the Authority's approved capital asset program. These items were planned as part of the hotel development projects and included hotel operating supplies, furniture, fixtures and minor equipment.

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Management's Discussion and Analysis
For the Year Ended December 31, 2024

An additional component of the Hotel Fund's net position, \$32.9 million on December 31, 2024, is subject to restrictions as set forth in the Authority's bond indentures for the original hotel development project and the hotel expansion project. These assets are not available for new spending, as all of these assets are held in reserve to meet debt service requirements should other revenue sources prove inadequate.

The Hotel Fund net position also includes \$2.7 million in restricted funds (other) held in reserve for hotel operations and \$3.8 million in restricted funds held in reserve for future hotel capital improvement projects and furniture, fixture and equipment (FF&E) purchases.

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

	Arena Fund		
	2023	2024	Increase (Decrease) over/ (under) 2023
Current and other assets	\$ 8,439,370	\$ 7,069,924	\$ (1,369,446)
Capital assets, Net	64,174,571	71,327,510	7,152,939
Total assets	72,613,941	78,397,434	5,783,493
Current liabilities	6,867,739	6,446,646	(421,093)
Noncurrent liabilities	54,991,117	54,991,117	-
Total liabilities	61,858,856	61,437,763	(421,093)
Net investment in capital assets	14,365,992	21,740,747	7,374,755
Restricted for capital projects	7,858,409	6,674,881	(1,183,528)
Unrestricted	(11,469,316)	(11,455,957)	13,359
Total net position	\$ 10,755,085	\$ 16,959,671	\$ 6,204,586

In the Arena Fund, total assets exceeded total liabilities by \$17.0 million on December 31, 2024. The increase in capital assets represents the amount in which current year additions, including capital contributions, exceeded current year depreciation. All 2024 expenses for which the Authority is responsible for with respect to the Arena, excluding real estate tax obligations, Nationwide loan requirements and some State of Ohio loan provisions, are funded solely from, and only to the extent of the Authority's receipt of casino and admission tax revenue from the City of Columbus and Franklin County.

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

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

	Convention Center Fund		
	2023	2024	Increase (Decrease) over/ (under) 2023
Operating Revenues			
Leases	\$ 2,088,558	\$ 2,198,436	\$ 109,878
Facility operations	3,827,413	5,794,383	1,966,970
Miscellaneous	269,950	67,042	(202,908)
Nonoperating Revenues			
Hotel/motel excise tax	27,935,659	30,798,507	2,862,848
Increase in fair value of investments	1,374,236	683,554	(690,682)
Intergovernmental revenue	-	1,750,000	1,750,000
Other nonoperating revenue	1,236,682	104,650	(1,132,032)
Lease interest	2,269,181	2,377,372	108,191
Interest earnings	1,049,647	1,562,853	513,206
Total Revenues	40,051,326	45,336,797	5,285,471
Operating Expenses			
Salary and fringe benefits	1,311,774	1,264,275	(47,499)
Insurance	814,646	902,927	88,281
Purchased services	3,199,203	2,143,497	(1,055,706)
Materials and supplies	195,245	250,132	54,887
Depreciation	16,346,083	16,289,092	(56,991)
Other	293,318	335,241	41,923
Nonoperating Expenses			
Interest expense	10,421,788	10,418,993	(2,795)
Bond issuance costs	-	942,036	942,036
Loss on disposal of assets	-	61,754	61,754
Total Expenses	32,582,057	32,607,947	25,890
Change before Transfers	7,469,269	12,728,850	5,259,581
Transfers out	(32,050,512)	(6,975,798)	25,074,714
Change in Net Position	(24,581,243)	5,753,052	30,334,295
Beginning Net Position	28,350,863	3,769,620	(24,581,243)
Ending Net Position	\$ 3,769,620	\$ 9,522,672	\$ 5,753,052

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

- In July 1988, the Authority was established by the Franklin County Commissioners per authorization granted in Ohio Revised Code Section 351 to develop a new Convention Center in downtown Columbus. As part of this authorization, the Authority was also given the ability to levy excise taxes on lodging transactions within Franklin County to finance and pay for costs associated with the actual construction and operation of the Convention Center. Since completion of the original Convention Center in 1993, the Authority has continued to expand and grow the Convention Center into an active, self-sustaining facility. Currently consisting of 1.8 million square feet of space, the Convention Center has been renovated and expanded several times since its original construction. The most recent

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

expansion and renovation of the Convention Center was completed in 2017. With the completion of the most recent renovation, the Convention Center now has over 372,000 square feet of contiguous exhibit hall space; 114,000 square feet of ballroom space comprised of a 25,000 square foot Union Station Ballroom, a 15,000 square foot Short North Ballroom, and a 74,000 square foot Battelle Grand multipurpose space; 118,000 square feet of meeting room space or 75 meeting rooms; and 10,000 square feet of outdoor event space. The Convention Center features spacious atriums and pre-function space with decorative lighting and colorful node walls in the concourse. The center also displays local contemporary art throughout the building and is home to “As We Are”, a fourteen-foot-high interactive digital art piece.



- The Authority has issued tax and lease revenue anticipation bonds to finance the original construction, expansion and continual improvement of the Convention Center. Annual hotel tax revenue is pledged as the funding source for payment of principal and interest due on these bonds. Both the City of Columbus and Franklin County provide credit support for the bonds and have agreed to cover outstanding debt obligations in equal shares if all indentured lease revenues prove insufficient to cover debt costs.
- To pay outstanding debt service due on tax and lease revenue anticipation bonds, the Authority levies a 4.0 percent countywide bed tax on all occupied hotel rooms. In addition, the City of Columbus has allocated 0.9 percent of the City's bed tax towards the payment of debt service due on Convention Center bonds. Revenue collected from this excise tax as well as earnings from investments of funds held in reserve are first used to pay for annual Convention Center debt service obligations of the Authority. Revenues and earnings in excess of Convention Center debt service obligations are deposited into the Convention Center Fund as available equity. In 2024, hotel tax collections equaled \$30.8 million; \$2.9 million or 10.2 percent above collections realized in 2023.
- Lease rent is annual lease payments received for the use of property owned or leased by the Authority. The Authority currently manages several such lease agreements; the first with the Hyatt Regency Hotel connected to the Convention Center, the second with Drury Inn, also connected to the Convention

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
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Center and the third with Nationwide Realty Investors for property located near the Convention Center. Revenue from these leases in 2024 equaled \$2.2 million.

The Authority also receives a land lease payment from the Arena per terms of the Arena transaction. This lease payment is fixed and is payable only to the extent casino tax revenues are available to cover the expense. In 2024, casino tax revenues were available to cover this lease payment.

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

2024 was an exceptional year for the Convention Center as the center hosted 267 events during the year with over 781,000 visitors to the center. As a result of this activity, the Convention Center ended the year with operating income of \$800,316; a \$1.0 million improvement over prior year income. When additional operating income is added to revenue from parking operations forwarded to the Authority to pay for parking garage debt service, as discussed in the following paragraph, total revenue from facility operations increased by approximately \$2.0 million in 2024.

- In addition to the Convention Center, the Authority also owns and operates four parking facilities and two surface parking lots totaling approximately 4,700 individual parking spaces. The operation of parking facilities owned by the Authority is also managed through the Authority's agreement with ASM Global. Revenues from parking facility operations are pledged towards the payment of debt service due on parking garage improvement revenue bonds issued for the development and construction of these facilities. Such bonds were purchased by the Franklin County Treasurer. The Franklin County Treasurer with respect to the Authority's parking facilities has no recourse against other revenues or assets of the Authority. Revenues from parking operations used to pay debt service is included within revenues from facility operations. In 2024, such revenues were approximately \$ 4.2 million.
- 2024 interest earnings are mainly acquired through investment of resources in U.S. Agency Securities and Treasuries consistent with an investment policy approved by the Authority. There was a significant increase in interest earnings during 2024 as a result of an increase in amounts invested as well as an increase in interest rates.
- The Authority has an office that is responsible for implementing policies and programs of the board. Most operating expenses as listed are used to support this office.
- During 2024, the Authority received a grant from the City of Columbus for expenses associated with the improvement of air quality in the Convention Center. Monies received from this grant were used to help off-set the cost of installing new air handlers in the Convention Center's south facility. This grant was a one time payment from the City, recorded as intergovernmental revenue.
- Insurance is a major expense for the Convention Center Fund. Included in this line item are costs associated with purchasing property, general liability, umbrella and public official's liability insurance.
- Beginning in October 2016, the Authority entered into an agreement with Levy Premium Foodservice Limited Partnership to provide food and beverage services for the Convention Center. Included within this agreement is the requirement that a capital reserve fund equal to 3.5 percent of gross sales be

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
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established to fund the repair, maintenance and replacement of food/beverage service equipment. Expenses made using resources from the capital reserve fund are recorded as an operating expense unless such purchases are capitalized. Any funds within the capital reserve that are not used during the year remain in the fund and are reserved for future purchases of food/beverage service equipment.

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

	Hotel Fund		
	2023	2024	Increase (Decrease) over/ (under) 2023
Operating Revenues			
Facility operations	\$ 20,207,456	\$ 26,376,125	\$ 6,168,669
Miscellaneous	110	-	(110)
Nonoperating Revenues			
Increase in fair value of investments	1,416,963	566,901	(850,062)
Interest earnings	1,441,916	2,011,380	569,464
Intergovernmental revenue	2,010,342	2,326,932	316,590
Interest subsidy revenue	2,987,518	2,920,897	(66,621)
Other subsidy revenue	1,222,821	-	(1,222,821)
Total Revenues	29,287,126	34,202,235	4,915,109
Operating Expenses			
Purchased services	1,956,649	1,498,699	(457,950)
Insurances	14,103	-	(14,103)
Materials and supplies	549,308	535	(548,773)
Depreciation	10,330,153	10,501,493	171,340
Other	35,000	68,072	33,072
Nonoperating Expenses			
Interest expense	19,771,233	19,131,401	(639,832)
Bond issuance costs	-	1,058,120	1,058,120
Loss on disposal of assets	-	17,802	17,802
Total Expenses	32,656,446	32,276,122	(380,324)
Change before Transfers	(3,369,320)	1,926,113	5,295,433
Transfers in	31,833,289	6,771,482	(25,061,807)
Change in Net Position	28,463,969	8,697,595	(19,766,374)
Beginning Net Position	(45,535,139)	(17,071,170)	28,463,969
Ending Net Position	\$ (17,071,170)	\$ (8,373,575)	\$ 8,697,595

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

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

- In answer to increasing demand for hotel rooms near and connected to the Convention Center, the Authority in partnership with the City of Columbus and Franklin County, constructed a convention hotel on property near the Convention Center. Opened in October 2012, the original Hilton Hotel, branded and managed by Hilton Management LLC, includes 537 guest rooms of which 48 are suites, a ballroom, meeting/banquet rooms, lobby, bar/lounge area, coffee shop, pool, fitness center and walkway to the Convention Center. Parking for the Hilton Hotel is provided by the Vine Street Parking Facility located next to the Hilton Hotel site. The Hilton Hotel is 14 floors with over 429,600 square feet of usable space.
- Because the Hilton Hotel has been well received within the community and has been very successful; the Authority again, in partnership with the City and County, expanded and improved the hotel. In September 2022, the Authority opened a new 28 floor tower for the Hilton Hotel. The new tower is 461,529 square feet in size and includes 463 new rooms, two restaurants (one located on the top floor of the tower, the other located on street level); approximately 70,000 square feet of meeting room space, a 15,000 square foot grand ballroom, a junior ballroom, and a new lobby. As with the original tower, art is a prominent feature of the new tower. With the opening of the new tower, the hotel now operates and functions as a single enterprise of 1,000 rooms under common management.
- The Hotel is financed through a series of bonds that are paid for through the net operating income from hotel operations and from the hotel's lodging tax revenue. Initial bonds for the hotel were issued in 2010 as Build America Bonds; however, such bonds were redeemed in 2024 and currently are no longer part of the Build America Bond program. The original 2010 bonds as well as the 2024 refunding bonds were and are backed by appropriation of the County. The recent construction of the hotel's new tower was financed through the issue of two series of bonds in 2019. Series A bonds are project revenue bonds backed only by the Hilton Hotel's net operating income and lodging tax revenue. Series B are lease appropriation bonds backed equally by the appropriation of the City and County. Series B bonds are subordinate to Series A. Total net operating income from hotel operations plus hotel tax revenue generated from the hotel itself is split; with 41.0 percent of such revenues used to pay debt service on the 2010 and now 2024 bonds and 59.0 percent of revenues used to pay debt service (both series) on the 2019 bonds.

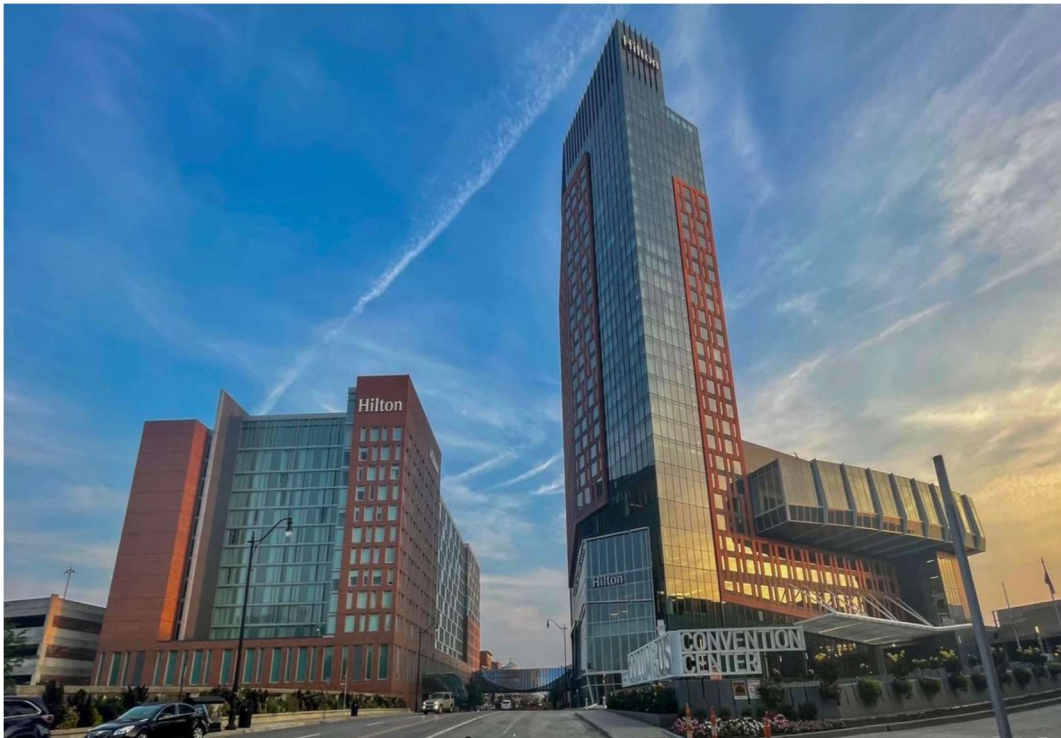
In addition to bond proceeds, the Authority invested equity reserves into the final completion of the hotel expansion project. Such investment was recorded as a transfer into the Hotel Fund from the Convention Center Fund. Reported transfers into the Hotel Fund declined in 2024 with the completion of the hotel expansion project and the corresponding reduction in use of equity reserves.

- The management, operation, marketing and branding of the Hilton Hotel is facilitated through the Authority's management agreement with Hilton Management LLC. As part of this management agreement, Hilton financially manages all revenues collected from the operation of the Hilton Hotel and utilizes these revenues to pay for all expenses associated with operating the facility. Bottom line net operating income from the Hilton Hotel is recorded as revenue from facility operations.

Hotel operations in 2024 were strong as leisure travel and group business continued to drive performance. In 2024, total Hotel occupancy exceeded 66.0 percent, and average daily rate was the highest in the hotel's competitive set. As a result, net operating income from the hotel in 2024, when combined with the U.S. Treasury payment and the Hilton Hotel's tax revenue, did exceed debt service obligations for the year.

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

- U.S. Treasury interest subsidy payments of \$2.9 million were made to the Authority in 2024 for debt service pursuant to 2010 bond requirements. 2024 will be the last year for such subsidy payments as 2010 bonds were redeemed in 2024.
- Hotel tax revenue generated from the operation of the Hilton Hotel equaled approximately \$4.5 million in 2024. Hotel occupancy taxes generated through the Hilton Hotel (both the City of Columbus' and the Authority's tax) are used to pay debt service associated with the Hilton Hotel project. The City's occupancy tax from the Hilton Hotel equaled approximately \$2.3 million in 2024 and is recorded as intergovernmental revenue. The Authority's occupancy tax received from the operation of the Hilton Hotel equaled approximately \$2.2 million in 2024 and is recorded as a transfer from the Convention Center Fund. The transfer from the Convention Center Fund occurs only if the Authority can meet all Convention Center related debt service obligations for the year.
- Capital improvement projects and FF&E purchases for the Hilton Hotel are funded through a capital reserve fund that was established with the opening of the Hilton Hotel. Every year, a percent of gross revenues from hotel operations is deposited into this fund. In 2024, this deposit equaled 4.0 percent of gross revenues. Capital improvement projects and FF&E purchases completed during the year using resources from the capital reserve fund are recorded as either an operating expense or a capital asset. Funds within the capital reserve that were not used during the year remained in the fund and were reserved for future improvements and FF&E purchases.



Franklin County Convention Facilities Authority
Management's Discussion and Analysis
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The following represents the changes in revenues, expenses and net position in the Arena Fund for the years ended December 31:

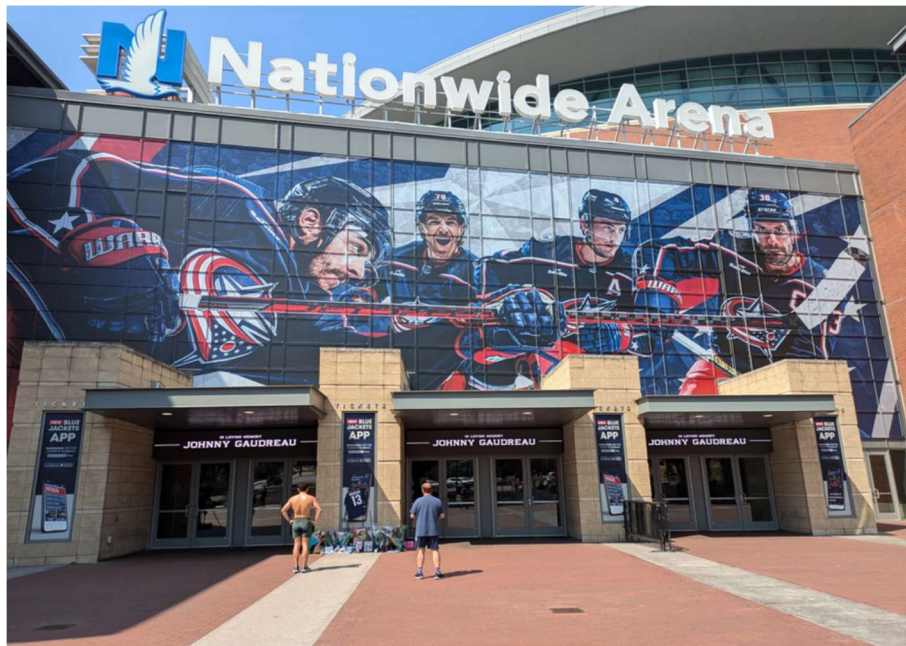
	Arena Fund		
	2023	2024	Increase (Decrease) over/ (under) 2023
Nonoperating Revenues			
Interest earnings	\$ 371,427	\$ 356,637	\$ (14,790)
Capital contributions	8,150,714	5,138,132	(3,012,582)
Intergovernmental revenue	10,617,516	11,548,554	931,038
Total Revenues	19,139,657	17,043,323	(2,096,334)
Operating Expenses			
Purchased services	5,777,983	5,755,304	(22,679)
Materials and supplies	38,681	-	(38,681)
Depreciation	3,687,352	4,526,341	838,989
Other	751,000	751,000	-
Nonoperating Expenses			
Loss on disposal of capital assets	-	10,408	10,408
Total Expenses	10,255,016	11,043,053	788,037
Change before Transfers	8,884,641	6,000,270	(2,884,371)
Transfers in	217,223	204,316	(12,907)
Change in Net Position	9,101,864	6,204,586	(2,897,278)
Beginning Net Position	1,653,221	10,755,085	9,101,864
Ending Net Position	\$ 10,755,085	\$ 16,959,671	\$ 6,204,586

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

- In March 2012, the City of Columbus, Franklin County, Nationwide Realty Investors (Nationwide), Columbus Blue Jackets, The Ohio State University (OSU) and the Authority agreed to a plan for Nationwide Arena that transitioned the Arena from private to public ownership. This transition was designed to strengthen the facility's financial position thus ensuring that the Arena remained a valuable asset within the community for years to come. Significant terms of this agreement are as follows:
 - Since the Authority already owned the land under Nationwide Arena, the Authority purchased the physical facilities of the Arena including the Ice Haus, parking garage, restaurant space and offices for \$42.5 million. To do so, the Authority borrowed \$32.5 million from Nationwide Realty Investors and \$10 million from the State of Ohio. (The Authority also borrowed \$11.7 million from Nationwide to support an initial capital improvement program for the facility as well as to pay for Arena operating expenses in 2012.)

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

- The Columbus Blue Jackets agreed to make Nationwide Arena their home until September 15, 2039. Should the Columbus Blue Jackets breach this home ice covenant, they are liable for liquidated damages. When not in use by the Columbus Blue Jackets, the Arena is available for concerts, family shows, conventions and other events.
- The Arena is managed by Columbus Arena Management LLC or CAM. CAM consists of representatives from the Authority, Columbus Blue Jackets, OSU and Nationwide. CAM approves the operating and capital budgets for the facility. The Authority administers the capital improvements program. OSU provides day to day management services for the Arena.
- Beginning in 2013, the city and county began paying the Authority a percentage of casino tax collections as lease/sublease payment for the Arena. This payment covers operating, capital and debt service expenses associated with the Arena. The financial statements classify this as intergovernmental revenue.
- Casino tax revenue is first used to pay for operating, land lease, real estate taxes and capital expenses associated with the Arena (such payments were pre-determined as part of the transaction process). Only if casino revenues exceed operating, land lease, real estate tax and capital expenses will revenues be used to cover debt service obligations in any given year. Per the original agreement, there is no obligation on the part of the Authority to cover outstanding debt obligations for the Arena if casino tax revenues prove inadequate.



Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

- 2024 was the twelfth year the Authority received casino tax revenues from the City of Columbus and Franklin County to pay for costs associated with the Arena. Total revenue received by the Authority from the City and County was \$7.5 million. Of total revenue received, \$5.8 million in casino tax revenue was transferred to CAM for Arena operations, \$165,000 was transferred to the Authority for the land lease payment, \$395,000 was set aside in a reserve for payment of real estate tax obligations and \$1.2 million was deposited into the capital improvements fund for future arena capital improvement projects. Distribution of revenues was consistent with distribution requirements outlined in the arena transaction documents.
- In 2016, the State of Ohio General Assembly authorized a permanent real estate tax exemption for the Arena such that the Arena now enjoys the same tax treatment under state law as other publicly owned entertainment and sports venues in Ohio. As part of the process to acquire authorization for real estate tax exemption, the Authority agreed to make an annual payment in-lieu-of-taxes to the Columbus Board of Education as long as the Arena remains publicly owned. This payment equals \$586,000 a year.

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

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

In 2018, the Authority and State of Ohio amended the loan agreement to change payment terms on the loan. Under the new amendment, the Authority agreed to provide the State of Ohio advertising rights within the Convention Center and the new Ohio Center Garage. The Authority also agreed to pay the State of Ohio \$1.0 million; \$200,000 a year for a five-year period beginning in 2017. Such payments were made from the Authority's equity reserves and, as of year-end 2021, are paid in full. These payments coupled with the value of advertising rights have and will continue to be used to off-set outstanding principal due on the loan. As of year-end 2024, the Authority has approximately \$3.5 million due on the State of Ohio loan. Other than on-going advertising obligations and available casino tax revenue, there is no obligation on the part of the Authority to cover outstanding principal due on the State of Ohio loan.

- In January 2020, the Authority and Nationwide Arena LLC refinanced the original loan made to the Authority for purchase of the arena. Per terms of the refinancing, the revised arena loan was issued by Nationwide Arena LLC as noninterest-bearing bonds, in an amount of \$51.5 million payable on December 15, 2029. Payment of the bonds will be made with monies held in the hotel residuals fund to the extent such monies are available. Any portion of the revised arena loan that is not paid on the payment date shall bear interest of 4.0 percent moving forward. At year-end 2024, the hotel residuals fund had a balance of approximately \$2.2 million.

Franklin County Convention Facilities Authority
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For the Year Ended December 31, 2024

- Effective July 1, 2019, the City of Columbus imposed a 5.0 percent tax on ticketed admission to any venue in the city, to include Nationwide Arena and the Convention Center. Revenue generated from this admissions tax is used to support the arts community. Regarding Nationwide Arena, revenue generated through the admission tax on events held within the Arena are split with 80.0 percent of the revenue going back to the arena for capital improvements and 20.0 percent of the revenue going to the arts community. The City of Columbus is responsible for the collection of the tax revenue and distributes such collections to the Authority whereby such revenue is deposited into the Arena's capital improvements fund. During 2024, the Authority received approximately \$4.0 million in admission tax revenue from the City of Columbus.
- Because casino tax revenues and admission tax revenues in 2024 were not sufficient enough to provide funding for all needed capital improvements within the Arena, CAM decided to use operating reserve money to supplement the Arena capital improvements program. The operating reserve for the Arena is held by CAM. Operating reserve monies used to support Arena capital improvements is recorded as a capital contribution. Such contributions, while still used to support capital improvements in 2024, were not as significant as contributions made in 2023.

CAPITAL ASSETS

At the end of fiscal year 2024, the Authority had \$654.1 million (net of accumulated depreciation) invested in capital assets. This investment in capital assets includes land; four parking facilities and two parking lots totaling approximately 4,700 parking spaces; a convention center with over 373,000 square feet of contiguous exhibit hall space, three large ballrooms, and related meeting and back of house space; a 1,000 room full service hotel with supporting meeting rooms, ballrooms, restaurants, and lobby spaces; and a 20,000 seat Arena with related concourses, suites, practice facility and parking garage.

The Authority's net capital assets decreased by \$9.4 million in 2024. This decrease represents the amount in which the current year depreciation of \$31.3 million and disposals of approximately \$90,000 exceeded current year additions to capital assets of \$22.1 million.

DEBT ADMINISTRATION

At December 31, 2024, the Authority had \$790.0 million in bonds and related long term liabilities outstanding; of which \$248.8 million are bonds associated with the Convention Center, \$432.5 million are bonds issued for development of the Hilton Hotel, \$14.6 million are bonds related to the expansion of the Vine Street parking facility, \$15.0 million are bonds related to the development of the Goodale Street parking facility, \$24.0 million are bonds related to the development of the Ohio Center parking facility and \$55.0 million are bonds from the Arena transaction.

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

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Annual debt service for the Hilton Hotel is met through income received from the operation of the Hilton Hotel as well as from hotel taxes generated through the operation of the Hilton Hotel and interest earnings. Revenue from these sources that exceed the annual debt service payment for the Hilton Hotel is first reserved for future debt service obligations per reserve requirements and second, once reserve requirements are fully funded, is deposited into the Hotel residuals fund.

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

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

In accordance with all bond indentures, facility operating agreements and related documents, debt service reserve funds, bond payment funds, consolidated bond fund, ground lease rent fund, and rental reserve funds have been established as special trust funds to provide for the payment of bond principal and interest in the event the amount in the debt service fund is insufficient. The bond indenture prescribes the amount to be placed into each of these special trust funds as well as the minimum reserve balances. Reserve balances, as valued on a cash basis, totaled approximately \$114.3 million at December 31, 2024.

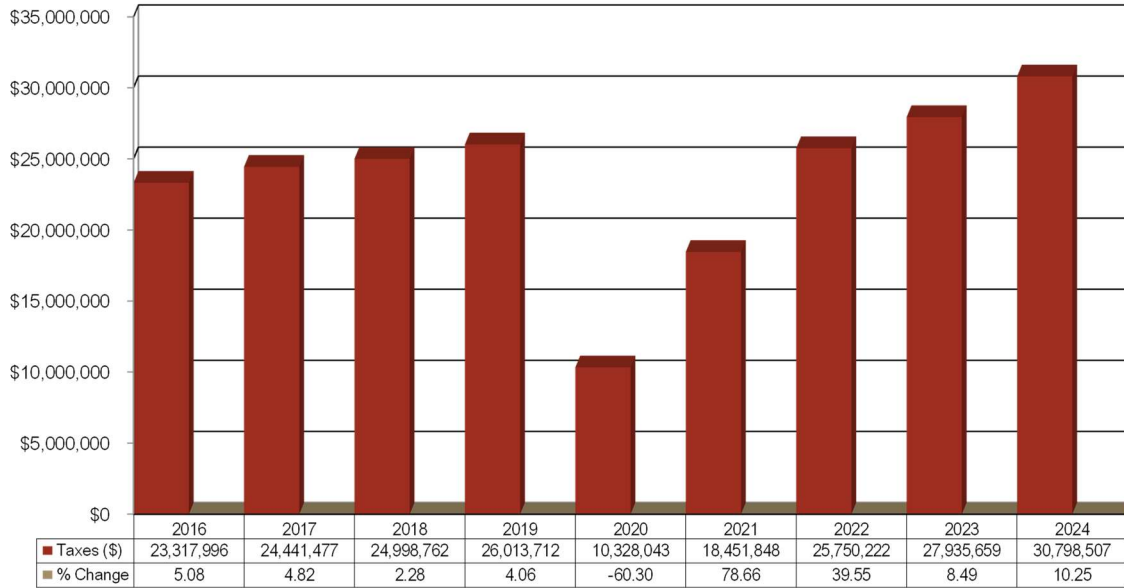
Total debt for the Convention Center Fund decreased by \$5.5 million during 2024. This decrease represents savings from bond refinancings completed in 2024. Total debt for the Hotel Fund increased by \$14.2 million during 2024. This increase represents the additional cost of refinancing bonds during 2024. Total debt for the Arena Fund remained the same during 2024.

ECONOMIC FACTORS

The success of the Convention Center, Hilton Hotel and Nationwide Arena relies on the economic health of the convention and travel industry not only within the Columbus market but within the national market as well. An excellent indicator of how this industry is performing, especially locally, is the year over year change in revenue the Authority receives from hotel occupancy tax collections. As illustrated in the following graph, the industry performed well during the four-year period prior to the pandemic. Over the period, hotel revenue growth averaged 4.1 percent a year. This growth was due to continual improvement in occupancy rates, average daily rates and supply of hotels within the Columbus community. The drastic drop in revenue from hotel taxes between 2019 and 2020 illustrates the devastating impact of COVID-19 on the hospitality industry. Within this community, hotel activity during 2020 declined by over 60.0 percent as travel was impacted by pandemic related health restrictions and travel advisories. 2021 proved to be a year of recovery, especially during the second half. With the availability of vaccines and the lifting of travel restrictions, the local hotel industry began to experience renewed activity. While total collections in 2021 proved to be approximately 79.0 percent above collections experienced in 2020; collections were still approximately 30.0 percent below collection levels experienced prior to the pandemic. It was not until 2023 that hotel tax collections regained market position and exceeded tax collection levels experienced in 2019. During 2024, growth in tax collections continued to gain momentum. In 2024, collections were approximately 10.3 percent over the prior year. Total collections during 2024 proved to be the highest ever collected by the Authority, totaling \$30.8 million. The expectation is that growth in the hotel market will continue into 2025; albeit at a much slower rate than that experienced during 2024.

Franklin County Convention Facilities Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Franklin County Convention Facilities Authority
Hotel Tax Revenue (as accrued)



REQUEST FOR INFORMATION

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 320,201	\$ -	\$ -	\$ 320,201
Investments	14,472,419	-	-	14,472,419
Restricted assets:				
Investments	1,342,494	1,559,641	6,298,114	9,200,249
Hotel/motel excise tax receivable	4,146,496	-	-	4,146,496
Lease receivable	102,297	-	-	102,297
Interest receivable	202,978	240,310	-	443,288
Operations receivable	1,558,378	1,313,325	-	2,871,703
Intergovernmental receivable	775,000	-	-	775,000
Prepaid items	210,695	-	-	210,695
Lease interest receivable	2,445,216	-	-	2,445,216
Total current assets	<u>25,576,174</u>	<u>3,113,276</u>	<u>6,298,114</u>	<u>34,987,564</u>
Noncurrent Assets:				
Restricted cash	307,801	6,193,039	-	6,500,840
Restricted investments	47,459,651	56,759,937	771,810	104,991,398
Lease receivable	87,253,371	-	-	87,253,371
Capital Assets:				
Nondepreciable capital assets	40,683,112	1,029,239	2,970,424	44,682,775
Depreciable capital assets, net	200,249,719	340,830,994	68,357,086	609,437,799
Total capital assets	<u>240,932,831</u>	<u>341,860,233</u>	<u>71,327,510</u>	<u>654,120,574</u>
Net OPEB asset	<u>48,438</u>	<u>-</u>	<u>-</u>	<u>48,438</u>
Total noncurrent assets	<u>376,002,092</u>	<u>404,813,209</u>	<u>72,099,320</u>	<u>852,914,621</u>
Total assets	<u>401,578,266</u>	<u>407,926,485</u>	<u>78,397,434</u>	<u>887,902,185</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	5,640,135	17,879,872	-	23,520,007
Pension	431,983	-	-	431,983
OPEB	44,552	-	-	44,552
Asset retirement obligation	57,000	-	-	57,000
Total deferred outflows of resources	<u>6,173,670</u>	<u>17,879,872</u>	<u>-</u>	<u>24,053,542</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	3,833,729	29,314	5,860,646	9,723,689
Retainage payable	239,011	-	-	239,011
Accrued liabilities and other	343,170	68,072	586,000	997,242
Lease interest payable	13,232	-	-	13,232
Bond interest payable	1,342,494	1,559,641	-	2,902,135
Lease payable	11,357	-	-	11,357
Bonds payable	7,860,000	6,030,000	-	13,890,000
Total current liabilities	<u>13,642,993</u>	<u>7,687,027</u>	<u>6,446,646</u>	<u>27,776,666</u>
Noncurrent liabilities:				
Compensated absences payable	207,018	-	-	207,018
Lease payable	966,922	-	-	966,922
Bonds payable, net	294,611,807	426,492,905	54,991,117	776,095,829
Net pension liability	1,377,875	-	-	1,377,875
Asset Retirement Obligation	100,000	-	-	100,000
Total noncurrent liabilities	<u>297,263,622</u>	<u>426,492,905</u>	<u>54,991,117</u>	<u>778,747,644</u>
Total liabilities	<u>310,906,615</u>	<u>434,179,932</u>	<u>61,437,763</u>	<u>806,524,310</u>
DEFERRED INFLOWS OF RESOURCES				
Unamortized up-front service concession payment	700,000	-	-	700,000
Unamortized deferred amount on refunding	4,406,156	-	-	4,406,156
Pension	67,467	-	-	67,467
OPEB	27,766	-	-	27,766
Leases	82,121,260	-	-	82,121,260
Total deferred inflows of resources	<u>87,322,649</u>	<u>-</u>	<u>-</u>	<u>87,322,649</u>
NET POSITION				
Net investment in capital assets	(31,153,515)	(47,701,299)	21,740,747	(57,114,067)
Restricted for debt service	17,896,101	32,897,146	-	50,793,247
Restricted for capital projects	307,801	3,792,677	6,674,881	10,775,359
Restricted for other	48,438	2,667,216	-	2,715,654
Unrestricted	<u>22,423,847</u>	<u>(29,315)</u>	<u>(11,455,957)</u>	<u>10,938,575</u>
Total net position	<u>\$ 9,522,672</u>	<u>\$ (8,373,575)</u>	<u>\$ 16,959,671</u>	<u>\$ 18,108,768</u>

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
OPERATING REVENUES				
Facility operations	\$ 5,794,383	\$ 26,376,125	\$ -	\$ 32,170,508
Leases	2,198,436	-	-	2,198,436
Miscellaneous	67,042	-	-	67,042
Total operating revenues	<u>8,059,861</u>	<u>26,376,125</u>	<u>-</u>	<u>34,435,986</u>
OPERATING EXPENSES				
Salaries and fringe benefits	1,264,275	-	-	1,264,275
Insurances	902,927	-	-	902,927
Purchased services	2,143,497	1,498,699	5,755,304	9,397,500
Materials and supplies	250,132	535	-	250,667
Other	335,241	68,072	751,000	1,154,313
Depreciation	16,289,092	10,501,493	4,526,341	31,316,926
Total operating expenses	<u>21,185,164</u>	<u>12,068,799</u>	<u>11,032,645</u>	<u>44,286,608</u>
Operating income/(loss) before nonoperating revenues and expenses	<u>(13,125,303)</u>	<u>14,307,326</u>	<u>(11,032,645)</u>	<u>(9,850,622)</u>
NONOPERATING REVENUES (EXPENSES)				
Hotel/motel excise tax	30,798,507	-	-	30,798,507
Increase in fair value of investments	683,554	566,901	-	1,250,455
Interest earnings	1,562,853	2,011,380	356,637	3,930,870
Interest expense	(10,418,993)	(19,131,401)	-	(29,550,394)
Lease interest	2,377,372	-	-	2,377,372
Other nonoperating revenue	104,650	-	-	104,650
Intergovernmental revenue	1,750,000	2,326,932	11,548,554	15,625,486
Interest subsidy revenue	-	2,920,897	-	2,920,897
Bond issuance costs	(942,036)	(1,058,120)	-	(2,000,156)
Loss on disposal of assets	(61,754)	(17,802)	(10,408)	(89,964)
Total nonoperating revenues (expenses)	<u>25,854,153</u>	<u>(12,381,213)</u>	<u>11,894,783</u>	<u>25,367,723</u>
Income/(Loss) before capital contributions and transfers	<u>12,728,850</u>	<u>1,926,113</u>	<u>862,138</u>	<u>15,517,101</u>
Capital contributions	-	-	5,138,132	5,138,132
Transfers in	-	6,771,482	204,316	6,975,798
Transfers out	(6,975,798)	-	-	(6,975,798)
Change in net position	<u>5,753,052</u>	<u>8,697,595</u>	<u>6,204,586</u>	<u>20,655,233</u>
Total net position - beginning	<u>3,769,620</u>	<u>(17,071,170)</u>	<u>10,755,085</u>	<u>(2,546,465)</u>
Total net position - ending	<u>\$ 9,522,672</u>	<u>\$ (8,373,575)</u>	<u>\$ 16,959,671</u>	<u>\$ 18,108,768</u>

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
Cash Flows from Operating Activities				
Receipts from services	\$ 4,890,954	\$ 25,504,681	\$ -	\$ 30,395,635
Receipts from leases	341,553	-	-	341,553
Payments for professional services and operations	(4,184,836)	(1,878,299)	(6,506,304)	(12,569,439)
Payments to employees for services	(951,751)	-	-	(951,751)
Payments for retirement	(261,756)	-	-	(261,756)
Receipts from other	67,042	-	-	67,042
Net cash provided by (used in) operating activities	(98,794)	23,626,382	(6,506,304)	17,021,284
Cash Flows from NonCapital Financing Activities				
Hotel/motel excise taxes received	28,211,926	-	-	28,211,926
Intergovernmental	-	2,326,932	11,548,554	13,875,486
Lease interest received	2,317,653	-	-	2,317,653
Transfers in (out)	(6,975,798)	6,771,482	204,316	-
Net cash provided by noncapital financing activities	23,553,781	9,098,414	11,752,870	44,405,065
Cash Flows from Capital and related Financing Activities				
Purchases of capital assets	(2,872,425)	(6,097,212)	(6,972,649)	(15,942,286)
Proceeds from the sale of refunding bonds	65,465,000	137,495,000	-	202,960,000
Proceeds from refunding bond premium	10,198,847	18,548,471	-	28,747,318
Payments for bond issuance costs	(942,035)	(1,058,120)	-	(2,000,155)
Receipts from other	535,781	-	-	535,781
Payment to refunding bond escrow agent	(75,221,434)	(157,706,142)	-	(232,927,576)
Payments for lease interest	(26,944)	-	-	(26,944)
Cash paid on bond interest and fiscal charges	(7,860,224)	(17,231,176)	-	(25,091,400)
Cash paid on bond principal	-	(4,140,000)	-	(4,140,000)
Cash received from federal interest subsidy	-	2,920,907	-	2,920,907
Net cash used in capital and related financing activities	(10,723,434)	(27,268,272)	(6,972,649)	(44,964,355)
Cash Flows from Investing Activities				
Interest received from investments	1,526,875	1,994,119	356,637	3,877,631
Investment sales	162,733,261	252,742,704	17,074,987	432,550,952
Investment purchases	(177,390,661)	(259,050,051)	(15,705,541)	(452,146,253)
Net cash provided by (used in) investing activities	(13,130,525)	(4,313,228)	1,726,083	(15,717,670)
Net increase (decrease) in cash and cash equivalents	(398,972)	1,143,296	-	744,324
Cash- January 1	1,026,974	5,049,743	-	6,076,717
Cash- December 31	\$ 628,002	\$ 6,193,039	\$ -	\$ 6,821,041

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income/(loss)	\$ (13,125,303)	\$ 14,307,326	\$ (11,032,645)	\$ (9,850,622)
Adjustments to reconcile operating income/(loss) to net cash provided by (used in) operating activities:				
Depreciation	16,289,092	10,501,493	4,526,341	31,316,926
Increase in lease receivable	(28,710)	-	-	(28,710)
Increase in operations receivable	(903,429)	(871,443)	-	(1,774,872)
Increase in prepaid items	(11,265)	-	-	(11,265)
Decrease in net OPEB asset and net pension/OPEB related deferred outflows	291,834	-	-	291,834
Decrease in ARO-related deferred outflows	2,000	-	-	2,000
Decrease in accounts payable	(484,686)	(344,066)	-	(828,752)
Decrease in lease payable	(11,056)	-	-	(11,056)
Increase in accrued liabilities and other	1,319	33,072	-	34,391
Decrease in lease-related deferred inflows	(1,813,589)	-	-	(1,813,589)
Decrease in net pension/OPEB liability and related deferred inflows	(305,001)	-	-	(305,001)
Total adjustments	13,026,509	9,319,056	4,526,341	26,871,906
Net cash provided by (used in) operating activities	\$ (98,794)	\$ 23,626,382	\$ (6,506,304)	\$ 17,021,284

Noncash financing activities:

Net amortization related to the capital debt	\$ 2,478,686	\$ 166,325	\$ -	\$ 2,645,011
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Schedule of noncash transactions:

Convention Center Fund:

At the end of calendar year 2023, the Authority had capital-related payables totaling \$52,060 and at the end of calendar year 2024, the Authority had capital-related payables totaling \$3,794,619.

Hotel Fund:

At the end of calendar year 2023, the Authority had capital-related payables totaling \$2,370,902 and at the end of calendar year 2024, the Authority had capital-related payables totaling \$25,067.

Arena Fund:

At the end of calendar year 2023, the Authority had capital-related payables totaling \$6,281,739 and at the end of calendar year 2024, the Authority had capital-related payables totaling \$5,860,646.

During the year, the arena operator contributed capital assets to the Authority totaling \$5,138,132.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

1. DESCRIPTION OF ENTITY

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

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

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

Hotel Fund – The Hotel Fund accounts for the operation of the Hilton Hotel and related expenses, including construction of and improvements to the facility, as well as the accumulation of financial resources for, and the payment of, debt principal, interest, and related costs.

Arena Fund – The Arena Fund accounts for the operation of the Arena and related expenses, including improvements to the facility, as well as the accumulation of financial resources for, and the payment of, debt principal, interest, and related costs.

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

Investments – During fiscal year 2024, the Authority invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "*Certain External Investment Pools and Pool Participants*." The Authority measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

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

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

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

The Authority is reporting an intangible right to use asset related to land. The land lease contains a purchase option that the Authority has determined is reasonably certain of being exercised, therefore, the intangible right to use land asset is not being amortized.

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources are reported on the Statement of Net Position for the up-front service concession payment received from the Convention Center operator, deferred charges on refunding, leases, pension and OPEB. The up-front service concession payment received from the Convention Center operator is deferred and amortized using the straight-line method over one hundred twenty months, commencing January 1, 2023, with the Authority responsible for repayment of the unamortized portion if the Convention Center operator is not retained for the full duration of such amortization period. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflows of resources related to leases is being amortized as lease revenue in a systematic and rational manner over the term of the lease. The deferred inflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

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

Compensated Absences - For the Authority, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule.

Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For the Authority, this includes sick, vacation, and personal leave.

Liabilities for compensated absences should be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

A key component in determining the estimate of the amount of accumulated compensated absences that will be used as time off is the flows assumption. The flows assumption determines whether leave used by employees will be attributed first to (a) the recognized liability at the date of the financial statements (a first-in, first-out (FIFO) flows assumption) or (b) the leave earned in the next reporting period (a last-in, first-out (LIFO) flows assumption). The Authority uses the LIFO flows assumption.

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

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

3. DEPOSITS AND INVESTMENTS

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2024, the carrying amount of the Authority's deposits was \$3,570,761, and the bank balance was \$3,250,561. Of the bank balance, \$757,865 was covered by Federal Deposit Insurance, and the remaining balance was uninsured and collateralized.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

3. DEPOSITS AND INVESTMENTS - CONTINUED

In addition, the Authority had \$2,400,371 and \$3,792,668 on deposit with the Hilton Hotel operator for operating reserves and furniture, fixtures and equipment reserves, respectively, and \$307,801 on deposit with the Convention Center food and beverage operator for furniture, fixtures and equipment reserves, in accordance with the operating agreements. These amounts are also reported as Restricted Cash on the Statement of Net Position.

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

1. Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

Investments

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

The types of obligations eligible for investment and deposits include:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), and Government National Mortgage Association (GNMA). All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

3. DEPOSITS AND INVESTMENTS – CONTINUED

4. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in eligible institutions pursuant to Ohio Revised Code (ORC) Section 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made through eligible institutions;
7. The State Treasurer’s investment pool (STAR Ohio); and
8. Certain bankers’ acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

3. DEPOSITS AND INVESTMENTS – CONTINUED

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

		Credit Rating	Percent	Maturity in Years		
	Amount			<1	1-3	>3
Convention Center Fund:						
STAR Ohio	\$ 18,473,877	AAAm	30.77%	\$ 18,473,877	\$ -	\$ -
Money Market Funds - Dreyfus	1,938,390	AAAm	3.23%	1,938,390	-	-
Money Market Funds - Other	429,630	NR	0.72%	429,630	-	-
U.S. Treasuries	24,277,066	AAA	40.44%	226,087	13,658,262	10,392,717
Negotiable Certificates of Deposit	245,012	NR	0.41%	245,012	-	-
Federal Agency Securities	14,667,894	AA	24.43%	8,591,758	3,110,625	2,965,511
	60,031,869		100%	29,904,754	16,768,887	13,358,228
Hotel Fund:						
STAR Ohio	15,404,251	AAAm	26.42%	15,404,251	-	-
Money Market Fund - Dreyfus	1,480,838	AAAm	2.54%	1,480,838	-	-
Money Market Funds - Other	2,184,788	NR	3.75%	2,184,788	-	-
Negotiable Certificates of Deposit	635,093	NR	1.09%	490,842	144,251	-
U.S. Treasuries	18,938,373	AAA	32.48%	460,503	10,250,168	8,227,702
Federal Agency Securities	19,668,370	AA	33.72%	9,119,419	5,079,723	5,469,228
	58,311,713		100%	29,140,641	15,474,142	13,696,930
Arena Fund:						
STAR Ohio	7,069,924	AAAm	100%	7,069,924	-	-
	7,069,924			7,069,924	-	-
Totals	\$ 125,413,506			\$ 66,115,319	\$ 32,243,029	\$ 27,055,158

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FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

3. DEPOSITS AND INVESTMENTS – CONTINUED

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

	Convention Center	Hotel	Arena
Per Deposits and Investments Note:			
Deposits	\$ 3,562,896	\$ 7,865	\$ -
On Deposit with Operators	307,801	6,193,039	-
Investments	60,031,869	58,311,713	7,069,924
Totals	<u>\$ 63,902,566</u>	<u>\$ 64,512,617</u>	<u>\$ 7,069,924</u>
Per Statement of Net Position:			
Cash and Cash Equivalents	\$ 320,201	\$ -	\$ -
Investments	14,472,419	-	-
Restricted Cash	307,801	6,193,039	-
Restricted Investments	48,802,145	58,319,578	7,069,924
Totals	<u>\$ 63,902,566</u>	<u>\$ 64,512,617</u>	<u>\$ 7,069,924</u>

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

Interest Rate Risk - The weighted average of maturity of the portfolio held by STAR Ohio as of December 31, 2024, is 27 days.

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FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

4. LEASES RECEIVABLE

A description of the Authority's leasing arrangements is as follows:

Columbus Hotel Community Urban Redevelopment Corporation

The Authority leases land to the Columbus Hotel Community Urban Redevelopment Corporation (the Hyatt). The initial lease commenced on December 23, 1978 and was to end on July 19, 2051. On January 1, 2021, the lease was amended and the new lease is set to expire on December 31, 2071. Prior to January 1, 2023, the Hyatt paid the Authority lease rent at an annual rate of \$125,000. During this period, the Authority also received additional compensation from the Hyatt if the Hyatt met certain targets for cash flow. Commencing on January 1, 2023 and continuing until the expiration of the amended lease term, the Hyatt shall pay the Authority an annual amount for each lease year equal to \$2,185,000, which shall automatically be increased by one and three-quarters percent (1.75%) on each anniversary during the lease term. Additionally, on the 15th anniversary, and every 15th anniversary thereafter, the base rent shall be adjusted to Fair Market Rent, in accordance with the lease agreement.

Drury Inns, Inc.

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

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

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

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

Percentage rent for the calendar year was \$219,847.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

4. LEASES RECEIVABLE - CONTINUED

10 W. Nationwide, LLC

On July 16, 2012, the Authority entered into a lease agreement with Norfolk Southern Railway Company (Norfolk) under which the Authority leases land from Norfolk (See Note 15). On July 31, 2012, the Authority entered into a cost-sharing, maintenance and license agreement with Nationwide, LLC (Nationwide) under which Nationwide subleased the Norfolk land from the Authority and developed the land including a plaza/park and pedestrian right-of-way. The term of the agreement commenced on July 31, 2012 and expires on June 30, 2032, at which time Nationwide has the option to purchase the land from the Authority. Rent due and payable under the Authority's lease with Norfolk shall be split between the Authority and Nationwide.

The Authority is reporting leases receivable of \$87,355,668 at December 31, 2024. Of this amount, \$219,847 represents variable payments based on performance of the lessee or usage of the underlying asset and the remaining amount represents the discounted future lease payments. This discount is being amortized using the interest method. For 2024, the Authority reported lease revenue of \$2,198,436 and lease interest revenue of \$2,377,372.

A summary of discounted future lease receipts is as follows:

Year	Principal	Interest	Total
2025	\$ 102,297	\$ 2,353,847	\$ 2,456,144
2026	105,083	2,390,649	2,495,732
2027	109,445	2,428,067	2,537,512
2028	116,022	2,462,475	2,578,497
2029	261,092	2,359,107	2,620,199
2030-2034	2,028,312	11,662,719	13,691,031
2035-2039	3,496,206	11,311,454	14,807,660
2040-2044	5,330,888	10,739,300	16,070,188
2045-2049	7,550,078	9,897,044	17,447,122
2050-2054	9,594,487	8,756,429	18,350,916
2055-2059	12,392,020	7,319,602	19,711,622
2060-2064	16,058,318	5,439,502	21,497,820
2065-2069	20,422,562	3,023,318	23,445,880
2070-2071	9,569,011	393,817	9,962,828
	<u>\$ 87,135,821</u>	<u>\$ 80,537,330</u>	<u>\$ 167,673,151</u>

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

5. CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Convention Center Fund				
Capital assets, not being depreciated:				
Land	\$ 32,556,992	\$ -	\$ -	\$ 32,556,992
Intangible right-to-use land	1,024,245	-	-	1,024,245
Works of Art	753,567	-	-	753,567
Construction in progress	290,515	6,057,793	-	6,348,308
Total capital assets, not being depreciated	34,625,319	6,057,793	-	40,683,112
Capital assets, being depreciated:				
Buildings & improvements	445,236,406	302,002	-	445,538,408
Improvements other than buildings	14,879,425	-	(171,863)	14,707,562
Major building equipment	7,147,215	-	-	7,147,215
Parking lot	1,144,557	-	-	1,144,557
Equipment & furnishings	8,956,672	255,190	(581,831)	8,630,031
Total capital assets, being depreciated	477,364,275	557,192	(753,694)	477,167,773
Less accumulated depreciation for:				
Buildings & improvements	(240,270,627)	(15,095,016)	-	(255,365,643)
Improvements other than buildings	(5,685,949)	(681,884)	110,109	(6,257,724)
Major building equipment	(7,147,215)	-	-	(7,147,215)
Parking lot	(972,872)	(28,614)	-	(1,001,486)
Equipment & furnishings	(7,244,239)	(483,578)	581,831	(7,145,986)
Total accumulated depreciation	(261,320,902)	(16,289,092)	691,940	(276,918,054)
Total capital assets, being depreciated, net	216,043,373	(15,731,900)	(61,754)	200,249,719
Total capital assets, net	\$ 250,668,692	\$ (9,674,107)	\$ (61,754)	\$ 240,932,831
Hotel Fund				
Capital assets, not being depreciated:				
Land	\$ 300,513	\$ -	\$ -	\$ 300,513
Works of Art	715,500	-	-	715,500
Construction in progress	2,076,026	1,943,075	(4,005,875)	13,226
Total capital assets, not being depreciated	3,092,039	1,943,075	(4,005,875)	1,029,239
Capital assets, being depreciated:				
Buildings & improvements	401,006,407	1,581,159	3,683,058	406,270,624
Equipment & furnishings	3,088,446	227,144	(1,146,295)	2,169,295
Total capital assets, being depreciated	404,094,853	1,808,303	2,536,763	408,439,919
Less accumulated depreciation for:				
Buildings & improvements	(56,176,210)	(10,308,795)	305,259	(66,179,746)
Equipment & furnishings	(2,382,532)	(192,698)	1,146,051	(1,429,179)
Total accumulated depreciation	(58,558,742)	(10,501,493)	1,451,310	(67,608,925)
Total capital assets, being depreciated, net	345,536,111	(8,693,190)	3,988,073	340,830,994
Total capital assets, net	\$ 348,628,150	\$ (6,750,115)	\$ (17,802)	\$ 341,860,233

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

5. CAPITAL ASSETS – CONTINUED

Arena Fund	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Works of Art	-	-	-	-
Construction in progress	7,414,845	9,742,686	(14,187,107)	2,970,424
Total capital assets, not being depreciated	7,414,845	9,742,686	(14,187,107)	2,970,424
Capital assets, being depreciated:				
Buildings & improvements	71,882,826	787,662	14,085,569	86,756,057
Equipment & furnishings	10,388,212	1,159,340	(23,850)	11,523,702
Total capital assets, being depreciated	82,271,038	1,947,002	14,061,719	98,279,759
Less accumulated depreciation for:				
Buildings & improvements	(17,821,495)	(3,952,611)	91,130	(21,682,976)
Equipment & furnishings	(7,689,817)	(573,730)	23,850	(8,239,697)
Total accumulated depreciation	(25,511,312)	(4,526,341)	114,980	(29,922,673)
Total capital assets, being depreciated, net	56,759,726	(2,579,339)	14,176,699	68,357,086
Total capital assets, net	\$ 64,174,571	\$ 7,163,347	\$ (10,408)	\$ 71,327,510

6. LONG TERM OBLIGATIONS

Convention Center Fund bonds outstanding at December 31, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Convention Center Fund					
Series 2011 Parking Garage	\$ 14,633,000	\$ -	\$ -	\$ 14,633,000	\$ -
Series 2014 Parking Garage	15,000,000	-	-	15,000,000	-
Series 2014 Renovation and Refunding	25,305,000	-	(25,305,000)	-	-
Series 2015 Refunding	22,725,000	-	-	22,725,000	7,355,000
Series 2017 Refunding	1,430,000	-	-	1,430,000	480,000
Series 2018 Parking Garage	18,000,000	-	-	18,000,000	-
Series 2019 Parking Garage	6,000,000	-	-	6,000,000	-
Series 2020A Refunding	6,700,000	-	-	6,700,000	25,000
Series 2020B Refunding	196,005,000	-	(54,220,000)	141,785,000	-
Series 2024 Refunding	-	65,465,000	-	65,465,000	-
Total Convention Center Bonds	305,798,000	65,465,000	(79,525,000)	291,738,000	7,860,000
Plus: Unamortized Premiums	2,191,322	10,198,847	(1,656,362)	10,733,807	-
Total Convention Center Fund	\$ 307,989,322	\$ 75,663,847	\$ (81,181,362)	\$ 302,471,807	\$ 7,860,000

Series 2011 Parking Garage

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

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

Series 2014 Parking Garage

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

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

Series 2014 Renovation and Refunding Bonds

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

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

On September 22, 2020, the Authority advance refunded \$134,340,000 of outstanding Series 2014 renovation and refunding bonds with the issuance of Series 2020A and Series 2020B refunding bonds. On October 9, 2024, the Authority advance refunded the remaining \$25,305,000 of outstanding Series 2014 renovation and refunding bonds with the issuance of Series 2024 refunding bonds.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

Series 2015 Refunding Bonds

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

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

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

Series 2017 Refunding Bonds

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

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

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

Series 2018 Parking Garage

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

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

Series 2019 Parking Garage

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

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

Series 2020A Refunding Bonds

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

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

Series 2020B Refunding Bonds

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

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

On October 9, 2024, the Authority advance refunded \$54,220,000 of outstanding Series 2020B refunding bonds with the issuance of Series 2024 refunding bonds.

Series 2024 Refunding Bonds

On October 9, 2024, the Authority issued \$65,465,000 of tax and lease revenue anticipation refunding bonds, Series 2024 with a true cost of 3.22%, to refund \$79,525,000 of outstanding 2014 and 2020B bonds with stated interest rates ranging from 1.155% to 5.0%. The proceeds of \$75,663,847, including premium of \$10,198,847, provided for a deposit of \$75,221,434 into an irrevocable trust with an escrow agent to provide for payment on the Series 2014 and Series 2020B bonds. As a result, the liability for those bonds was removed from the bonds payable balance.

The 2024 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$3,771,663. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being amortized through calendar year 2036 using the straight-line method. As a result of the refunding, the Authority's total bond payments through 2040 increased by \$5,687,958, but resulted in an economic gain (difference between the present values of the old and new bond payments) of \$2,377,855.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

Hotel Fund bonds outstanding at December 31, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Hotel Fund					
Series 2010					
Lease Revenue Bonds	\$ 136,120,000	\$ -	\$ (136,120,000)	\$ -	\$ -
Series 2019					
Hotel Revenue Bonds	151,815,000	-	-	151,815,000	1,065,000
Lease Appropriation Bonds	91,765,000	-	-	91,765,000	1,720,000
Series 2024 Refunding Bonds	-	137,495,000	(4,140,000)	133,355,000	3,245,000
Total Hotel Bonds	<u>379,700,000</u>	<u>137,495,000</u>	<u>(140,260,000)</u>	<u>376,935,000</u>	<u>6,030,000</u>
Unamortized Premiums	38,592,817	18,548,471	(1,553,383)	55,587,905	-
Total Hotel Fund	<u>\$ 418,292,817</u>	<u>\$ 156,043,471</u>	<u>\$ (141,813,383)</u>	<u>\$ 432,522,905</u>	<u>\$ 6,030,000</u>

Series 2010

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

On October 25, 2024, the Authority advance refunded the entire outstanding balance of Series 2010 bonds with the issuance of Series 2024 refunding bonds.

Series 2019 – Project Revenue Bonds

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

Series 2019 – Lease Appropriation Bonds

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

Series 2024 Refunding Bonds

On October 25, 2024, the Authority issued \$137,495,000 of lease revenue refunding anticipation bonds, Series 2024 with a true cost of 3.57%, to refund \$136,120,000 of outstanding 2010 bonds with stated interest rates ranging from 5.55% to 6.64%. The proceeds of \$156,043,471, including premium of \$18,548,471, provided for a deposit of \$157,706,142 into an irrevocable trust with an escrow agent to provide for payment on the Series 2010 bonds, which were called on October 25, 2024, as well as a redemption premium, totaling \$18,046,197. As a result, the liability for those bonds was removed from the bonds payable balance.

The 2024 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$18,046,197. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being amortized through calendar year 2042 using the straight-line method. As a result of the refunding, the Authority's total bond payments through 2042 increased by \$14,469,842, resulting in an economic loss (difference between the present values of the old and new bond payments) of \$9,307,460.

Arena Fund bonds outstanding at December 31, 2024 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Arena Fund					
First Lien Lease Revenue Bonds	\$ 3,491,117	\$ -	\$ -	\$ 3,491,117	\$ -
Series 2020 Refunding Bonds	51,500,000	-	-	51,500,000	-
Total Arena Fund	<u>\$ 54,991,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,991,117</u>	<u>\$ -</u>

2012 First Lien Arena Lease Revenue Bonds

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
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6. LONG TERM OBLIGATIONS – CONTINUED

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

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

The additional \$4,000,000 in payments in cash or in-kind in the form of advertising shall be due on or before December 31 of each year in calendar years 2026 through 2036. During the year, the Authority's principal balance was reduced by \$0 for in-kind advertising.

2012 Second Lien Arena Lease Revenue Bonds

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

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

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

6. LONG TERM OBLIGATIONS – CONTINUED

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

Bond Principal and Interest Payments

Bonds mature on December 1. Interest on the term and serial bonds is payable semiannually on June 1 and December 1. Interest has been accrued on all bonds through December 31, 2023. Excise taxes and rents collected after the issuance date of the bonds, to the extent these taxes and rents are necessary to satisfy debt service requirements, are appropriated for principal and interest payments due and payable until the bonds are fully retired on December 1, 2051. Principal and interest requirements to retire the Authority's bonds are as follows:

	Convention Center Fund		Hotel Fund		Arena Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 7,860,000	\$ 10,374,949	\$ 6,030,000	\$ 18,715,700	\$ -	\$ -
2026	10,717,500	9,673,712	6,585,000	18,414,200	349,112	-
2027	14,295,000	9,368,680	7,140,000	18,084,950	349,112	-
2028	3,785,000	8,903,251	7,725,000	17,727,950	349,112	-
2029	18,995,000	8,785,626	8,340,000	17,341,700	51,849,112	-
2030-2034	106,373,500	30,765,804	52,135,000	79,779,750	1,745,560	-
2035-2039	88,858,500	14,470,933	81,945,000	63,928,300	349,109	-
2040-2044	30,813,500	3,750,668	91,990,000	41,588,300	-	-
2045-2049	10,040,000	597,473	78,080,000	21,333,500	-	-
2050-2051	-	-	36,965,000	2,795,000	-	-
	<u>\$ 291,738,000</u>	<u>\$ 96,691,094</u>	<u>\$ 376,935,000</u>	<u>\$ 299,709,350</u>	<u>\$ 54,991,117</u>	<u>\$ -</u>

Pledged Revenues

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

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

Defeased Debt Outstanding

As noted above, the Authority has defeased various bond issues by creating separate irrevocable trust funds. When such debt has been issued, the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Authority's financial statements. As of December 31, 2024, the amount of defeased debt outstanding was \$32,420,000 and the irrevocable trust account balance was \$31,973,358.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

7. RESTRICTED CASH AND INVESTMENTS

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

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

In accordance with the 2010 Hotel Fund bond indenture, the Authority created the project construction and bond payment funds to provide for the payment of construction costs and bond principal and interest, as well as the debt service and rental reserve funds to provide for the payment of bond principal and interest in the event the amount in the bond payment fund is insufficient. The debt service reserve requirement of the 2010 bonds was eliminated through the advance refunding of the Series 2010 bonds and the subsequent issuance of the Series 2024 lease revenue anticipation refunding bonds. The rental reserve requirement is \$8.0 million and is fully funded.

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

7. RESTRICTED CASH AND INVESTMENTS - CONTINUED

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

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

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

For the Arena Fund, in accordance with the Arena Management Agreement, the Authority is required to maintain an Arena capital improvements account. Each year, the Authority is required to make deposits to the account to the extent casino tax revenues are available. In 2024, casino tax deposits of \$1.2 million were made to the Arena capital improvements account.

In addition, effective July 1, 2019, the City of Columbus imposed a 5.0 percent tax on ticketed admission to any venue in the city. Revenue generated from this admissions tax supports the arts community. Regarding the Arena, revenue generated from admission tax on arena events is split with 80.0 percent of the revenue going back to the Arena for capital improvements and 20.0 percent of the revenue going to the arts community. The City of Columbus is responsible for the collection of the tax revenue and distributes the Arena's distribution to the Authority whereby such revenue is deposited into the Arena's capital improvements account. The Authority forwards this revenue to the Arena for capital improvement projects as requested by the Arena operator. In 2024, admissions tax deposits of \$4.0 million were made to the Arena capital improvements account.

At year-end, the balance in the Arena capital improvements account was \$6.6 million. The entire balance is reported as Restricted Investments in the Statement of Net Position.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

7. RESTRICTED CASH AND INVESTMENTS - CONTINUED

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

	Convention Center Fund		Hotel Fund	
	Required Balance	Restricted Balance	Required Balance	Restricted Balance
Bond Payment Fund	\$ 13,103,775	\$ 13,103,775	\$ 6,762,514	\$ 6,762,514
Debt Service Reserve Fund	23,721,211	24,011,855	15,181,500	15,406,440
Consolidated Bond Fund	-	-	25,000,000	25,076,740
Rental Reserve Fund	11,857,865	12,021,210	8,000,000	8,094,456
Operating Reserve Fund	-	-	2,400,000	2,400,371
FF&E Reserve Fund	307,801	307,801	3,792,668	3,792,668
Ground Lease Rents Fund	-	-	1,000,000	1,132,343
Hotel Residuals Fund	-	-	2,166,845	2,166,845
Total	<u>\$ 48,990,652</u>	<u>\$ 49,444,641</u>	<u>\$ 64,303,527</u>	<u>\$ 64,832,377</u>

8. FACILITY OPERATOR AGREEMENTS

A. Convention Center

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

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

As base compensation to ASM for providing services, the Authority shall pay ASM during each calendar year of the renewal terms (commencing with the 2022 calendar year), a fixed fee equal to the fixed fee for the immediately preceding calendar year, increased or decreased by the percentage change in the CPI-U, during the one year period ending in November 30 immediately preceding such calendar year.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

8. FACILITY OPERATOR AGREEMENTS – CONTINUED

Effective January 1, 2026, and for all subsequent calendar years, the fixed fee shall be equal to either (a) the fixed fee for the immediately preceding calendar year, increased or decreased by the percentage change in the CPI-U, during the one year period ending on November 30 immediately preceding such calendar year, or (b) 2.5% of operating revenue, whichever is less. The foregoing annual fixed compensation shall be payable in equal monthly installments due on or before the last day of each month during such calendar year.

If ASM satisfies all the minimum performance criteria described within the agreement, ASM is also eligible for a high achievement award as follows: (a) for each \$250,000 increment for which the net operating income exceeds the net operating income goal for the applicable calendar year, then ASM shall be eligible to receive an additional \$25,000; and (b) for each \$1,000,000 increment for which revenue exceeds the revenue goal described within the approved budget for the applicable calendar year, then ASM shall be eligible to receive an additional \$25,000.

Bottom line performance of the Convention Center is incorporated annually into the Authority's basic financial statements as Facility operations. During the year, ASM paid the Authority \$4.2 million and the receivable amount at fiscal year-end was \$1,558,378. ASM's base fees during the calendar year were \$412,107 and incentive fees were \$271,990.

In addition to the Authority's agreement with ASM, food and beverage operations are facilitated through a contract with Levy Premium Foodservice Limited Partnership (Levy). The initial five-year contract commenced on November 10, 2016. On February 28, 2021, the contract was extended through December 31, 2024. On December 20, 2024, the contract was extended through December 31, 2027. The Authority has an option to extend for up to two additional three-year terms by providing written notice at least 60 days prior to the end of the then-current term. The Authority also has the option to terminate the contract agreement at any time if Levy breaches any term of the agreement and the breach is not cured within 15 days or cannot be cured.

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

B. Hotel

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

8. FACILITY OPERATOR AGREEMENTS – CONTINUED

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

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

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

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

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

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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

8. FACILITY OPERATOR AGREEMENTS - CONTINUED

C. Arena

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

The Arena Management Agreement requires the Authority to provide a pre-determined annual funding amount to be used for Arena operational expenses to the extent casino tax revenues are available. For calendar year 2024, the Authority contributed approximately \$5.8 million.

9. VACATION, SICK AND PERSONAL LEAVE

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

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

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

	Beginning Balance	Earned	Used	Ending Balance	Due Within One Year
Calendar Year 2024	\$ 283,830	\$ 164,686	\$ (241,498)	\$ 207,018	\$ -

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability (Asset)

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 11 for the OPEB disclosures.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which 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 combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. (The latest information available.) Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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 in the traditional and combined plans 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 and combined plans 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	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months 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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

State and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

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.

When a benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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:

	<u>State and Local</u>
2024 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2024 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	<u>0.0</u>
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$131,349 for 2024. Of this amount, \$20,703 is reported as accrued liabilities and other.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

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

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportion of the Net Pension Liability:	
Current Measurement Period	0.005263%
Prior Measurement Period	<u>0.005784%</u>
Change in Proportion	<u><u>-0.000521%</u></u>
 Proportionate Share of the Net	
Pension Liability	\$ 1,377,875
Pension Expense	\$ 121,515

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net Difference between Projected and Actual	
Earnings on Pension Plan Investments	\$ 278,114
Differences between Expected and	
Actual Experience	22,520
Authority Contributions Subsequent	
to the Measurement Date	<u>131,349</u>
Total Deferred Outflows of Resources	<u><u>\$ 431,983</u></u>
 Deferred Inflows of Resources	
Changes in Proportionate Share and	
Differences in Contributions	\$ 67,467
Total Deferred Inflows of Resources	<u><u>\$ 67,467</u></u>

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

\$131,349 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS
2025	\$ 20,507
2026	74,787
2027	177,477
2028	(39,604)
Total	<u>\$ 233,167</u>

Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	<u>100.00%</u>	

Discount Rate The discount rate used to measure the total pension liability for the current year 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

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

	1% Decrease	Current Discount Rate	1% Increase
Authority's Proportionate Share of the Net Pension Liability	\$ 2,169,145	\$ 1,377,875	\$ 719,768

11. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability (Asset)

See Note 10 for a description of the net OPEB liability (Asset).

Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

11. DEFINED BENEFIT OPEB PLAN – CONTINUED

Age 65 or older Retirees Minimum of 20 years of qualifying service credit

Age 60 to 64 Retirees Based on the following age-and-service criteria:

Group A 30 years of total service with at least 20 years of qualified health care service credit;

Group B 31 years of total service credit with at least 20 years of qualified health care service credit; or

Group C 32 years of total service cred with at least 20 years of qualified health care service credit.

Age 59 or younger Based on the following age-and-service criteria:

Group A 30 years of qualified health care service credit;

Group B 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

Group C 32 years of qualified health care service credit and at least age 55.

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

Group A	Group B	Group C
Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>	Age and Service Requirements <i>December 1, 2014 or Prior</i>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>	<i>January 1, 2015 through</i> <i>December 31, 2021</i>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

11. DEFINED BENEFIT OPEB PLAN – CONTINUED

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

11. DEFINED BENEFIT OPEB PLAN – CONTINUED

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$0 for 2024.

Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The net OPEB liability (asset) and total OPEB liability (asset) for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the Net OPEB Liability:	
Current Measurement Period	0.005367%
Prior Measurement Period	<u>0.005844%</u>
Change in Proportion	<u><u>-0.000477%</u></u>
 Proportionate Share of the Net	
OPEB Liability (Asset)	\$ (48,438)
OPEB Expense	\$ (3,333)

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

11. DEFINED BENEFIT OPEB PLAN – CONTINUED

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>
Deferred Outflows of Resources	
Net Difference between Projected and Actual	
Earnings on OPEB Plan Investments	\$ 29,091
Changes of Assumptions	12,470
Changes in Proportionate Share and	
Differences in Contributions	<u>2,991</u>
Total Deferred Outflows of Resources	<u><u>\$ 44,552</u></u>
 Deferred Inflows of Resources	
Differences between Expected and	
Actual Experience	\$ 6,894
Changes of Assumptions	20,822
Changes in Proportionate Share and	
Differences in Contributions	<u>50</u>
Total Deferred Inflows of Resources	<u><u>\$ 27,766</u></u>

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

Year Ending December 31:	<u>OPERS</u>
2025	\$ 644
2026	3,320
2027	22,643
2028	<u>(9,821)</u>
Total	<u><u>\$ 16,786</u></u>

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
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11. DEFINED BENEFIT OPEB PLAN – CONTINUED

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 OPERS and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
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11. DEFINED BENEFIT OPEB PLAN – CONTINUED

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	<u>100.00%</u>	

Discount Rate A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

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NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
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11. DEFINED BENEFIT OPEB PLAN – CONTINUED

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$ 26,620	\$ (48,438)	\$ (110,614)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$ (50,450)	\$ (48,438)	\$ (46,156)

12. JOINT VENTURE

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

The Authority has entered into a long-term Arena Management Agreement with CAM. The agreement requires the Authority to provide a pre-determined annual funding amount to be used for Arena operational expenses and capital improvements. These funding amounts are scheduled to increase 3.5% per year for the term of the agreement, which expires September 15, 2039. The Authority's obligation to provide these annual funding amounts are contingent upon receiving sufficient proceeds from the City of Columbus and Franklin County based on a percentage of casino receipts. Such amounts are currently and projected to continue to be insufficient to provide the necessary funding to the Authority and thus resulting in the Authority's inability to adequately fund capital improvements and debt service.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

12. JOINT VENTURE - CONTINUED

For calendar year 2024, the Authority's required and actual annual funding amounts were as follows:

Description	Required Funding Amount	Actual Funding Amount
Operational Expenses	\$ 5,755,304	\$ 5,755,304
Land Lease Expense	165,000	165,000
Real Estate Tax Reserve	395,043	395,043
Capital Improvements	9,084,825	1,203,361
Debt Service	3,491,117	-
		<u> </u>
Total Receipts from City and County:		<u><u>\$ 7,518,708</u></u>

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

Operating surpluses in any fiscal year will be allocated (1) to reimburse extraordinary contributions from prior fiscal years; (2) to fund an operating reserve account to the target amount, currently \$6 million; (3) to reimburse priority contributions from prior fiscal years; and (4) to the Authority for the purpose of the advancement and promotion of arena, convention facilities, and sports purposes in the Franklin County, Ohio area. At June 30, 2024 (most recent audited information available), CAM's operating reserve account balance was \$3,452,707. CAM financial statements were audited independently and are available upon request.

13. DISAGGREGATED PAYABLE BALANCES

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

	Convention Center Fund	Hotel Fund	Arena Fund
Accrued Salaries Payable	\$ 39,797	\$ -	\$ -
Accrued Pension and Taxes Payable	23,674	-	-
Accrued Property Taxes Payable	279,699	68,072	586,000
Accrued liabilities and other	<u><u>\$ 343,170</u></u>	<u><u>\$ 68,072</u></u>	<u><u>\$ 586,000</u></u>

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

14. INTERFUND ACTIVITY

During the year, the Authority committed hotel/motel tax related to the Hilton to debt service in the Hotel Fund as well as a significant amount towards the Hilton Hotel Expansion Project. Interfund transfers in the amount of \$2,224,136 and \$4,547,346 from the Convention Center Fund to the Hotel Fund during the calendar year are the result of these commitments, respectively. In addition, the Authority transferred funds in the amount of \$204,316 from the Convention Center Fund to the Arena Fund. This amount represents expenses related to the Arena Fund that the Convention Center Fund does not expect to receive reimbursement.

15. LEASE PAYABLE

On July 16, 2012, the Authority entered into a lease agreement with Norfolk Southern Railway Company (Norfolk) under which the Authority leases land from Norfolk. The initial term of the lease agreement commenced on July 1, 2012 and expired on June 30, 2017. The Authority has the right to renew the lease for five periods of five years each and one final renewal term of ten years. The Authority also has the right to purchase the leased land after the expiration date of the third renewal term, or June 30, 2032, for a total purchase price of \$900,000. As of December 31, 2024, the Authority intends to exercise the purchase option.

The future lease payments were discounted based on the Authority's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. As summary of future principal and interest payments is as follows:

Year	Principal	Interest	Total
2025	\$ 11,357	\$ 26,643	\$ 38,000
2026	11,667	26,333	38,000
2027	14,984	26,016	41,000
2028	15,393	25,607	41,000
2029	15,812	25,188	41,000
2030-2032	909,066	72,934	982,000
	<u>\$ 978,279</u>	<u>\$ 202,721</u>	<u>\$ 1,181,000</u>

16. RISK MANAGEMENT

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

17. CONTINGENCIES

The Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

18. ASSET RETIREMENT OBLIGATIONS

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code (OAC) Section 1301-7-9 and require an Authority classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination.

In accordance with OAC Section 1301-7-9, and applicable accounting standards, the Authority has recognized an asset retirement obligation (ARO) of \$100,000 associated with the Authority’s two underground storage tanks, as estimated by the Authority. The estimated remaining useful life of these USTs ranges from 15 to 42 years. The Authority is not aware of any legally required funding or assurance provisions associated with these ARO’s.

19. CONTRACTUAL COMMITMENTS

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

Vendor	Contract	Contract Amount	Amount Outstanding
Speer Mechanical	South Facility air handlers and installation	\$ 1,767,913	\$ 215,517
SA Communale	North Facility chillers (installation)	2,206,335	341,229
Trane	HVAC Control Upgrades	2,676,610	2,676,610
Kone	South Atrium Elevator Replacement	689,000	482,300
Smoot Construction	Service Corridor/Restroom Upgrades	938,405	466,637
Valley Interior Systems	Door Replacement - Regency Ballroom	155,529	155,529

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

20. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

For the year ended December 31, 2024, the Authority has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the Authority.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2024

20. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES - CONTINUED

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the Authority.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. These changes were incorporated into the Authority's financial statements; however, there was no effect on beginning net position.

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

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability (Asset)										
Traditional Plan	0.005263%	0.005784%	0.005977%	0.005658%	0.005979%	0.006004%	0.006097%	0.005651%	0.005442%	0.006048%
Combined Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.002450%	0.041750%	N/A
Authority's Proportionate Share of the Net Pension Liability (Asset)										
Traditional Plan	\$ 1,377,875	\$ 1,708,596	\$ 520,023	\$ 837,827	\$ 1,181,790	\$ 1,644,374	\$ 956,501	\$ 1,283,246	\$ 942,623	\$ 729,456
Combined Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1,363)	(20,316)	N/A
Authority's Covered Payroll	\$ 947,507	\$ 972,671	\$ 913,814	\$ 873,486	\$ 917,757	\$ 887,229	\$ 876,262	\$ 809,767	\$ 900,158	\$ 743,942
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	145.42%	175.66%	56.91%	95.92%	128.77%	185.34%	109.16%	158.30%	102.46%	98.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)										
Traditional Plan	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%
Combined Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	116.55%	116.90%	N/A

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

See accompanying notes to the required supplementary information.

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

Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 131,349	\$ 132,651	\$ 136,174	\$ 127,934	\$ 122,288	\$ 128,486	\$ 124,212	\$ 113,914	\$ 97,172	\$ 108,019
Contributions in Relation to the Contractually Required Contribution	<u>\$ 131,349</u>	<u>\$ 132,651</u>	<u>\$ 136,174</u>	<u>\$ 127,934</u>	<u>\$ 122,288</u>	<u>\$ 128,486</u>	<u>\$ 124,212</u>	<u>\$ 113,914</u>	<u>\$ 97,172</u>	<u>\$ 108,019</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 938,207	\$ 947,507	\$ 972,671	\$ 913,814	\$ 873,486	\$ 917,757	\$ 887,229	\$ 876,262	\$ 809,767	\$ 900,158
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See accompanying notes to the required supplementary information.

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

Last Eight Years (1)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability (Asset)	0.0053670%	0.0058440%	0.0060520%	0.0057320%	0.0060490%	0.0060920%	0.0061800%	0.0058505%
Authority's Proportionate Share of the Net OPEB Liability (Asset)	\$ (48,438)	\$ 36,848	\$ (189,558)	\$ (102,120)	\$ 835,524	\$ 794,253	\$ 671,102	\$ 590,916
Authority's Covered Payroll	\$ 947,507	\$ 972,671	\$ 913,814	\$ 873,486	\$ 917,757	\$ 887,229	\$ 876,262	\$ 809,767
Authority's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-5.11%	3.79%	-20.74%	-11.69%	91.04%	89.52%	76.59%	72.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

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

Last Ten Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,763	\$ 16,195	\$ 18,003
Contributions in Relation to the Contractually Required Contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,763</u>	<u>\$ 16,195</u>	<u>\$ 18,003</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered Payroll	\$ 938,207	\$ 947,507	\$ 972,671	\$ 913,814	\$ 873,486	\$ 917,757	\$ 887,229	\$ 876,262	\$ 809,767	\$ 900,158
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%

See accompanying notes to the required supplementary information.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY

Notes to the Required Supplementary Information

For the Year Ended December 31, 2024

1. NET PENSION LIABILITY

Changes in Assumptions – OPERS

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

Changes in Benefit Terms – OPERS

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

2. NET OPEB LIABILITY (ASSET)

Changes in Assumptions - OPERS

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<u>Assumption</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Discount Rate	5.70%	5.22%	6.00%	6.00%	3.16%	3.96%
Municipal Bond Rate	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%
Health Care Cost Trend Rate	5.50%	5.50%	5.50%	8.50%	10.50%	10.00%

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

Changes in Benefit Terms – OPERS

For calendar year 2023, the cost of living adjustments increased from 2.20 percent simple to 2.30 percent simple.

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

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

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, and each major fund of the Franklin County Convention Facilities Authority, Franklin County, (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Wilson, Shannon & Son, Inc.

Newark, Ohio
May 9, 2025

OHIO AUDITOR OF STATE KEITH FABER



FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/24/2025

65 East State 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