FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY

FRANKLIN COUNTY

REGULAR AUDIT

JANUARY 1, 2025 – DECEMBER 31, 2025

WILSON, SHANNON & SNOW
INC.
CPAs & ADVISORS

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

Board of Directors
Franklin County Convention Facilities Authority
400 N High Street, #400
Columbus, OH 43215

We have reviewed the *Independent Auditor's Report* of the Franklin County Convention Facilities Authority, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period January 1, 2025 through December 31, 2025. 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

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

July 10, 2026

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FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
FRANKLIN COUNTY

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WILSON, SHANNON & SNOW INC. CPAs & ADVISORS

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, 2025, 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, 2025, 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2026 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 & Snow, Inc.

Newark, Ohio
May 4, 2026

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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, 2025. 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 body corporate and politic in and of the State of Ohio missioned to finance, develop and manage world-class facilities positioning Columbus as a premier destination for conventions and other events while strengthening the region's travel economy. Established by the Franklin County Commissioners in July 1988 under the authorization of Chapter 351 of the Ohio Revised Code, the Authority is an independent governmental entity overseen by an eleven-member board appointed by the Franklin County Commissioners (six members), Mayor of Columbus (three members) and suburban mayors (two members). Since inception, the Authority has developed, expanded, improved and operated several facilities. These facilities include the Greater Columbus Convention Center, the Hilton Columbus Downtown Hotel, and Nationwide Arena as well as the Vine Street, Goodale Street and Ohio Center parking garages. The Authority is committed to financial stewardship, operational excellence and strategic facility development. While a public entity, the Authority operates much like a private enterprise. The Authority is largely self-sustaining.

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.

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		
	2024	2025	Increase (Decrease) over/ (under) 2024
Current and other assets	$ 160,645,435	$ 171,099,252	$ 10,453,817
Capital assets, Net	240,932,831	232,914,533	(8,018,298)
Total assets	401,578,266	404,013,785	2,435,519
Deferred outflows of resources	6,173,670	4,545,735	(1,627,935)
Current liabilities	13,642,993	14,421,274	778,281
Noncurrent liabilities	297,263,622	285,676,304	(11,587,318)
Total liabilities	310,906,615	300,097,578	(10,809,037)
Deferred inflows of resources	87,322,649	84,773,012	(2,549,637)
Net investment in capital assets	(31,153,515)	(29,750,946)	1,402,569
Restricted for debt service	17,896,101	17,651,680	(244,421)
Restricted for capital projects	307,801	85,113	(222,688)
Restricted for other	48,438	116,485	68,047
Unrestricted	22,423,847	35,586,598	13,162,751
Total net position	**$ 9,522,672**	**$ 23,688,930**	**$ 14,166,258**

In the Convention Center Fund, total assets plus deferred outflows of resources exceeded total liabilities plus deferred inflows of resources by $23.7 million (net position) on December 31, 2025. 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. Total net position was also impacted by a reduction in noncurrent liabilities as a portion of principal due on bonds outstanding was paid by the Authority during 2025. A component of net position, negative $29.8 million on December 31, 2025, represents the Authority's investment in capital assets, less the related debt outstanding used to acquire those capital assets. These capital assets are property, facilities, equipment and related items that support the initial construction, as well as the continual expansion and improvement of the convention center and parking facilities. Although the Authority's investment in capital assets is reported net of debt; it is noted that the resources needed to repay the debt associated with the Convention Center are provided annually from collection of hotel occupancy taxes and revenue acquired through the operation of parking facilities, since capital assets themselves cannot be used to liquidate liabilities.

An additional component of Convention Center Fund net position, $17.9 million on December 31, 2025, represents resources that are subject to external restrictions as to how they may be used. These assets are not available for new spending, as the majority of these assets are held in reserve and escrow accounts.

The Convention Center Fund's remaining unrestricted net position of $35.6 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		
	2024	2025	Increase (Decrease) over/ (under) 2024
Current and other assets	$ 66,066,252	$ 77,419,969	$ 11,353,717
Capital assets, Net	341,860,233	332,191,585	(9,668,648)
Total assets	407,926,485	409,611,554	1,685,069
Deferred outflows of resources	17,879,872	16,881,926	(997,946)
Current liabilities	7,687,027	8,214,258	527,231
Noncurrent liabilities	426,492,905	417,499,754	(8,993,151)
Total liabilities	434,179,932	425,714,012	(8,465,920)
Net investment in capital assets	(47,701,299)	(49,929,743)	(2,228,444)
Restricted for debt service	32,897,146	41,939,868	9,042,722
Restricted for capital projects	3,792,677	6,026,145	2,233,468
Restricted for other	2,667,216	2,769,615	102,399
Unrestricted	(29,315)	(26,417)	2,898
Total net position	**$ (8,373,575)**	**$ 779,468**	**$ 9,153,043**

In the Hotel Fund, total assets and deferred outflows of resources exceeded total liabilities by $779,468 at December 31, 2025. 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 was also impacted by a reduction in noncurrent liabilities as a portion of principal due on bonds outstanding was paid by the Authority during 2025. A large amount of net position, negative $49.9 million on December 31, 2025, 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.

An additional component of the Hotel Fund's net position, $41.9 million on December 31, 2025, 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 $2.8 million in restricted funds (other) held in reserve for hotel operations and $6.0 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		
	2024	2025	Increase (Decrease) over/ (under) 2024
Current and other assets	$ 7,069,924	$ 2,047,121	$ (5,022,803)
Capital assets, Net	71,327,510	75,592,839	4,265,329
Total assets	78,397,434	77,639,960	(757,474)
Current liabilities	6,446,646	3,305,528	(3,141,118)
Noncurrent liabilities	54,991,117	54,669,917	(321,200)
Total liabilities	61,437,763	57,975,445	(3,462,318)
Net investment in capital assets	21,740,747	29,468,394	7,727,647
Restricted for capital projects	6,674,881	1,993,227	(4,681,654)
Unrestricted	(11,455,957)	(11,797,106)	(341,149)
Total net position	**$ 16,959,671**	**$ 19,664,515**	**$ 2,704,844**

In the Arena Fund, total assets exceeded total liabilities by $19.7 million on December 31, 2025. The reduction in current year assets as well as current year liabilities reflects the Authority's use of investments for payment of several arena capital improvement projects completed during 2025. Capital assets increased accordingly as well. The increase in capital assets represents the amount in which current year additions, including capital contributions, exceeded current year depreciation. All 2025 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.

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		
	2024	2025	Increase (Decrease) over/ (under) 2024
Operating Revenues			
Leases	$ 2,198,436	$ 2,233,979	$ 35,543
Facility operations	5,794,383	6,358,351	563,968
Miscellaneous	67,042	59,136	(7,906)
Nonoperating Revenues			
Hotel/motel excise tax	30,798,507	31,713,030	914,523
Increase in fair value of investments	683,554	1,182,107	498,553
Intergovernmental revenue	1,750,000	2,394,586	644,586
Other nonoperating revenue	104,650	556,147	451,497
Lease interest	2,377,372	2,375,226	(2,146)
Interest earnings	1,562,853	2,447,623	884,770
Total Revenues	45,336,797	49,320,185	3,983,388
Operating Expenses			
Salary and fringe benefits	1,264,275	1,263,880	(395)
Insurance	902,927	953,112	50,185
Purchased services	2,143,497	2,442,942	299,445
Materials and supplies	250,132	723,544	473,412
Depreciation	16,289,092	16,874,879	585,787
Other	335,241	184,434	(150,807)
Nonoperating Expenses			
Interest expense	10,418,993	10,009,261	(409,732)
Bond issuance costs	942,036	-	(942,036)
Loss on disposal of assets	61,754	120,616	58,862
Total Expenses	32,607,947	32,572,668	(35,279)
Change before Transfers	12,728,850	16,747,517	4,018,667
Transfers (net)	(6,975,798)	(2,581,259)	4,394,539
Change in Net Position	5,753,052	14,166,258	8,413,206
Beginning Net Position	3,769,620	9,522,672	5,753,052
Ending Net Position	**$ 9,522,672**	**$ 23,688,930**	**$ 14,166,258**

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 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 2025, hotel tax collections equaled \$31.7 million; \$915,000 or 3.0 percent above collections realized in 2024.

- 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 Center and the third with Nationwide Realty Investors for property located near the Convention Center. Revenue from these leases in 2025 equaled $2.2 million.

- The management, operation and marketing of the Convention Center is facilitated through the Authority's management agreement with Legends Global (previously known as ASM Global). As part of this management agreement, Legends Global is responsible for the financial activity of the Convention Center. Legends 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.

  2025 was a high performing year for the Convention Center. The center hosted 257 events during the year with over 747,000 visitors to the center. As a result of this activity, the Convention Center ended the year with net operating income of $1.2 million. When net 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 in 2025 from facility operations equaled $6.4 million; an increase of approximately $564,000 above 2024 revenue.

- 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 Legends 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 2025, such revenues were approximately $ 4.5 million.

- 2025 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 2025 as a result of increased investments and interest rates.

- The Authority's Board has established a professionally staffed office led by the executive director to advance the organization's mission. The office is responsible for carrying out activities and functions associated with the management, development and improvement of Authority owned facilities and property. In addition to personnel costs, most operating expenses within the Convention Center Fund are associated with this office and cover the cost of needed services such as legal, public relations, audit, asset management, trustee, risk management, investment and accounting. Insurance is also a major expense of the office. Included in this line item are costs associated with the purchase of property, general liability, umbrella and public official's liability insurances.

- During 2025, 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 will cover the cost of installing a new HVAC control system within the Convention Center. Installation of this new system began in 2025 and will continue into 2026. This grant will be forwarded to the Authority as reimbursement upon completion of the project in 2026. The grant receivable for 2025 is recorded as intergovernmental revenue.

- Beginning in October 2016, the Authority entered into an agreement with Levy Premium Foodservice Limited Partnership to provide food and beverage services for the Convention Center. Included within this agreement is the requirement that a capital reserve fund equal to 3.5 percent of gross sales be established to fund the repair, maintenance and replacement of food/beverage service equipment. Expenses made using resources from the capital reserve fund are recorded as an operating expense unless such purchases are capitalized. Any funds within the capital reserve that are not used during the year remain in the fund and are reserved for future purchases of food/beverage service equipment. The balance within the capital reserve fund on December 31 is $85,113.

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

	Hotel Fund		
	2024	2025	Increase (Decrease) over/ (under) 2024
Operating Revenues			
Facility operations	$ 26,376,125	$ 30,502,799	$ 4,126,674
Miscellaneous	-	3,000	3,000
Nonoperating Revenues			
Increase in fair value of investments	566,901	1,158,624	591,723
Interest earnings	2,011,380	2,565,585	554,205
Intergovernmental revenue	2,326,932	2,312,046	(14,886)
Interest subsidy revenue	2,920,897	-	(2,920,897)
Total Revenues	34,202,235	36,542,054	2,339,819
Operating Expenses			
Purchased services	1,498,699	1,601,989	103,290
Materials and supplies	535	346,649	346,114
Depreciation	10,501,493	10,598,760	97,267
Other	68,072	68,324	252
Nonoperating Expenses			
Interest expense	19,131,401	17,572,460	(1,558,941)
Bond issuance costs	1,058,120	-	(1,058,120)
Loss on disposal of assets	17,802	-	(17,802)
Total Expenses	32,276,122	30,188,182	(2,087,940)
Change before Transfers	1,926,113	6,353,872	4,427,759
Transfers in	6,771,482	2,799,171	(3,972,311)
Change in Net Position	8,697,595	9,153,043	455,448
Beginning Net Position	(17,071,170)	(8,373,575)	8,697,595
Ending Net Position	**$ (8,373,575)**	**$ 779,468**	**$ 9,153,043**

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.

- 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 2025 were positive as leisure travel and group business continued to drive performance. In 2025, total Hotel occupancy exceeded 67.0 percent, and average daily rate was the highest in the hotel's competitive set. As a result, net operating income from the hotel in 2025 when combined with the Hilton Hotel's occupancy tax revenue, did exceed debt service obligations for the year.

- 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 was the last year for such subsidy payments as 2010 bonds were fully redeemed in 2024.

- Hotel tax revenue generated from the operation of the Hilton Hotel equaled approximately $4.7 million in 2025. 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 2025 and is recorded as intergovernmental revenue. The Authority's occupancy tax received from the operation of the Hilton Hotel equaled approximately $2.4 million in 2025 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 percentage of gross revenues from hotel operations is deposited into this fund. In 2025, 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. On December 31st, the balance within the Hilton Hotel's FF&E reserve fund was $6.0 million.

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

	Arena Fund		
	2024	2025	Increase (Decrease) over/ (under) 2024
Nonoperating Revenues			
Interest earnings	$ 356,637	$ 256,329	$ (100,308)
Capital contributions	5,138,132	3,007,148	(2,130,984)
Intergovernmental revenue	11,548,554	11,472,200	(76,354)
Total Revenues	17,043,323	14,735,677	(2,307,646)
Operating Expenses			
Purchased services	5,755,304	5,956,740	201,436
Materials and supplies	-	-	-
Depreciation	4,526,341	5,105,181	578,840
Other	751,000	751,000	-
Nonoperating Expenses			
Loss on disposal of capital assets	10,408	-	(10,408)
Total Expenses	11,043,053	11,812,921	769,868
Change before Transfers	6,000,270	2,922,756	(3,077,514)
Transfers in/out	204,316	(217,912)	(422,228)
Change in Net Position	6,204,586	2,704,844	(3,499,742)
Beginning Net Position	10,755,085	16,959,671	6,204,586
Ending Net Position	**$ 16,959,671**	**$ 19,664,515**	**$ 2,704,844**

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.)

- The Columbus Blue Jackets agreed to make Nationwide Arena their home until September 15, 2039. Should the Columbus Blue Jackets breech this home ice covenant, they are liable for liquidated damages. When not in use by the Columbus Blue Jackets, the Arena is available for concerts, family shows, conventions and other events.

- The Arena is managed by Columbus Arena Management LLC or CAM. CAM consists of representatives from the Authority, Columbus Blue Jackets, OSU and Nationwide. CAM approves the operating and capital budgets for the facility. The Authority administers the capital improvements program. OSU provides day-to-day management services for the Arena.

- Beginning in 2013, the city and county began paying the Authority a percentage of casino tax collections as lease/sublease payment for the Arena. This payment covers operating, capital and debt service expenses associated with the Arena. The financial statements classify this as intergovernmental revenue.

- Casino tax revenue is first used to pay for operating, land lease, real estate taxes and capital expenses associated with the Arena (such payments were pre-determined as part of the transaction process). Only if casino revenues exceed operating, land lease, real estate tax and capital expenses will revenues be used to cover debt service obligations in any given year. 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.

- 2025 was the thirteenth 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 $7.8 million. Of total revenue received, $6.0 million in casino tax revenue was transferred to CAM for Arena operations, $165,000 was transferred to the Authority for the land lease payment, $409,000 was set aside in a reserve for payment of real estate tax obligations and $1.3 million was deposited into the capital improvements fund for future arena capital improvement projects. Distribution of revenues was consistent with 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.

- 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, all of the allowable $5.0 million of the loan has been forgiven by the State.

  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 offset outstanding principal due on the loan. As of year-end 2025, the Authority has approximately $3.2 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 2025, the hotel residuals fund had a balance of approximately $2.2 million.

- Effective July 1, 2019, the City of Columbus imposed a 5.0 percent tax on ticketed admission to any venue in the city, to include Nationwide Arena and the Convention Center. Revenue generated from this admissions tax is used to support the arts community. Regarding Nationwide Arena, revenue generated through the admission tax on events held within the Arena 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 tax revenue and distributes such collections to the Authority whereby such revenue is deposited into the Arena's capital improvements fund. During 2025, the Authority received approximately $3.3 million in admission tax revenue from the City of Columbus.

In December 2025, the City of Columbus approved a 2.0 percent increase to Nationwide Arena's tax on ticketed admissions. The 2.0 percent increase will be added to arena admissions beginning in July 2026. All revenue collected from this tax increase will be distributed back to the arena for investment in arena capital improvements.

- Because casino tax revenues and admission tax revenues in 2025 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 are recorded as a capital contribution.

CAPITAL ASSETS

At the end of fiscal year 2025, the Authority had $640.7 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 $13.2 million in 2025. This decrease represents the amount in which the current year's depreciation of $32.6 million and disposals of approximately $121,000 exceeded current year's addition to capital assets of $19.3 million. See Note 5 for additional information regarding capital assets.

DEBT ADMINISTRATION

At December 31, 2025, the Authority had $772.7 million in bonds and related long term liabilities outstanding; of which $240.3 million are bonds associated with the Convention Center, $424.1 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 $54.7 million are bonds from the Arena transaction.

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

Annual debt service for the Hilton Hotel is met through income received from the operation of the Hilton Hotel as well as from hotel taxes generated through the operation of the Hilton Hotel 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. Debt reserve balances, as valued on a cash basis, totaled approximately $112.6 million on December 31, 2025.

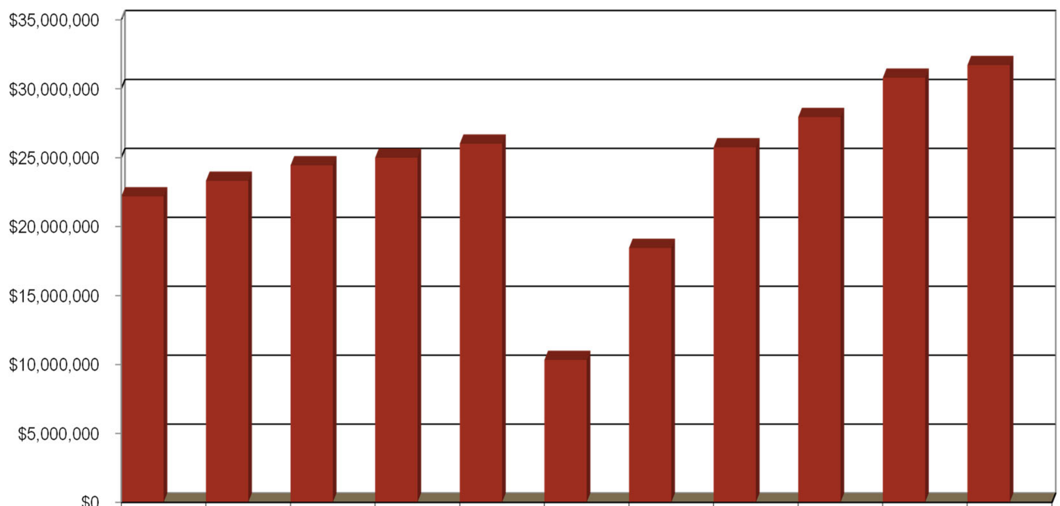
Total debt for the Convention Center Fund decreased by $8.5 million during 2025. This decrease was primarily due to the payment of principal in 2025. Total debt for the Hotel Fund decreased by $8.4 million during 2025. This decrease was primarily due to the payment of principal in 2025. Total debt for the Arena Fund decreased by $321,200 due to advertising credit applied to the State of Ohio loan during 2025. See Note 6 for additional information regarding debt administration.

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 past decade for hotel/industry growth was a tumultuous one. The period started with a stable hotel market that was experiencing significant growth. Between the years 2015 and 2019, hotel tax growth averaged 5.2 percent a year. Unfortunately, growth in hotel tax collections altered drastically in 2020 with the on-set of COVID-19 and related restrictions on group gatherings and travel as individuals locally as well as world-wide tried to manage through the pandemic. In 2020, hotel tax revenue (on an accrual basis) dropped by 60.3 percent below 2019 revenue levels. During 2020, tax revenues were only $10.3 million; almost equal to revenue levels experienced in 1997. Luckly, 2021, 2022 and 2023 proved better years for hotel tax revenues as the hotel market began to recover from 2020. While hotel tax revenues in 2021 were almost 79.0 percent above tax revenues in 2020; tax revenues were still 13.8 percent below 2019 levels. In 2022, industry growth continued as tax collections improved by approximately 39.6 percent. In 2023, tax collection revenues grew by 8.5 percent, finally surpassed 2019 collection levels. Strong hotel tax revenue growth continued in 2024 and was sustained in 2025. Overall, hotel occupancy in 2025 averaged 64.3 percent within the Columbus market, a 2.1 percent improvement over prior year. Average daily rate was up 3.4 percent when compared to 2024. Supply remains on par with prior year.

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



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Taxes ($)	22,190,146	23,317,996	24,441,477	24,998,762	26,013,712	10,328,043	18,451,848	25,750,222	27,941,686	30,798,507	31,713,030
% Change	9.83	5.08	4.82	2.28	4.06	-60.30	78.66	39.55	8.51	10.22	2.97

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, 2025

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 944,805	$ -	$ -	$ 944,805
Investments	22,420,733	-	-	22,420,733
Restricted assets:				
Investments	806,143	1,534,517	2,047,121	4,387,781
Hotel/motel excise tax receivable	2,993,274	-	-	2,993,274
Lease receivable	119,665	-	-	119,665
Interest receivable	262,556	314,986	-	577,542
Operations receivable	2,774,266	1,326,664	-	4,100,930
Intergovernmental receivable	2,394,586	-	-	2,394,586
Prepaid items	222,329	-	-	222,329
Lease interest receivable	2,466,596	-	-	2,466,596
Total current assets	35,404,953	3,176,167	2,047,121	40,628,241
Noncurrent Assets:				
Restricted cash	85,113	8,422,271	-	8,507,384
Restricted investments	48,308,871	65,821,531	-	114,130,402
Lease receivable	87,183,830	-	-	87,183,830
Capital Assets:				
Nondepreciable capital assets	39,481,712	1,488,310	2,201,449	43,171,471
Depreciable capital assets, net	193,432,821	330,703,275	73,391,390	597,527,486
Total capital assets	232,914,533	332,191,585	75,592,839	640,698,957
Net OPEB asset	116,485	-	-	116,485
Total noncurrent assets	368,608,832	406,435,387	75,592,839	850,637,058
Total assets	404,013,785	409,611,554	77,639,960	891,265,299
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized deferred amount on refunding	4,186,421	16,881,926	-	21,068,347
Pension	298,031	-	-	298,031
OPEB	6,283	-	-	6,283
Asset retirement obligation	55,000	-	-	55,000
Total deferred outflows of resources	4,545,735	16,881,926	-	21,427,661
LIABILITIES				
Current Liabilities:				
Accounts payable	2,108,076	26,417	2,719,528	4,854,021
Retainage payable	500,437	-	-	500,437
Accrued liabilities and other	264,373	68,324	586,000	918,697
Lease interest payable	13,078	-	-	13,078
Bond interest payable	806,143	1,534,517	-	2,340,660
Lease payable	11,667	-	-	11,667
Bonds payable	10,717,500	6,585,000	-	17,302,500
Total current liabilities	14,421,274	8,214,258	3,305,528	25,941,060
Noncurrent liabilities:				
Compensated absences payable	231,182	-	-	231,182
Lease payable	955,255	-	-	955,255
Bonds payable, net	283,233,224	417,499,754	54,669,917	755,402,895
Net pension liability	1,156,643	-	-	1,156,643
Asset Retirement Obligation	100,000	-	-	100,000
Total noncurrent liabilities	285,676,304	417,499,754	54,669,917	757,845,975
Total liabilities	300,097,578	425,714,012	57,975,445	783,787,035
DEFERRED INFLOWS OF RESOURCES				
Unamortized up-front service concession payment	600,000	-	-	600,000
Unamortized deferred amount on refunding	3,757,699	-	-	3,757,699
Pension	85,166	-	-	85,166
OPEB	22,477	-	-	22,477
Leases	80,307,670	-	-	80,307,670
Total deferred inflows of resources	84,773,012	-	-	84,773,012
NET POSITION				
Net investment in capital assets	(29,750,946)	(49,929,743)	29,468,394	(50,212,295)
Restricted for debt service	17,651,680	41,939,868	-	59,591,548
Restricted for capital projects	85,113	6,026,145	1,993,227	8,104,485
Restricted for other	116,485	2,769,615	-	2,886,100
Unrestricted	35,586,598	(26,417)	(11,797,106)	23,763,075
Total net position	$ 23,688,930	$ 779,468	$ 19,664,515	$ 44,132,913

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, 2025

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
OPERATING REVENUES				
Facility operations	$ 6,358,351	$ 30,502,799	$ -	$ 36,861,150
Leases	2,233,979	-	-	2,233,979
Miscellaneous	59,136	3,000	-	62,136
Total operating revenues	8,651,466	30,505,799	-	39,157,265
OPERATING EXPENSES				
Salaries and fringe benefits	1,263,880	-	-	1,263,880
Insurances	953,112	-	-	953,112
Purchased services	2,442,942	1,601,989	5,956,740	10,001,671
Materials and supplies	723,544	346,649	-	1,070,193
Other	184,434	68,324	751,000	1,003,758
Depreciation	16,874,879	10,598,760	5,105,181	32,578,820
Total operating expenses	22,442,791	12,615,722	11,812,921	46,871,434
Operating income/(loss) before nonoperating revenues and expenses	(13,791,325)	17,890,077	(11,812,921)	(7,714,169)
NONOPERATING REVENUES (EXPENSES)				
Hotel/motel excise tax	31,713,030	-	-	31,713,030
Increase in fair value of investments	1,182,107	1,158,624	-	2,340,731
Interest earnings	2,447,623	2,565,585	256,329	5,269,537
Interest expense	(10,009,261)	(17,572,460)	-	(27,581,721)
Lease interest	2,375,226	-	-	2,375,226
Other nonoperating revenue	556,147	-	-	556,147
Intergovernmental revenue	2,394,586	2,312,046	11,472,200	16,178,832
Loss on disposal of assets	(120,616)	-	-	(120,616)
Total nonoperating revenues (expenses)	30,538,842	(11,536,205)	11,728,529	30,731,166
Income/(Loss) before capital contributions and transfers	16,747,517	6,353,872	(84,392)	23,016,997
Capital contributions	-	-	3,007,148	3,007,148
Transfers in	217,912	2,799,171	-	3,017,083
Transfers out	(2,799,171)	-	(217,912)	(3,017,083)
Change in net position	14,166,258	9,153,043	2,704,844	26,024,145
Total net position - beginning	9,522,672	(8,373,575)	16,959,671	18,108,768
Total net position - ending	$ 23,688,930	$ 779,468	$ 19,664,515	$ 44,132,913

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds			
	Convention Center	Hotel	Arena	Total
Cash Flows from Operating Activities				
Receipts from services	$ 5,042,464	$ 30,489,461	$ -	$ 35,531,925
Receipts from leases	472,562	-	-	472,562
Payments for professional services and operations	(4,350,418)	(1,991,539)	(7,025,025)	(13,366,982)
Payments to employees for services	(940,831)	-	-	(940,831)
Payments for retirement	(241,098)	-	-	(241,098)
Receipts from other	59,047	-	317,285	376,332
Net cash provided by (used in) operating activities	41,726	28,497,922	(6,707,740)	21,831,908
Cash Flows from NonCapital Financing Activities				
Hotel/motel excise taxes received	32,866,252	-	-	32,866,252
Intergovernmental	775,000	2,312,046	13,151,000	16,238,046
Lease interest received	2,353,846	-	-	2,353,846
Transfers in (out)	(2,556,192)	2,774,104	(217,912)	-
Net cash provided by noncapital financing activities	33,438,906	5,086,150	12,933,088	51,458,144
Cash Flows from Capital and related Financing Activities				
Purchases of capital assets	(10,682,141)	(930,112)	(11,504,479)	(23,116,732)
Receipts from other	556,147	-	-	556,147
Payments for lease interest	(26,743)	-	-	(26,743)
Cash paid on bond principal	(7,860,000)	(6,030,000)	-	(13,890,000)
Cash paid on bond interest and fiscal charges	(10,377,948)	(19,007,790)	-	(29,385,738)
Net cash used in capital and related financing activities	(28,390,685)	(25,967,902)	(11,504,479)	(65,863,066)
Cash Flows from Investing Activities				
Interest received from investments	2,419,849	2,542,244	256,329	5,218,422
Investment sales	120,748,562	100,777,170	22,425,448	243,951,180
Investment purchases	(127,856,442)	(108,706,352)	(17,402,646)	(253,965,440)
Net cash provided by (used in) investing activities	(4,688,031)	(5,386,938)	5,279,131	(4,795,838)
Net increase in cash and cash equivalents	401,916	2,229,232	-	2,631,148
Cash- January 1	628,002	6,193,039	-	6,821,041
Cash- December 31	$ 1,029,918	$ 8,422,271	$ -	$ 9,452,189

See accompanying notes to the basic financial statements.

FRANKLIN COUNTY CONVENTION FACILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	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)	$ (13,791,325)	$ 17,890,077	$ (11,812,921)	$ (7,714,169)
Adjustments to reconcile operating income/(loss) to net cash provided by (used in) operating activities:				
Depreciation	16,874,879	10,598,760	5,105,181	32,578,820
Decrease in lease receivable	52,173	-	-	52,173
Increase in operations receivable	(1,315,888)	(13,338)	-	(1,329,226)
Increase in prepaid items	(11,634)	-	-	(11,634)
Decrease in net OPEB asset and net pension/OPEB related deferred outflows	104,174	-	-	104,174
Decrease in ARO-related deferred outflows	2,000	-	-	2,000
Increase in accounts payable	215,749	22,171	-	237,920
Decrease in lease payable	(11,357)	-	-	(11,357)
Increase (decrease) in accrued liabilities and other	(54,633)	252	-	(54,381)
Decrease in lease-related deferred inflows	(1,813,590)	-	-	(1,813,590)
Decrease in net pension/OPEB liability and related deferred inflows	(208,822)	-	-	(208,822)
Total adjustments	13,833,051	10,607,845	5,105,181	29,546,077
Net cash provided by (used in) operating activities	$ 41,726	$ 28,497,922	$ (6,707,740)	$ 21,831,908
Noncash financing activities:				
Net amortization related to the capital debt	$ 144,176	$ (1,410,204)	$ -	$ (1,266,028)

Schedule of noncash transactions:

Convention Center Fund:

At the end of calendar year 2024, the Authority had capital-related payables totaling $3,794,619 and at the end of calendar year 2025, the Authority had capital-related payables totaling $2,089,575.

Hotel Fund:

At the end of calendar year 2024, the Authority had capital-related payables totaling $25,067 and at the end of calendar year 2025, the Authority had capital-related payables totaling $0.

Arena Fund:

At the end of calendar year 2024, the Authority had capital-related payables totaling $5,860,646 and at the end of calendar year 2025, the Authority had capital-related payables totaling $2,719,528.

During the year, the arena operator contributed capital assets to the Authority totaling $1,007,148.

During the year, the Authority provided advertising services to the State of Ohio. In accordance with the State Loan Agreement, the Authority's principal balance was reduced by $321,200.

See accompanying notes to the basic financial statements.

1. DESCRIPTION OF ENTITY

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

The Authority's principal operating revenues consist of 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 calendar year 2025, the Authority invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No. 79, "*Certain External Investment Pools and Pool Participants*." The Authority measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

For calendar year 2025, 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 assets 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.

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 assets 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.

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, 2025, the carrying amount of the Authority's deposits was $986,299, and the bank balance was $1,546,477. Of the bank balance, $541,494 was covered by Federal Deposit Insurance, and the remaining balance was uninsured and collateralized.

3. DEPOSITS AND INVESTMENTS - CONTINUED

In addition, the Authority had $2,396,135 and $6,026,136 on deposit with the Hilton Hotel operator for operating reserves and furniture, fixtures and equipment reserves, respectively, and $85,113 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;

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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3. DEPOSITS AND INVESTMENTS – CONTINUED

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

	Amount	Credit Rating	Percent	Maturity in Years <1	1-3	>3
Convention Center Fund:						
STAR Ohio	$ 29,562,410	AAAm	41.34%	$ 29,562,410	$ -	$ -
Money Market Funds - Dreyfus	50,077	AAAm	0.07%	50,077	-	-
Money Market Funds - Other	400,226	NR	0.56%	400,226	-	-
U.S. Treasuries	34,846,432	AAA	48.73%	6,322,880	17,145,255	11,378,297
Federal Agency Securities	6,642,973	AA	9.30%	2,780,811	3,493,796	368,366
	71,502,118		100%	39,116,404	20,639,051	11,746,663
Hotel Fund:						
STAR Ohio	22,092,090	AAAm	32.80%	22,092,090	-	-
Money Market Fund - Dreyfus	1,024,090	AAAm	1.52%	1,024,090	-	-
Money Market Funds - Other	1,757,426	NR	2.61%	1,757,426	-	-
Negotiable Certificates of Deposit	147,524	NR	0.22%	-	147,524	-
U.S. Treasuries	31,479,312	AAA	46.74%	4,418,077	10,594,824	16,466,411
Federal Agency Securities	10,847,741	AA	16.11%	3,754,101	5,913,469	1,180,171
	67,348,183		100%	33,045,784	16,655,817	17,646,582
Arena Fund:						
STAR Ohio	2,047,121	AAAm	100%	2,047,121	-	-
	2,047,121			2,047,121	-	-
Totals	$ 140,897,422			$ 74,209,309	$ 37,294,868	$ 29,393,245

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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	$ 978,434	$ 7,865	$ -
On Deposit with Operators	85,113	8,422,271	-
Investments	71,502,118	67,348,183	2,047,121
Totals	$ 72,565,665	$ 75,778,319	$ 2,047,121
Per Statement of Net Position:			
Cash and Cash Equivalents	$ 944,805	$ -	$ -
Investments	22,420,733	-	-
Restricted Cash	85,113	8,422,271	-
Restricted Investments	49,115,014	67,356,048	2,047,121
Totals	$ 72,565,665	$ 75,778,319	$ 2,047,121

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, 2025, is 28 days.

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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 (March 2028), 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 $255,389.

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 $87,303,495 at December 31, 2025. Of this amount, $255,389 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 2025, the Authority reported lease revenue of $2,233,979 and lease interest revenue of $2,375,226.

A summary of discounted future lease receipts is as follows:

Year	Principal	Interest	Total
2026	$ 119,665	$ 2,390,649	$ 2,510,314
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	310,635	2,351,998	2,662,633
2031-2035	2,286,614	11,607,479	13,894,093
2036-2040	3,835,244	11,216,238	15,051,482
2041-2045	5,741,985	10,594,117	16,336,102
2046-2050	8,045,711	9,691,425	17,737,136
2051-2055	9,994,903	8,497,304	18,492,207
2056-2060	13,074,459	6,982,116	20,056,575
2061-2065	16,871,865	5,002,168	21,874,033
2066-2070	21,389,056	2,467,127	23,856,183
2071	4,891,410	133,213	5,024,623
	$ 87,048,106	$ 78,183,483	$ 165,231,589

5. CAPITAL ASSETS

Capital Asset activity for the year ended December 31, 2025 is as follows:

Convention Center Fund	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 32,556,992	$ -	$ -	$ 32,556,992
Intangible right-to-use land	1,024,245	-	-	1,024,245
Works of Art	753,567	7,500	-	761,067
Construction in progress	6,348,308	7,593,000	(8,801,900)	5,139,408
Total capital assets, not being depreciated	40,683,112	7,600,500	(8,801,900)	39,481,712
Capital assets, being depreciated:				
Buildings & improvements	445,538,408	9,103,720	(8,917,852)	445,724,276
Improvements other than buildings	14,707,562	60,975	(353,404)	14,415,133
Major building equipment	7,147,215	-	-	7,147,215
Parking lot	1,144,557	-	-	1,144,557
Equipment & furnishings	8,630,031	1,013,902	(168,072)	9,475,861
Total capital assets, being depreciated	477,167,773	10,178,597	(9,439,328)	477,907,042
Less accumulated depreciation for:				
Buildings & improvements	(255,365,643)	(15,541,370)	8,834,306	(262,072,707)
Improvements other than buildings	(6,257,724)	(724,110)	332,774	(6,649,060)
Major building equipment	(7,147,215)	-	-	(7,147,215)
Parking lot	(1,001,486)	(28,616)	-	(1,030,102)
Equipment & furnishings	(7,145,986)	(580,783)	151,632	(7,575,137)
Total accumulated depreciation	(276,918,054)	(16,874,879)	9,318,712	(284,474,221)
Total capital assets, being depreciated,net	200,249,719	(6,696,282)	(120,616)	193,432,821
Total capital assets, net	$ 240,932,831	$ 904,218	$ (8,922,516)	$ 232,914,533

Hotel Fund	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 300,513	$ -	$ -	$ 300,513
Works of Art	715,500	-	-	715,500
Construction in progress	13,226	587,715	(128,644)	472,297
Total capital assets, not being depreciated	1,029,239	587,715	(128,644)	1,488,310
Capital assets, being depreciated:				
Buildings & improvements	406,270,624	411,403	-	406,682,027
Equipment & furnishings	2,169,295	59,638	-	2,228,933
Total capital assets, being depreciated	408,439,919	471,041	-	408,910,960
Less accumulated depreciation for:				
Buildings & improvements	(66,179,746)	(10,400,502)	-	(76,580,248)
Equipment & furnishings	(1,429,179)	(198,258)	-	(1,627,437)
Total accumulated depreciation	(67,608,925)	(10,598,760)	-	(78,207,685)
Total capital assets, being depreciated,net	340,830,994	(10,127,719)	-	330,703,275
Total capital assets, net	$ 341,860,233	$ (9,540,004)	$ (128,644)	$ 332,191,585

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	2,970,424	8,632,098	(9,401,073)	2,201,449
Total capital assets, not being depreciated	2,970,424	8,632,098	(9,401,073)	2,201,449
Capital assets, being depreciated:				
Buildings & improvements	86,756,057	9,283,319	-	96,039,376
Equipment & furnishings	11,523,702	856,166	(190,220)	12,189,648
Total capital assets, being depreciated	98,279,759	10,139,485	(190,220)	108,229,024
Less accumulated depreciation for:				
Buildings & improvements	(21,682,976)	(4,449,763)	-	(26,132,739)
Equipment & furnishings	(8,239,697)	(655,418)	190,220	(8,704,895)
Total accumulated depreciation	(29,922,673)	(5,105,181)	190,220	(34,837,634)
Total capital assets, being depreciated,net	68,357,086	5,034,304	-	73,391,390
Total capital assets, net	$ 71,327,510	$ 13,666,402	$ (9,401,073)	$ 75,592,839

6. LONG TERM OBLIGATIONS

Convention Center Fund bonds outstanding at December 31, 2025 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	$ 2,622,500
Series 2014 Parking Garage	15,000,000	-	-	15,000,000	-
Series 2015 Refunding	22,725,000	-	(7,355,000)	15,370,000	7,575,000
Series 2017 Refunding	1,430,000	-	(480,000)	950,000	485,000
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	-	(25,000)	6,675,000	35,000
Series 2020B Refunding	141,785,000	-	-	141,785,000	-
Series 2024 Refunding	65,465,000	-	-	65,465,000	-
Total Convention Center Bonds	291,738,000	-	(7,860,000)	283,878,000	10,717,500
Plus: Unamortized Premiums	10,733,807	-	(661,083)	10,072,724	-
Total Convention Center Fund	$ 302,471,807	$ -	$ (8,521,083)	$ 293,950,724	$ 10,717,500

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%.

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 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.

6. LONG TERM OBLIGATIONS – CONTINUED

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.

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.

6. LONG TERM OBLIGATIONS – CONTINUED

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.

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.

6. LONG TERM OBLIGATIONS – CONTINUED

Hotel Fund bonds outstanding at December 31, 2025 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Hotel Fund					
Series 2019					
Hotel Revenue Bonds	$ 151,815,000	$ -	$ (1,065,000)	$ 150,750,000	$ 1,280,000
Lease Appropriation Bonds	91,765,000	-	(1,720,000)	90,045,000	1,805,000
Series 2024 Refunding Bonds	133,355,000	-	(3,245,000)	130,110,000	3,500,000
Total Hotel Bonds	376,935,000	-	(6,030,000)	370,905,000	6,585,000
Unamortized Premiums	55,587,905	-	(2,408,151)	53,179,754	-
Total Hotel Fund	$ 432,522,905	$ -	$ (8,438,151)	$ 424,084,754	$ 6,585,000

Series 2010

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

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%.

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%.

6. LONG TERM OBLIGATIONS – CONTINUED

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, 2025 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Arena Fund					
First Lien Lease Revenue Bonds	$ 3,491,117	$ -	$ (321,200)	$ 3,169,917	$ -
Series 2020 Refunding Bonds	51,500,000	-	-	51,500,000	-
Total Arena Fund	$ 54,991,117	$ -	$ (321,200)	$ 54,669,917	$ -

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.

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.

6. LONG TERM OBLIGATIONS – CONTINUED

On January 30, 2018, the Authority amended the first lien arena lease revenue bonds agreement, dated March 28, 2012, with the Ohio 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 $321,200 for in-kind advertising.

2012 Second Lien Arena Lease Revenue Bonds

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

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

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

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

6. LONG TERM OBLIGATIONS – CONTINUED

Bond Principal and Interest Payments

Bonds mature on December 1. Interest on the term and serial bonds is payable semiannually on June 1 and December 1. Interest has been accrued on all bonds through December 31, 2025. 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
2026	$ 10,717,500	$ 9,673,712	$ 6,585,000	$ 18,414,200	$ 316,992	$ -
2027	14,295,000	9,368,680	7,140,000	18,084,950	316,992	-
2028	3,785,000	8,903,251	7,725,000	17,727,950	316,992	-
2029	18,995,000	8,785,626	8,340,000	17,341,700	51,816,992	-
2030	16,870,000	6,597,548	8,985,000	16,924,700	316,992	-
2031-2035	109,598,500	28,675,798	57,810,000	77,173,000	1,584,957	-
2036-2040	79,018,500	11,074,697	86,430,000	59,927,400	-	-
2041-2045	23,793,500	2,976,398	86,975,000	37,023,500	-	-
2046-2050	6,805,000	260,437	81,980,000	17,429,500	-	-
2051	-	-	18,935,000	946,750	-	-
	$ 283,878,000	$ 86,316,145	$ 370,905,000	$ 280,993,650	$ 54,669,917	$ -

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, 2025, the amount of defeased debt outstanding was $6,615,000 and the irrevocable trust account balance was $6,406,568.

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.

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 Authority 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 Authority 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 the terms of the 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 2025, casino tax deposits of $1.3 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 and distributes the Arena's share 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 2025, admissions tax deposits of $3.3 million were made to the Arena capital improvements account.

At year-end, the balance in the Arena capital improvements account was $2.0 million. The entire balance is reported as Restricted Investments in the Statement of Net Position.

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	$ 11,302,975	$ 11,302,975	$ 9,363,588	$ 9,363,588
Debt Service Reserve Fund	23,721,211	24,630,816	15,181,500	15,891,561
Consolidated Bond Fund	-	-	25,000,000	29,545,170
Rental Reserve Fund	11,860,606	12,365,613	8,000,000	8,362,331
Operating Reserve Fund	-	-	2,400,000	2,396,135
FF&E Reserve Fund	85,113	85,113	6,026,136	6,026,136
Ground Lease Rents Fund	-	-	1,000,000	1,182,929
Hotel Residuals Fund	-	-	2,222,938	2,222,938
Total	$ 46,969,905	$ 48,384,517	$ 69,194,162	$ 74,990,788

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 Legends Global Columbus, LLC (Legends, formerly ASM Global Columbus). 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 (now Legends) and exercised two of the three two-year renewal terms. As such, the renewal term began on January 1, 2022 and continues through December 31, 2026.

As part of this agreement Legends is responsible for the financial activity of the Convention Center. Legends 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, Legends 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 Legends for providing services, the Authority shall pay Legends 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.

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 Legends satisfies all the minimum performance criteria described within the agreement, Legends 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 Legends 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 Legends 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, Legends paid the Authority $4.5 million and the receivable amount at year-end was $2.8 million. Legends' base fees during the calendar year were $423,233 and incentive fees were $448,560.

In addition to the Authority's agreement with Legends, 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.

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.

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 2025, the Authority contributed approximately $6.0 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 year were as follows:

	Beginning Balance	Net Change	Ending Balance	Due Within One Year
Calendar Year 2025	$ 207,018	$ 24,164	$ 231,182	$ -

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.

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 two separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan, and the member-directed plan is a defined contribution plan.

The traditional pension plan also includes members of the legacy combined plan, a hybrid defined benefit/defined contribution plan referred to as the combined plan division of the traditional pension plan throughout this disclosure. Prior to January 1, 2024, the combined plan was a separate pension plan. Effective January 1, 2022, the combined plan was no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allowed for the consolidation of the combined plan into the traditional pension plan. The combined plan was consolidated into the traditional pension plan effective January 1, 2024, and is tracked as a separate division within the traditional pension plan. No changes were made to the benefit design features of the combined plan as part of this consolidation so that members in this plan will experience no changes. Throughout this disclosure, references to the traditional pension plan are inclusive of the combined plan division, unless otherwise noted.

Members of the combined plan division earn a formula benefit similar to, but at a factor less than, the traditional pension plan benefit. This defined benefit is funded by employer contributions and associated investment earnings. Additionally, combined plan division member contributions are deposited into a defined contribution account in which the member self-directs the investment. Upon retirement or termination, the member may choose a defined contribution retirement distribution that is equal in amount to the member's contributions to the plan and investment gains or losses on those contributions. Members in this division may also elect to annuitize their defined contribution account balances.

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):

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 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 Pension Plan Formula: (Excluding Combined Plan Division) 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 Pension Plan Formula: (Excluding Combined Plan Division)** 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 Pension Plan Formula: (Excluding Combined Plan Division)** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Traditional pension plan state and local members (excluding the combined plan division) 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.

Combined plan division members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit.

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 traditional pension plan 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. Members retiring under the combined plan division receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. 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.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan division members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan division consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan division members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year.

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	Traditional Pension Plan State and Local Divisions	
	Excluding Combined Plan Division	Combined Plan Division
2025 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %
2025 Actual Contribution Rates		
Employer:		
Pension	14.0 %	12.0 %
Post-employment Health Care Benefits	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. For 2025, the Authority’s contractually required contribution was $139,454. Of this amount, $20,460 is reported as accrued liabilities and other.

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, 2024, 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:

		OPERS
Proportion of the Net Pension Liability:		
Current Measurement Period		0.004718%
Prior Measurement Period		0.005263%
Change in Proportion		-0.000545%
Proportionate Share of the Net Pension Liability	$	1,156,643
Pension Expense	$	69,873

Effective January 1, 2024, the combined plan was consolidated with the traditional plan. The proportionate share percentage for the prior period reflects the Authority's share of contributions to the traditional plan only. The current year proportionate share reflects the consolidated traditional plan inclusive of the combined plan.

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.

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	$ 136,446
Differences between Expected and Actual Experience	22,131
Authority Contributions Subsequent to the Measurement Date	139,454
Total Deferred Outflows of Resources	$ 298,031
Deferred Inflows of Resources	
Changes in Proportionate Share and Differences in Contributions	$ 85,166
Total Deferred Inflows of Resources	$ 85,166

$139,454 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, 2026. 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
2026	$ 16,575
2027	126,627
2028	(52,647)
2029	(17,144)
Total	$ 73,411

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:

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

	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)	2.9 percent, simple for calendar year 2025 then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

For the prior year, the actuarial assumptions for the Combined Legacy Plan included future salary increases (including inflation) of 2.75 percent to 8.25 percent, including wage inflation.

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 2024, 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 8.8 percent for 2024.

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, 2024, these best estimates are summarized below:

10. DEFINED BENEFIT PENSION PLAN - CONTINUED

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.42%
Domestic Equities	21.00	5.70
Real Estate	13.00	4.17
Private Equity	15.00	8.40
International Equities	20.00	6.10
Risk Parity	2.00	4.40
Other investments	5.00	2.54
Total	100.00%	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

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.

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	$ 1,892,201	$ 1,156,643	$ 545,401

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 two separate pension plans: the traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan and the member-directed plan is a 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), which was established in 2014 to fund health care for the Traditional Pension and Member-Directed plans. 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.

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 enrolled in the Traditional Pension Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

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.

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

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 heath care service credit and at least age 52; or

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

Retirees who do not 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 on or prior to December 1, 2014, with at least 10 years of qualifying health care service credit will continue to be eligible for the OPERS health care program. Members with a retirement date after December 1, 2014, but 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	**Age and Service Requirements**	**Age and Service Requirements**
December 1, 2014 or Prior	***December 1, 2014 or Prior***	***December 1, 2014 or Prior***
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
January 1, 2015 through December 31, 2021	***January 1, 2015 through December 31, 2021***	***January 1, 2015 through December 31, 2021***
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.

Beginning January 1, 2014, qualifying contributing service credit for health care will be accumulated only if the member's eligible salary is at least $1,000 per month. Partial health care credit will not be granted for months in which eligible salary is less than $1,000. Credit earned prior to January 2014 will not be affected by this requirement.

Recipients of disability benefits prior to January 1, 2014, have continued access to the health care program while the disability benefit continues and will not be subject to the five-year rule described below. The allowance will be determined in the same manner as an age-and-service retiree. If the recipient does not meet minimum age-and-service requirements, the minimum allowance will be used. Recipients with an initial disability effective date on or after January 1, 2014, will have coverage during the first five years of disability benefits. After five years, the recipient must meet minimum age-and-service health care eligibility requirements or be enrolled in Medicare (due to disability status) to remain enrolled in the OPERS health care program. If enrolled, the allowance will be determined in the same way as an age-and-service retiree.

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 are determined using a percentage based on years of service and the age when the individual is first eligible for the HRA, multiplied by the base allowance as determined by the Board.

The base allowance was $1,200 per month for non-Medicare retirees and $350 per month for Medicare retirees throughout 2024. The base allowance for Medicare retirees increased to $400 per month in January 2025. Monthly allowances range between 51 percent and 90 ninety 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. While Medicare eligible retirees must use the Connector to select a vendor to be eligible to receive an HRA, non-Medicare eligible retirees may use the Connector or another vendor and still be eligible to receive an HRA.

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.

Participants in the Member-Directed Plan have a portion of the employer contribution credited to an individual retiree medical account. Interest accrues based on the investment performance of the stable value fund, not to exceed 4 percent. Members with an account prior to July 1, 2015, become vested in the account at a rate of 20 percent for each year of participation until the member is fully vested at the end of five years. Members establishing accounts on or after July 1, 2015, vest over 15 years at a rate of 10 percent each year starting with the sixth year of participation.

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 for the traditional pension plan (except for the combined division).

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For calendar year 2025, 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.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2025, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan (excluding the Combined Plan Division). Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan Division which has continued through 2025. 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 2025 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2025.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2025, the Authority’s contractually required contribution was $0 for the traditional plan, exclusive of the combined plan.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2023, rolled forward to the measurement date of December 31, 2024, 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 (asset) 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:

		OPERS
Proportion of the Net OPEB Liability (Asset):		
Current Measurement Period		0.004969%
Prior Measurement Period		0.005367%
Change in Proportion		-0.000398%
Proportionate Share of the Net OPEB Liability (Asset)	$	(116,485)
OPEB Expense		(35,067)

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		OPERS
Deferred Outflows of Resources		
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	$	2,399
Changes in Proportionate Share and Differences in Contributions		3,884
Total Deferred Outflows of Resources	$	6,283
Deferred Inflows of Resources		
Differences between Expected and Actual Experience	$	5,669
Changes of Assumptions		16,808
Total Deferred Inflows of Resources	$	22,477

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:		OPERS
2026	$	(9,114)
2027		11,906
2028		(14,040)
2029		(4,946)
Total	$	(16,194)

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.

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

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	6.00 percent
Prior Year Single Discount Rate	5.70 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.08 percent
Prior Year Municipal Bond Rate	3.77 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2039
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) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

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

During 2024, 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 the Traditional Pension Plan, Combined Plan Division, Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution 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, and 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 10.0 percent for 2024.

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.

11. DEFINED BENEFIT OPEB PLAN - CONTINUED

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2024, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.37%
Domestic Equities	26.00	5.70
Real Estate Investment Trust	5.00	5.00
International Equities	26.00	6.10
Risk Parity	3.00	4.40
Other investments	3.00	2.50
Total	100.00%	

A simple weighted sum of asset class returns will not yield the results shown on the above table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

Discount Rate A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2024; however, the single discount rate used at the beginning of the year was 5.70 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 the actuarially determined contribution rates of 6.00. 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 2124. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2124, the duration of the projection period through which projected health care payments are fully funded. The tax-exempt municipal bond rate was not needed in the determination of the single discount rate.

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 6.00 percent, as well as what the Authority's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's Proportionate Share of the Net OPEB Liability (Asset)	$ (57,839)	$ (116,485)	$ (165,418)

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 OPEB 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 2025 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)	$ (118,262)	$ (116,485)	$ (114,486)

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 Authority 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.

12. JOINT VENTURE - CONTINUED

For calendar year 2025, the Authority's required and actual annual funding amounts were as follows:

Description	Required Funding Amount	Actual Funding Amount
Operational Expenses	$ 5,956,740	$ 5,956,740
Land Lease Expense	165,000	165,000
Real Estate Tax Reserve	408,869	408,869
Capital Improvements	9,445,420	1,314,805
Debt Service	3,330,517	-
Total Receipts from City and County:		$ 7,845,414

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 year will be allocated (1) to reimburse extraordinary contributions from prior years; (2) to fund an operating reserve account to the target amount, currently $6 million; (3) to reimburse priority contributions from prior 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, 2025 (most recent audited information available), CAM's operating reserve account balance was $3.9 million. 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	$ 54,553	$ -	$ -
Accrued Pension and Taxes Payable	30,627	-	-
Accrued Property Taxes Payable	179,193	68,324	586,000
Accrued liabilities and other	$ 264,373	$ 68,324	$ 586,000

14. INTERFUND ACTIVITY

During the year, the Authority committed hotel/motel tax related to the Hilton to debt service in the Hotel Fund. In addition, the Convention Center Fund pays for certain Hotel Fund costs without the expectation of reimbursement. Interfund transfers in the amount of $2,390,352 and $408,819 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 $217,912 from the Arena Fund to the Convention Center Fund. This amount represents expenses related to the Arena Fund that the Convention Center Fund incurs and subsequently receives reimbursement from the Arena Fund.

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, 2025, 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
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	16,242	24,758	41,000
2031-2032	892,824	48,176	941,000
	$ 966,922	$ 176,078	$ 1,143,000

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.

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 14 to 41 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
Trane	HVAC Control Upgrades	$ 2,764,846	$ 370,260
TP Mechanical	Fire Pump Replacement	389,974	15,487
Kone	South Atrium Elevator Replacement	689,000	13,720
Bodie Mechanical Services	North Air Handler Upgrades	1,620,850	432,765
LMN Architects	Battelle Grand Renovation	70,000	20,939
Elford	Battelle Grand Renovation	200,000	53,046
Mohawk Carpeting	Battelle Grand Renovation	559,717	559,717
Continental Floors	Battelle Grand Renovation	223,500	223,500
CMTA	South Boiler Replacement	595,000	224,000
The Gildea Group	South Roof Replacement	494,486	49,449
Ferguson	South Restroom Renovation	639,354	639,354
CTL Engineering, Inc.	North Roof Replacement	640,000	603,615

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, 2025, the Authority has implemented GASB Statement No. 102, *Certain Risk Disclosures*.

GASB Statement No. 102 provides users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints as concentrations and constraints may limit a government's ability to acquire resources or control spending. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the Authority.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's Proportion of the Net Pension Liability (Asset)										
Traditional Plan	0.004718%	0.005263%	0.005784%	0.005977%	0.005658%	0.005979%	0.006004%	0.006097%	0.005651%	0.005442%
Combined Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.002450%	0.041750%
Authority's Proportionate Share of the Net Pension Liability (Asset)										
Traditional Plan	$ 1,156,643	$ 1,377,875	$ 1,708,596	$ 520,023	$ 837,827	$ 1,181,790	$ 1,644,374	$ 956,501	$ 1,283,246	$ 942,623
Combined Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	$ (1,363)	$ (20,316)
Authority's Covered Payroll	$ 938,207	$ 947,507	$ 972,671	$ 913,814	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767	$ 900,158
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	123.28%	145.42%	175.66%	56.91%	95.92%	128.77%	185.34%	109.16%	158.30%	102.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)										
Traditional Plan	80.99%	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%
Combined Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	116.55%	116.90%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 139,454	$ 131,349	$ 132,651	$ 136,174	$ 127,934	$ 122,288	$ 128,486	$ 124,212	$ 113,914	$ 97,172
Contributions in Relation to the Contractually Required Contribution	$ 139,454	$ 131,349	$ 132,651	$ 136,174	$ 127,934	$ 122,288	$ 128,486	$ 124,212	$ 113,914	$ 97,172
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 996,100	$ 938,207	$ 947,507	$ 972,671	$ 913,814	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	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 Nine Years (1)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Authority's Proportion of the Net OPEB Liability (Asset)	0.0049690%	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)	$ (116,485)	$ (48,438)	$ 36,848	$ (189,558)	$ (102,120)	$ 835,524	$ 794,253	$ 671,102	$ 590,916
Authority's Covered Payroll	$ 938,207	$ 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	-12.42%	-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	121.51%	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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,763	$ 16,195
Contributions in Relation to the Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,763	$ 16,195
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 996,100	$ 938,207	$ 947,507	$ 972,671	$ 913,814	$ 873,486	$ 917,757	$ 887,229	$ 876,262	$ 809,767
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%

See accompanying notes to the required supplementary information.

1. NET PENSION LIABILITY

Changes in Assumptions – OPERS

No changes to the assumptions below since 2022. Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75%	3.25%	2.75%	2.75%
Future Salary Increases, including wage inflation	2.75% to 10.75%	3.25% to 10.75%	3.25% to 10.75%	4.25% to 10.05%
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3.00%, simple	3.00%, simple	3.00%, simple	3.00%, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.90%	7.20%	7.50%	8.00%
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, retirees are as follows:

2025	2.90%, simple through 2025, then 2.05%, simple
2024	2.30%, simple through 2024, then 2.05%, simple
2022	3.00%, simple through 2022, then 2.05%, simple
2021	0.50%, simple through 2021, then 2.15%, simple
2020	1.40%, simple through 2020, then 2.15%, simple
2017-2019	3.00%, simple through 2018, then 2.15%, simple
2016 and prior	3.00%, simple through 2018, then 2.80%, simple

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:

Assumption	2025	2024	2023	2022	2021	2020	2019	2018
Wage Inflation	2.75%	2.75%	2.75%	2.75%	3.25%	3.25%	3.25%	3.25%
Single Discount Rate	6.00%	5.70%	5.22%	6.00%	6.00%	3.16%	3.96%	3.85%
Municipal Bond Rate	4.08%	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	3.31%
Health Care Cost Trend Rate	5.50%	5.50%	5.50%	5.50%	8.50%	10.50%	10.00%	7.50%

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

Changes in Benefit Terms – OPERS

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

WILSON, SHANNON & SNOW INC.
CPAs & ADVISORS

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, 2025, 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 4, 2026.

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.

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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 & Snow, Inc.

Newark, Ohio
May 4, 2026

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 7/23/2026