JOBSOHIO

(A Component Unit of the State of Ohio)

Basic Financial Statements

June 30, 2022

(With Independent Auditor's Report Thereon)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
JobsOhio

Opinion

We have audited the financial statements of JobsOhio (the "Entity"), a component unit of the State of Ohio, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Entity'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 JobsOhio as of June 30, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 JobsOhio, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Entity's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, 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 Entity'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 Entity'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 on pages 4-9 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 and other auditors 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 information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise the JobsOhio basic financial statements. The supplemental combining schedules for 2022 are presented for the purpose of additional analysis of the financial statements rather than to present the financial position, results of operations, and cash flows of the individual entities, and are not a required part of the basic financial statements.

This supplemental combining information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the supplemental combining schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Deloitte & Touche LLP

September 28, 2022

The management of JobsOhio offers this narrative overview and analysis of the financial activities of JobsOhio for the fiscal years ended June 30, 2022 and 2021. The information presented in this overview and analysis should be considered in conjunction with JobsOhio's basic financial statements, which follow this material. Financial statements prepared by JobsOhio include its component units, JobsOhio Growth Capital ("JOGC") and JobsOhio Beverage System ("JOBS"), however the following information is solely based on JobsOhio's financial activities and is presented in a non-blended format. Management's discussion and analysis of JOBS is included in that corporation's separately issued basic financial statements.

Financial Highlights

- Total assets decreased 8% in the fiscal year ended June 30, 2022 from $999,163 in the fiscal year ended June 30, 2021 to $914,386 in the fiscal year ended June 30, 2022.
- Total liabilities increased 36% in the fiscal year ended June 30, 2022 from $223,812 in the fiscal year ended June 30, 2021 to $304,925 in the fiscal year ended June 30, 2022.
- Operating and non-operating revenues decreased 36% in the fiscal year ended June 30, 2022, from $284,388 in the fiscal year ended June 30, 2021 to $183,255 in the fiscal year ended June 30, 2022.
- Total operating expenses increased 17% in the fiscal year ended June 30, 2022, from $299,683 in the fiscal year ended June 30, 2021 to $349,155 in the fiscal year ended June 30, 2022.

Overview

JobsOhio is a 501(c)(4) non-profit organization formed under chapters 1702 and 187 of the Ohio Revised Code to promote economic development, job creation, job retention, job training, and the recruitment of business to the state of Ohio (State). JobsOhio is the sole member of JobsOhio Growth Capital, which makes debt and equity investments in companies with operations in Ohio. JobsOhio is also the sole member of the JobsOhio Beverage System, which operates the franchise for the sale of spirituous liquor throughout the State. The purchase was financed in fiscal year 2013 by JOBS' issuance of $1,510,685 of special obligation bonds.

The Franchise and Transfer Agreement ("Transfer Agreement") calls for JOBS to pay the State an annual "Supplemental Payment" as additional consideration for the liquor enterprise, when profits of the franchise exceed a predetermined level. The Supplemental Payment to the State is based upon a formula specified in the Transfer Agreement and is paid based on results of the fiscal year. In accordance with this provision, JOBS recorded Supplemental Payment expense of $108,448 and $125,820 for the fiscal years ended June 30, 2022 and 2021, respectively.

During the fiscal years ended June 30, 2022 and 2021, JobsOhio received grants and contributions from JOBS totaling $255,000 and $265,000, respectively. These grants comprise funding from operating income of the liquor franchise by JOBS and proceeds of the bond issue.

Discussion of Basic Financial Statements

The activities of JobsOhio are accounted for on a fiscal year basis, comprising 12 calendar months ending June 30 of each year. These activities are accounted for as an enterprise fund, reporting all financial activity, assets, and liabilities using the accrual basis of accounting in the same manner as with private sector businesses. Financial statements prepared by JobsOhio include its component units, JOGC and JOBS, and include the blended statements of net position; statements of revenues, expenses, and changes in net position; statements of cash flows and the related notes. This information is also presented in a non-blended format in the notes to basic financial statements.

The statement of net position provides information about assets and liabilities and reflects the financial position at fiscal year-end. The statement of revenues, expenses, and changes in net position reports the revenue activity and the expenses related to such activity for the quarter and current fiscal year to date. The statement of cash flows outlines the cash inflows and outflows for the current fiscal year to date. These statements provide current and long-term information about JobsOhio's financial position.

The financial statements also include notes that provide additional information essential to a full understanding of the information provided in the statements.

(In thousands)

Financial Analysis

Net Position

	June 30, 2022	June 30, 2021
Assets:		
Current assets:		
Cash and cash equivalents - unrestricted	$ 42,980	$ 135,638
Cash and cash equivalents - restricted	10,001	-
Investments at fair value	655,997	665,663
Loans	10,382	9,328
Receivables, net of allowance for uncollectable accounts	2,135	4,681
Prepaid expenses	2,248	1,443
Due from related entities	3,344	1,778
Total current assets	727,087	818,531
Long-term assets:		
Equity method investments	97,184	52,770
Other long-term investments	-	11,973
Loans, net of loss allowance	86,446	114,124
Right-to-use lease assets, net of accumulated amortization	1,409	-
Capital assets, net of accumulated depreciation	2,226	1,755
Intangible asset - trademark, net of amortization	34	10
Total long-term assets	187,299	180,632
Total assets	**914,386**	**999,163**
Liabilities:		
Current liabilities:		
Accounts payable	6,327	6,969
Accrued liabilities - current portion	295,238	195,793
Community bank loan guarantee - current portion	337	487
Lease liabilities - current portion	368	-
Capital lease payable - current portion	-	25
Total current liabilities	302,270	203,274
Long-term liabilities:		
Accrued liabilities	-	20,000
Lease liabilities	1,432	-
Community bank loan guarantee	337	487
Port authority bond reserve	886	-
Capital lease payable	-	51
Total long-term liabilities	2,655	20,538
Total liabilities	**304,925**	**223,812**
Net position:		
Net investment in capital assets	2,226	1,755
Unrestricted	607,235	773,596
Total net position	**$ 609,461**	**$ 775,351**

Current assets consist of cash in demand deposits, investments, prepaid expenses, receivables due from JOBS and JOGC, as well as outstanding principal from loans to promote economic development due within the following twelve months. Current assets decreased 11% in the fiscal year ended June 30, 2022 from $818,531 in the fiscal year ended June 30, 2021 to $727,087 in the fiscal year ended June 30, 2022, which was primarily due to a decrease in cash balances.

Long-term assets consist of an investment in a subsidiary company, outstanding principal from loans made for economic development programs due after the following twelve months, right-to-use lease assets, capital assets, and an intangible asset for a trademark. Long-term assets increased 4% the fiscal year ended June 30, 2022 from $180,632 in the fiscal year ended June 30, 2021 to $187,299 in the fiscal year ended June 30, 2022, primarily due to assets related to JobsOhio's loan programs, including innovation loans that converted to equity during the periods.

Current liabilities represent accounts payable and accrued liabilities, as well as amounts the current portion of lease liabilities. Current liabilities increased 49% in the fiscal year ended June 30, 2022 from $203,274 in the fiscal year ended June 30, 2021 to $302,270 in the fiscal year ended June 30, 2022, primarily due to increases in grants that JobsOhio has awarded to companies to promote economic development in the State in support of its mission.

Long-term liabilities consist of amounts due for lease liabilities and accrued liabilities after the following twelve months, as well as economic development programs designed to support community banks and local Ohio port authorities. Long-term liabilities decreased 87% in the fiscal year ended June 30, 2022 from $20,538 in the fiscal year ended June 30, 2021 to $2,655 in the fiscal year ended June 30, 2022, which was primarily due to grants that JobsOhio has awarded moving from long-term liabilities to current liabilities.

Net position decreased by $165,890 for the fiscal year ended June 30, 2022, from a net position of $775,351 in the fiscal year ended June 30, 2021 to a net position of $609,461 as of the fiscal year ended June 30, 2022, primarily due JobsOhio's economic development programs and the amount of grant funds received from JOBS.

(In thousands)

Revenues, Expenses, and Changes in Net Position

The following is a summary of revenues, expenses, and changes in net position for the fiscal years ended June 30, 2022 and 2021:

	Year Ended June 30, 2022	Year Ended June 30, 2021
Operating revenues:		
Interest income - loans	$ 2,800	$ 4,972
Fees and other	10,396	9,879
Total operating revenues	13,196	14,851
Operating expenses:		
Economic development programs	235,720	210,001
Salaries and benefits	22,268	19,060
Economic development purchased services	15,246	14,181
Professional services	17,100	16,229
Insurance	294	263
Administrative and support	8,057	7,323
Marketing	50,470	32,626
Total operating expenses	349,155	299,683
Operating loss	**(335,959)**	**(284,832)**
Nonoperating revenues (expenses):		
Grants	255,000	265,000
Investment (loss) income	(84,941)	4,537
Total nonoperating revenues	170,059	269,537
Change in net position	**(165,900)**	**(15,295)**
Net position, beginning of year	775,351	790,646
Restatement due to GASB 87	10	-
Net position, beginning of year, as restated	775,361	790,646
Net position, end of year	**$ 609,461**	**$ 775,351**

The primary source of revenue for JobsOhio is grants from JOBS, however JobsOhio also earns revenue from its investments, as well as interest on loans made for economic development programs. For the fiscal year ended June 30, 2022, total operating and nonoperating revenues were $183,255, a decrease of $101,133 over the same time period one-year prior of $284,388. This change is primarily due to a decrease in the amount of investment income due to market fluctuations.

Operating expenses increased by $49,472 in the fiscal year ended June 30, 2022, from $299,683 in the fiscal year ended June 30, 2021 to $349,155 in the fiscal year ended June 30, 2022. This change is primarily due to a change of expense in grant funds, as well as increases in professional services and marketing expenses.

JobsOhio experienced a decrease in net position of $165,890 in the fiscal year ended June 30, 2022, resulting in a net position of $609,461 as of June 30, 2022. For the fiscal year ended June 30, 2021, there was a decrease in net position of $15,295. The major factor affecting these changes was the amount of economic development program grants issued to support JobsOhio's mission.

Capital Asset Activity

Capital asset additions of $2,228 in the fiscal year ended June 30, 2022 were due to expenses related to a new website. Capital asset additions of $725 in the fiscal year ended June 30, 2021 were due to expenses related to a new website. Refer to note 2(a)4 of the notes to the basic financial statements for further information on capital assets.

JobsOhio Growth Capital

JobsOhio Growth Capital ("JOGC") was formed as a nonprofit limited liability company on April 15, 2021, pursuant to and in accordance with Chapter 1705 of the Ohio Revised Code, as amended from time to time, and as superseded by Chapter 1706 of the Ohio Revised Code effective January 1, 2022 (the "LLCA"), with JobsOhio as the sole member. The purpose of JOGC is to make debt and equity investments in companies with operations in Ohio through the JobsOhio Growth Capital Program, to operate other programs supporting economic development in Ohio, and to engage in any lawful act or activity for which limited liability companies may be formed under the LLCA and to engage in any and all necessary or incidental activities, in all cases that support the not-for-profit purposes and activities of JobsOhio.

Requests for Information

This report is designed to provide a general overview of JobsOhio's finances. The report of its component unit JOBS is issued separately by that corporation. Questions concerning information presented in this report should be addressed to Brian Faust, Chief Financial Officer, JobsOhio at faust@jobsohio.com.

JOBSOHIO

(A Component Unit of the State of Ohio)

Statement of Net Position

(In thousands)

	June 30, 2022
Assets:	
Current assets:	
Cash and cash equivalents - unrestricted	$ 50,964
Cash and cash equivalents - restricted	240,477
Investments at fair value	658,487
Inventory	107,399
Loans	10,382
Receivables, net of allowance for uncollectable accounts	7,143
Prepaid expenses	10,029
Total current assets	1,084,881
Long-term assets:	
Other long-term investments, net of loss allowance	59,294
Loans, net of loss allowance	111,606
Capital assets, net of accumulated depreciation	15,015
Right-to-use lease assets, net of accumulated amortization	5,690
Intangible asset - liquor franchise, net of amortization	860,152
Intangible asset - trademark, net of amortization	40
Total long-term assets	1,051,797
Total assets	**2,136,678**
Deferred outflow of resources:	
Deferred outflow on bond defeasance	5,816
Total deferred outflow of resources	**5,816**
Liabilities:	
Current liabilities:	
Accounts payable	33,563
Accrued liabilities	456,141
Special obligation bonds payable - current portion	54,135
Bond interest payable	22,127
Community bank loan guarantee - current portion	337
Lease liabilities - current portion	2,822
Total current liabilities	569,125
Long-term liabilities:	
Special obligation bonds payable	1,126,128
Community bank loan guarantee	337
Lease liabilities	3,351
Port authority bond reserve	886
Total long-term liabilities	1,130,702
Total liabilities	**1,699,827**
Net position:	
Net investment in capital assets	15,015
Unrestricted	427,652
Total net position	**$ 442,667**

JOBSOHIO
(A Component Unit of the State of Ohio)

Statement of Revenues, Expenses, and Changes in Net Position

(In thousands)

		Year ended June 30, 2022
Operating revenues:		
Net liquor sales	$	1,720,766
Distribution center revenue		9,233
Interest income - loans		4,596
Gain on investments		4,856
Fees and other		589
Total operating revenues		1,740,040
Operating expenses:		
Cost of goods sold		1,018,700
Sales commissions		107,949
Liquor gallonage taxes		57,846
Amortization of intangible asset - liquor franchise		55,197
Service fees		17,614
Supplemental Payment		108,448
Economic development programs		238,404
Salaries and benefits		22,268
Economic development purchased services		15,246
Professional services		28,654
Insurance		815
Administrative and support		24,546
Marketing		59,137
Other		328
Total operating expenses		1,755,152
Operating loss		**(15,112)**
Nonoperating revenues (expenses):		
Write-off of accounts receivable - long-term		(58,849)
Bond interest, net		(43,301)
Investment loss		(89,100)
Other, net		154
Total nonoperating expenses		(191,096)
Change in net position		**(206,208)**
Net position, beginning of year		648,865
Restatement due to GASB 87		10
Net position, beginning of year, as restated		648,875
Net position, end of year	**$**	**442,667**

JOBSOHIO

(A Component Unit of the State of Ohio)

Statement of Cash Flows

(In thousands)

		Year ended June 30, 2022
Cash flows from operating activities:		
Receipts from fees and other	$	5,984
Receipts from customers		1,720,404
Receipts from suppliers		9,050
Payments to employees		(21,972)
Payments to suppliers		(1,138,676)
Payments for economic development programs		(150,150)
Payments for commissions		(108,290)
Receipts from sales taxes		104,073
Payments for sales tax collections to State and county		(104,344)
Payments for gallonage tax collections to State		(57,936)
Payments for servicing fees		(13,545)
Payments for Supplemental Payment to State		(125,820)
Net cash provided by operating activities		118,778
Cash flows from noncapital financing activities:		
Payments for other nonoperating expenses		(9)
Net cash used in noncapital financing activity		(9)
Cash flows from capital and related financing activities:		
Payments for bond principal		(52,460)
Acquisition of capital assets		(11,769)
Payments for right-to-use lease assets		(3,243)
Payments for bond interest		(45,938)
Net cash used in capital and related financing activities		(113,410)
Cash flows from investing activities:		
Conversion of loans to equity		(37,148)
Loan conversion proceeds		(4,863)
Dividends and interest income		33,282
Purchases of investments		(537,302)
Proceeds from maturities of investments		422,946
Net cash used in investing activities		(123,085)
Net decrease in cash and cash equivalents		(117,726)
Cash and cash equivalents, beginning of year		409,167
Cash and cash equivalents, end of year	**$**	**291,441**
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(15,112)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Amortization of intangible asset - liquor franchise		55,197
Increase in intangble asset - trademark		(24)
Depreciation and amortization expense		4,565
Amortization of right-to-use lease assets		3,532
Increase in loans		(3,755)
Increase in loan valuation allowance		8,594
Interest expense		208
Increase in inventory		(13,387)
Increase in receivables, net of allowance for doubtful accounts		(689)
Decrease in prepaid expenses		3,220
Increase in accounts payable		4,448
Decrease in community bank guarantee		(300)
Increase in port authority bond fund		886
Increase in accrued liabilities		71,395
Total adjustments		133,890
Net cash provided by operating activities	**$**	**118,778**
Noncash capital and related financing activities:		
Purchases of capital assets on account	$	19
Amortization of bonds payable	$	1,795

(1) Summary of Significant Accounting Policies

(a) Organization

JobsOhio was formed under the laws of the state of Ohio ("State") and was established to encourage business development in the State. JobsOhio was incorporated on July 5, 2011, as a nonprofit corporation under Chapters 1702 and 187, Revised Code, to promote economic development, job creation, job retention, job training, and the recruitment of business to Ohio. JobsOhio is governed by a Board of Directors appointed by the Governor of Ohio.

The accompanying financial statements include the accounts of JobsOhio Growth Capital ("JOGC") and JobsOhio Beverage System ("JOBS"), its component units (collectively the "Entity"). JOGC and JOBS are considered blended component units of JobsOhio.

JOGC was formed as a nonprofit limited liability company on April 15, 2021, pursuant to and in accordance with Chapter 1705 of the Ohio Revised Code, as amended from time to time, and as superseded by Chapter 1706 of the Ohio Revised Code effective January 1, 2022 (the "LLCA"), with JobsOhio as the sole member. The purpose of JOGC is to make debt and equity investments in companies with operations in Ohio through the JobsOhio Growth Capital Program, to operate other programs supporting economic development in Ohio, and to engage in any lawful act or activity for which limited liability companies may be formed under the LLCA and to engage in any and all necessary or incidental activities, in all cases that support the not-for-profit purpose and activities of JobsOhio.

JOBS is governed by a Board of Directors appointed by JobsOhio as the sole member of JOBS. JOBS, previously known as the Ohio Business Development Coalition ("OBDC"), was incorporated on June 3, 2004, as a nonprofit corporation under Chapter 1702, Revised Code, for the promotion of business and economic development in the State. On July 6, 2011, by action of its Board of Directors, the OBDC amended its Articles of Incorporation to transfer control of OBDC to JobsOhio. The Internal Revenue Service determined that JOBS qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code for federal income tax purposes.

On February 1, 2013, JOBS effected a major change in its business model, acquiring an exclusive 25-year franchise for the sale of spirituous liquor in the State to fund economic development activities by JobsOhio, its sole member. See note 1(v), below, for information on this transaction.

The accounting policies and financial reporting practices of JobsOhio, JOGC, and JOBS conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to governmental units.

(b) Basic Financial Statements

As a special-purpose primary reporting entity engaged only in business-type activities, JobsOhio presents financial statements required for enterprise funds. For such entities, the basic financial statements include the statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; and notes to basic financial statements.

(c) Measurement Focus and Basis of Accounting

The Entity reports its financial statements using the economic resources measurement focus (i.e., full accrual) and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

(d) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Cash and Cash Equivalents

Cash equivalents includes all demand deposits with commercial banks and money market accounts, as well as all short-term, highly liquid investments that are readily convertible to cash and all short-term debt securities purchased with an original maturity of three months or less. Cash equivalents include money market investment funds in overnight investments.

(f) Restricted Assets

In accordance with a Master Trust Indenture and related agreements associated with JOBS' bond issuance, separate restricted accounts are required to be established. Assets held in these accounts are restricted for specific uses, including debt service and other special reserve requirements.

(g) Investments

Investments are reported at fair value. Fair values for investments are determined by closing market prices at year-end as reported by the investment custodian. Accordingly, changes in fair value are included in net income in the period earned.

(h) Other long-term investments

Other long-term investments represent equity holdings in unrelated companies. These holdings were direct equity investments or originally recognized as loan receivable balances and converted to investments upon borrowers achieving certain criteria. Other long-term investments are carried at cost at time of purchase, less the allowance for equity investment losses.

(i) Allowance for equity investment losses

The allowance for equity investment losses is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating future equity investment losses. Management's estimate considers such factors as portfolio company reporting, communication with portfolio companies, and communication with other co-investors. Based on the review of the factors, an amount is calculated and a provision is made to reflect the estimated balance. While management uses available information to recognize losses, future adjustments to the allowance may be necessary. At June 30, 2022 the amount of allowance for equity investment losses was $1,200, and is reported in the Entity's statement of net position as part of "other long-term investments, net of loss allowance".

(j) Inventory

The Entity's inventory of spirituous liquor consists of inventory withdrawn from bailment for shipment to agency stores, inventory in transit in commercial carriers, and inventory in agency stores. Inventory is valued at the lower of cost or net realizable value with costs determined using the first-in, first-out method ("FIFO"). The costs of liquor product, warehouse services, transportation services, and transfer movements are reported as part of merchandise inventory and are charged to cost of goods sold as product is sold.

In the business model used by the Entity, spirituous liquor inventory is purchased at warehouses, transported by freight companies under contract to the Entity, and delivered to agency stores. Although the freight companies and the agency stores contractually assume the risk of loss, the ultimate risk of loss remains with the Entity. Legal title to the inventory is held by the Entity to the point of sale by the agency stores, which collect sale proceeds as agents for the Entity and make daily remittances to the Entity. A commission for the sales is subsequently paid to the agency stores by the Entity.

In regard to a subset of agency stores known as "interim agency stores," under the terms of the Franchise and Transfer Agreement ("Transfer Agreement"), at the point inventory is delivered to an interim agency store, title to such inventory transfers to the Ohio Division of Liquor Control on a cost-free basis. However, the economic substance of such transactions does not differ from that for regular agency stores. On the basis of the Entity's contractual rights and the status of the interim agency stores as agents of the Entity, such inventory is considered an asset of the Entity, is reported as inventory on the Entity's statement of net position, and upon sale the cost of such inventory is included in cost of goods sold. Inventory at interim agency stores as of June 30, 2022 was $21,290.

(k) Loans

Loans are carried at the unpaid principal balance outstanding, less the allowance for estimated loan losses. They are included in current assets, except for maturities greater than twelve months after the statement of net position date, which are classified as long-term assets.

(l) Allowance for Loan Losses

The allowance for loan losses is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating future loan losses. Management's estimate considers such factors as the payment history of the loans, guarantees, historical loss experience, and overall economic conditions. Based on the review of the factors, an amount is calculated and a provision is made to reflect the estimated balance. While management uses available information to recognize losses, future adjustments to the allowance may be necessary based on changes in economic conditions. At June 30, 2022 the amount of allowance for loan losses was $12,514, and is reported in the Entity's statement of net position as part of "loans, net of loss allowance".

(m) Receivables

Receivables are reported at the actual outstanding balance, less the allowance for uncollectable accounts. Interest is not accrued on overdue receivables.

(n) Allowance for Uncollectable Accounts

The allowance for uncollectable accounts is established, as necessary, based on past experience and other factors which, in management's judgment, deserve current recognition in estimating future uncollectable accounts. Management's estimate considers such factors as inventory reconciliation and historical experience. Based on the review of the factors, an amount is calculated and a provision is made to reflect the estimated balance. While management uses available information to recognize losses, future adjustments to the allowance may be necessary. At June 30, 2022 the amount of allowance for uncollectable accounts was $1,804, and is reported in the Entity's statement of net position as part of "receivables, net of allowance for uncollectible accounts".

(o) Prepaid Expenses

Payments to vendors representing costs applicable to future accounting periods are recorded as prepaid expenses in the financial statements. The cost of prepaid expenses is recorded as expenses when consumed rather than when purchased.

(p) Amortization of Premiums

Bond premiums are recorded as an addition to bonds payable. Bond premiums are amortized using the effective-interest method over the term of the related bonds and are included as a component of interest expense.

(q) Intangible Assets

The intangible asset represents both an exclusive franchise for the sale of spirituous liquor in the State, as well as a trademarks for the OHLQ logos and slogans. The liquor franchise is amortized on a straight-line basis over the 25-year term of the franchise. Amortization expense for the liquor franchise for the fiscal year ended June 30, 2022 was $55,197.

(r) Capital Assets

Capital assets, which include property and equipment, are reported in the financial statements. The Entity defines capital assets as assets with an expected useful life of one year or more from the time of acquisition and a cost of five thousand dollars or more. Such assets are recorded at historical cost.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Software	3 – 5 years
Furniture and equipment	3 – 10 years
Leasehold improvements	Lesser of 10-year amortization period or lease term

(s) Net Position

Net position is displayed in three components as follows:

- Net investment in capital assets – represents capital assets, net of accumulated depreciation less the outstanding balances of bonds, notes, and other borrowings used to acquire, construct, or improve those assets.
- Restricted – consists of net position that is legally restricted externally by creditors, contributors, laws, or regulations or internally by enabling legislation.
- Unrestricted – consists of net position that does not meet the definition of net investment in capital assets or restricted.

The Entity's restricted assets relate to the debt service and other amounts owed as required by the debt service agreements and are reported as part of "cash and cash equivalents – restricted" on the statement of net position. However, such amounts are always less than or equal to the liabilities that are used in the calculation of the restricted assets. As a result, the restricted component of net position, as defined above, would be negative or zero, and it would be irrelevant to present this line separately if the balance is negative (deficit) or zero.

(t) Classification of Revenues and Expenses

Revenues and expenses are classified as operating or nonoperating and are recognized in the period received. Under the Entity's definition:

- "Operating revenues" includes all revenues resulting from transactions and activities, other than financing and investing activities, related to the distribution, merchandising, and sale of spirituous liquor in the State under the authority of the liquor franchise sold to the Entity by the State on February 1, 2013, as well as rebates on those sales. Included are revenues for services performed in the distribution centers related to receiving and preparing product for distribution, as well as loan application fees and loan interest.

- "Operating expenses" includes all expenses resulting from transactions and activities, other than financing and investing activities, related to the distribution, merchandising, and sale of spirituous liquor in the State under the authority of the liquor franchise sold to the Entity by the State on February 1, 2013, as well as costs that support economic development activities.

All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Entity has initiated loan and grant programs to private businesses in the State to support economic development. For the fiscal year ended June 30, 2022, the Entity issued grants for such purposes, reported in the Entity's statement of revenues, expenses, and changes in net position as "economic development programs" expense.

As part of the loan program, the Entity charges applicants an application fee, which is used to offset the cost of having a loan agreement drafted by outside counsel. Total revenue from application fees received during the fiscal year ended June 30, 2022 was $145. Revenue from application fees is included in the Entity's statement of revenues, expenses, and changes in net position as "fees and other".

(u) Risk Management/Insurance

The Entity is exposed to various risks of loss related to torts and general liability; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Entity procures commercial insurance policies for commercial crime, management liability, directors' and officers' liability, employment practices, automobile liability, employers' liability, general liability, crime, and property. No claims have been submitted against the Entity since its incorporation and no liabilities have been identified or recorded. It is the Entity's policy that liabilities are to be reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Since no claims have been submitted, settled claims have not exceeded commercial coverage.

(v) Liquor Franchise

On February 1, 2013, the Entity and the State, through the Ohio Department of Commerce and the Ohio Office of Budget and Management, entered into a Transfer Agreement. Under the terms of the Transfer Agreement, the Entity purchased from the State an exclusive franchise for the sale of spirituous liquor throughout the State. In return, the Entity transferred cash to the State and committed to Supplemental Payments (described below), to the State based upon sales of spirituous liquor by the Entity. Pursuant to the Transfer Agreement, the Entity will receive all gross revenue from the distribution, merchandising, and sale of spirituous liquor in the State.

The liquor franchise established by the Transfer Agreement terminates 25 years from February 1, 2013. During the term of the franchise, the Entity is responsible for operating the "Liquor Business", as that term is defined in the Transfer Agreement, while the State will, under contract with the Entity, perform merchandising as a contract service, and will retain all liquor regulatory functions.

"Supplemental Payments," are payments to the State based upon a formula specified in the Transfer Agreement. Beginning with the fiscal year ended June 30, 2014, if "Liquor Business Profits," as that term is defined in the Transfer Agreement, for a fiscal year exceed a threshold amount of Liquor Business Profits set for that fiscal year (Base Franchise Profits ($335,979 for fiscal year ending June 30, 2022)), then the Entity is required to make a cash payment to the State equal to 75 percent of the amount by which Liquor Business Profits exceed Base Franchise Profits. Total Supplemental Payment expense for the fiscal year ended June 30, 2022 was $108,448.

The Entity also contemporaneously contracted with the Ohio Department of Commerce for the continued operation and management of the Liquor Business under an Operations Services Agreement ("Services Agreement"). Under the Services Agreement, the Ohio Department of Commerce will provide ongoing operations, management, and administrative services related to the Liquor Business. Covered services include administrative support, tax support and reporting, information technology, agency operation and review, merchandise marketing and advertising, real property leasing, and management. Total service fees expense in the fiscal year ended June 30, 2022 was $17,614.

Contemporaneously with the execution of the Transfer Agreement and the Services Agreement, special obligation revenue bonds were issued by the Entity under the provisions of a Master Trust Indenture and first and second Supplemental Trust Indentures, dated February 1, 2013 (collectively referred to as the "Indenture") between the Entity and Huntington National Bank ("Trustee"). The bonds and any additional obligations are paid solely from the Trust Estate, which consists primarily of the Liquor Business Profits, the Revenue Fund, the Tax Fund, the Debt Service Fund, and Supplemental Payment Reserve Fund, maintained by the Trustee. The bonds are special, limited obligations of the Entity, payable solely from assets held in the Trust Estate, and are not general obligations of the Entity or the State.

The Entity is required to maintain certain accounts with the Trustee as specified by the Indenture. The Entity grants, assigns, pledges, and transfers to the Trustee, for the benefit of the bondholders, all right, title, and interest in the Liquor Business Profits to provide for debt service of the bonds. Funds established by the Indenture are restricted for payments of tax related to the sale of liquor, operating expenses of the Liquor Business, debt service, and Supplemental Payments to the State.

(w) Use of Restricted and Unrestricted Resources

In the event that the Entity is to fund outlays for a particular purpose from both restricted and unrestricted resources, in order to calculate the amounts to report as restricted and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Entity's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

(In thousands)

(x) Compensated Absences

The Entity provides no paid time off to part-time employees. Full-time employees (nonexecutive) are granted paid time off in annual amounts which increase with the individual employees' years of service on the basis of the following schedule:

Years of Service	Annual Paid Time Off
0 - 2	4 weeks
3 - 6	5 weeks
7+	6 weeks

Paid time off is not contingent upon services already rendered and no payment is made for unused paid time off at termination or retirement.

(y) Accounting Pronouncements

GASB Statement No. 87, *Leases*, addresses improving accounting and financial reporting for leases. The definition of a lease is a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The requirements for this Statement have been implemented as of July 1, 2021 and are discussed in Note 2(a)9 below.

(z) New Accounting Pronouncements

GASB Statement No. 96, *Subscription-Based Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. This Statement requires recognition of a right-to-use subscription asset, initially measured as the sum of the initial subscription liability amount, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs. The subscription asset is then amortized over the subscription term. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2022. The Entity is assessing the impact of GASB Statement No. 96 to its financial statements and will implement in the timeline required by GASB.

GASB Statement No. 101, *Compensated Absences,* updates the recognition and measurement guidance for compensated absences. The requirements of this Statement will result in a liability for compensated absences that more appropriately reflects when an obligation is incurred. The requirements of this Statement are effective for financial statements for fiscal years beginning after December 15, 2023.The Entity is assessing the impact of GASB Statement No. 101 to its financial statements and will implement in the timeline required by GASB.

(aa) Subsequent Events

The Entity has evaluated subsequent events through September 28, 2022, the date of basic financial statement issuance, to determine if any other recognition or disclosure of significant events or transactions was required.

On July 1, 2022, the Entity entered into a series of transactions that resulted in the real property grant of $110,794. The transactions are as follows:

- An LLC was created with JobsOhio as the sole member
- The Entity entered into a credit agreement with a limit of $125,000
- The Entity borrowed $110,794 using the credit agreement
- The LLC used the funds to purchase land for $110,794
- The land, with a value of $110,794, was transferred as a grant to a grantee

(2) Detailed Notes on Activities and Funds

(a) Assets

1. Cash Deposits and Investments with Financial Institutions

The Entity is not subject to statutory restrictions on deposits or investments on certain accounts. All deposit and investment activity is governed by a policy adopted by the Entity's Board of Directors. Cash deposits consist of amounts held in demand accounts.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Entity's deposits may not be returned. The Entity's investment policy adopted by the Board of Directors provided that the Entity minimizes credit risk as to cash deposits by prequalifying financial institutions with which the Entity will do business. Of the total bank balance at June 30, 2022, $750 was insured through the Federal Deposit Insurance Corporation (FDIC). The remaining $72,110 was uninsured and exposed to custodial credit risk.

The Entity has a checking account that is linked to an overnight sweep account, under which total uninvested cash is automatically transferred (or swept) from the primary cash accounts into a money market mutual fund that invests primarily in short-term, high-quality, fixed-income, domestic-sourced securities issued by banks, corporations, and the U.S. government, rated in the highest short-term category or of comparable quality. The money market mutual fund was rated Aaa-mf by Moody's. The amount invested in the money market mutual fund was $202,085 at June 30, 2022.

Certain Investments Classified as Cash Equivalents

Pursuant to the terms of the Indenture, the Transfer Agreement, and the Services Agreement, the Entity is required to comply with various covenants and requirements. All financial covenants associated with the agreements executed in connection with the franchise transaction have been fully complied with as of June 30, 2022.

(In thousands)

The Entity is required to maintain certain accounts with the Trustee as specified by the Indenture. The Entity grants, assigns, pledges, and transfers to the Trustee, for the benefit of the bondholders, all right, title, and interest in the Liquor Business Profits to provide for debt service of the bonds. Funds maintained in certain accounts are restricted for State tax payments, operating expenses of the Liquor Business, debt service, costs of bond issuance, and Supplemental Payments. The following funds have been established by the Indenture:

		June 30, 2022	
Fund	**Fund custody**	**Unrestricted**	**Restricted**
Revenue fund	Trustee	$ -	$ 37,078
Operations fund	Entity	-	10,888
Debt service fund	Trustee	-	54,617
General purpose fund	Entity	-	198
Cost of issuance	Trustee	-	-
Supplemental Payment reserve fund	Trustee	-	110,390
Port authority fund	Entity	-	10,001
	Total funds required by indenture	-	223,172
Cash		50,964	-
Cash held at fiscal agents		-	17,302
Other		-	3
	Total cash and cash equivalents	$ 50,964	$ 240,477

2. Cash with Fiscal Agents

As indicated in note 1(j) above, agency stores under contract with the Entity collect sale proceeds as agents for the Entity and are contractually required to segregate such proceeds and to remit them to the Entity on a daily basis. The agency stores are responsible for any risk of loss while in their possession and such amounts are typically swept into the Entity’s bank accounts within two to three business days. The balance of these sale proceeds under such contractual arrangements as of June 30, 2022 was $17,302. Custodial credit risk as to these amounts was addressed by surety bond coverage required under the contracts between the Entity and each agent.

3. Investments

The Entity is not subject to statutory restrictions on investments. The Entity’s formal investment policy statement, as adopted by the Board, is the basis for all investment activity. Authorized investments under the Board policy include cash and cash equivalents, investment-grade bonds, high yield bank loans, high yield bonds, emerging market bonds, United States public equities, international public equities, private real estate, and private equity.

(In thousands)

The Entity categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The following is a summary of the investments by fair value category as of June 30, 2022:

		Fair Value Measurements Using			
	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV as Practical Expedient (NAV)
U.S. government obligations	$ 61,514	$ 39,673	$ 21,841	$ -	$ -
U.S. government agency obligations	79,119	40,399	38,720	-	-
Non agency obligations	54,556	-	54,556	-	-
Other government obligations	13,386	-	13,386	-	-
International bonds	1,101	-	1,101	-	-
Corporate bonds	98,773	26,421	72,352	-	-
Equities	12,638	12,638	-	-	-
Bond mutual funds	209,010	209,010	-	-	-
Equity mutual funds	38,408	9,244	191	-	28,973
Corporate bond and note funds	49,685	-	23,945	25,740	-
Real estate funds	28,811	-	-	28,811	-
Private equity	11,486	-	-	11,486	-
Total	$ 658,487	$ 337,385	$ 226,092	$ 66,037	$ 28,973

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets.

Investments classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources the investment managers.

Investments classified in Level 3 of the fair value hierarchy are valued based upon the best information in the circumstance and may require significant management judgement. These prices are provided by the investment managers.

Investments classified at NAV are excluded from the fair value hierarchy. These assets are valued by the investment managers.

(In thousands)

The Entity may, from time to time, have investments where the funds have been sent to the investment managers, but the investment transaction has not settled as of the end of financial statement period. These investments are referred to as investments in transit. The Entity had investments in transit of $0 as of June 30, 2022.

Liquidity and Interest Rate Risk – As a means of limiting exposure to fair value losses arising from rising interest rates, the Entity's investment policy generally requires that the investment portfolio remain sufficiently liquid to meet all operating and economic development programmatic needs.

As of June 30, 2022, the maturities of the Entity's investments are as follows:

		Investment maturity			
	Fair Value	**1 year or less**	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**
U.S. government obligations	$ 61,514	$ -	$ 22,094	$ 33,863	$ 5,557
U.S. government agency obligation	79,120	1,065	8,986	2,575	66,494
Non agency obligations	54,556	778.00	8,142	12,617	33,019
Other government obligations	13,386	-	3,457.00	6,522	3,407
International bonds	1,101	-	1,005	96	-
Corporate bonds	98,772	602	33,970	41,667	22,533
Total	$ 308,449	$ 2,445	$ 77,654	$ 97,340	$ 131,010

Credit Risk – To minimize credit risk, the Entity prequalifies the financial institutions, broker/dealers, intermediaries, and advisors with whom the Entity will do business. In addition, the investment portfolio is diversified to minimize risk of loss. The Entity's investments were rated as follows by Standard & Poor's or Moody's Investor Services as of June 30, 2022:

	Fair Value	**AAA**	**AA+**	**AA**	**AA-**	**A+**	**A**	**A-**	**BBB+**	**BBB**	**BBB-**	**Not Rated**
U.S. government obligations	$ 61,514	$34,503	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,011
U.S. government agency obligations	79,120	37,922	5,010	-	-	-	316	-	225	257	-	35,390
Non agency obligations	54,556	33,419	315	449	1,985	767	3,617	2,088	595	4,264	7,057	-
Other government obligations	13,386	2,345	1,474	6,675	1,203	1,689	-	-	-	-	-	-
International bonds	1,101	-	-	-	-	839	145	-	117	-	-	-
Corporate bonds	98,772	5,097	3,210	1,954	4,927	10,164	18,371	14,324	14,061	15,854	10,810	-
Total	$ 308,449	$ 113,286	$ 10,009	$ 9,078	$ 8,115	$ 13,459	$ 22,449	$ 16,412	$ 14,998	$ 20,375	$ 17,867	$ 62,401

Concentration of Credit Risk – To limit exposure to the risk of loss due to the magnitude of the Entity's investments in a single issuer, investments are to be diversified in accordance with allocations determined by the Board of Directors, after consultation with the Board's Investment Committee.

(In thousands)

Custodial Credit Risk – For an investment, this is the risk that in the event of the failure of the counterparty, the Entity will not be able to recover the value of its investments that are in the possession of an outside party. The Entity's investments of $658,487 of June 30, 2022 are uninsured and held in the name of its investment managers.

Investment activity for the fiscal year ended June 30, 2022 is summarized as follows:

	Balance, July 1, 2021	Purchases	Maturities	Accrued income (loss)	Balance, June 30, 2022
U.S. government obligations	$ 162,793	$ 63,225	$ (156,270)	$ (8,234)	$ 61,514
U.S. government agency obligations	190,546	53,486	(145,652)	(19,261)	79,119
Non agency obligations	22,831	52,161	(11,236)	(9,200)	54,556
Other government obligations	6,821	8,916	(651)	(1,700)	13,386
International bonds	649	525	-	(73)	1,101
Corporate bonds	142,434	66,196	(93,974)	(15,883)	98,773
Equities	5,453	11,726	(2,921)	(1,620)	12,638
Bond mutual funds	88,096	174,701	-	(53,787)	209,010
Equity mutual funds	24,063	40,474	(12,135)	(13,994)	38,408
Corporate bond and note funds	18,063	36,000	-	(4,378)	49,685
Real estate funds	-	24,600	-	4,211	28,811
Private equity	4,601	5,292	(107)	1,700	11,486
Total	$ 666,350	$ 537,302	$ (422,946)	$ (122,219)	$ 658,487

Interest income accrues on U.S. government and agency bonds over the bond term. Interest income is redeemed upon bond maturity. Income (loss) realized from maturities during the fiscal year ended June 30, 2022 totaled $5,168. Interest on public corporate income securities accrues over the term of the holding and is redeemed at various times until maturity. Accrued income (loss) of ($122,219) at June 30, 2022, represents unrealized bond interest earned, but not redeemed. Accrued income increases bond value, which is reported at fair value in the financial statements.

(In thousands)

4. Capital Assets

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

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022
Furniture and equipment	$ 758	$ -	$ -	$ 758
Leasehold improvements	3,420	5,942	(21)	9,341
Software	9,182	5,191	-	14,373
Equipment	70	50	-	120
Total capital assets being depreciated	13,430	11,183	(21)	24,592
Less: accumulated depreciation				
Furniture and equipment	(697)	(32)	-	(729)
Leasehold improvements	(2,007)	(1,029)	-	(3,036)
Software	(2,291)	(3,483)	-	(5,774)
Equipment	(16)	(22)	-	(38)
Total accumulated depreciation	(5,011)	(4,566)	-	(9,577)
Total capital assets being depreciated, net	$ 8,419	$ 6,617	$ (21)	$ 15,015

5. Loans Receivable

The Entity's economic development initiatives include loans to companies that have limited access to capital and funding from conventional private sources of funding. In order to obtain a disbursement, the borrower submits to the Entity a draw request that identifies the applicable costs that have been incurred. The Entity recognizes the receivable at time of disbursement to the borrower

The Entity also established a loan program to support early-stage companies in their efforts to promote economic development across the State. The Innovation Loan program was designed to provide loans to companies that are convertible to equity in the event the borrower meets certain qualified financing requirements. As of June 30, 202, disbursements associated with the Innovation Loan program were made to 38 companies, totaling $27,844 and are included in Loans, net of loss allowance. The terms of the loans outstanding at June 30, 2022 provide for disbursements of up to $27,844. The outstanding balance of the commitments as of June 30, 2022 was $0.

The remaining loans receivable balance of $106,657 as of June 30, 2022 relates to disbursements to 54 companies, and is net of loss allowance of $12,514. The current portion of the loans receivable balance of $10,382 as of June 30, 2022 represent principal payments due within the following twelve months.

The terms of the loans outstanding at June 30, 2022 provide for disbursements of up to $181,283. The outstanding balance of the commitments as of June 30, 2022 was $43,412.

The Entity's loans are held at amortized cost less a valuation allowance. A loan is impaired when, based on current information and events, it is probable that the Entity will be unable to collect all amounts due according to the contractual terms of the loan agreement. If determined that a loan requires a valuation allowance, a provision for loss is established equal to the difference between the carrying value and either the fair value of the collateral less costs to sell or the present value of expected future cash flows discounted at the loan's effective interest rate. The amount of valuation allowance was $12,514, as of June 30, 2022.

6. Accounts Receivable Balances

Accounts receivable comprise amounts due from liquor agency stores and liquor vendors. The amounts due from liquor agency stores and liquor vendors are attributable to inventory adjustments from audits, store manager adjustments, distribution center services, and other miscellaneous claims. Accounts receivable also includes interest receivable on investments and loans. Accounts receivable balance of $2,289 as of June 30, 2022 is net of allowance for uncollectable accounts of $44.

7. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the basic financial statements. This includes $6,859 of service fees to the Ohio Department of Commerce as of June 30, 2022.

8. Intangible Asset – Liquor Franchise

As a result of the purchase of the franchise for the sale of spirituous liquor, the Entity recorded an intangible asset of $1,379,924, reflecting the net franchise fee paid to the State, net of certain tangible assets received in the transfer pursuant to the Transfer Agreement.

The intangible asset – liquor franchise, is amortized over its useful life that coincides with the related contractual rights of the Transfer Agreement of 25 years. Amortization expense was $55,197 for each of the fiscal year ended June 30, 2022.

Intangible asset – liquor franchise activity for the fiscal year ended June 30, 2022 is as follows:

(In thousands)

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022
Liquor franchise	$ 1,379,924	$ -	$ -	$ 1,379,924
Less: Accumulated amortization	(464,575)	(55,197)	-	(519,772)
Liquor franchise, net of amortization	$ 915,349	$ (55,197)	$ -	$ 860,152

9. Leases

The Entity has entered into several lease agreements. The lease agreements include property lease agreements for distribution centers and office space as well as equipment lease agreements for copiers and warehouse and transportation equipment. The leases do not contain any variable payments, residual value guarantees, or commitments before commencement of the lease terms. No impairment of the right-to-use lease assets existed as of June 30, 2022.

The Entity has entered into a lease agreement for a distribution center beginning August 1, 2022. That lease has a term of 37 months.

In the fiscal year ended June 30, 2022, the Entity implemented the requirements of GASB Statement No. 87, *Leases*, with an implementation date of July 1, 2021. The adoption of the Statement resulted in recognizing $6,431 of right-to-use lease property assets and $2,773 of right-to-use lease equipment assets as of the implementation date. The lease for copier machines was previously treated as a capital lease, with a capital asset and capital lease payable liability on the statement of net position. The adoption of the Statement resulted a restatement of beginning net position of $10 for the transition of the previous capital asset and capital lease payable to a right-to-use lease asset and lease liability as of the implementation date of July 1, 2021.

(In thousands)

Right-to-use lease asset activity for the fiscal year ended June 30, 2022 is as follows:

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022
Property	$ 6,431	$ -	$ -	$ 6,431
Equipment	2,773	18	-	2,791
Total right-to-use lease assets being amortized	9,204	18	-	9,222
Less: Accumulated amortization				
Property	-	(2,547)	-	(2,547)
Equipment	-	(985)	-	(985)
Total accumulated amortization	-	(3,532)	-	(3,532)
Total right-to-use lease assets being amortized, net	$ 9,204	$ (3,514)	$ -	$ 5,690

Interest expense on the lease liabilities for the fiscal year ended June 30, 2022 totaled $208. Future principal and interest requirements as of June 30, 2022 are as follows:

Year ending June 30:	Principal	Interest	Total
2023	$ 2,822	$ 128	$ 2,950
2024	1,935	61	1,996
2025	512	31	543
2026	506	17	523
2027	383	5	388
2028	13	-	13
Total	$ 6,171	$ 242	$ 6,413

(In thousands)

(b) Liabilities

1. Accrued Liabilities

Accrued liabilities – current portion reported at June 30, 2022 are as follows:

		June 30, 2022
Economic development programs	$	290,929
Liquor purchases		18,899
Agency commissions		17,122
Taxes		13,338
Supplemental Payment		108,448
Professional services		1,966
Payroll		634
Legal services		189
Liquor operations		1,658
Paid time off		479
Employee benefits		42
Other		2,437
Total	$	456,141

2. Economic Development Programs – Grants

The Entity operates nine grant programs to encourage economic development within the State. These comprise:

- Economic Development Grants – The Economic Development grant program focuses on fixed asset and infrastructure investment.

- Workforce Grants – The Workforce grant program focuses on training costs associated with new or incumbent employees.

- Revitalization Grants – The Revitalization grant program is designed to support the acceleration of redeveloping sites in Ohio, with the primary focus on projects where the cost of redevelopment and remediation is more than the value of the land in question.

- Revitalization Phase II Assessment Grants – The Revitalization Phase II Assessment grant program is designed to assist in the review of potential environmental risks on a project site where redevelopment for job creation or retention is likely to occur.

- Research and Development Grants – The Research and Development grant program provides opportunity to collaborate and partner on new discoveries that can further companies' competitive advantage and impact their respective industries.

- Innovation District Grants – The Innovation District grant program provides funds for Innovation hubs across the State in support of research and STEM projects within the districts and provides the opportunity for businesses to operate from a centralized location to promote economic development growth.

- Inclusion Grants – The Inclusion grant program provides financial support in designated distressed communities and/or businesses owned by underrepresented populations across the State.

- Speculative Development Grants – The Ohio Site Inventory Program (OSIP) offers funding to support speculative site and building development projects with no identified end user.

- Vibrant Community Grants – The Vibrant Community grant program was established to assist distressed small and medium sized communities with the implementation of catalytic development projects that fulfill a market need and represent a significant reinvestment in areas that have struggled to attract new investment.

- Broadband Access Grants – The Broadband Access grant program provides broadband access in Ohio's underrepresented communities to ensure equitable education, economic opportunity, and access to advanced digital services.

As of June 30, 2022, the Entity had executed 1,752 grants, including 661 economic development grants, 434 workforce grants, 308 revitalization grants, 23 research and development grants, 11 innovation district grants, 260 inclusion grants, 49 speculative development grants, 5 vibrant community grants, and 1 broadband access grant with a total committed amount of $1,136,538. As of June 30, 2022, the Entity had $409,760 in committed, but unpaid grants. The grants are historically funded on a reimbursement basis where the grantee must provide documentation illustrating where applicable costs have been incurred. In light of the COVID-19 pandemic, the Entity implemented a Rapid Deployment Initiative program where grantees could request funds on a non-reimbursement basis to support their cash needs during the crisis.

The Entity recognizes grant expense and the related liability for allowable costs where the transaction is reasonably estimable in amount and probable of distribution. This process includes the use of estimates in the absence of information as to costs incurred, but unclaimed by the grantee. The Entity has developed a methodology to produce an estimate of the liability as of the financial statement date, based upon the anticipated progress of the related project. The corresponding result is recorded as accrued economic development programs and is included in accrued liabilities in the statement of net position. Some of the economic development programs which have been accrued have terms that result in payment to be made outside of the subsequent twelve months, resulting in a long-term liability. The accrued economic development programs were $290,929 as of June 30, 2022.

3. Economic Development Programs – Community Banks Loan Guarantee

The Entity has partnered with two community banks in Ohio to bolster their lending capability to assist small, lifestyle businesses. The Entity is providing a loan guarantee of up to $50,000 to support the banks in the event of default on the additional lending to their borrowers.

As of June 30, 2022, the community banks had provided loans totaling $11,166. The outstanding commitment for the program as of June 30, 2022 was $0. As of June 30, 2022 there were no reported defaults. The Entity estimates that the program will have a default rate of 10%, with a portion of the estimated default occurring in the next twelve months. The Entity recognized an expense associated with the program of $0 for the fiscal year ended June 30, 2022. The Entity recorded current and long-term liabilities associated with the program totaling $337 and $337, respectively, as of June 30, 2022.

4. Economic Development Programs – Port Authority Bond Fund

The Entity has partnered with six local port authorities in Ohio to bolster their ability to issue bonds to finance the costs of port authority facilities to enhance, foster, aid, provide or promote transportation, economic development, housing, recreation, education, government operations, culture, research industry, and commerce and create and preserve jobs and employment opportunities. The Entity is pledging up to $50,000 to secure the repayment of bonds in the event of the borrower's inability to make a payment. Restricted cash in support of this program totaled $10,001 as of June 30, 2022.

As of June 30, 2022, the port authorities issued bonds totaling $88,645. The Entity estimates that the program will have a default rate of 1% and recorded a long-term liability of $886, as of June 30, 2022. As of June 30, 2022 there were no defaults on the issued bonds and no payments made from the reserve. The Entity recognized an expense associated with the program of $886, as of June 30, 2022, which is included in economic development programs expense.

5. 401(k) Savings Plan

The Entity operates a defined contribution pension plan titled JobsOhio 401(k) Plan (herein referred to as the "Plan") created in accordance with Internal Revenue Code Section 401(k). The Plan, available to all qualified employees of the Entity, permits employees to defer a percentage of their salary up to the maximum percentage allowed by the Internal Revenue Service. The Entity matches 100 percent of the first three percent of the employee contribution, plus 50 percent of the employee contribution over three percent but not greater than five percent, bringing the maximum match percentage to four percent. Employees are fully vested in the Plan at the time contributions begin and there are no forfeitures. Participants must be over 21 years of age and have completed three consecutive months of service.

The Entity is the plan administrator of the Plan and the Plan trustee is Great-West Trust Company. The Entity may amend the Plan to add new features or to change or eliminate various provisions, but may not take away or reduce protected benefits under the Plan. Participants direct the allocation of their deferral based on several investment options. The assets of the Plan are not included in the Entity's financial statements and cannot be used for purposes other than the exclusive benefit of the participants or their beneficiaries or to pay the reasonable expenses of plan administration.

The Plan was implemented in February 2014 and updated in January 2020. For the fiscal year ended June 30, 2022, the total 401(k) match expense was $654 on total employee contributions of $1,354. As of June 30, 2022, accrued employee 401(k) deferrals and accrued employer match was $0 and $41, respectively, and are included in the statement of net position as accrued liabilities.

6. Commitments and Contingencies – Litigation

No litigation is currently pending against the Entity.

7. Long-Term Liabilities

Special obligation revenue bonds were issued on February 1, 2013, by the Entity to finance payment of consideration in connection with the purchase of a franchise to operate the Liquor Business including the transfer of certain Liquor Business assets and bond transaction costs. The obligations were issued as bonds with (approximately) level debt service (principal and interest) maturing each year with maturities that range from one to 25 years.

On February 5, 2020, the Entity issued special obligation revenue bonds to advance refund the 2038 maturity of the Series 2013A Bonds and finance certain costs of the refunding transaction. The Series 2020A Bonds were issued in the amount of $371,025. The obligations were issued as bonds with approximately level debt service, including both principal and interest, maturing each year with maturities that range from one to 18 years.

(In thousands)

JobsOhio Beverage System Statewide Senior Lien Liquor Profits Tax-Exempt Revenue Bonds, Series 2013A; JobsOhio Beverage System Statewide Senior Lien Liquor Profits Taxable Revenue Bonds, 2013B; and JobsOhio Beverage System Statewide Senior Lien Liquor Profits Taxable Revenue Bonds, 2020A outstanding at June 30, 2022 are as follows:

Special obligation bonds	Original issue date	Outstanding as of June 30, 2022	Interest rates to maturity	Final maturity
Series 2013A	Feb. 2013	$ 5,000	4.0% – 5.0%	2023
Series 2013B	Feb. 2013	$ 802,580	3.2% – 4.5%	2035
Series 2020A	Feb. 2020	$ 365,970	1.7% – 2.8%	2038

The bonds have maturities that started in 2015 and continue through 2038. Maturities due within one year at June 30, 2022 are $54,135. The bond series are subject to mandatory sinking fund redemption starting in 2024 and each year thereafter to maturity. The bonds will be repaid from Liquor Business Profits. All proceeds from the Liquor Business are pledged to the Trustee to pay obligations under the Indenture. The Indenture imposes certain restrictions and requirements whereby all Liquor Business revenues are required to be deposited in a trust fund held by the Trustee to settle obligations under the Indenture, including amounts sufficient to cover annual debt service for each fiscal year on account for all outstanding revenue bonds.

Liquor Business Profits must meet the minimum debt service coverage ratio of 135 percent for each fiscal year pursuant to the Transfer Agreement. Certain amounts are released from the lien of the Indenture and certain other amounts are held in funds pursuant to the terms of the Indenture for which amounts will not be pledged for the benefit of the owners of the bonds. These funds include the Tax Fund, the Operations Fund, and the General Purpose Fund. The bonds are not general obligations of the Entity or the State, and neither the faith nor credit are pledged as security for payment of the bonds.

(In thousands)

Debt service requirements related to the bonds as of June 30, 2022 are as follows:

	Principal	Interest	Total
Year ending June 30:			
2023	$ 54,135	$ 44,253	$ 98,388
2024	55,925	42,461	98,386
2025	58,090	40,280	98,370
2026	60,350	38,011	98,361
2027	62,700	35,649	98,349
2028 – 2032	353,380	138,204	491,584
2033 – 2037	433,710	56,695	490,405
2038	95,260	2,699	97,959
Total	1,173,550	$ 398,252	$ 1,571,802
Unamortized premium	6,713		
Less current portion	(54,135)		
Total debt, long-term portion	$ 1,126,128		

Debt service activity for the fiscal year ended June 30, 2022 is as follows:

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022	Current portion
Bond principal	$ 1,226,010	$ -	$ (52,460)	$ 1,173,550	$ 54,135
Bond premium	59,663	-	-	59,663	-
Less: Accumulated amortization	(39,523)	(13,427)	-	(52,950)	-
Total debt	$ 1,246,150	$ (13,427)	$ (52,460)	$ 1,180,263	$ 54,135

Bonds are subject to redemption prior to their stated maturity dates at the option of the Entity, in whole or in part on any date on or after January 1, 2023 at a redemption price equal to the principal amount of bonds to be redeemed plus accrued interest. For Series 2013B Bonds, the redemption price is the greater of (1) the principal amount or (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date plus accrued interest. Series 2020A Bonds maturing in 2038 are subject to mandatory sinking fund redemption on January 1, 2035 and each year thereafter to maturity. Series 2013B Bonds maturing in 2029 and 2035 are subject to mandatory sinking fund redemption on January 1, 2024 and 2030, respectively, and each year thereafter to maturity. Redemptions are from moneys in the Debt Service Fund established under the Indenture, at a redemption price equal to 100 percent of the principal amount to be redeemed plus accrued interest.

(In thousands)

Pursuant to the terms of the Indenture, the Transfer Agreement, and the Services Agreement, the Entity is required to comply with various covenants and requirements.

(c) Revenues

Liquor sales revenues are reported net of wholesale discounts, sales taxes, and an allowance for uncollectible accounts. For the fiscal year ended June 30, 2022, operating revenues were reported net of discounts of $25,402, sales tax of $104,073, and uncollectable accounts of $40.

Distribution center revenues are for services performed in the distribution centers related to receiving and preparing product for distribution.

(d) Deferred Outflow

For the defeasance of the 2038 maturity of the Series 2013A Bonds, proceeds from the Series 2020A bonds were deposited in and held in trust in an escrow account. The proceeds were used to purchase certain direct noncallable obligations of the United States of America having such maturities or redemption dates and interest payment dates and bearing such interest as will be, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon sufficient, together with any other moneys in the escrow account after such purchase, for the payment of all principal of and interest on the 2038 maturity of the series 2013A Bonds through and including their January 1, 2023 optional redemption date. Upon the purchase of those noncallable obligations, according to the terms of the Indenture, the 2038 maturity of the series 2013A Bonds were deemed paid and discharged and legally defeased.

The difference between the reacquisition price and the net carrying amount of the bonds defeased with refunding debt is reported as a deferred outflow of resources and recognized as a component of Bond interest, net over the remaining life of the refunded debt. Deferred outflow activity for the fiscal year ended June 30, 2022 is as follows:

	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022
Deferred outflow	$ 34,896	$ -	$ -	$ 34,896
Less: Accumulated amortization	(17,448)	(11,632)	-	(29,080)
Total deferred outflow	$ 17,448	$ (11,632)	$ -	$ 5,816

(e) Nonoperating Expenses

In prior fiscal years, the Entity made purchases of Personal Protective Equipment ("PPE") to assist the state of Ohio in stabilizing the health situation caused by the global COVID-19 pandemic, thereby stabilizing the state's economic development environment. These purchases were reported as accounts receivable – long-term on the statement of net position. To date, cooperative efforts to achieve reimbursement from the Federal Emergency Management Agency have been unsuccessful. The Entity is recognizing the PPE purchases of $58,849 as a nonoperating expense in the fiscal year ended June 30, 2022 as a write-off of accounts receivable – long-term on the statement of revenues, expenses, and changes in net position, but will continue to pursue options for reimbursement.

Combining Schedule of Net Position

(In thousands)

(f) Combining Information

	June 30, 2022				
	JobsOhio	Component Unit JobsOhio Beverage System	Component Unit JobsOhio Growth Capital	Eliminating Entries	Combined Balance
Assets:					
Current assets:					
Cash and cash equivalents - unrestricted	$ 42,980	$ -	$ 7,984	$ -	$ 50,964
Cash and cash equivalents - restricted	10,001	230,476	-	-	240,477
Investments at fair value	655,997	-	2,490	-	658,487
Inventory	-	107,399	-	-	107,399
Loans	10,382	-	-	-	10,382
Receivables, net of allowance of uncollectible accounts	2,135	2,289	2,719	-	7,143
Prepaid expenses	2,248	7,772	9	-	10,029
Due from related entities	3,344	-	-	(3,344)	-
Total current assets	727,087	347,936	13,202	(3,344)	1,084,881
Long-term assets:					
Intangible asset - liquor franchise, net of amortization	-	860,152	-	-	860,152
Intangible asset - trademark, net of amortization	34	6	-	-	40
Equity method investments	97,184	-	-	(97,184)	-
Other long-term investments, net of loss allowance	-	-	59,294	-	59,294
Right-to-use lease assets, net of accumulated amortization	1,409	4,281	-	-	5,690
Capital assets, net of accumulated depreciation	2,226	12,789	-	-	15,015
Loans, net of loss allowance	86,446	-	25,160	-	111,606
Total long-term assets	187,299	877,228	84,454	(97,184)	1,051,797
Total assets	**914,386**	**1,225,164**	**97,656**	**(100,528)**	**2,136,678**
Deferred outflow of resources:					
Deferred outflow on bond defeasance	-	5,816	-	-	5,816
Total deferred outflow of resources	**-**	**5,816**	**-**	**-**	**5,816**
Liabilities:					
Current liabilities:					
Accounts payable	6,327	27,236	-	-	33,563
Accrued liabilities	295,238	160,903	-	-	456,141
Special obligation bonds payable - current portion	-	54,135	-	-	54,135
Bond interest payable	-	22,127	-	-	22,127
Community bank loan guarantee - current portion	337	-	-	-	337
Lease liabilities - current portion	368	2,454	-	-	2,822
Due to related entities	-	2,519	825	(3,344)	-
Total current liabilities	302,270	269,374	825	(3,344)	569,125
Long-term liabilities:					
Special obligation bonds payable	-	1,126,128	-	-	1,126,128
Lease liabilities	1,432	1,919	-	-	3,351
Community bank loan guarantee	337	-	-	-	337
Port authority bond reserve	886	-	-	-	886
Total long-term liabilities	2,655	1,128,047	-	-	1,130,702
Total liabilities	**304,925**	**1,397,421**	**825**	**(3,344)**	**1,699,827**
Net position (deficit):					
Net investment in capital assets	2,226	12,789	-	-	15,015
Unrestricted	607,235	(179,230)	96,831	(97,184)	427,652
Total net position (deficit)	**$ 609,461**	**$ (166,441)**	**$ 96,831**	**$ (97,184)**	**$ 442,667**

JOBSOHIO
(A Component Unit of the State of Ohio)

Notes to Financial Statements

Combining Schedule of Revenues, Expenses, and Changes in Net Position

(In thousands)

	Year Ended June 30, 2022				
	JobsOhio	Component Unit JobsOhio Beverage System	Component Unit JobsOhio Growth Capital	Eliminating Entries	Combined Balance
Operating revenues:					
Net liquor sales	$ -	$ 1,720,766	$ -	$ -	$ 1,720,766
Distribution center revenue	-	9,233	-	-	9,233
Interest income - loans	2,800	-	1,796	-	4,596
Gain on investments	-	-	4,856	-	4,856
Fees and other	10,396	-	-	(9,807)	589
Total operating revenues	13,196	1,729,999	6,652	(9,807)	1,740,040
Operating expenses (revenues):					
Cost of goods sold	-	1,018,700	-	-	1,018,700
Sales commissions	-	107,949	-	-	107,949
Liquor gallonage taxes	-	57,846	-	-	57,846
Amortization of intangible asset - liquor franchise	-	55,197	-	-	55,197
Service fees	-	17,614	-	-	17,614
Supplemental Payment	-	108,448	-	-	108,448
JobsOhio management fees	-	9,807	-	(9,807)	-
Economic development programs	235,720	-	2,684	-	238,404
Salaries and benefits	22,268	-	-	-	22,268
Economic development purchased services	15,246	-	-	-	15,246
Professional services	17,100	11,523	31	-	28,654
Insurance	294	521	-	-	815
Administrative and support	8,057	16,467	22	-	24,546
Marketing	50,470	8,667	-	-	59,137
Other	-	328	-	-	328
Total operating expenses (revenues)	349,155	1,413,067	2,737	(9,807)	1,755,152
Operating (loss) income	**(335,959)**	**316,932**	**3,915**	**-**	**(15,112)**
Nonoperating revenues (expenses):					
Grants	255,000	(255,000)	-	-	-
Expenses related to COVID-19 on behalf of DAS	-	(58,849)	-	-	(58,849)
Bond interest, net	-	(43,301)	-	-	(43,301)
Investment income	(84,941)	-	(4,159)	-	(89,100)
Other, net	-	154	-	-	154
Total nonoperating revenues (expenses)	170,059	(356,996)	(4,159)	-	(191,096)
Change in net position before transfer	(165,900)	(40,064)	(244)	-	(206,208)
Transfer of net position	-	-	44,414	(44,414)	-
Change in net position	**(165,900)**	**(40,064)**	**44,170**	**(44,414)**	**(206,208)**
Net position (deficit), beginning of year	775,351	(126,377)	52,661	(52,770)	648,865
Restatement due to GASB 87	10	-	-	-	10
Net position (deficit), beginning of year, as restated	775,361	(126,377)	52,661	(52,770)	648,875
Net position (deficit), end of year	**$ 609,461**	**$ (166,441)**	**$ 96,831**	**$ (97,184)**	**$ 442,667**

JOBSOHIO

(A Component Unit of the State of Ohio)

Notes to Financial Statements

Combining Schedule of Cash Flows

(In thousands)

	Year Ended Ended June 30, 2022				
	JobsOhio	Component Unit JobsOhio Beverage System	Component Unit JobsOhio Growth Capital	Eliminating Entries	Combined Balance
Cash flows from operating activities:					
Receipts from fees and other	$ 5,984	$ -	$ -	$ -	$ 5,984
Receipts from customers	-	1,720,404	-	-	1,720,404
Receipts from suppliers	-	9,050	-	-	9,050
Payments to employees	(21,972)	-	-	-	(21,972)
Payments to suppliers	(90,743)	(1,047,871)	(62)	-	(1,138,676)
Payments for economic development programs	(129,644)	-	(20,506)	-	(150,150)
Payments for commissions	-	(108,290)	-	-	(108,290)
Receipts from sales taxes	-	104,073	-	-	104,073
Payments for sales tax collections to State and county	-	(104,344)	-	-	(104,344)
Payments for gallonage tax collections to State	-	(57,936)	-	-	(57,936)
Payments for servicing fees	-	(13,545)	-	-	(13,545)
Payments for Supplemental Payment to State	-	(125,820)	-	-	(125,820)
Receipts (payments) between JobsOhio and component unit	8,242	(8,242)	-	-	-
Net cash (used in) provided by operating activities	(228,133)	367,479	(20,568)	-	118,778
Cash flows from noncapital financing activities:					
Receipts (payments) between JobsOhio and component unit for grants	255,000	(255,000)	-	-	-
Payments for other nonoperating expenses	-	(9)	-	-	(9)
Net cash provided by (used in) noncapital financing activities	255,000	(255,009)	-	-	(9)
Cash flows from capital and related financing activities:					
Payments for bond principal	-	(52,460)	-	-	(52,460)
Acquisition of capital assets	(1,835)	(9,934)	-	-	(11,769)
Payments for right-to-use lease assets	27	(3,270)	-	-	(3,243)
Payments for bond interest	-	(45,938)	-	-	(45,938)
Net cash used in capital and related financing activities	(1,808)	(111,602)	-	-	(113,410)
Cash flows from investing activities:					
Conversion of loans to equity	11,980	-	(49,128)	-	(37,148)
Proceeds from loan conversion	(7)	-	(4,856)	-	(4,863)
Investment in related entity	(44,414)	-	44,414	-	-
Dividends and interest income	36,983	164	(3,865)	-	33,282
Purchases of investments	(535,204)	-	(2,098)	-	(537,302)
Proceeds from maturities of investments	422,946	-	-	-	422,946
Net cash (used in) provided by investing activities	(107,716)	164	(15,533)	-	(123,085)
Net (decrease) increase in cash and cash equivalents	(82,657)	1,032	(36,101)	-	(117,726)
Cash and cash equivalents, beginning of year	135,638	229,444	44,085	-	409,167
Cash and cash equivalents, end of year	**$ 52,981**	**$ 230,476**	**$ 7,984**	**$ -**	**$ 291,441**
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:					
Operating income (loss)	$ (335,959)	$ 316,932	$ 3,915	$ -	$ (15,112)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Amortization of intangible asset - liquor franchise	-	55,197	-	-	55,197
Increase in intangble asset - trademark	(24)	-	-	-	(24)
Depreciation and amortization expense	1,268	3,297	-	-	4,565
Amortization of right-to-use lease assets	316	3,216	-	-	3,532
Decrease (increase) in loans	20,714	-	(24,469)	-	(3,755)
Increase in loan valuation allowance	5,910	-	2,684	-	8,594
Interest expense	52	156	-	-	208
Increase in inventory	-	(13,387)	-	-	(13,387)
Decrease (increase) in receivables, net of allowance for uncollectible accounts	2,546	(546)	(2,689)	-	(689)
(Increase) decrease in prepaid expenses	(805)	4,034	(9)	-	3,220
(Increase) decrease in due from/to component unit (net)	(1,566)	1,566	-	-	-
(Decrease) increase in accounts payable	(612)	5,060	-	-	4,448
Increase in community bank guarantee	(300)	-	-	-	(300)
Increase in port authority bond fund	886	-	-	-	886
Increase (decrease) in accrued liabilities	79,441	(8,046)	-	-	71,395
Total adjustments	107,826	50,547	(24,483)	-	133,890
Net cash (used in) provided by operating activities	**$ (228,133)**	**$ 367,479**	**$ (20,568)**	**$ -**	**$ 118,778**
Noncash capital and related financing activities:					
Purchases of capital assets on account	$ -	$ 19	$ -	$ -	$ 19
Amortization of bonds payable	$ -	$ 1,795	$ -	$ -	$ 1,795