

**Ohio Office of Budget
and Management**

State of Ohio
Robert H. Taft
Governor



OHIO

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FOR THE FISCAL YEAR
ENDED JUNE 30, 2000

ACKNOWLEDGMENTS

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Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute accurate, timely financial data for their agencies made this report possible.

The front cover of the Ohio Comprehensive Annual Financial Report features three of Ohio's most noted halls of fame as follows.

From top to bottom:

1. Pro Football of Fame – Canton, Ohio
2. Rock and Roll Hall of Fame and Museum – Cleveland, Ohio
3. Inventure Place, National Inventors Hall of Fame – Akron, Ohio

Photos courtesy of the Ohio Department of Development's Division of Travel and Tourism

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OHIO

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FOR THE FISCAL YEAR
ENDED JUNE 30, 2000

STATE OF OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
Letter of Transmittal.....	5
Graphic Presentation of Revenues and Expenditures for All General Governmental Fund Types	15
Certificate of Achievement.....	16
State of Ohio Officials.....	17
State of Ohio Organization Chart	18

FINANCIAL SECTION

Independent Auditors' Report	19
General-Purpose Financial Statements	21
Combined Balance Sheet —	
All Fund Types, Account Groups and Discretely Presented Component Units	22
Combined Statement of Revenues, Expenditures and Changes in Fund Balances —	
All Governmental Fund Types and Expendable Trust Funds	24
Combined Statement of Revenues, Expenditures and Changes in Fund Balances —	
Budget and Actual (Non-GAAP Budgetary Basis) — General, Special Revenue,	
Debt Service and Capital Projects Funds	26
Combined Statement of Revenues, Expenses and Changes in Retained Earnings —	
All Proprietary Fund Types and Discretely Presented Component Unit	28
Combined Statement of Cash Flows —	
All Proprietary Fund Types and Discretely Presented Component Unit	30
Statement of Changes in Plan Net Assets — Pension Trust Fund.....	34
Statement of Changes in Net Assets — Investment Trust Fund.....	35
Statement of Changes in Fund Balance —	
Discretely Presented Component Units — College and University Funds.....	36
Statement of Current Funds Revenues, Expenditures and Other Changes —	
Discretely Presented Component Units — College and University Funds.....	37
Notes to the Financial Statements	38
Combining Financial Statements and Schedules	87
Special Revenue Funds:	
Special Revenue Funds Descriptions	88
Combining Balance Sheet	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	94
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances —	
Budget and Actual (Non-GAAP Budgetary Basis)	98
Debt Service Funds:	
Debt Service Funds Descriptions	108
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	116
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances —	
Budget and Actual (Non-GAAP Budgetary Basis)	122

	Page
Capital Projects Funds:	
Capital Projects Funds Descriptions	130
Combining Balance Sheet	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	136
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis)	140
Enterprise Funds:	
Enterprise Funds Descriptions	151
Combining Balance Sheet	152
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	154
Combining Statement of Cash Flows	156
Internal Service Funds:	
Internal Service Funds Descriptions.....	161
Combining Balance Sheet	162
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	164
Combining Statement of Cash Flows	166
Trust and Agency Funds:	
Trust and Agency Funds Descriptions	169
Combining Balance Sheet	170
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	172
Statement of Plan Net Assets — State Highway Patrol Retirement System.....	173
Statement of Net Assets — STAROhio	174
Combining Statement of Changes in Assets and Liabilities	175
General Fixed Assets Account Group:	
General Fixed Assets Account Group Description	178
Schedule of Changes in General Fixed Assets by Source.....	179
Schedule of Changes in General Fixed Assets by Function.....	180
Schedule of General Fixed Assets by Function.....	181
Discretely Presented Component Unit Funds:	
Discretely Presented Component Unit Funds Descriptions	182
Combining Balance Sheet	184
Combining Statement of Changes in Fund Balances — College and University Funds	190
Combining Statement of Current Funds Revenues, Expenditures and Other Changes — College and University Funds	196
STATISTICAL SECTION	
Table 1 — Revenue by Source — All General Governmental Fund Types	203
Table 2 — Expenditures by Function — All General Governmental Fund Types	204
Table 3 — Condensed Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund.....	205
Table 4 — Percent of Annual Debt Service for General and Special Bonded Debt to Total All General Governmental Fund Types Revenues and Expenditures.....	206
Table 5 — Net General and Special Bonded Debt per Capita	207
Table 6 — Schedule of Revenue Bond Coverage	208
Table 7 — Personal Income — Ohio Compared to the United States	210
Table 8 — Personal Income by Industry	211
Table 9 — Population by Age Group — Ohio Compared to the United States.....	212
Table 10 — Average Monthly Unemployment Rates — Ohio Compared to the United States	213
Table 11 — List of Major Corporations with Headquarters in Ohio	214
Table 12 — Total Gross State Product.....	215
Table 13 — Construction Contracts and Residential Building Activity	216
Table 14 — Assessed and Market Value of Taxable Real Property	217
Table 15 — Miscellaneous Statistics and Data	218

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INTRODUCTORY SECTION



State of Ohio · Office of Budget and Management
30 East Broad Street · Columbus, Ohio 43266-0411

November 17, 2000

To the Governor, the Honorable Members of the General Assembly, and the Citizens of Ohio:

It is my privilege to issue the *Ohio Comprehensive Annual Financial Report* (CAFR) on the financial condition of the State of Ohio for the fiscal year ended June 30, 2000. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

This report was prepared by the Ohio Office of Budget and Management pursuant to Section 126.21, Ohio Revised Code, which requires that an official financial report of the State be issued annually. The report includes General-Purpose Financial Statements, which provide an overview of the State's financial position and the results of financial operations by fund type.

The Office of Budget and Management is responsible for the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State of Ohio. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities have been included.

The State's General-Purpose Financial Statements include all funds and account groups that comprise the State's legal entity or primary government. The State's reporting entity is also comprised of its component units for which the elected officials of the State's primary government are financially accountable. We followed the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, to determine the organizations for which the State is financially accountable. NOTE 1A. to the financial statements explains more fully which financial activities are included in the State's reporting entity.

The CAFR includes the following: introductory section; financial section that presents the General-Purpose Financial Statements, combining financial statements, supporting schedules, and fund descriptions; and a statistical section that presents financial, economic, and demographic data for Ohio.

FINANCIAL PRESENTATION

The data in the financial statements are presented in accordance with a fund classification system prescribed by the GASB. The purpose of this system is to improve the comparability of the financial reports of different governmental units. Funds reported for the State's primary government and its component units are classified into four categories: governmental, proprietary, fiduciary, and college and university. Each category reported for the primary government is divided into the following "fund types."

Governmental fund types are those through which State functions are financed. Governmental fund types include the General, special revenue, debt service, and capital projects funds.

Proprietary fund types account for activities that are commercial in nature — similar to those often found in the private sector. Proprietary fund types include the enterprise and internal service funds.

Fiduciary fund types include trust funds, which account for assets held by the primary government in a trustee capacity, and agency funds, which account for assets held by the primary government as an agent for individuals, private organizations, other governments, and/or other funds.

The reporting format for our CAFR is significantly different from the way the State more typically presents its finances on a non-GAAP budgetary basis. The most obvious difference is that the "General Fund" in the CAFR includes more than just the State's General Revenue Fund. The General Fund also includes other funds such as

the reimbursement-supported funds used for activities administered by State agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate. Furthermore, the majority of budgetary expenditures reported in the General Revenue Fund for the support of higher education have been reclassified on a GAAP basis to “operating transfers to component units,” as required by the reporting requirements of GASB Statement No. 14.

INDEPENDENT AUDIT RESULTS

The General-Purpose Financial Statements have been audited by the Office of the Auditor of State, Jim Petro. The outcome of the audit conducted by the Auditor of State, in accordance with generally accepted auditing standards, was an unqualified auditors’ report. This opinion indicates there was no limitation on the scope of the auditors’ examination and the financial statements were presented fairly, in all material respects, in conformity with GAAP.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State’s management is responsible for establishing and maintaining internal control designed to ensure that the State’s assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

In fiscal year 1992, an executive order initiated the Internal Accounting Control Program (IACP). The IACP establishes written guidelines for state agencies to follow during periodic management reviews of their accounting operations. Under the program, agencies are required to formally establish, maintain, and annually evaluate and report on internal accounting control.

The State’s Central Accounting System (CAS) achieves budgetary control over the various accounts of the State’s funds. Ohio’s bicameral legislature, the General Assembly, authorizes expenditures by appropriating funds in biennial and supplemental appropriation acts. The Office of Budget and Management uses CAS to control departmental obligation and expenditure activity to ensure authorized appropriations are not exceeded.

The State’s non-GAAP budgetary financial statements are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority as of June 30, the end of the State fiscal year, are reflected as expenditures on the budgetary basis of accounting.

The State’s GAAP financial statements for the governmental, expendable trust, and agency funds have been prepared on a modified accrual basis of accounting. This means that revenues are recognized when measurable and available; expenditures are recognized when goods or services are received or liabilities are incurred. The proprietary, pension trust, and investment trust funds are accounted for on the accrual basis of accounting. This means that revenues are recognized when earned and expenses are recognized when incurred. Additional discussion of the budgetary and GAAP bases of accounting is provided in NOTE 1 to the financial statements.

The CAS maintains all non-GAAP budgetary basis transactions and most GAAP basis adjustments. In addition to the information obtained from the CAS for financial reporting, selected financial information provided by the State’s agencies and departments is compiled to complete the GAAP basis financial statements.

Differences between the two bases of accounting (GAAP vs. non-GAAP budgetary) include: 1) entity differences — the GAAP reporting entity may include organizations such as financing authorities and other component units that are not included in the State’s budget; 2) basis differences — the GAAP basis results in the reporting of accruals while the non-GAAP budgetary basis results in the reporting of cash transactions; and 3) timing differences — for example, GAAP recognizes expenditures for payables for goods and services received, whereas the non-GAAP budgetary basis considers unliquidated encumbrances as expenditures. A reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in NOTE 3 to the financial statements.

CASH MANAGEMENT

In Ohio, with the exception of certain organizations within the State's reporting entity that have independent powers to manage and invest their funds, the Treasurer of State is responsible for investing the State's cash and investments pool. During fiscal year 2000, cash management and investment transactions made by the Treasurer of State's Office, in accordance with the Uniform Depository Act, were limited to checking accounts and certificates of deposit with qualified public depositories, U.S. government and agency obligations, commercial paper, repurchase agreements, bankers' acceptances, bonds of foreign nations diplomatically recognized by the United States, and security lending agreements. Legal requirements for the investment of funds maintained in the State's cash and investments pool are discussed in NOTE 4 to the financial statements.

Quarterly, the Office of Budget and Management allocates the investment income earned on the cash and investments pool to the various funds designated by law to receive the earnings. The allocation is calculated in accordance with a formula based on average daily cash balances invested over the quarter. The Ohio Lottery Commission's investment portfolio, which is dedicated to the payment of deferred lottery prizes and is accounted for as part of the cash and investments pool, however, is not part of the investment earnings allocation just described. Instead, the Treasurer of State credits the investment earnings from the dedicated portfolio directly to the credit of the fund that accounts for this activity.

GENERAL GOVERNMENTAL FUNCTIONS

The following schedule presents a summary of revenues, recorded on the modified accrual basis, for the governmental fund types (General, special revenue, debt service, and capital projects funds) for the fiscal year ended June 30, 2000, and the amount and percentage increases and decreases in relation to prior-year's revenues after restatement (dollars in thousands).

<i>Revenues</i>	<i>FY 2000 Amount</i>	<i>Percent of Total</i>	<i>Increase/ (Decrease) from FY 1999</i>	<i>Percentage Increase/(Decrease) from FY 1999</i>
<i>Income Taxes</i>	\$ 8,098,155	26.7%	\$ 954,811	13.4%
<i>Sales Taxes</i>	6,233,089	20.5	398,790	6.8
<i>Corporate and Public Utility Taxes</i>	1,697,970	5.6	(119,671)	(6.6)
<i>Motor Vehicle Fuel Taxes</i>	1,459,374	4.8	13,695	.9
<i>Other Taxes</i>	913,086	3.0	(4,419)	(.5)
<i>Licenses, Permits and Fees</i>	1,156,380	3.8	18,803	1.7
<i>Sales, Services and Charges</i>	86,998	.3	5,267	6.4
<i>Federal Government</i>	9,321,234	30.7	537,047	6.1
<i>Tobacco Settlement</i>	412,270	1.4	412,270	N/A
<i>Investment Income</i>	495,063	1.6	(59,852)	(10.8)
<i>Other</i>	482,269	1.6	(25)	0.0
<i>Total</i>	<u>\$30,355,888</u>	<u>100.0%</u>	<u>\$2,156,716</u>	7.6

Significant increases and decreases reported for the State's *major* revenue sources are explained as follows:

- The \$954.8 million or 13.4 percent increase in income taxes is mainly attributable to a stronger economy and the realization of capital gains resulting from a strong stock market performance.
- Sales tax revenues rose \$398.8 million or 6.8 percent because of increases in consumer spending and growth in Ohio's retail sales.
- The \$119.7 million or 6.6 percent decrease in corporate and public utility tax revenue may be attributed to the restructuring of the corporate franchise tax, the expansion of this tax's investment credit, and weaker-than-expected corporate profits.
- An increase of \$537 million or 6.1 percent in federal government revenue is primarily due to increases in federal reimbursements for the Medicaid and Temporary Assistance for Needy Families programs.
- Tobacco settlement revenue increased \$412.3 million because fiscal year 2000 was the first year that Ohio received moneys under the Master Settlement Agreement, as explained further in NOTE 24.

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 2000, and the amount and percentage increases and decreases in relation to prior-year's expenditures after restatement are shown as follows for the functions of general government (dollars in thousands).

Expenditures	FY 2000 Amount	Percent of Total	Increase/ (Decrease) from FY 1999	Percentage Increase/(Decrease) from FY 1999
Current:				
Primary, Secondary and Other Education ..	\$ 6,636,569	22.2%	\$ 232,591	3.6%
Higher Education Support*.....	411,853	1.4	33,985	9.0
Public Assistance and Medicaid.....	9,488,379	31.7	926,727	10.8
Health and Human Services.....	2,613,853	8.7	65,493	2.6
Justice and Public Protection.....	2,167,402	7.2	131,663	6.5
Environmental Protection and Natural Resources	354,180	1.2	24,111	7.3
Transportation.....	1,680,736	5.6	183,183	12.2
General Government.....	575,576	1.9	(85,435)	(12.9)
Community and Economic Development....	452,516	1.5	53,611	13.4
Intergovernmental.....	3,026,320	10.1	128,226	4.4
Capital Outlay.....	1,491,621	5.0	226,836	17.9
Debt Service.....	1,053,995	3.5	29,870	2.9
Total.....	\$29,953,000	100.0%	\$1,950,861	7.0
*During fiscal year 2000, the State also provided \$1.67 billion in support of higher education institutions through operating transfers to the component units. This represents about a 7.1 percent increase in funding from fiscal year 1999 when the State transferred \$1.56 billion for this purpose.				

Significant increases and decreases for the State's major expenditure categories are explained as follows:

- Spending at the Department of Human Services greatly contributed to the \$926.7 million or 10.8 percent increase in public assistance and Medicaid expenditures.
- Justice and public protection expenditures grew by \$131.7 million or 6.5 percent. The majority of the rise is due to increased spending at the Department of Rehabilitation and Correction and the Department of Youth Services.
- An increase in highway construction spending at the Department of Transportation primarily accounts for the \$183.2 million or 12.2 percent rise in transportation expenditures.
- The \$85.4 million or 12.9 percent decline in general government expenditures resulted from a decrease in the payment of borrower rebates arising from the State's cash and investment pool's participation in securities lending activities during fiscal year 2000.
- The \$53.6 million or 13.4 percent increase in community and economic development expenditures can be attributed to increased spending at the Department of Development for the Home Energy Assistance Program, Community Development Block Grant Program, and the Y2K Compliance Program.
- The majority of the \$226.8 million or 17.9 percent increase in capital outlay expenditures occurred at the School Facilities Commission, which provides assistance to local school districts for the construction of school buildings.

An additional analysis of revenues and expenditures for all governmental funds reported for fiscal year 2000 is shown in the graphic presentation that follows this letter.

GENERAL FUND

Many State programs are accounted for in the General Fund, which reported the following (dollars in thousands):

	Balance as of June 30, 2000	Increase from FY 1999	Percentage Increase from FY 1999
Unreserved/Undesignated Fund Balance	\$ 324,312	\$ 1,539	.5%
Total Fund Balance	2,722,285	82,213	3.1
Total Revenues	20,242,240	1,344,556	7.1
Total Expenditures	17,331,076	1,134,115	7.0

The 3.1 percent increase in the General Fund's total fund balance primarily resulted from lower-than-budgeted spending and higher-than-expected revenue.

As of June 30, 2000, the State's primary government designated \$659.6 million for the purposes described in NOTE 19, and reserved \$1.74 billion in fund balance for a total designated and reserved fund balance of approximately \$2.40 billion for the General Fund. This is compared to a total designated and reserved fund balance of approximately \$2.32 billion, as of June 30, 1999. Total fund balance reserves for the General Fund increased by \$176.3 million or 11.3 percent since June 30, 1999. Most of the increase resulted from a \$117.9 million increase in the reserve for encumbrances and a \$46.4 million increase in the budget stabilization reserve.

PROPRIETARY AND FIDUCIARY FUNDS

The State's enterprise funds reported retained earnings of \$6.71 billion, as of June 30, 2000, as compared to \$5.58 billion in retained earnings (as restated), as of June 30, 1999. These results were caused primarily by the Workers' Compensation Enterprise Fund, which reported a retained earnings balance of \$6.45 billion, as of June 30, 2000, as compared to a \$5.24 billion retained earnings balance, as of June 30, 1999, a 23.1 percent increase. Operating revenues for the enterprise funds increased to \$7.15 billion in fiscal year 2000 from \$6.42 billion (as restated) in fiscal year 1999; operating expenses increased to \$5.25 billion in fiscal year 2000 from \$4.55 billion in fiscal year 1999. The increase in operating revenues primarily resulted from increases in premium and assessments revenue for the Bureau of Workers' Compensation Enterprise Fund and from charges for sales and services revenue generated for the other enterprise segments. The increase in operating expenses is mostly attributable to an increase in payments for premium dividend credits and rebates and benefits and claims from the Workers' Compensation Enterprise Fund.

The State's internal service funds reported retained earnings of approximately \$77.3 million, as of June 30, 2000, as compared to \$100.6 million (as restated), as of June 30, 1999, a 23.1 percent decrease. Fiscal year 2000 operating revenues totaling \$286.3 million had increased by \$14.5 million, or 5.3 percent, since fiscal year 1999. Fiscal year operating expenses totaling \$314.7 million, however, had increased by \$28.4 million, or 9.9 percent, since fiscal year 1999 (after restatement).

The fund balance of the expendable trust funds grew approximately 6.9 percent to \$2.82 billion, as of June 30, 2000, from \$2.64 billion, as of June 30, 1999. Revenues for the expendable trust funds rose to \$950.3 million in fiscal year 2000 from \$888.9 million in fiscal year 1999; expenditures increased to \$768.8 million in fiscal year 2000 from \$745.7 million in fiscal year 1999.

Net assets of the pension trust fund were approximately \$634.8 million, as of June 30, 2000, as compared to \$600.1 million, as of June 30, 1999, a 5.8 percent increase. Total additions to plan net assets for the pension trust fund increased to \$64 million in fiscal year 2000 from \$37 million in fiscal year 1999, a 72.9 percent increase, while total deductions to plan net assets increased to \$31.1 million in fiscal year 2000 from \$25.6 million in fiscal year 1999, a 21.4 percent increase. The sharp increase in fiscal year 2000 additions is due to an overall increase in investment income, and the increase in deductions is due to an increase in pension benefit and healthcare claims paid.

The State Treasury Asset Reserve of Ohio (STAROhio) Investment Trust Fund reported net investment income of \$305.8 million in fiscal year 2000, as compared to \$277.5 million in fiscal year 1999, and net assets held in trust for pool participants was \$5.25 billion, as of June 30, 2000, as compared to \$5.34 billion, as June 30, 1999, a 1.7 percent decrease. STAROhio is a State-sponsored external investment pool, which the Treasurer of State administers for local government participants.

DEBT ADMINISTRATION

Ohio's credit ratings for general obligation debt are Aa1 by Moody's Investors Service, Inc. (Moody's) and AA+ by Fitch Inc., Standard & Poor's Ratings Services (S&P) rates the State's general obligation debt AA+, except for Highway Capital Improvement Obligations, which S&P rates AAA.

Moody's rates the obligations supported by the General Revenue Fund that are issued by the Ohio Building Authority and the Ohio Public Facilities Commission as Aa2. S&P and Fitch generally rate unenhanced debt of the two state financing authorities as AA, an upgrade from the previous AA- rating. As of June 30, 2000, the State's primary government reported a total of \$8.66 billion in outstanding liabilities in its General Long-Term Obligations Account Group as follows (dollars in thousands):

<i>Type of Obligation</i>	<i>Outstanding Balance</i>	<i>Percentage Increase/(Decrease) Since June 30, 1999</i>
<i>General Obligation Bonds</i>	\$2,461,673	25.4%
<i>Revenue Bonds and Notes.....</i>	232,785	3.6
<i>Special Obligation Bonds</i>	4,973,657	(1.8)
<i>Certificates of Participation.....</i>	14,590	(13.0)
<i>Other General Long-Term Obligations</i>	978,159	(3.4)
<i>Total</i>	<u>\$8,660,864</u>	4.6

For the proprietary funds, Ohio's primary government also reported \$214 million (net of unamortized discounts of approximately \$2.5 million) in revenue bonds, as of June 30, 2000.

RETIREMENT SYSTEMS

Employees of the primary government or its component units may be eligible to participate in the Public Employees Retirement System, the State Teachers Retirement System, the State Highway Patrol Retirement System, or the Alternative Retirement Plan. Further information on the State's participation in the different retirement systems can be found in NOTE 9 to the financial statements.

RISK MANAGEMENT

As discussed in NOTE 1.O. to the financial statements, the State's primary government retains risk for claims arising from the State's traditional health care plan (OhioMed Health Plan), vehicle liability, public fidelity blanket bonds, property losses, and tort liability. Also, the State's primary government participates in a public entity risk pool, which is accounted for in the Bureau of Workers' Compensation Enterprise Fund, for the financing of its workers' compensation liability.

ECONOMIC OVERVIEW AND OUTLOOK

The U.S. economy is slowing down after four consecutive years of solid growth. The year 2000 will be the fourth consecutive year in which economic expansion has exceeded 4.0 percent, the best performance since the 1960s. Real Gross Domestic Product (GDP), the total value of goods and services produced in the U.S. and adjusted for inflation, grew at a stronger than expected annual rate of 5.6 percent in the second quarter of this year, following a growth rate of 4.8 percent in the first quarter.

For the year 2000, real GDP growth is estimated at 5.2 percent, the highest growth rate since 1984. However, recent reports on the health of the U.S. economy suggest that business activity is cooling. Real growth in the U.S. economy is predicted to cool to a more moderate pace of 3.5 percent in 2001 and 3.4 percent in 2002. By the standards of the 1980s, such a growth rate would be characterized as a boom. But with the higher potential growth now estimated, it qualifies as a soft-landing.

The Federal Reserve Bank (Fed) is succeeding in its attempt to slow down the economy with help from higher oil prices. The Fed boosted interest rates six times from mid 1999 to May of this year, aiming to curb economic growth and keep inflation in check. The impact of higher interest rates and costlier credit is still working its way through the economy. Will the Fed be satisfied with the slowdown it has generated, or does it believe that the brakes need to be applied harder? Chairman Alan Greenspan's recent comments certainly suggest that the U.S. economy can grow more quickly without igniting a sharp increase in inflation, which would imply that less braking is required.

All in all, the strong sectors of the economy continue to outweigh the weak ones, with higher productivity growth balancing out the higher employment costs. As a result, the overall economic picture remains on a positive growth track with no recession predicted for the near term. The future of the U.S. economy is becoming more dependent on events overseas, as well as the behavior of the U.S. consumer. The most likely scenario at the present time is that the U.S. economy will gradually slow to a more moderate path, with real GDP advancing at an annual growth rate of 3.0 percent to 3.5 percent over the next two years.

Ohio's revenue picture remains in line with the current budget forecast of moderate economic growth and low inflation. The General Revenue Fund (GRF), the state's major budgetary operating fund reported within the General Fund, remained strong, ending the fiscal year 2000 with a budgetary fund balance of \$855.8 million. The strong financial performance of the GRF in FY 2000 allowed for a 6.9 percent temporary tax cut in the per-

sonal income tax rate for calendar year 2000. In addition, Ohio's Budget Stabilization Fund or "Rainy Day Fund," another budgetary fund reported as part of the General Fund, remained intact with a current fund balance of approximately \$1 billion.

MAJOR INITIATIVES AND PROJECTS

Primary and Secondary Education - Ohio Supreme Court Case Update

On May 11, 2000 the Ohio Supreme Court ruled in a 4-3 decision that the State's response to the 1997 DeRolph case had not met the "thorough and efficient" standard set in the Ohio Constitution. The Supreme Court cited seven specific areas to be addressed by the State: 1) continued reliance on local property as a primary means to fund Ohio's schools has not been specifically addressed, 2) the cost of an adequate education formula has structural deficiencies and may not reflect the actual amount per pupil that is required to provide an adequate education, 3) continuing attention must be given to the mechanism which funds the construction of new and the repair of old school buildings - requiring school districts to pass levies as a prerequisite for obtaining State funding should be reviewed, 4) School Solvency Assistance Fund must be reevaluated so that funds are available and used only in the case of extreme emergency, 5) unfunded mandates required by House Bill 412 and Senate Bill 55 must be addressed and immediately funded, 6) phantom revenue (when the growing property wealth gives the illusion of an increasing revenue stream that is not realized) has not been eliminated, and 7) strict, statewide academic guidelines must be developed and rigorously followed throughout all of Ohio's public school districts.

The school funding debate has been primarily focused in Columbus at the Statehouse by the opinions of state officials and special interest groups. Through the use of "field trips", Governor Taft took the debate outside of Columbus to hear what Ohioans in the rest of the State think about education and school funding. The field trips are unique opportunities to listen and learn from citizens about the issue of school funding. The field trip meetings, which are moderated public events, are available live through web cast technology.

At the same time the field trips are taking place, the General Assembly has convened two legislative committees made up of both House and Senate members. The Joint Committee to Re-Examine the Cost of an Adequate Education and The Joint Select Committee on School Funding and Accountability have been meeting throughout the year to continue to solve the issues surrounding education funding. The Supreme Court will retain jurisdiction of the case and continue it until June 15, 2001 when the State will need to prove they have sufficiently addressed the issues listed above.

The State's Capital Budget

In June 2000, the Governor signed House Bill 640, the State's Capital Budget Bill for the 2001-2002 biennium. The \$1.8 billion bill provides more than \$1.1 billion for school construction for primary, secondary, and higher education facilities. In addition to funding education initiatives, the capital budget also includes over \$115 million to address the construction and maintenance needs of state facilities which house Ohio's adult and juvenile offenders. Over \$103 million was allocated to support and maintain Ohio's extensive system of community parks and natural resources. In addition, the capital bill implements a section of the Ohio Constitution that was approved by the electors of the state in November 1999. The provision grants the Ohio Public Facilities Commission the authority to issue general obligation bonds for primary, secondary and higher education facility projects, thus providing debt cost savings to the State.

Rebuilding Ohio's Schools – A 12 Year Plan

Senate Bill 272 complements the State's capital budget by addressing the facility needs of schools throughout Ohio and allowing the State to use these funds in ways that help schools most effectively. The legislation provides funding for the Accelerated Urban Program and Joint Vocational School Facilities. The Accelerated Urban Program allows Ohio's six remaining "Big 8" urban districts to receive accelerated funding for their building needs. The legislation also requires the Ohio School Facilities Commission to present a funding recommendation for the facility needs of Ohio's 49 joint vocational school districts. Other provisions include: the Exceptional Needs Program, which provides a permanent funding program for districts ranked below the 50th percentile in terms of wealth and that demonstrate severe facility needs; the Facilities Assessment Program, which provides a mechanism for every school district in Ohio to seek an assessment of their current facilities; and the Emergency Assistance Program, which allows the School Facilities Commission to provide assistance to districts that suffer unexpected damage from a natural disaster.

These initiatives are an integral part of the Governor's "Rebuilding Ohio's Schools" plan. The plan, which will provide \$10.2 billion in State funding along with \$12.9 billion in local matching funds, will have fully funded the State's share of every school building need across the State by 2012. The Education Facilities Trust Fund, as discussed in the "Ohio's Tobacco Settlement" section, will keep school districts' facilities maintained in good condition. The State's \$10.2 billion share of funding during the 12-year plan will be comprised of \$5.9 billion from the State's capital budgets, \$2.5 billion from the State's settlement with tobacco companies, and \$1.8 billion from operating appropriations and interest earnings.

Governor's Commission for Student Success

As part of his education initiatives, Governor Taft established The Commission for Student Success that is made up of 33 members – committed educators, parents, teachers, business and community leaders and public officials. The Commission is charged with the following tasks as part of its mission: 1) recommend the kind of rigorous academic expectations and assessments that will ensure the success of students in school, in the workplace and in life; 2) propose actions to guarantee that students, teachers, parents and the public understand what schoolchildren are expected to know and be able to do; 3) examine what is working in Ohio and elsewhere, including practical consequences for students and educators based on demonstrated performance; and 4) make sure the various parts fit together as aligned components of an effective education system that helps students achieve high academic standards.

It is anticipated that the Commission will report on its conclusions and make recommendation to the Governor, the General Assembly, and the State Board of Education by December 30, 2000.

Strong Economy and Income Tax Relief

A one-time income tax rate reduction of approximately 6.9 percent in fiscal year 2001 for the 2000 tax year will be made possible by a strong economy that produced total budgetary revenues and other financing sources of \$20.1 billion for the General Revenue Fund in fiscal year 2000, approximately \$500.3 million more than estimated. This combined with spending restraint that resulted in disbursements and other financing uses of \$20.1 billion in fiscal year 2000 for the General Revenue Fund, which was \$321.6 million less than estimated, bolstered the State's financial position, and allowed the State to designate \$610.4 million of the General Revenue Fund's June 30, 2000 fund balance for income tax reduction.

Reforms in Income and Estate Taxes

In June 2000, Governor Taft signed two bills, which promise to ease the burden taxes place on Ohio's citizens. House Bill 612 focuses on making the tax system more efficient and more taxpayer friendly. The bill simplifies the tax system and gives taxpayers more time to appeal tax rulings. It also allows more choice in the payment and delivery of taxes, by authorizing the Ohio Department of Taxation to approve alternative commercial delivery services like UPS and FedEx. The bill creates opportunities for taxes to be filed and paid over the Internet by authorizing the acceptance of electronic signatures.

The second bill, Senate Bill 108, increases the tax-exempt level of estate value from the current level of \$25,000 or less to \$338,000 or less in 2003. The bill also creates a deduction designed to preserve family-owned farms and businesses. Families that qualify can choose to deduct up to \$675,000 from the taxable value of the estate. These changes will eliminate the burden of filing and paying estate tax for 78 percent of Ohioans who would otherwise have to pay, thus saving Ohio taxpayers nearly \$200 million over the next two years. The impact of the estate tax cuts on local governments will be mitigated by increasing local government's share of estate tax revenues from the current 64 percent to 80 percent by 2002. In fiscal year 1999, 27,676 estates paid tax totaling \$408.5 million.

New State Agency Oversees Human Services and Employment Assistance Programs

July 1, 2000 marked the official creation of the Department of Job and Family Services (JFS). The new agency was created from the merger of the Ohio Bureau of Employment Services and the Ohio Department of Human Services. JFS will combine the job-matching computer systems operated by the two former agencies to eliminate duplication of effort and create a more efficient workforce development system. JFS will also implement the federal Workforce Investment Act. The Act, which took effect July 1, authorizes a new workforce system to replace the Job Training Partnership Act and other provisions of federally funded job training programs. JFS employs 3,700 people and has an annual budget of \$10.4 billion. Among the programs it manages are employment and economic assistance, health care, child support, adoption, foster care, and protective services.

Improved Technology to Interact with State Government

Ohio is striving to become a leader in the use of technology to benefit its citizens. To this end, the State has undertaken the following initiatives to enable citizens to interact more easily and efficiently with the State of Ohio.

In March 2000, the Governor established, by Executive Order, the Governor's Council on Electronic Commerce. The Council provides leadership for the implementation of electronic commerce throughout state government. The council is responsible for: 1) developing a strategic plan for electronic delivery of state services by March 2001; 2) assisting state agencies in posting their most frequently requested forms on-line, become accessible to customers by e-mail by December 31, 2000, and have key services available on-line by December 31, 2002; 3) reinventing the State's home page to allow customers to search by services offered, rather than by state agency; and 4) fostering a "One Stop, E-Shop" philosophy to allow customers to do business with the State through a single on-line form.

The Ohio General Assembly passed legislation to enable citizens to conduct commerce via the Internet. Senate Bill 242 allows Ohioans to renew vehicle registrations over the telephone or the Internet and to pay for the registration fees by credit card or debit card. House Bill 611 gives the Bureau of Workers' Compensation the authority to allow clients to file claims and employers to pay their premiums through the Internet, while House Bill 488 gives electronic contracts, signatures, and records the same legal standing as those created and signed on paper.

Ohio's Tobacco Settlement

In March 2000, the Governor signed into law Senate Bill 192, Ohio's plan for using revenue from the Tobacco Master Settlement Agreement. The legislation, which contains a comprehensive plan for the use of tobacco revenue through fiscal year 2012, is in response to the recommendations of the Governor's Tobacco Task Force. For fiscal years 2012 through 2025, the bill contains a plan for using part of the revenue.

During fiscal year 2000, the first year when base payments were made to the states under the settlement, Ohio received \$412.3 million - 7.1 percent less than the pre-adjusted base payment projected for the year. From fiscal years 2001 through 2025, Ohio's share of the payments from the master settlement agreement is projected at approximately \$9.7 billion. If the actual revenues received are less than what has been estimated, funding for all funds except the Education Facilities Trust Fund (see below) will be reduced accordingly. If the actual revenues received are greater than what has been estimated, the excess amount will be deposited to the State's Income Tax Reduction Fund. The bill provides for the creation of the following funds and their funding plans:

- The Education Facilities Trust Fund, administered by the School Facilities Commission, will receive an estimated \$2.42 billion through fiscal year 2012. The money will be used for the construction, renovation, and repair of Ohio's primary and secondary schools.
- The Education Facilities Endowment Fund will receive an estimated \$2.1 billion through fiscal year 2025. The money will be maintained as a permanent source of revenue for constructing, renovating, and repairing Ohio's primary and secondary schools. All investment earnings from this fund are to be transferred quarterly to the Education Facilities Trust Fund.
- The Education Technology Trust Fund will receive an estimated \$225 million through fiscal year 2012. The funds are to be used to provide new and innovative technology for primary and secondary education, including chartered nonpublic schools, and for state and private nonprofit institutions of higher education.
- The Tobacco Use Prevention and Cessation Trust Fund will receive approximately \$1.3 billion through fiscal year 2012. The Tobacco Use Prevention and Control Foundation, which administers the fund, will prepare and update annually a five-year plan to reduce tobacco use.
- The Law Enforcement Improvements Trust Fund will receive an estimated \$25 million through fiscal year 2001. The Ohio Attorney General's Office will use these funds to maintain, upgrade, and modernize its law enforcement training and laboratory facilities.
- The Southern Ohio Agricultural and Community Development Trust Fund will receive an estimated \$236 million through fiscal year 2011. The foundation that will administer this fund will sponsor programs that will replace the production of tobacco in southern Ohio with the production of other agricultural products, and mitigate the adverse economic impact of reduced tobacco production in the region.

- Ohio's Public Health Priorities Trust Fund will receive an estimated \$261 million through fiscal year 2012 for minority health programs, alcohol and drug abuse prevention programs, enforcement of Ohio's underage tobacco use laws, and emergency medical assistance to senior citizens whose health has been adversely affected by tobacco use. This funding will also partially reimburse hospitals, free medical clinics, and counties that pay similar entities that provide free health care to the general public.
- The Biomedical Research and Technology Transfer Trust Fund within the Ohio Board of Regents will receive an estimated \$510 million through fiscal year 2012. The funds will be used to make a strategic assessment of the types of investments in biomedical research and biotechnology that would improve the health of Ohioans and create jobs and business opportunities, and develop and implement grant-making policies and processes.

Debt Issuance for Brownfields and Greenspace

On November 7, 2000, Ohio voters approved a constitutional amendment that authorizes the State to issue \$200 million in general obligation bonds over the course of 25 years. The bonds will finance the purchase of additional "greenspace" land or interest in land devoted to natural areas, open spaces and agriculture. The amendment also approves the issuance of an additional \$200 million in revenue bonds to finance the cleanup of public or privately owned "brownfields" defined as properties that are environmentally contaminated. The amendment became a statewide ballot issue through passage of House Joint Resolution 15 by the General Assembly in May 2000. The passage of implementing legislation is necessary and is anticipated to be undertaken by the next General Assembly during fiscal year 2001.

AWARDS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1999. This was the tenth consecutive year that the State has achieved this prestigious award.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Award for Distinguished Budget Presentation

The GFOA presented an Award for Distinguished Budget Presentation to the State of Ohio for its fiscal years 2000-01 budget document. This is the second time the State has received the award. To receive this award, a government must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The award is valid for a period of one year only.

ADDITIONAL INFORMATION

The Ohio Office of Budget and Management provides access to the fiscal year 2000 *Ohio Comprehensive Annual Financial Report*, fiscal year 2000 *Ohio Budgetary Financial Report*, and other State-related financial data and information at its home page on the Internet at <http://www.state.oh.us/obm/>.

ACKNOWLEDGMENTS

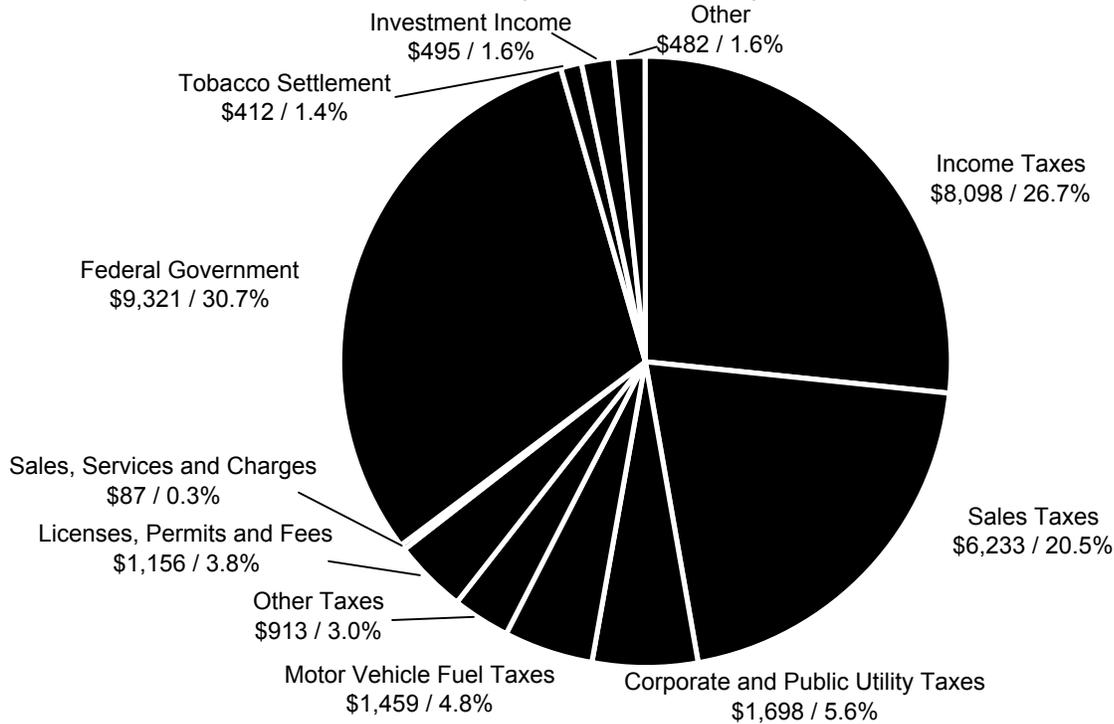
In conclusion, I wish to express my appreciation to the staffs of the various State agencies whose time and dedicated efforts made this report possible.

Sincerely,

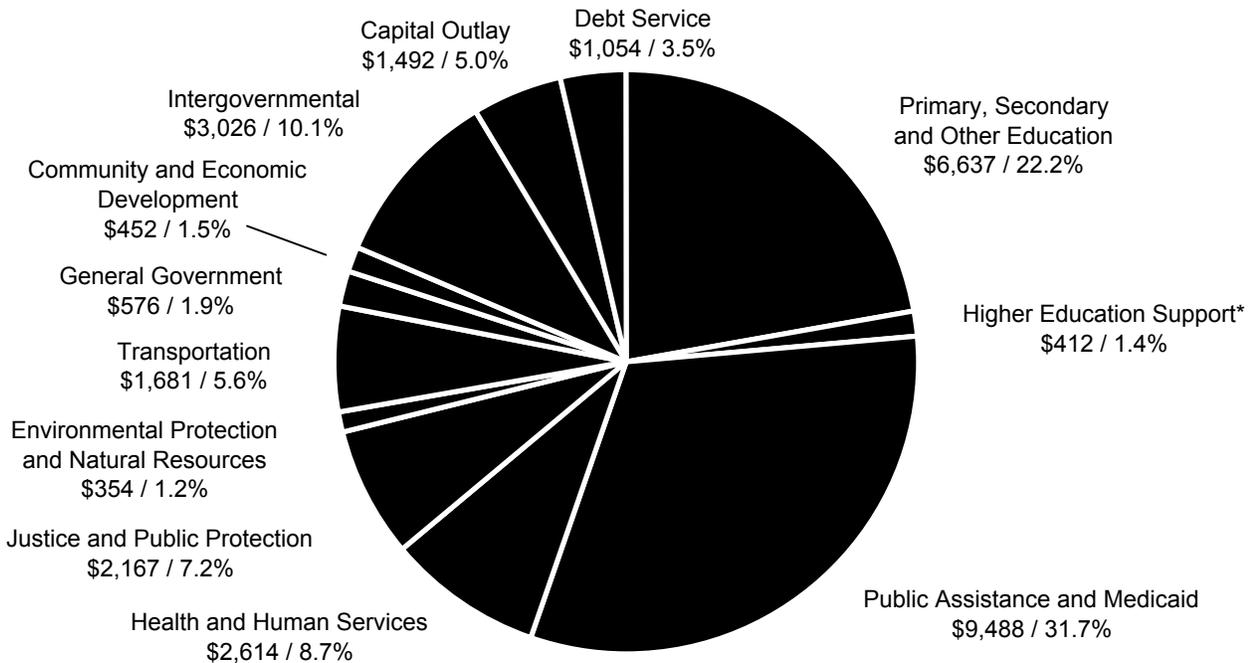


Thomas W. Johnson, Director

**GAAP Basis Revenues for All General Governmental Fund Types
Fiscal Year 2000
(dollars in millions)**



**GAAP Basis Expenditures for All General Governmental Fund Types
Fiscal Year 2000
(dollars in millions)**



* In the governmental funds, budgetary expenditures for Higher Education Support totaling \$1.67 billion are reported on a GAAP basis as "Operating Transfers to Component Units," as shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, pages 24 and 25.

Certificate of Achievement for Excellence in Financial Reporting

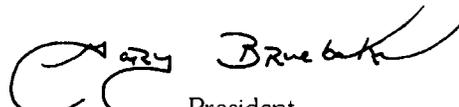
Presented to

State of
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.




Cary Bruebach
President


Jeffrey L. Essler
Executive Director

STATE OF OHIO OFFICIALS

EXECUTIVE

Bob Taft
Governor

Maureen O'Connor
Lieutenant Governor

Betty D. Montgomery
Attorney General

Jim Petro
Auditor of State

Joseph T. Deters
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Secretary of State

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President of the Senate

Jo Ann Davidson
Speaker of the House

JUDICIAL

Thomas J. Moyer
Chief Justice
Supreme Court

FINANCIAL SECTION



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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 Columbus, Ohio 43215
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Independent Accountants' Report

The Honorable Bob Taft, Governor
 State of Ohio
 Columbus, Ohio

We have audited the accompanying general-purpose financial statements of the State of Ohio, as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the following organizations which are a part of the primary government:

Capitol Square Review and Advisory Board	Ohio Bureau of Workers' Compensation
Office of Financial Incentives	and Industrial Commission of Ohio
Office of the Auditor of State	State Treasury Asset Reserve of Ohio

Also, we did not audit the following component units:

Blended

Ohio Building Authority	State Highway Patrol Retirement System
Ohio Public Facilities Commission	

Discretely Presented

Bowling Green State University	Miami University	University of Toledo
Columbus State Community College	Ohio State University	Wright State University
Cleveland State University	Ohio University	Youngstown State University
Kent State University	University of Akron	
Medical College of Ohio at Toledo	University of Cincinnati	

In addition, we did not audit the financial statements of the Public Employees Retirement System, Police and Firemen's Disability and Pension Fund System, State Teachers Retirement System, and School Employees Retirement System, whose assets are held by the Treasurer of State and are included as part of the State's trust and agency fund type.

These financial statements reflect the following percentages of total assets or liabilities and revenues or additions of the indicated fund types, account groups, and discretely presented component units:

	<u>Percent of Total Assets/(Liabilities)</u>	<u>Percent of Total Revenues/Additions</u>
Special Revenue Fund Type	7%	0%
Debt Service Fund Type	56%	9%
Capital Projects Fund Type	1%	26%
Enterprise Fund Type	92%	62%
Internal Service Fund Type	33%	11%
Trust and Agency Fund Type	97%	52%
General Fixed Assets Account Group	8%	—
General Long-Term Obligations Account Group	(61%)	—
Discretely Presented Component Units	80%	94%

The Honorable Bob Taft, Governor

The financial statements of these independently audited organizations and the assets of these retirement systems were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the financial statements of these independently audited organizations and the amounts of the retirement systems audited by other auditors included in the fund types and account groups comprising the general-purpose financial statements is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and reports of other auditors, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Ohio at June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and discretely presented component unit for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the State of Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general-purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and therefore, express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

November 17, 2000

**GENERAL-
PURPOSE
FINANCIAL
STATEMENTS**

STATE OF OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2000

(dollars in thousands)

GOVERNMENTAL FUND TYPES

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash Equity with Treasurer	\$ 2,944,434	\$ 3,661,491	\$ 58,357	\$ 665,172
Cash and Cash Equivalents	10,496	18,697	1,692	—
Investments	—	113,437	90,599	7,133
Collateral on Lent Securities	194,129	240,831	3,903	43,840
Deposit with Federal Government	—	—	—	—
Receivables:				
Taxes	831,150	196,070	—	—
Intergovernmental	770,524	530,340	—	—
Premiums and Assessments	—	—	—	—
Investment Trade	—	—	—	—
Loans, Net	35,273	477,190	3,058	175,331
Other	16,787	57,224	983	2,841
Due from Other Funds	15,504	25,668	1,236	1,211
Inventories	1,511	34,125	—	—
Food Stamps	—	19,878	—	—
Advances to Other Funds	—	—	—	—
Restricted Assets:				
Cash Equity with Treasurer	—	—	—	—
Cash and Cash Equivalents	—	—	—	—
Investments	—	—	—	—
Dedicated Investments	—	—	—	—
Collateral on Lent Securities	—	—	—	—
Other Receivables	—	—	—	—
Fixed Assets (net of accumulated depreciation)	—	—	—	—
Other Assets	378	4,525	—	—
Amount Available for Debt Service	—	—	—	—
Amount to be Provided for General Long-Term Obligations	—	—	—	—
TOTAL ASSETS AND OTHER DEBITS	\$ 4,820,186	\$ 5,379,476	\$ 159,828	\$ 895,528
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 153,314	\$ 306,960	\$ —	\$ 75,940
Medicaid Claims Payable	699,316	9,070	—	—
Accrued Liabilities	90,753	44,852	995	27
Obligations Under Securities Lending	194,129	240,831	3,903	43,840
Intergovernmental Payable	259,370	488,537	—	929
Investment Trade Payable	—	—	—	—
Due to Other Funds	37,325	5,606	—	2,158
Deferred Revenue	114	135,142	—	—
Benefits Payable	—	—	—	—
Refund and Other Liabilities	663,580	77,601	968	—
Liability for Escheat Property	—	—	—	—
Liabilities Payable from Restricted Assets	—	—	—	—
Advances from Other Funds	—	168,494	—	—
General Obligation Bonds	—	—	—	—
Revenue Bonds and Notes	—	—	—	—
Special Obligation Bonds	—	—	—	—
Certificates of Participation	—	—	—	—
Other General Long-Term Obligations	—	—	—	—
Total Liabilities	2,097,901	1,477,093	5,866	122,894
Fund Equity and Other Credits:				
Investment in General Fixed Assets	—	—	—	—
Contributed Capital	—	—	—	—
Reserved Retained Earnings	—	—	—	—
Unreserved Retained Earnings	—	—	—	—
Fund Balances:				
Reserved for:				
Debt Service	1,545	—	150,345	—
Encumbrances	631,901	4,638,771	—	592,413
Budget Stabilization	953,291	—	—	—
Noncurrent Portion of Loans Receivable	33,539	475,950	3,058	173,961
Employees' Pension and Other Postemployment Benefits	—	—	—	—
Unemployment Benefits	—	—	—	—
External Investment Pool Participants	—	—	—	—
Restricted Fund Balances	—	—	—	—
Other	118,097	34,345	559	60,394
Unreserved/Designated	659,600	—	—	—
Unreserved/Undesignated (Deficits)	324,312	(1,246,683)	—	(54,134)
Total Fund Equity and Other Credits	2,722,285	3,902,383	153,962	772,634
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 4,820,186	\$ 5,379,476	\$ 159,828	\$ 895,528

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL REPORTING ENTITY
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	(memorandum only)		(memorandum only)	
\$ 111,385	\$ 47,175	\$ 213,921	\$ —	\$ —	\$ 7,701,935	\$ 252	\$ 7,702,187	
1,745,654	191	139,603	—	—	1,916,333	273,109	2,189,442	
17,679,290	1,712	139,707,740	—	—	157,599,911	4,410,121	162,010,032	
2,334,145	3,068	1,151,228	—	—	3,971,144	—	3,971,144	
—	—	2,251,169	—	—	2,251,169	—	2,251,169	
—	—	143,155	—	—	1,170,375	—	1,170,375	
—	2,610	12	—	—	1,303,486	31,814	1,335,300	
2,547,108	—	—	—	—	2,547,108	—	2,547,108	
368,174	—	—	—	—	368,174	—	368,174	
—	—	—	—	—	690,852	2,198,345	2,889,197	
326,809	31,297	43,936	—	—	479,877	504,716	984,593	
1,788	39,842	1,397	—	—	86,646	502,450	589,096	
25,768	18,912	—	—	—	80,316	44,418	124,734	
—	—	—	—	—	19,878	—	19,878	
—	—	168,494	—	—	168,494	—	168,494	
17,504	—	—	—	—	17,504	—	17,504	
31	—	—	—	—	31	4,813	4,844	
—	41,824	—	—	—	41,824	123,963	165,787	
1,607,828	—	—	—	—	1,607,828	—	1,607,828	
209,710	—	—	—	—	209,710	—	209,710	
6,774	—	—	—	—	6,774	—	6,774	
214,643	29,398	178	4,158,230	—	4,402,449	9,265,194	13,667,643	
21,330	376	465,797	—	—	492,406	787,619	1,280,025	
—	—	—	—	—	151,890	—	151,890	
—	—	—	—	—	8,508,974	—	8,508,974	
\$ 27,217,941	\$ 216,405	\$ 144,286,630	\$ 4,158,230	\$ 8,660,864	\$ 195,795,088	\$ 18,146,814	\$ 213,941,902	
\$ 40,643	\$ 29,881	\$ 1,256	\$ —	\$ —	\$ 607,994	\$ 284,007	\$ 892,001	
36,826	10,709	1,043	—	—	708,386	—	708,386	
2,334,144	3,068	1,151,228	—	—	185,205	665,264	850,469	
—	—	80,314	—	—	3,971,143	—	3,971,143	
1,286,871	—	136,512	—	—	829,150	490	829,640	
2,479	5,205	33,885	—	—	1,423,383	—	1,423,383	
438,207	378	—	—	—	86,658	502,450	589,108	
12,044,911	—	24,680	—	—	573,841	215,108	788,949	
2,368,449	—	134,069,468	—	—	12,069,591	—	12,069,591	
—	—	81,020	—	—	137,180,066	150,989	137,331,055	
1,774,772	—	—	—	—	81,020	—	81,020	
—	—	—	—	—	1,774,772	—	1,774,772	
—	—	—	—	—	168,494	—	168,494	
185,155	28,808	—	—	2,461,673	2,461,673	—	2,461,673	
—	—	—	—	232,785	446,748	2,611,607	3,058,355	
—	—	—	—	4,973,657	4,973,657	—	4,973,657	
—	—	—	—	14,590	14,590	12,175	26,765	
—	—	—	—	978,159	978,159	—	978,159	
20,512,457	78,049	135,579,406	—	8,660,864	168,534,530	4,442,090	172,976,620	
—	—	—	4,158,230	—	4,158,230	8,145,868	12,304,098	
411	61,020	—	—	—	61,431	—	61,431	
179,974	—	—	—	—	179,974	—	179,974	
6,525,099	77,336	—	—	—	6,602,435	1,465,789	8,068,224	
—	—	—	—	—	151,890	—	151,890	
—	—	—	—	—	5,863,085	—	5,863,085	
—	—	—	—	—	953,291	—	953,291	
—	—	—	—	—	686,508	—	686,508	
—	—	634,770	—	—	634,770	—	634,770	
—	—	2,535,513	—	—	2,535,513	—	2,535,513	
—	—	5,250,689	—	—	5,250,689	—	5,250,689	
—	—	—	—	—	—	3,096,864	3,096,864	
—	—	168,494	—	—	381,889	—	381,889	
—	—	—	—	—	659,600	433,985	1,093,585	
—	—	117,758	—	—	(858,747)	562,218	(296,529)	
6,705,484	138,356	8,707,224	4,158,230	—	27,260,558	13,704,724	40,965,282	
\$ 27,217,941	\$ 216,405	\$ 144,286,630	\$ 4,158,230	\$ 8,660,864	\$ 195,795,088	\$ 18,146,814	\$ 213,941,902	

STATE OF OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Income Taxes	\$ 7,243,856	\$ 854,299	\$ —
Sales Taxes	5,919,129	313,960	—
Corporate and Public Utility Taxes	1,604,604	93,366	—
Motor Vehicle Fuel Taxes	—	1,424,686	34,688
Unemployment Taxes	—	—	—
Other Taxes	861,597	51,489	—
Licenses, Permits and Fees	96,954	1,046,945	12,481
Sales, Services and Charges	45,738	41,260	—
Federal Government	3,993,184	5,328,050	—
Tobacco Settlement	—	412,270	—
Investment Income	287,937	161,451	11,769
Other	189,241	291,017	784
TOTAL REVENUES	20,242,240	10,018,793	59,722
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	5,108,498	1,528,071	—
Higher Education Support	398,414	13,439	—
Public Assistance and Medicaid	7,232,963	2,255,416	—
Health and Human Services	1,062,145	1,551,708	—
Justice and Public Protection	1,685,095	482,307	—
Environmental Protection and Natural Resources	130,031	224,149	—
Transportation	37,917	1,642,819	—
General Government	447,943	127,633	—
Community and Economic Development	119,060	332,626	—
INTERGOVERNMENTAL	1,081,828	1,944,492	—
CAPITAL OUTLAY	24,862	448,508	—
DEBT SERVICE	2,320	—	1,051,628
TOTAL EXPENDITURES	17,331,076	10,551,168	1,051,628
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,911,164	(532,375)	(991,906)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	154,036	—
Capital Leases	2,668	830	—
Operating Transfers-in	142,267	1,968,534	1,033,631
Operating Transfers-out	(1,302,412)	(1,036,354)	(43,573)
Operating Transfers to Component Units	(1,671,985)	—	—
TOTAL OTHER FINANCING SOURCES (USES)	(2,829,462)	1,087,046	990,058
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	81,702	554,671	(1,848)
FUND BALANCES, JULY 1 (as restated)	2,640,072	3,346,856	155,810
Increase (Decrease) for Changes in Inventories	511	856	—
Residual Equity Transfers-out	—	—	—
FUND BALANCES, JUNE 30	\$ 2,722,285	\$ 3,902,383	\$ 153,962

The notes to the financial statements are an integral part of this statement.

	FIDUCIARY FUND TYPE	
CAPITAL PROJECTS	EXPENDABLE TRUST	TOTAL (memorandum only)
\$ —	\$ —	\$ 8,098,155
—	—	6,233,089
—	—	1,697,970
—	—	1,459,374
—	700,415	700,415
—	—	913,086
—	—	1,156,380
—	—	86,998
—	11,650	9,332,884
—	—	412,270
33,906	161,375	656,438
1,227	76,892	559,161
35,133	950,332	31,306,220
—	—	6,636,569
—	—	411,853
—	—	9,488,379
—	734,162	3,348,015
—	—	2,167,402
—	—	354,180
—	—	1,680,736
—	34,672	610,248
830	—	452,516
—	—	3,026,320
1,018,251	—	1,491,621
47	—	1,053,995
1,019,128	768,834	30,721,834
(983,995)	181,498	584,386
948,338	—	1,102,374
1,426	—	4,924
265,442	—	3,409,874
(265,807)	—	(2,648,146)
—	—	(1,671,985)
949,399	—	197,041
(34,596)	181,498	781,427
810,962	2,640,267	9,593,967
—	—	1,367
(3,732)	—	(3,732)
\$ 772,634	\$ 2,821,765	\$ 10,373,029

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Income Taxes	\$ 6,916,901	\$ 7,231,989	\$ 315,088	\$ 852,584	\$ 852,584	\$ —
Sales Taxes	5,705,001	5,913,683	208,682	313,550	313,550	—
Corporate and Public Utility Taxes	1,704,400	1,611,510	(92,890)	93,714	93,714	—
Motor Vehicle Fuel Taxes	—	—	—	1,437,146	1,437,146	—
Other Taxes	854,805	861,394	6,589	51,935	51,935	—
Licenses, Permits and Fees	108,836	104,009	(4,827)	1,231,630	1,231,630	—
Sales, Services and Charges	40,075	40,943	868	35,320	35,320	—
Federal Government	3,836,168	3,850,114	13,946	5,354,304	5,354,304	—
Tobacco Settlement.....	—	—	—	412,270	412,270	—
Investment Income	121,813	125,922	4,109	167,887	167,887	—
Other	412,450	391,452	(20,998)	494,855	494,855	—
TOTAL REVENUES	19,700,449	20,131,016	430,567	10,445,195	10,445,195	—
BUDGETARY EXPENDITURES:						
CURRENT:						
Primary, Secondary and Other Education	5,271,497	5,150,140	121,357	1,812,636	1,785,811	26,825
Higher Education Support	2,091,942	2,079,880	12,062	8,982	6,775	2,207
Public Assistance and Medicaid	7,180,966	7,174,189	6,777	3,348,465	3,214,829	133,636
Health and Human Services	1,158,026	1,137,181	20,845	1,918,621	1,667,793	250,828
Justice and Public Protection	1,722,506	1,695,824	26,682	577,270	523,668	53,602
Environmental Protection and Natural Resources ..	159,050	151,481	7,569	274,134	237,809	36,325
Transportation	56,396	54,276	2,120	2,570,368	1,995,213	575,155
General Government	482,583	440,713	41,870	145,202	133,950	11,252
Community and Economic Development	186,678	173,385	13,293	387,578	333,665	53,913
INTERGOVERNMENTAL	1,117,935	1,096,897	21,038	2,159,002	2,157,528	1,474
CAPITAL OUTLAY	38,149	31,112	7,037	1,068,521	872,330	196,191
DEBT SERVICE	887,566	854,334	33,232	54,268	35,561	18,707
TOTAL BUDGETARY EXPENDITURES	20,353,294	20,039,412	313,882	14,325,047	12,964,932	1,360,115
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES ..	(652,845)	91,604	744,449	(3,879,852)	(2,519,737)	1,360,115
OTHER FINANCING SOURCES (USES):						
Bond Proceeds	—	—	—	154,036	154,036	—
Operating Transfers-in	107,434	501,165	393,731	1,927,225	1,927,225	—
Operating Transfers-out	(331,776)	(742,680)	(410,904)	(983,776)	(983,776)	—
Encumbrance Reversions	—	88,027	88,027	468,011	468,011	—
TOTAL OTHER FINANCING SOURCES (USES)	(224,342)	(153,488)	70,854	1,565,496	1,565,496	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	(877,187)	(61,884)	815,303	\$(2,314,356)	(954,241)	\$ 1,360,115
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1						
Decrease (Increase) in Budgetary Designations ..	487,071	487,071	—		(341,686)	
	49,259	49,259	—		—	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30						
Budgetary Designations, June 30	(340,857)	474,446	815,303		(1,295,927)	
	1,712,891	1,712,891	—		—	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	\$ 1,372,034	\$ 2,187,337	\$ 815,303		\$ (1,295,927)	

The notes to the financial statements are an integral part of this statement.

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
34,689	34,689	—	—	—	—
—	—	—	—	—	—
12,343	12,343	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
5,974	5,974	—	34,035	34,035	—
146,386	146,386	—	14,326	14,326	—
199,392	199,392	—	48,361	48,361	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	929	851	78
—	—	—	—	—	—
—	—	—	2,228,140	905,739	1,322,401
297,516	281,163	16,353	105	105	—
297,516	281,163	16,353	2,229,174	906,695	1,322,479
(98,124)	(81,771)	16,353	(2,180,813)	(858,334)	1,322,479
1,519	1,519	—	948,413	948,413	—
78,160	78,160	—	16,141	16,141	—
—	—	—	(16,445)	(16,445)	—
—	—	—	38,249	38,249	—
79,679	79,679	—	986,358	986,358	—
\$ (18,445)	(2,092)	\$ 16,353	\$ (1,194,455)	128,024	\$ 1,322,479
—	62,195	—	—	(115,176)	—
—	—	—	—	—	—
—	60,103	—	—	12,848	—
—	—	—	—	—	—
\$ 60,103	—	—	\$ 12,848	—	—

STATE OF OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (memorandum only)
	ENTERPRISE	INTERNAL SERVICE	
OPERATING REVENUES:			
Charges for Sales and Services	\$ 2,680,544	\$ 281,354	\$ 2,961,898
Premium and Assessment Income	2,720,282	—	2,720,282
Investment Income	1,724,677	—	1,724,677
Other	23,626	4,936	28,562
TOTAL OPERATING REVENUES	<u>7,149,129</u>	<u>286,290</u>	<u>7,435,419</u>
OPERATING EXPENSES:			
Costs of Sales and Services	322,739	131,696	454,435
Administration	211,957	159,276	371,233
Premium Dividend Credits and Rebates	1,328,207	—	1,328,207
Bonuses and Commissions	135,003	—	135,003
Prizes	1,274,979	—	1,274,979
Benefits and Claims	1,572,398	—	1,572,398
Depreciation	27,548	10,736	38,284
Other	381,598	12,959	394,557
TOTAL OPERATING EXPENSES	<u>5,254,429</u>	<u>314,667</u>	<u>5,569,096</u>
OPERATING INCOME (LOSS)	<u>1,894,700</u>	<u>(28,377)</u>	<u>1,866,323</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	99	2,271	2,370
Interest Expense	(186)	(1,876)	(2,062)
Federal Grants	—	—	—
Other	(3,017)	(136)	(3,153)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(3,104)</u>	<u>259</u>	<u>(2,845)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>1,891,596</u>	<u>(28,118)</u>	<u>1,863,478</u>
OPERATING TRANSFERS:			
Operating Transfers-in	35,282	42,497	77,779
Operating Transfers-out	(807,882)	(31,620)	(839,502)
TOTAL OPERATING TRANSFERS	<u>(772,600)</u>	<u>10,877</u>	<u>(761,723)</u>
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	<u>1,118,996</u>	<u>(17,241)</u>	<u>1,101,755</u>
EXTRAORDINARY GAIN ON DEFERRED LOTTERY PRIZE PAYOUT OPTION	<u>7,408</u>	<u>—</u>	<u>7,408</u>
NET INCOME (LOSS)	<u>1,126,404</u>	<u>(17,241)</u>	<u>1,109,163</u>
RETAINED EARNINGS, JULY 1 (as restated)	<u>5,578,669</u>	<u>100,576</u>	<u>5,679,245</u>
Residual Equity Transfers-out	—	(5,999)	(5,999)
RETAINED EARNINGS, JUNE 30	<u>\$ 6,705,073</u>	<u>\$ 77,336</u>	<u>\$ 6,782,409</u>

The notes to the financial statements are an integral part of this statement.

<u>COMPONENT UNIT</u>	<u>TOTAL REPORTING ENTITY (memorandum only)</u>
<u>OHIO WATER DEVELOPMENT AUTHORITY</u>	
\$ 108,019	\$ 3,069,917
—	2,720,282
48,374	1,773,051
2,330	30,892
<u>158,723</u>	<u>7,594,142</u>
82,907	537,342
8,874	380,107
—	1,328,207
—	135,003
—	1,274,979
—	1,572,398
94	38,378
781	395,338
<u>92,656</u>	<u>5,661,752</u>
<u>66,067</u>	<u>1,932,390</u>
—	2,370
—	(2,062)
86,087	86,087
—	(3,153)
<u>86,087</u>	<u>83,242</u>
<u>152,154</u>	<u>2,015,632</u>
—	77,779
—	(839,502)
<u>—</u>	<u>(761,723)</u>
152,154	1,253,909
—	7,408
<u>152,154</u>	<u>1,261,317</u>
1,313,635	6,992,880
—	(5,999)
<u>\$ 1,465,789</u>	<u>\$ 8,248,198</u>

STATE OF OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	ENTERPRISE	INTERNAL SERVICE	TOTAL PRIMARY GOVERNMENT (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ 2,668,148	\$ 39,979	\$ 2,708,127
Cash Received from Premiums and Assessments.....	750,411	—	750,411
Cash Received from Quasi-External Transactions with Other Funds.....	7,714	242,751	250,465
Other Operating Cash Receipts.....	42,525	19,111	61,636
Cash Payments to Suppliers for Goods and Services.....	(457,301)	(205,247)	(662,548)
Cash Payments to Employees for Services.....	(335,325)	(68,443)	(403,768)
Cash Payments for Benefits and Claims.....	(1,744,253)	—	(1,744,253)
Cash Payments for Lottery Prizes.....	(1,532,930)	—	(1,532,930)
Cash Payments for Bonuses and Commissions.....	(134,988)	—	(134,988)
Cash Payments for Premium Dividend Credits and Rebates.....	(250,962)	—	(250,962)
Cash Payments for Quasi-External Transactions with Other Funds.....	(4,569)	(24,892)	(29,461)
Other Operating Cash Payments.....	(517)	(16,356)	(16,873)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	(992,047)	(13,097)	(1,005,144)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	37,300	42,497	79,797
Operating Transfers-out	(807,882)	(31,620)	(839,502)
Residual Equity Transfers-in.....	—	4,148	4,148
Residual Equity Transfers-out.....	—	(4,248)	(4,248)
Cash Overdrafts.....	—	—	—
Bond Proceeds	—	—	—
Federal Grants	—	—	—
Grants to Local Subdivisions.....	—	—	—
Retirement of Revenue Bond Principal	—	—	—
Interest Paid	—	—	—
Bond and Note Issuance Costs	—	—	—
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(770,582)	10,777	(759,805)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases.....	(8,352)	(3,039)	(11,391)
Interest Paid	(9,423)	(1,882)	(11,305)
Principal Receipts on Capital Leases	—	3,039	3,039
Acquisition and Construction of Capital Assets	(17,247)	(8,099)	(25,346)
Proceeds from Sales of Fixed Assets	14,616	3	14,619
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(20,406)	(9,978)	(30,384)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(32,807,093)	(103,128)	(32,910,221)
Proceeds from the Sales and Maturities of Investments	33,497,985	105,437	33,603,422
Investment Income Received	1,035,498	2,833	1,038,331
Borrower Rebates and Agent Fees.....	(165,817)	—	(165,817)
Loan Disbursements.....	—	—	—
Loan Principal Repayments Received	—	—	—
Loan Interest Received.....	—	—	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	1,560,573	5,142	1,565,715
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(222,462)	(7,156)	(229,618)
CASH AND CASH EQUIVALENTS, JULY 1	2,097,036	54,522	2,151,558
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 1,874,574	\$ 47,366	\$ 1,921,940

The notes to the financial statements are an integral part of this statement.

<u>COMPONENT UNIT</u>	<u>TOTAL REPORTING ENTITY</u> <i>(memorandum only)</i>
<u>OHIO WATER DEVELOPMENT AUTHORITY</u>	
\$ 2,405	\$ 2,710,532
—	750,411
—	250,465
—	61,636
(5,016)	(667,564)
(976)	(404,744)
—	(1,744,253)
—	(1,532,930)
—	(134,988)
—	(250,962)
—	(29,461)
—	(16,873)
<u>(3,587)</u>	<u>(1,008,731)</u>
—	79,797
—	(839,502)
—	4,148
—	(4,248)
1,176	1,176
13,205	13,205
86,108	86,108
(480)	(480)
(114,355)	(114,355)
(79,039)	(79,039)
(154)	(154)
<u>(93,539)</u>	<u>(853,344)</u>
—	(11,391)
—	(11,305)
—	3,039
(396)	(25,742)
—	14,619
<u>(396)</u>	<u>(30,780)</u>
(9,250,285)	(42,160,506)
9,298,604	42,902,026
50,388	1,088,719
—	(165,817)
(219,321)	(219,321)
109,101	109,101
97,186	97,186
<u>85,673</u>	<u>1,651,388</u>
<u>(11,849)</u>	<u>(241,467)</u>
15,960	2,167,518
<u>\$ 4,111</u>	<u>\$ 1,926,051</u>

(continued)

STATE OF OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL PRIMARY GOVERNMENT (memorandum only)</u>
RECONCILIATION OF OPERATING INCOME TO			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ 1,894,700	\$ (28,377)	\$ 1,866,323
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income	(1,724,677)	—	(1,724,677)
Borrower Rebates and Agent Fees.....	165,817	—	165,817
Depreciation	27,548	10,736	38,284
Provision for Uncollectible Accounts	77,296	—	77,296
Amortization of Premiums and Discounts	86,258	—	86,258
Amortization of Bond Issuance Costs.....	—	—	—
Interest on Bonds, Notes and Capital Leases	9,238	—	9,238
Interest Received on Loans.....	—	—	—
Loss on Early Debt Extinguishment.....	—	—	—
Operating Expense Classified as Noncapital Financing Activities (Grants to Local Governments).....	—	—	—
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	—	(272)	(272)
Premiums and Assessments Receivable	(1,266,718)	—	(1,266,718)
Other Receivables	(97,346)	(139)	(97,485)
Due from Other Funds	79	715	794
Inventories	(312)	155	(157)
Other Assets	6,551	(35)	6,516
Increase (Decrease) in Liabilities:			
Accounts Payable	(113,995)	2,473	(111,522)
Accrued Liabilities	(370)	(681)	(1,051)
Intergovernmental Payable	—	(1,277)	(1,277)
Due to Other Funds	192	3,680	3,872
Deferred Revenue.....	(7,179)	(75)	(7,254)
Benefits Payable	(536,419)	—	(536,419)
Refund and Other Liabilities	675,090	—	675,090
Liabilities Payable from Restricted Assets	(187,800)	—	(187,800)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (992,047)</u>	<u>\$ (13,097)</u>	<u>\$ (1,005,144)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments.....	\$ 696,505	\$ —	\$ 696,505
Fixed Assets Acquired under Capital Leases.....	690	—	690
Extraordinary Gain on Deferred Lottery Prize Payout Option.....	7,408	—	7,408
Net Assets Donated from Other Funds.....	—	5,513	5,513
Net Assets Donated to Other Funds.....	—	(1,751)	(1,751)

Cash and Cash Equivalents in the Component Units Column on the Combined Balance Sheet include:

Proprietary-Ohio Water Development Authority.....	\$ 4,111
Colleges and Universities.....	274,063
TOTAL	<u>\$ 278,174</u>

The notes to the financial statements are an integral part of this statement.

<u>COMPONENT UNIT</u>	<u>TOTAL REPORTING ENTITY</u> <i>(memorandum only)</i>
OHIO WATER DEVELOPMENT AUTHORITY	
\$ 66,067	\$ 1,932,390
(48,374)	(1,773,051)
—	165,817
94	38,378
776	78,072
—	86,258
1,215	1,215
80,451	89,689
(108,019)	(108,019)
1,242	1,242
461	461
74	(198)
—	(1,266,718)
49	(97,436)
(3,944)	(3,150)
—	(157)
—	6,516
2,377	(109,145)
—	(1,051)
—	(1,277)
3,944	7,816
—	(7,254)
—	(536,419)
—	675,090
—	(187,800)
<u>\$ (3,587)</u>	<u>\$ (1,008,731)</u>
\$ —	\$ 696,505
—	690
—	7,408
—	5,513
—	(1,751)

STATE OF OHIO
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

STATE HIGHWAY PATROL RETIREMENT SYSTEM
(for the year ended December 31, 1999)

ADDITIONS:

Contributions:

	<u>PENSION</u>	<u>POST- EMPLOYMENT</u>	<u>TOTAL</u>
Employer	\$ 13,570	\$ 2,783	\$ 16,353
Employees	6,708	—	6,708
Other Contributions	440	5	445
Total Contributions	20,718	2,788	23,506

Investment Income:

Net Appreciation in Fair Value of Investments	22,013	4,842	26,855
Interest	7,906	1,388	9,294
Dividends	4,951	869	5,820
Other Investment Income	670	118	788
	<u>35,540</u>	<u>7,217</u>	<u>42,757</u>
Less: Investment Expense	1,928	338	2,266
Net Investment Income	33,612	6,879	40,491

TOTAL ADDITIONS	54,330	9,667	63,997
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DEDUCTIONS:

Benefits and Claims	24,324	5,498	29,822
Refunds of Employee Contributions	530	—	530
Administrative Expenses	449	79	528
Transfers to Other Retirement Systems.....	196	—	196
TOTAL DEDUCTIONS	25,499	5,577	31,076

NET INCREASE (DECREASE)	28,831	4,090	32,921
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**FUND BALANCE RESERVED FOR EMPLOYEES' PENSION
AND POSTEMPLOYMENT HEALTHCARE BENEFITS**

JANUARY 1 (as restated)	<u>511,969</u>	<u>89,880</u>	<u>601,849</u>
DECEMBER 31	\$ 540,800	\$ 93,970	\$ 634,770

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO
STATEMENT OF CHANGES IN NET ASSETS
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>STAROHIO</u>
OPERATIONS:	
Investment Income.....	\$ 309,614
Expenses:	
Administration Fees.....	1,263
Custodian and Transfer Agent Fees and Related Expenses.....	1,014
Security Lending Fees.....	897
Management Fees.....	448
Other.....	235
Total Expenses.....	<u>3,857</u>
Net Investment Income	305,757
Dividends to Shareholders from Net Investment Income.....	<u>(305,757)</u>
INCREASE (DECREASE) FROM OPERATIONS	—
CAPITAL SHARE TRANSACTIONS	
<i>(dollar amounts and number of shares are the same):</i>	
Shares Sold.....	18,884,918
Shares Issued on Reinvestment of Distributions.....	305,757
Less: Shares Redeemed.....	<u>19,275,432</u>
INCREASE (DECREASE) FROM CAPITAL SHARE TRANSACTIONS	(84,757)
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	
JULY 1	<u>5,335,446</u>
JUNE 30	<u>\$ 5,250,689</u>

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

STATEMENT OF CHANGES IN FUND BALANCE

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	<u>COMPONENT UNITS</u>
REVENUES AND OTHER ADDITIONS:	
Unrestricted Current Fund Revenues	\$ 3,229,612
Local Appropriations-Restricted	17,305
Federal Grants and Contracts-Restricted	503,604
State Grants and Contracts-Restricted	137,129
Local Grants and Contracts-Restricted	8,195
Private Gifts, Grants and Contracts-Restricted	398,515
Endowment Income-Restricted	33,688
Investment Income-Restricted	312,811
Interest on Loans Receivable	5,035
Investments in Plant-Additions	936,035
Other	20,572
TOTAL REVENUES AND OTHER ADDITIONS	<u>5,602,501</u>
EXPENDITURES AND OTHER DEDUCTIONS:	
Educational and General Expenditures	4,231,808
Auxiliary Enterprises Expenditures	597,104
Hospital Expenditures	750,114
Indirect Costs Recovered	86,278
Grant Refunds and Adjustments	1,111
Loan Cancellations and Write-offs	3,713
Administrative and Collection Costs	2,420
Expended for Plant Facilities	306,016
Retirement of Indebtedness	76,831
Interest on Indebtedness	62,190
Investment in Plant-Deductions	478,538
Other	18,649
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	<u>6,614,772</u>
TRANSFERS:	
Operating Transfers from Primary Government	<u>1,671,985</u>
NET INCREASE (DECREASE) FOR THE YEAR	659,714
FUND BALANCE AND OTHER CREDITS, JULY 1	<u>11,579,221</u>
FUND BALANCE AND OTHER CREDITS, JUNE 30	<u>\$ 12,238,935</u>

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	<u>COMPONENT UNITS</u>
REVENUES:	
Tuition, Fees and Other Student Charges	\$ 1,563,009
Local Appropriations	17,817
Federal Grants and Contracts	497,399
State Grants and Contracts	121,207
Local Grants and Contracts	7,353
Private Gifts, Grants and Contracts	295,901
Endowment Income	76,430
Sales and Services	1,349,376
Investment Income	72,378
Other Sources	112,850
TOTAL REVENUES	<u>4,113,720</u>
EXPENDITURES AND MANDATORY TRANSFERS:	
EDUCATIONAL AND GENERAL:	
Instruction and Departmental Research	1,754,435
Separately Budgeted Research	426,797
Public Service	241,054
Academic Support	421,207
Student Services	248,555
Institutional Support	437,361
Operation and Maintenance of Plant	301,383
Scholarships and Fellowships	401,622
TOTAL EDUCATIONAL AND GENERAL	<u>4,232,414</u>
AUXILIARY ENTERPRISES	597,127
HOSPITALS	750,114
TOTAL EXPENDITURES	<u>5,579,655</u>
MANDATORY TRANSFERS, NET:	
Principal and Interest	105,471
Renewals and Replacements	3,017
Other	801
TOTAL MANDATORY TRANSFERS, NET	<u>109,289</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>5,688,944</u>
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):	
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	1,651,280
NONMANDATORY TRANSFERS, NET:	
Capital Improvements	(71,741)
Other	25,835
ADDITIONS/(DEDUCTIONS):	
Excess of Restricted Receipts over Transfers to Revenue	120,671
Indirect Costs Recovered	(82,399)
Other	2,404
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	<u>1,646,050</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 70,826</u>

The notes to the financial statements are an integral part of this statement.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements, as of June 30, 2000, and for the year then ended, conform with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's *Codification of Governmental Accounting and Financial Reporting Standards* documents these principles. The State's significant accounting policies are as follows.

A. Financial Reporting Entity

The State of Ohio's primary government includes all funds, account groups, elected officials, departments and agencies, bureaus, boards, commissions, and authorities that make up the State's legal entity. Component units, legally separate organizations for which the State's elected officials are financially accountable, also comprise, in part, the State's reporting entity. Additionally, other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete should be included in a government's financial reporting entity.

GASB Statement No. 14, *The Financial Reporting Entity*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
- an organization is fiscally dependent on the primary government.

Information for obtaining complete financial statements for the State's component units, which are

discussed below, is available from the Ohio Office of Budget and Management.

1. Blended Component Units

The Ohio Building Authority, Ohio Public Facilities Commission, and the State Highway Patrol Retirement System are legally separate organizations that provide services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, benefit the State. Therefore, the State reports these organizations' balances and transactions as though they were part of the primary government using the blending method.

2. Discretely Presented Component Units

The component units' columns in the combined financial statements include the financial data of the following organizations. The separate discrete column labeled, "Component Units," emphasizes these organizations' separateness from the State's primary government.

Officials of the primary government appoint a voting majority of each organization's governing board. These organizations impose or potentially impose financial burdens on the primary government.

Proprietary:

Ohio Water Development Authority

Colleges and Universities:

State Universities:

Bowling Green State University
Central State University
Cleveland State University
Kent State University
Miami University
Ohio State University
Ohio University
Shawnee State University
University of Akron
University of Cincinnati
University of Toledo
Wright State University
Youngstown State University

State Community Colleges:

Cincinnati State Community College
Clark State Community College
Columbus State Community College



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State Community Colleges (Continued):

- Edison State Community College
- Northwest State Community College
- Owens State Community College
- Southern State Community College
- Terra State Community College
- Washington State Community College

Medical College:

- Medical College of Ohio at Toledo

3. Joint Ventures and Related Organizations

As discussed in more detail in NOTE 21, the State participates in several joint ventures and has related organizations. The State does not include the financial activities of these organizations in its financial statements, in conformity with GASB Statement No. 14.

B. Basis of Presentation — Fund Accounting

The State uses funds and account groups to report its financial position and results of operations. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and aids management in demonstrating compliance with finance-related legal and contractual provisions. An account group is an accounting device that accounts for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Primary government and component unit funds fall into four categories: governmental, proprietary, fiduciary, and college and university.

1. Primary Government

In the primary government’s financial statements, each fund category is divided into separate “fund types,” which are described along with the two account groups, as follows.

a. Governmental Fund Types

General — The General Fund, the State’s primary operating fund, accounts for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue — The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes.

Debt Service — The debt service funds account for the accumulation of resources for the payment of general long-term debt principal and interest.

Capital Projects — The capital projects funds account for the acquisition of fixed assets and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary or trust funds.

b. Proprietary Fund Types

Enterprise — The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises — where the State’s intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability and other purposes.

Internal Service — The internal service funds account for the financing of goods or services that a state department or agency provides to other state departments and agencies or to other government units on a cost-reimbursement basis.

c. Fiduciary Fund Types

Trust funds account for assets that the State holds in a trustee capacity. The State’s general-purpose financial statements present expendable, pension, and investment trust funds. The Pension Trust Fund reports the State Highway Patrol Retirement System for its fiscal year ended December 31, 1999.

Agency funds account for assets the State holds as an agent for individuals, private organizations, other governments, or other funds. The Agency Fund includes the assets of the Public Employees Retirement System and the Police and Fire Pension Fund, for their fiscal years ended December 31, 1999.

d. Account Groups

General Fixed Assets — The General Fixed Assets Account Group accounts for fixed assets acquired or constructed for the State’s general governmental purposes. This group accounts for fixed assets not accounted for in the proprietary and trust funds.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Long-Term Obligations — The General Long-Term Obligations Account Group accounts for the State's unmatured general obligation bonds and other long-term obligations not required to be accounted for in the proprietary and trust funds.

2. Component Units

The financial presentation of the underlying fund types of the individual component units reported in the discrete column is available from each respective component unit's separately issued financial statements. The component unit funds include the Ohio Water Development Authority for its fiscal year ended December 31, 1999.

The State presents a Statement of Current Funds Revenues, Expenditures and Other Changes in the General-Purpose Financial Statements, in accordance with Section 2600.111 of the GASB's *Codification of Governmental Accounting and Financial Reporting*. The Current Funds, a college and university fund type, accounts for economic resources that are expendable for any purpose in performing the primary objectives of the higher education institutions.

C. Measurement Focus and Basis of Accounting

A fund's measurement focus determines the accounting and financial reporting treatment applied to the fund.

Governmental and expendable trust funds are accounted for using a flow of current financial resources measurement focus. Under this measurement focus, operating statements present increases (i.e., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets, and unreserved fund balance is a measure of available expendable resources.

Proprietary, pension trust, and investment trust funds are accounted for using a flow of economic resources measurement focus, which emphasizes the determination of net income. Under this measurement focus, operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net assets. Fund equity (i.e., net assets) is segregated on the balance sheet into two components, contributed capital and retained earnings/fund balance.

Agency funds are custodial in nature, and therefore, do not present results of operations or have a measurement focus.

All governmental, expendable trust, and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, the State recognizes revenues when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction is determinable, and "available" means the amount is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues as available when collected within 60 days after year-end.

Under the modified accrual basis, the State records expenditures when it incurs related fund liabilities, except for principal and interest on general long-term debt, which the State recognizes as expenditures when due.

Significant revenue sources susceptible to accrual under the modified accrual basis of accounting include:

- Personal income taxes
- Sales and use taxes
- Motor vehicle fuel taxes
- Unemployment taxes
- Charges for goods and services
- Investment income

Investment income includes the net increase (decrease) in the fair value of investments.

Licenses, permits, fees, and certain other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. The "Other" revenue account is comprised of refunds, reimbursements, recoveries, and other miscellaneous income.

Deferred revenue, as reported on the State's combined balance sheet, represents resources received before the State has a legal claim to them, such as the receipt of federal grant moneys prior to the incurrence of qualifying expenditures. The State recognizes revenue when it has a legal claim to the resources.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The proprietary, pension trust, and investment trust funds use the accrual basis of accounting. Under this method, the State records revenues when earned and expenses when incurred.

As permitted by GAAP, the State's proprietary funds have elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

College and university funds apply the principles of accounting and reporting pursuant to the National Association of College and University Business Officers accounting and reporting model. The college and university funds use the accrual basis of accounting, with the following exceptions: 1) depreciation expense is not calculated or reported, and 2) revenues and expenditures of an academic term encompassing more than one fiscal year are recognized in the period when the program is predominantly conducted.

D. Budgetary Process

As the Ohio Revised Code requires, the Governor submits biennial operating and capital budgets to the General Assembly. All proposed expenditures for the State and estimated revenues and borrowings for a biennium comprise the budget, which includes those funds of the State subject to appropriation pursuant to state law.

The General Assembly enacts the budget through passage of specific departmental line-item appropriations, the legal level of budgetary control. Line-item appropriations are established within funds by program or major object of expenditure. The Governor may veto any item in an appropriation bill. Such vetoes are subject to legislative override.

Biennially, the General Assembly approves operating and capital appropriations. The legislature specifies operating appropriations in annual amounts and capital appropriations in two-year amounts.

The State's Controlling Board, comprised of six members of the General Assembly and the Director of the Office of Budget and Management (OBM) or a designee, can transfer or increase a line-item appropriation within the limitations set under Chapter 127, Ohio Revised Code. The Board has delegated the authority to the Director of OBM to transfer appropriations between existing operating expendi-

ture/expense line-item appropriations within a state agency not to exceed a cumulative total of \$50,000 (or \$75,000 for institutional-type state agencies) from each line-item appropriation within a fiscal year.

All governmental funds are budgeted except the following activities within the fund types:

Special Revenue Fund

Certain activities within the Community and Economic Development and Employment Services Special Revenue Funds, as discussed in NOTE 3

Debt Service Fund

Economic Development Bond Service
Transportation Certificate Retirement
Vietnam Conflict Compensation Bond Retirement
Ohio Public Facilities Commission
Ohio Building Authority
Enterprise Bond Retirement
School Building Program Bond Service
Infrastructure Bank Bond Service

Capital Projects Fund

Ohio Building Authority

For budgeted funds, the State's Central Accounting System controls expenditures by appropriation line-item, so at no time can expenditures exceed appropriations and financial-related legal compliance is assured. The State uses the modified cash basis of accounting for budgetary purposes.

As an extension of formal budgetary integration in the accounting system, the State employs encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as a reserve of the applicable appropriations. At fiscal year end, the State reports outstanding encumbrances in the General, special revenue, and capital projects funds as reservations of fund balance for expenditure in subsequent years. Operating encumbrances are generally canceled five months after the fiscal year-end while capital encumbrances are generally canceled two years after the biennial period for which they were appropriated. Unencumbered appropriations lapse at the end of the biennium budget period.

The Detailed Appropriation Summary by Fund Report, which is available for public inspection at the



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Ohio Office of Budget and Management, provides a more comprehensive accounting of activity on the budgetary basis at the legal level of budgetary control.

In the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis), budgeted revenues for the General Fund represent periodically updated revenue budgets.

For other budgeted funds, the original budgeted revenues, as submitted by the Governor, do not represent actual forecasts of revenues and are not amended to coincide with any legislative changes to the original expenditure budget. Accordingly, for budgeted funds other than the General Fund, the State reports budgeted revenues and other financing sources and uses at actual amounts, since the State does not have updated, budgeted revenue and other financing sources and uses amounts for use in the accompanying budgetary basis financial statements.

Additionally, on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis), “actual” budgetary expenditures include cash disbursements against the current fiscal year’s appropriations and outstanding encumbrances, as of June 30, 2000, that were committed during the current fiscal year. Encumbrance reversions represent lapses of prior years’ appropriations. For the Capital Projects Fund, amounts reported under the “budget” column include unexpended appropriations carried forward into the second year of the fiscal year 1999-2000 biennial budget.

The Employment Services Expendable Trust Fund, State Highway Patrol Retirement System Pension Trust Fund, and STAROhio Investment Trust Fund are not legally required to adopt budgets. For budgeted proprietary and trust funds, the State is not legally required to report budgetary data and comparisons for these funds. Additionally, the State does not present budgetary data for its discretely presented component units.

Because the State budgets on a modified cash basis of accounting, which differs from GAAP, NOTE 3 presents a reconciliation of the differences between the GAAP basis and non-GAAP budgetary basis of reporting.

E. Cash Equity with Treasurer and Cash and Cash Equivalents

Cash equity with Treasurer consists of pooled demand deposits and investments carried at fair value. The State’s cash pool under the Treasurer of State’s administration has the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, within certain budgetary limitations, without prior notice or penalty.

Cash and cash equivalents include amounts on deposit with financial institutions and cash on hand. The cash and cash equivalents account also includes investments with original maturities of three months or less from the date of acquisition for the Bureau of Workers’ Compensation and Ohio Lottery Commission enterprise funds and the University of Cincinnati component unit fund.

Cash equity with Treasurer and cash and cash equivalents, including the portions reported under “Restricted Assets,” are considered to be cash equivalents, as defined in GASB Statement No. 9, for purposes of the Statement of Cash Flows.

F. Investments

Investments include long-term investments that may be restricted by law or other legal instruments. With the exception of certain money market investments, which have remaining maturities at the time of purchase of one year or less and are carried at amortized cost, and holdings in the State Treasury Asset Reserve of Ohio (STAROhio) investment pool, the State reports investments at fair value based on quoted market prices. STAROhio operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940; investments in the 2a7-like pool are reported at amortized cost (which approximates fair value). The colleges and universities report investments received as gifts at their fair value on the donation date.

The primary government does not manage or provide investment services for investments reported in the Agency Fund that are owned by other, legally separate entities that are not part of the State of Ohio’s reporting entity.

G. Intergovernmental Revenues/Receivable

Intergovernmental revenues primarily represent resources from reimbursement-type grants received



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

from the federal government. The State reports intergovernmental receivable balances and recognizes revenue when it incurs the related grant expenditures/expenses.

H. Inventories

For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. At year-end, physical counts are taken of significant inventories for the governmental fund types and are generally reported on the balance sheet at moving-average cost. Inventories reported in the governmental funds do not reflect current appropriate resources, and therefore, the State reserves an equivalent portion of fund balance.

Proprietary and college and university funds value inventories at cost, which approximates market; principal inventory cost methods applied include first-in, first-out, average cost, moving-average, and retail.

I. Food Stamps

In the Special Revenue Fund, the State reports food stamp coupons at face value, offset by a like amount of deferred revenue.

J. Restricted Assets

The primary government reports assets restricted for payment of deferred prize awards (Ohio Lotto) and tuition benefits in the enterprise funds for the Ohio Lottery Commission and the Ohio Tuition Trust Authority, respectively.

Covenants for the Ohio Building Authority's bonds require pledged receipts be held and invested in a reserve account placed with a trustee financial institution. The State reports these restricted assets in the internal service funds.

Generally, the colleges and universities hold assets in trust. Bond covenants or other financing arrangements legally restrict the use of these assets.

K. Fixed Assets

General Fixed Assets — The State reports fixed assets purchased with governmental fund resources in the General Fixed Assets Account Group at historical cost, or at estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair value on the donation date.

The State does not capitalize the costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life. Costs of major improvements are capitalized, while interest costs associated with the acquisition of general fixed assets are not capitalized.

The State does not capitalize public domain (infrastructure) general fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, historical monuments, drainage systems, and lighting systems, since these assets are immovable and of value only to the government.

The State does not depreciate assets reported in the General Fixed Assets Account Group.

Proprietary and Fiduciary Fund Fixed Assets — Fixed assets are stated at cost or, for donated assets, at estimated fair value at the donation date. The State depreciates proprietary and fiduciary fund fixed assets, excluding land, using the straight-line method over the following estimated useful lives:

Buildings	5-40 years
Land Improvements	5-25 years
Machinery and Equipment	1-20 years
State Vehicles	3-6 years

The State capitalizes material interest on proprietary fund fixed assets acquired through the issuance of debt.

College and University Fund Fixed Assets — The colleges and universities value all purchased fixed assets at cost and donated fixed assets at estimated fair value on the donation date. The colleges and universities do not capitalize public domain (infrastructure) assets or depreciate their fixed assets.

L. Long-Term Obligations

Governmental funds recognize long-term obligations as liabilities when due. The State reports only the portion expected to be financed from expendable available financial resources as a liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, certificate of participation financing arrangements, compensated absences, judgments, settlements, claims, litigation, contin-



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

gencies, leases, and workers' compensation benefits. The proprietary funds and college and university funds account for long-term liabilities expected to be financed from operations.

As discussed in NOTES 11 and 12, bonds that the Ohio Building Authority (OBA) issues to finance the construction of facilities leased to local governments are reported as revenue bonds in the internal service funds, while OBA bonds issued to finance the construction of state-related projects are reported as special obligation bonds in the General Long-Term Obligations Account Group.

M. Compensated Absences

Employees of the State's primary government earn vacation leave, sick leave, and personal leave at various rates within limits specified under collective bargaining agreements or under law. Generally, employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first five years of employment, up to a maximum rate of 9.2 hours every two weeks after 25 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or retirement, the State pays employees, at their full rate, 100 percent of unused vacation leave, personal leave, and, in certain cases, compensatory time and 50 percent of unused sick leave.

Such leave is liquidated in cash, under certain restrictions, either annually in December, or at the time of termination from employment.

For the governmental funds, the State reports the current portion of the compensated absences liability as a fund liability that is included under the "Accrued Liabilities" account while the noncurrent portion is reported in the General Long-Term Obligations Account Group. For the primary government's proprietary funds and its discretely presented component unit funds, the State reports the compensated absences liability as a fund liability under the "Accrued Liabilities" account.

The State's primary government accrues vacation, compensatory time, and personal leaves as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as at termination or retirement. Leave time that has

been earned, but is unavailable for use as paid time off or as some other form of compensation because an employee has not met a minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

The State's primary government accrues sick leave using the vesting method. Under this method, the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

Included in the compensated absences liability is an amount accrued for salary-related payments directly and incrementally associated with the payment of compensated absences upon termination. Such payments include the primary government's share of Medicare taxes.

For the colleges and universities, vacation and sick leave policies vary by institution.

N. Fund Equity

Reservations

Reservations of equity represent amounts that are not appropriable or are legally restricted for a specific purpose.

Designations

Designations of equity represent tentative management plans that are subject to change.

Contributed Capital

Contributed capital represents equity acquired through capital contributions from other funds.

O. Self-Insurance

The State's primary government is self-insured for claims covered under its traditional healthcare plan, vehicle liability, public fidelity blanket bonds, property losses, and tort liability. While not the predominant participant, the State's primary government participates in a public entity risk pool, which is accounted for in the Bureau of Workers' Compensation Enterprise Fund, for the financing of its workers' compensation liability (See NOTE 23A).



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates for significant incurred but not reported claims or contingent liabilities are included in accrued liabilities and in the General Long-Term Obligations Account Group.

P. Interfund/Intra-Entity Transactions

The State of Ohio records the following types of interfund/intra-entity transactions within its reporting entity:

Operating Transfers — Legally required transfers are reported when incurred as “Operating Transfers-in” by the receiving fund and as “Operating Transfers-out” by the disbursing fund. Legally required transfers between the primary government and its component units are reported as “Operating Transfers from/to Primary Government” and “Operating Transfers from/to Component Units.”

Transfers of Expenditures/Expenses (Reimbursement) — The State reports reimbursements made by one fund for another as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund.

Residual Equity Transfers — The State reports non-routine or nonrecurring transfers between funds as additions to or deductions from fund equity.

Quasi-external Transactions — The State reports charges or collections for services rendered by one fund to another as revenues of the receiving fund and expenditures/expenses of the disbursing fund.

Transactions between funds that represent non-current lending or borrowing arrangements outstanding, as of the end of the fiscal year, are reported as advances to/from other funds. The State reports all other outstanding balances between funds as due to/from other funds.

NOTE 7 presents a summary of interfund balances and interfund and intra-entity transfers.

Q. Memorandum Only — Total Columns

Total columns on the general-purpose financial statements are captioned “Memorandum Only” because they do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS

A. Restatements

Certain restatements of fund balances/retained earning balances, as of June 30, 1999, (December 31, 1998 for the State Highway Patrol Retirement System) are summarized for the primary government as follows.

Restatements of Beginning Balance July 1, 1999 (dollars in thousands)			
Fund	Fund Balance/ Retained Earnings as Previously Reported, June 30, 1999	Increase/ (Decrease) for Restatement	Fund Balance/ Retained Earnings as Restated, July 1, 1999
Special Revenue Fund:			
Human Services	\$ 174,486	\$ 86,387	\$ 260,873
Education.....	789,841	(15,215)	774,626
All Other Special Revenue Funds.....	2,311,357	-	2,311,357
Total Special Revenue Fund	<u>\$3,275,684</u>	<u>\$ 71,172</u>	<u>\$3,346,856</u>

(Continued)



NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS
(Continued)

Fund	Fund Balance/ Retained Earnings as Previously Reported, June 30, 1999	Increase/ (Decrease) for Restatement	Fund Balance/ Retained Earnings as Restated, July 1, 1999
Enterprise Fund:			
Tuition Trust Authority.....	\$ 110,497	\$ (2,192)	\$ 108,305
All Other Enterprise Funds.....	5,470,364	-	5,470,364
Total Enterprise Fund.....	<u>\$5,580,861</u>	<u>\$ (2,192)</u>	<u>\$5,578,669</u>
Internal Service Fund:			
Ohio Penal Industries.....	\$ 41,925	\$ 756	\$ 42,681
All Other Internal Service Funds.....	57,895	-	57,895
Total Internal Service Fund.....	<u>\$ 99,820</u>	<u>\$ 756</u>	<u>\$ 100,576</u>
Trust and Agency Funds:			
State Highway Patrol Retirement System Pension Trust	\$ 600,099	\$ 1,750	\$ 601,849
All Other Trust and Agency Funds.....	7,975,713	-	7,975,713
Total Trust and Agency Funds	<u>\$8,575,812</u>	<u>\$ 1,750</u>	<u>\$8,577,562</u>

The Special Revenue Fund reports a \$71.2 million net increase in opening fund balance to reflect:

- a correction in the calculation of the intergovernmental receivable reported for the federal Food Stamp, Child Support, and Social Services Block Grant programs in the Human Services Special Revenue Fund, resulting in an increase in the receivable balance in the amount of \$86.4 million.
- a \$15.2 million decrease in the public school building loans receivable balance reported in the Education Special Revenue Fund for loans that had been cancelled in prior years.

For the Enterprise Fund, the \$2.2 million decrease in opening fund balance is due to an overstatement of marketable securities reported for the Tuition Trust Authority.

The \$756 thousand increase in the Internal Service Fund is attributable to the net book value of fixed assets not previously reported for the Ohio Penal Industries.

Prior to calendar year 1999, the State Highway Patrol Retirement System reported the real estate it owned and occupied at depreciated cost. For calendar year 1999, in conformity with GASB Statement

No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, the system began accounting for its real estate holding as an investment to be stated at fair value, thereby increasing the pension trust fund's opening fund balance by approximately \$1.8 million, as of December 31, 1998.

Additionally, the July 1, 1999 beginning balance of general fixed assets reported in the General Fixed Assets Account Group was increased by \$67.5 million (See NOTE 8). The net increase resulted from fixed asset additions and deletions not reported in prior years.

B. Newly Issued Accounting Pronouncements

In December 1998, the Governmental Accounting Standards Board (GASB) issued Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The provisions of this statement are effective for periods beginning after June 15, 2000. GASB Statement No. 33 principally addresses the timing of recognition of nonexchange transactions involving financial or capital resources (e.g., most taxes, grants, and private donations) in a government's financial statements.

Later, the GASB amended paragraph 28 of GASB Statement No. 33 when it adopted GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Transactions* in April 2000. GASB Statement No. 36 provides symmetrical accounting



NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS
(Continued)

treatment for certain shared revenues by requiring recipient governments to account for the sharing of revenues in the same manner as provider governments. GASB Statement No. 36 also removes the guidance in GASB Statement No. 33 that required recipient governments to accrue revenues equal to cash received if notification of the amount was not available in a timely manner; instead, recipient governments must use a reasonable estimate of the amount to be accrued.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements^{3/4} and Management's Discussion and Analysis^{3/4} for State and Local Governments*. The State is required to apply this statement for periods beginning after June 15, 2001. GASB Statement No. 34 establishes new financial reporting requirements that fundamentally affect the presentation of a general purpose government's ba-

sic financial statements and related required supplementary information.

In November 1999, the GASB established accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 when the Board issued GASB Statement No. 35, *Basic Financial Statements^{3/4} and Management's Discussion and Analysis^{3/4} for Public Colleges and Universities*.

Management has not yet determined the impact that GASB Statements No. 33 through 36 will have on the State's financial statements.

NOTE 3 GAAP vs. NON-GAAP BUDGETARY BASIS

"Actual" revenues, operating transfers-in, expenditures, encumbrances, and operating transfers-out on the non-GAAP budgetary basis do not equal those reported on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — All Governmental Fund Types and Expendable Trust Funds. This inequality results primarily from basis differences in the recognition of accruals, deferred revenue, interfund transactions, and loan transactions, and from timing differences in the budgetary basis of accounting for encumbrances. On the non-GAAP budgetary basis, the State recognizes encumbrances as expenditures in the year encumbered, while on the modified accrual basis, the State recognizes expenditures when goods or services are received regardless of the year encumbered.

Budgeted expenditures in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) represent original appropriations modified by supplemental and amended appropriations made throughout the year, including \$174.5 million, \$2.36 billion, \$18.2 million, and \$45.3 million increases in the budgets of the General, Special Revenue, Debt Service, and Capital Projects funds, respectively.

A reconciliation of the fund balances recorded under the two bases for the General, Special Revenue, Debt Service, and Capital Projects funds is presented on the following page.



NOTE 3 GAAP vs. NON-GAAP BUDGETARY BASIS (Continued)

Primary Government
Reconciliation of GAAP Basis Fund Balances to
Non-GAAP Budgetary Basis Fund Balances
As of June 30, 2000
(dollars in thousands)

	General	Special Revenue	Debt Service	Capital Projects
Total Fund Balances - GAAP Basis	\$2,722,285	\$ 3,902,383	\$153,962	\$ 772,634
Less: Unbudgeted Fund Balances	—	104,680 *	95,459	7,187
Total Budgeted Fund Balances - GAAP Basis.....	2,722,285	3,797,703	58,503	765,447
Less: Reserved Fund Balances	1,738,373	4,969,476	58,503	826,768
Less: Designated Fund Balances	659,600	—	—	—
Unreserved/Undesignated Fund Balances - GAAP Basis....	324,312	(1,171,773)	—	(61,321)
BASIS DIFFERENCES				
Revenue Accruals/Adjustments:				
Cash Equity with Treasurer	36,115	47,543	1,747	10,114
Taxes Receivable.....	(831,150)	(196,070)	—	—
Intergovernmental Receivable.....	(770,524)	(530,340)	—	—
Loans Receivable.....	(35,273)	(303,129)	—	(175,331)
Other Receivables.....	(16,787)	(45,655)	(299)	(2,787)
Due from Other Funds	(15,504)	(25,649)	(121)	(1,211)
Inventories	(1,511)	(33,588)	—	—
Other Assets	(378)	(3,851)	—	—
Deferred Revenue.....	114	114,590	—	—
Total Revenue Accruals/Adjustments	(1,634,898)	(976,149)	1,327	(169,215)
Expenditure Accruals/Adjustments:				
Accounts Payable	153,314	277,341	—	75,940
Medicaid Claims Payable.....	699,316	9,070	—	—
Accrued Liabilities	90,753	44,129	674	27
Intergovernmental Payable	259,370	488,537	—	929
Due to Other Funds.....	37,325	4,404	18	2,158
Refund and Other Liabilities.....	663,580	77,581	933	—
Total Expenditure Accruals/Adjustments	1,903,658	901,062	1,625	79,054
Other Adjustments:				
Fund Balance Reclassifications:				
From Unreserved (Non-GAAP Budgetary Basis)				
to Reserved for:				
Debt Service.....	1,545	—	57,947	—
Budget Stabilization.....	953,291	—	—	—
Noncurrent Portion of Loans Receivable.....	33,539	301,889	—	173,961
Other	118,097	33,808	556	60,394
From Undesignated (Non-GAAP Budgetary Basis)				
to Designated.....	659,600	—	—	—
Cash and Investments Held Outside of State Treasury ..	(10,496)	(18,007)	(1,353)	—
Other	—	(1)	1	—
Total Other Adjustments	1,755,576	317,689	57,151	234,355
Total Basis Differences	2,024,336	242,602	60,103	144,194
TIMING DIFFERENCES				
Encumbrances	(161,311)	(366,756)	—	(70,025)
Unreserved/Undesignated and Designated				
Fund Balances (Deficits) — Non-GAAP Budgetary Basis..	\$2,187,337	\$(1,295,927)	\$ 60,103	\$ 12,848

*This amount in the Special Revenue Fund includes certain unbudgeted activities within the Community and Economic Development and Employment Services Special Revenue Funds.



NOTE 4 DEPOSITS AND INVESTMENTS

A. Legal Requirements

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires state moneys to be maintained in one of the following three classifications:

Active Deposits — Moneys required to be kept in a cash or near-cash status to meet current demands. Such moneys must be maintained either as cash in the State’s treasury or in one of the following: a commercial account that is payable or withdrawable, in whole or in part, on demand, a negotiable order of withdrawal account, a money market deposit account, or a designated warrant clearance account.

Inactive Deposits — Those moneys not required for use within the current two-year period of designation of depositories. Inactive moneys may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits — Those moneys not required for immediate use, but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
- Repurchase agreements in the securities enumerated above;
- Interim deposits in the eligible institutions applying for interim moneys;
- Bonds and other obligations of the State of Ohio;
- The Treasurer of State’s investment pool;

- Linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to small businesses, as authorized under Section 135.63, Ohio Revised Code;
- Agricultural linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to agricultural businesses, as authorized under Section 135.74, Ohio Revised Code;
- Reverse repurchase agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U.S. government securities dealer;
- Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U.S. government securities dealer;
- Commercial paper, rated in one of the two highest rating categories by two nationally recognized rating agencies and not exceeding five percent of the investment portfolio;
- Bankers’ acceptances maturing in 270 days or less and not exceeding 10 percent of the investment portfolio;
- Debt of domestic corporations and foreign nations diplomatically recognized by the United States, rated investment grade by nationally recognized rating agencies and, in the aggregate, not exceeding five percent of the investment portfolio; and
- No-load money market funds consisting of U.S. government and agency obligations and repurchase agreements secured by such obligations.

The primary government’s deposits must be held in insured depositories approved by the State Board of Deposit and must be fully collateralized.

In some cases, deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol Retirement System Pension Trust Fund, the Workers' Compensation Enterprise Fund, the Retirement Systems Agency Fund, and the higher education institutions may also invest in common and preferred stocks, domestic and foreign corporate/government bonds and notes, mortgage loans, limited partnerships, venture capital, real estate, and/or other investments.

During the reporting period, the Public Employees Retirement System, Police and Fire Pension Fund, School Employees Retirement System, and the State Teachers Retirement System, the investments of which are held in the Treasurer of State's custody and are reported in the Retirement Systems Agency Fund, had investments in derivatives and similar debt and investment transactions. Specific information on the nature of the transactions and the reasons for entering into them can be found in each respective system's Comprehensive Annual Financial Report.

B. State-Sponsored Investment Pool

The Treasurer of State is the investment advisor and administrator of the State Treasury Asset Reserve of Ohio (STAROhio), a statewide external investment pool authorized under Section 135.45, Ohio Revised Code. STAROhio issues a stand-alone financial report, copies of which may be obtained by making a written request to: Director of Investments, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43266-0421, or by calling (614) 466-2160.

C. Deposits

1. Primary Government

As of June 30, 2000, the carrying amount of deposits was (dollars in thousands) \$898,256, and the bank balance was \$933,818. Of the bank balance, \$58,457 was fully insured or collateralized with securities held by the primary government or its agent in the primary government's name (Category 1), \$855,979 was collateralized with securities held by the pledging financial institution's trust department or its agent in the primary government's name (Category 2), and \$19,382, although meeting legal

collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

2. Component Units

As of June 30, 2000, the carrying amount of deposits was (dollars in thousands) \$274,310, and the bank balance was \$285,008. Of the bank balance, \$47,315 was fully insured or collateralized with securities held by the respective component units or their agents in the component unit's name (Category 1), \$195,559 was collateralized with securities held by the pledging financial institution's trust department or its agent in the respective component unit's name (Category 2), and \$42,134, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

D. Investments

The State categorizes investments to give an indication of the level of credit risk associated with the State's custodial arrangements at year-end. *Category 1* includes investments that are insured, registered, or held by the State or its agent in the State's name. *Category 2* includes uninsured and unregistered investments held by the counterparty's trust department or its agent in the State's name. *Category 3* includes uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the State's name.

Certain investments have not been categorized because the securities are not used as evidence of the investment. These uncategorized investments include ownership in mutual funds, real estate, venture capital and limited partnerships, direct mortgage loans, investment contracts, and the deposit with the federal government. In conformity with Governmental Accounting Standards Board Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, securities lent at year-end for cash collateral have not been categorized by custodial credit risk, while securities lent for securities collateral have been categorized.

The level of credit risk assumed by the primary government and its component units and the carrying amount and fair value of investments, as of June 30, 2000, are as follows.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Primary Government <i>(dollars in thousands)</i>				
	Category 1	Category 2	Category 3	Total Fair Value
U.S. Government & Agency Obligations:				
Not on Securities Loan	\$ 33,151,074	\$ 35,000	\$ 7,295,725	\$ 40,481,799
On Securities Loan	—	—	249,887	249,887
Common and Preferred Stock:				
Not on Securities Loan	51,386,545	—	6,539,642	57,926,187
On Securities Loan	—	—	19,955	19,955
Corporate Bonds and Notes	14,305,915	—	2,111,377	16,417,292
Foreign Stocks and Bonds	24,830,718	—	—	24,830,718
Commercial Paper	2,127,391	—	1,724,737	3,852,128
Repurchase Agreements	73,045	101,125	258	174,428
Bankers' Acceptances	5,938	—	—	5,938
Municipal Obligations	293	—	—	293
Securities Lending Collateral:				
U.S. Government & Agency Obligations	50,000	—	1,478,056	1,528,056
Repurchase Agreements	1,547,175	—	—	1,547,175
Common and Preferred Stock	—	—	849,348	849,348
Corporate Bonds and Notes	363,504	—	—	363,504
	<u>\$127,841,598</u>	<u>\$136,125</u>	<u>\$20,268,985</u>	<u>148,246,708</u>
Investments Held by Broker-dealers under Securities Loans with Cash Collateral:				
U.S. Government and Agency Obligations				3,350,272
Common and Preferred Stock				839,381
Mutual Funds				5,980,618
Real Estate				13,097,979
Venture Capital				1,038,823
Limited Partnerships				185,690
Direct Mortgage Loans				12,700
Investment Contracts				5,090
Securities Lending Collateral — Mutual Funds				3,521
Deposit with Federal Government				2,251,169
Component Units' Equity in the State Treasury Asset Reserve of Ohio (STAROhio)				(264,593)
Total Investments — Primary Government				<u>\$174,747,358</u>

Component Units <i>(dollars in thousands)</i>				
	Category 1	Category 2	Category 3	Total Fair Value
U.S. Government & Agency Obligations	\$286,862	\$ 728,299	\$372,868	\$1,388,029
Common and Preferred Stock	189,308	1,046,525	12,271	1,248,104
Corporate Bonds and Notes	297,768	143,760	34,186	475,714
Foreign Stocks and Bonds	9,373	—	—	9,373
Commercial Paper	—	—	9,406	9,406
Repurchase Agreements	—	19,281	201,735	221,016
Municipal Obligations	38	—	32	70
Negotiable Certificates of Deposit	—	—	8,500	8,500
Other Investments	181	9,892	340	10,413
	<u>\$783,530</u>	<u>\$1,947,757</u>	<u>\$639,338</u>	<u>3,370,625</u>
Mutual Funds				544,062
Investment in the State Treasury Asset Reserve of Ohio (STAROhio)				264,593
Real Estate				35,362
Life Insurance				9,674
Limited Partnerships				16,041
Investment Contracts				297,339
Total Investments — Component Units				<u>\$4,537,696</u>



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The total carrying amount of deposits and investments, as of June 30, 2000, reported for the primary government and its component units is (dollars in thousands) \$180,129,647. The total carrying amount of deposits and investments categorized and disclosed in this note is \$180,457,620. A reconciliation of the difference follows.

**Reconciliation of Deposits and Investments
Disclosure with Combined Balance Sheet
As of June 30, 2000**
(dollars in thousands)

	Deposits	Investments	Total
Cash Equity with Treasurer (unrestricted and restricted)....	\$ 470,949	\$ 7,248,742	\$ 7,719,691
Cash and Cash Equivalents (unrestricted and restricted)....	451,100	1,743,186	2,194,286
Investments.....	7,834	162,002,198	162,010,032
Collateral on Lent Securities (unrestricted and restricted)....	—	4,180,854	4,180,854
Deposit with Federal Government	—	2,251,169	2,251,169
Restricted Assets:			
Investments.....	—	165,787	165,787
Dedicated Investments.....	—	1,607,828	1,607,828
Carrying Amount per Combined Balance Sheet....	929,883	179,199,764	180,129,647
Outstanding Warrants and Other Reconciling Items	242,683	85,290	327,973
Total Reporting Entity.....	<u>\$1,172,566</u>	<u>\$179,285,054</u>	<u>\$180,457,620</u>

its custodial agents to ensure that the State's lent securities are collateralized at no less than 102 percent of market value. Consequently, as of June 30, 2000, the State had no credit exposure since the amount the State owed to borrowers exceeded the amount borrowers owed the State.

For loan contracts the Treasurer executes, not more than 15 percent of the State's cash and investment portfolio, which is reported as "Cash Equity with Treasurer," can be lent to a single broker-dealer. For the STAROhio program, not more than 25 percent of the STAROhio investment pool may be lent at any one time, and not more than 10 percent of the investment pool may be subject to term loans in excess of seven days.

The State cannot sell securities received as collateral unless the borrower defaults. Consequently, these amounts are not reflected in the financial statements. The State invests cash collateral in short-term obligations, which have a weighted average maturity of 45 days or less and generally match the maturities of securities loans. Loan contracts do not provide any loss indemnification by securities lending agents in cases of borrower default; however, during fiscal year 2000, the State had not experienced any losses due to credit or market risk on securities lending activities.

During the fiscal year, the Treasurer and the STAROhio program lent U.S. government and agency obligations in exchange for collateral consisting of cash and/or other U.S. government obligations. The BWC lent fixed maturities and equity securities in exchange for cash, broker-provided, and letters of credit collateral.

E. Securities Lending Transactions

The Treasurer of State and the Bureau of Workers' Compensation (BWC) participate in securities lending programs for securities included in the "Cash Equity with Treasurer," "Investments," and "Dedicated Investments" accounts and the STAROhio program. Each lending program is administered by a custodial agent bank, whereby certain securities are transferred to an independent broker-dealer (borrower) in exchange for collateral. The State requires



NOTE 5 TAXES

The following table provides a summary of taxes receivable for the primary government. As of June 30, 2000, refund liabilities for income and corporation franchise taxes, totaling approximately \$734

million, are reported as "Refunds and Other Liabilities," of which \$663.6 million is reported in the General Fund and \$70.4 million is reported in the Special Revenue Fund.

**Primary Government
Taxes Receivable
As of June 30, 2000**
(dollars in thousands)

	General	Special Revenue	Trust and Agency	Total
Income Taxes	\$311,479	\$ 36,717	\$ —	\$ 348,196
Sales Taxes	519,671	27,395	—	547,066
Motor Vehicle Fuel Taxes	—	121,125	—	121,125
Unemployment Taxes	—	—	143,155	143,155
Other Taxes	—	10,833	—	10,833
Total Taxes Receivable	<u>\$831,150</u>	<u>\$196,070</u>	<u>\$143,155</u>	<u>\$1,170,375</u>

NOTE 6 LOANS AND OTHER RECEIVABLES

A. Loans Receivable

Loans receivable (net of uncollectible amounts) for the primary government and its component units, as of June 30, 2000, consist of the following.

**Primary Government
Loans Receivable
As of June 30, 2000**
(dollars in thousands)

Loan Type	General	Special Revenue	Debt Service	Capital Projects	Total
Primary, Secondary and Other Education:					
School District Solvency Assistance	\$14,802	\$ —	\$ —	\$ —	\$ 14,802
Vocational Education	522	147	—	—	669
Wayne Trace Local School District	5,333	—	—	—	5,333
Vocational School Assistance	—	8,599	—	—	8,599
Teacher Education	—	1,167	—	—	1,167
Nurses Education Assistance	—	273	—	—	273
Total Primary, Secondary and Other Education	<u>20,657</u>	<u>10,186</u>	<u>—</u>	<u>—</u>	<u>30,843</u>
Community and Economic Development:					
Office of Minority Financial Incentives	3,734	—	—	—	3,734
Rail Development	—	5,846	—	—	5,846
Local Government Y2K Assistance	1,501	—	—	—	1,501
Office of Financial Incentives	—	247,281	—	—	247,281
Ohio Housing Finance Agency	—	172,592	—	—	172,592
Small Government Fire Departments	458	—	—	—	458
Total Community and Economic Development	<u>5,693</u>	<u>425,719</u>	<u>—</u>	<u>—</u>	<u>431,412</u>
Higher Education Research					
Investment Loans	—	—	3,058	—	3,058
Highway, Transit, and Aviation					
Infrastructure Bank	—	40,998	—	—	40,998
Natural Resources	—	287	—	—	287
Local Infrastructure Improvements	—	—	—	175,331	175,331
Columbiana County Economic Stabilization	2,673	—	—	—	2,673
State Workforce Development	6,250	—	—	—	6,250
Total Loans Receivable	<u>\$35,273</u>	<u>\$477,190</u>	<u>\$3,058</u>	<u>\$175,331</u>	<u>\$690,852</u>



NOTE 6 LOANS AND OTHER RECEIVABLES (Continued)

Component Units
Loans Receivable
As of June 30, 2000
(dollars in thousands)

Loan Type	Ohio Water Development Authority (12/31/99)	Ohio State University	University of Cincinnati	Kent State University	Other Component Units	Total Component Units
Water and Wastewater Treatment	\$2,005,994	\$ —	\$ —	\$ —	\$ —	\$2,005,994
Student	—	60,982	28,650	19,094	82,536	191,262
Other	—	—	625	—	464	1,089
Total Loans Receivable	<u>\$2,005,994</u>	<u>\$60,982</u>	<u>\$29,275</u>	<u>\$19,094</u>	<u>\$83,000</u>	<u>\$2,198,345</u>

B. Other Receivables

Other receivables for the primary government and its component units consist of the following.

Primary Government
Other Receivables
As of June 30, 2000
(dollars in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total
Unrestricted:								
Accounts Receivable	\$ 1,462	\$ 10,410	\$ —	\$ —	\$171,687	\$ 3,276	\$ —	\$186,835
Interest and Dividends Receivable ..	15,322	16,204	983	2,841	121,641	217	22,587	179,795
Women, Infants and Children Program Rebate Receivable	—	15,825	—	—	—	—	—	15,825
Nursing Facility Bed Assessments Receivable	—	12,769	—	—	—	—	—	12,769
Leases Receivable	—	—	—	—	—	26,281	—	26,281
Receivables from Lottery Sales Agents	—	—	—	—	33,475	—	—	33,475
Claims & Settlements Receivable ...	—	—	—	—	—	—	20,771	20,771
Employer Interest and Penalties on Unemployment Taxes	—	1,514	—	—	—	—	—	1,514
Refunds from Academic Grants and Scholarships Programs	3	—	—	—	—	—	—	3
Miscellaneous Receivables	—	502	—	—	6	1,523	578	2,609
Total Unrestricted	<u>16,787</u>	<u>57,224</u>	<u>983</u>	<u>2,841</u>	<u>326,809</u>	<u>31,297</u>	<u>43,936</u>	<u>479,877</u>
Restricted:								
Interest Receivable	—	—	—	—	6,774	—	—	6,774
Total Unrestricted and Restricted	<u>\$16,787</u>	<u>\$57,224</u>	<u>\$983</u>	<u>\$2,841</u>	<u>\$333,583</u>	<u>\$31,297</u>	<u>\$43,936</u>	<u>\$486,651</u>

Component Units
Other Receivables
As of June 30, 2000
(dollars in thousands)

	Ohio State University	University of Cincinnati	Ohio University	Miami University	Other Component Units	Total Component Units
Accounts Receivable	\$250,941	\$37,761	\$18,905	\$17,441	\$109,523	\$434,571
Interest Receivable	13,522	4,749	931	705	7,019	26,926
Pledges Receivable	—	36,243	—	—	—	36,243
Miscellaneous Receivable	—	278	—	—	6,698	6,976
Total Other Receivables	<u>\$264,463</u>	<u>\$79,031</u>	<u>\$19,836</u>	<u>\$18,146</u>	<u>\$123,240</u>	<u>\$504,716</u>



NOTE 6 LOANS AND OTHER RECEIVABLES (Continued)

Under long-term direct financing leases with local governments for office space, the Ohio Building Authority, a blended component unit, charges a pro-rata share of the buildings' debt service and operating costs based on square-footage occupied.

Future lease payments due the Ohio Building Authority Internal Service Fund, net of executory costs, are as follows (dollars in thousands):

Year Ending June 30,	Leases Receivable
2001	\$ 5,001
2002	5,008
2003	5,012
2004	5,036
2005	4,187
Thereafter.....	16,670
Total minimum lease payments.....	40,914
Amount representing interest	(14,633)
Present value of net minimum lease payments	<u>\$26,281</u>

NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS

Interfund balances, as of June 30, 2000, and operating transfers among the primary government's funds, for the year ended June 30, 2000, are as follows (dollars in thousands):

Fund Type/Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds	Operating Transfers-In	Operating Transfers-Out
General	\$ 15,504	\$37,325	\$ —	\$ —	\$ 142,267	\$1,302,412
Special Revenue:						
Community and Economic Development	2,641	1,385	—	168,494	61,570	64,682
Human Services.....	160	1,261	—	—	16,393	3,106
Health.....	62	61	—	—	10,985	347
Mental Health and Retardation.....	43	1,102	—	—	3,725	—
Employment Services.....	19	—	—	—	2	1,500
Education	1,872	178	—	—	1,022,443	4,765
Highway Safety	2,268	921	—	—	169,856	10,086
Highway Operating.....	2,453	404	—	—	582,787	212,887
Natural Resources.....	550	106	—	—	5,175	2,821
Wildlife and Waterways Safety.....	133	21	—	—	1,615	16
Revenue Distribution.....	14,430	165	—	—	30,786	736,144
Local Transportation Improvements.....	178	2	—	—	63,197	—
Tobacco Settlement	859	—	—	—	—	—
Total Special Revenue Fund.....	25,668	5,606	—	168,494	1,968,534	1,036,354
Debt Service:						
Economic Development Bond Service	—	—	—	—	15,803	—
Coal Research/Development Bond Retirement.....	—	—	—	—	5,680	37
Improvements Bond Retirement.....	1	—	—	—	—	—
Development Bond Retirement	—	—	—	—	—	25
Highway Obligations Bond Retirement.....	115	—	—	—	—	49
Public Improvements Bond Retirement.....	—	—	—	—	—	13
Local Infrastructure Improvements Bond Retirement	—	—	—	—	115,307	—
Ohio Public Facilities Commission	1,115	—	—	—	430,280	—
Ohio Building Authority.....	—	—	—	—	271,380	8,091
Enterprise Bond Retirement.....	—	—	—	—	40,029	35,209
State Projects Bond Service.....	—	—	—	—	12,328	37
School Building Program Bond Service.....	—	—	—	—	41,690	—
Highway Capital Improvements Bond Service	4	—	—	—	78,160	112
Infrastructure Bank Bond Service.....	—	—	—	—	9,904	—
Higher Education Capital Facilities Bond Service	1	—	—	—	—	—
Common Schools Capital Facilities Bond Service	—	—	—	—	13,070	—
Total Debt Service Fund	1,236	—	—	—	1,033,631	43,573

(Continued)



**STATE OF OHIO
NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2000

NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS (Continued)

Fund Type/Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds	Operating Transfers- In	Operating Transfers- Out
Capital Projects:						
Arts Facilities Building Improvements.....	45	—	—	—	—	70
Higher Education Improvements	173	1,115	—	—	285	320
Highway Obligations Construction	—	—	—	—	—	9,929
Mental Health/Mental Retardation Facilities Improvements.....	25	—	—	—	—	—
Parks and Recreation Improvements	23	—	—	—	—	237
Local Infrastructure Improvements.....	211	4	—	—	—	1
Ohio Building Authority.....	—	—	—	—	—	255,250
Administrative Services						
Building Improvements.....	90	4	—	—	2,959	—
Youth Services Building Improvements.....	41	167	—	—	—	—
Transportation Building Improvements.....	1	—	—	—	—	—
Adult Correctional Building Improvements ...	172	767	—	—	252,269	—
Highway Safety Building Improvements.....	11	101	—	—	—	—
Ohio Parks and Natural Resources.....	22	—	—	—	—	—
Highway Capital Improvement	358	—	—	—	9,929	—
Sports Facilities Building	11	—	—	—	—	—
Infrastructure Bank Obligations	28	—	—	—	—	—
Total Capital Projects Fund.....	1,211	2,158	—	—	265,442	265,807
Enterprise:						
Liquor Control.....	5	2,479	—	—	—	114,443
Ohio Lottery Commission.....	—	—	—	—	—	686,020
Workers' Compensation	—	—	—	—	—	6,646
Underground Parking Garage	—	—	—	—	—	773
Office of Auditor of State	1,783	—	—	—	35,282	—
Total Enterprise Fund	1,788	2,479	—	—	35,282	807,882
Internal Service:						
Ohio Building Authority.....	—	—	—	—	33,233	31,620
Information Technology.....	9,773	3,332	—	—	6	—
Ohio Penal Industries.....	21,812	1,831	—	—	9,258	—
Support Services.....	8,257	42	—	—	—	—
Total Internal Service Fund.....	39,842	5,205	—	—	42,497	31,620
Expendable Trust:						
Unclaimed Funds	1,202	—	168,494	—	—	—
Agency:						
Holding and Distribution	—	30,677	—	—	—	—
Payroll Withholding and Fringe Benefits.....	93	3,208	—	—	—	—
Other	102	—	—	—	—	—
Total Trust and Agency Funds.....	1,397	33,885	168,494	—	—	—
Total per Financial Statements —						
Primary Government	86,646	86,658	168,494	168,494	3,487,653	3,487,648
Reconciliation for :						
Timing Differences for Funds with December 31, 1999 Year-Ends.....	14	—	—	—	—	—
Rounding Differences.....	(2)	—	—	—	—	5
Reconciled Total for the Primary Government	<u>86,658</u>	<u>86,658</u>	<u>\$168,494</u>	<u>\$168,494</u>	<u>\$3,487,653</u>	<u>\$3,487,653</u>
Component Units:						
Ohio State University.....	268,758	268,758	—	—	—	—
University of Cincinnati.....	115,247	115,247	—	—	—	—
Other Component Units.....	118,445	118,445	—	—	—	—
Total per Financial Statements —						
Component Units.....	<u>502,450</u>	<u>502,450</u>	—	—	—	—
Total Reporting Entity	<u>\$589,108</u>	<u>\$589,108</u>				



NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS (Continued)

For the fiscal year ended June 30, 2000, the Capital Projects Fund reports \$3.7 million in residual equity transfers-out. The transfer represents capital contributions to the Internal Service funds, as more detailed in NOTE 18. Additionally, the Internal Service Fund reports residual equity transfers-out in the amount of \$6 million. The transfers resulted when

- The Ohio Penal Industries Internal Service Fund donated \$100 thousand in fixed assets to the General Fixed Assets Account Group, and
- The Telecommunications Internal Service Fund ceased operations on July 1, 1999, and its \$5.9 million in net assets were transferred to the Information Technology Internal Service Fund.

Operating transfers between the primary government's funds and its component units represent transfers of moneys from the General Fund for instructional and non-instructional support at the state-supported universities and state community colleges.

Details of amounts transferred during the year ended June 30, 2000 are presented in the table to the right (dollars in thousands).

	Operating Transfers from Primary Government	Operating Transfers to Component Units
Primary Government:		
<i>General Fund</i>	\$ —	\$1,671,985
Component Units:		
<i>College and University Funds</i>		
<i>Ohio State University</i>	448,019	—
<i>University of Cincinnati</i>	195,395	—
<i>Ohio University</i>	142,790	—
<i>Miami University</i>	82,312	—
<i>University of Akron</i>	104,089	—
<i>Bowling Green State University</i>	84,379	—
<i>Kent State University</i>	117,517	—
<i>University of Toledo</i>	87,706	—
<i>Cleveland State University</i>	74,099	—
<i>Youngstown State University</i>	48,187	—
<i>Wright State University</i>	93,402	—
<i>Shawnee State University</i>	15,587	—
<i>Central State University</i>	18,193	—
<i>Medical College of Ohio</i>	37,978	—
<i>Terra State Community College</i>	6,722	—
<i>Columbus State Community College</i>	39,680	—
<i>Clark State Community College</i>	6,950	—
<i>Edison State Community College</i>	4,971	—
<i>Southern State Community College</i>	4,056	—
<i>Washington State Community College</i>	4,716	—
<i>Cincinnati State Community College</i>	19,423	—
<i>Northwest State Community College</i>	5,070	—
<i>Owens State Community College</i>	30,744	—
Total Reporting Entity	\$1,671,985	\$1,671,985

NOTE 8 FIXED ASSETS

The following tables show fixed assets for the primary government and its component units by asset category, as of June 30, 2000, and the changes in the primary government's general fixed assets for the

year ended June 30, 2000. No projects were under construction during fiscal year 2000 that resulted in capitalized interest for the proprietary and fiduciary fund types.

Primary Government
Fixed Assets
As of June 30, 2000
(dollars in thousands)

	Enterprise	Internal Service	Pension Trust	General Fixed Assets	Total Primary Government
Land.....	\$ 12,631	\$ —	\$ —	\$ 223,556	\$ 236,187
Buildings.....	242,766	5,733	—	2,694,149	2,942,648
Land Improvements.....	66	771	—	165,090	165,927
Machinery and Equipment.....	173,179	76,653	316	258,690	508,838
State Vehicles.....	6,258	985	—	256,300	263,543
Construction-in-Progress.....	—	—	—	560,445	560,445
Total Fixed Assets (at cost).....	434,900	84,142	316	4,158,230	4,677,588
Accumulated Depreciation.....	(220,257)	(54,744)	(138)	—	(275,139)
Total Fixed Assets (net).....	<u>\$214,643</u>	<u>\$29,398</u>	<u>\$ 178</u>	<u>\$4,158,230</u>	<u>\$4,402,449</u>



NOTE 8 FIXED ASSETS (Continued)

Primary Government
Changes in General Fixed Assets
For the Fiscal Year Ended June 30, 2000
(dollars in thousands)

	Balance July 1, 1999	Beginning Balance Adjustments	Additions	Deletions/ Net Transfers	Balance June 30, 2000
Land.....	\$ 212,421	\$ 32	\$ 11,476	\$ (373)	\$ 223,556
Buildings.....	2,476,320	26,598	206,258	(15,027)	2,694,149
Land Improvements.....	159,514	988	9,018	(4,430)	165,090
Machinery and Equipment.....	263,611	(16,767)	25,998	(14,152)	258,690
State Vehicles.....	241,854	70	41,059	(26,683)	256,300
Construction-in-Progress.....	535,645	56,549	456,029	(487,778)	560,445
Total General Fixed Assets .	\$3,889,365	\$ 67,470	\$749,838	\$(548,443)	\$4,158,230

Component Units
Fixed Assets
As of June 30, 2000
(dollars in thousands)

	Ohio State University	University of Cincinnati	Ohio University	Miami University	University of Akron
Land.....	\$ 35,041	\$ 17,092	\$ 10,656	\$ 2,294	\$ 17,060
Buildings.....	1,634,789	990,214	353,452	349,141	320,975
Land Improvements.....	156,099	41,309	55,124	62,275	37,434
Machinery, Equipment, and Vehicles.....	620,445	111,188	94,823	100,073	97,466
Library Books and Publications	139,238	98,745	55,995	43,922	54,008
Construction-in-Progress.....	246,010	49,028	28,156	18,634	5,190
Total Fixed Assets (at cost)	2,831,622	1,307,576	598,206	576,339	532,133
Accumulated Depreciation.....	—	—	—	—	—
Total Fixed Assets (net)	\$2,831,622	\$1,307,576	\$598,206	\$576,339	\$532,133

	Kent State University	University of Toledo	Cleveland State University	Other Component Units	Total Component Units
Land.....	\$ 6,747	\$ 17,798	\$ 51,778	\$ 58,724	\$ 217,190
Buildings.....	305,331	320,232	304,780	1,349,220	5,928,134
Land Improvements.....	39,727	29,542	14,934	97,505	533,949
Machinery, Equipment, and Vehicles.....	79,990	45,332	40,957	354,003	1,544,277
Library Books and Publications	51,407	20,062	49,330	100,279	612,986
Construction-in-Progress.....	27,471	9,342	12,184	32,879	428,894
Total Fixed Assets (at cost)	510,673	442,308	473,963	1,992,610	9,265,430
Accumulated Depreciation.....	—	—	—	(236)	(236)
Total Fixed Assets (net)	\$510,673	\$442,308	\$473,963	\$1,992,374	\$9,265,194

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

All part-time and full-time employees and elected officials of the State, including its component units, are eligible to be covered by one of the following retirement plans:

- Public Employees Retirement System
- State Teachers Retirement System
- State Highway Patrol Retirement System
- Alternative Retirement Plan



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

A. Public Employees Retirement System (PERS)

Pension Benefits

PERS is a cost-sharing, defined benefit multiple-employer public employee retirement system.

PERS benefits are established under Chapter 145, Ohio Revised Code. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Regular employees may retire after 30 years of credited service regardless of age, at age 55 or after with 25 years of credited service, or at age 60 or after with five years of credited service. Regular employees retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Law enforcement employees may retire at age 52 with 25 or more years of credited service, or, under qualifying circumstances, as early as age 48.

The retirement allowance is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance for regular employees is determined by multiplying the final average salary by 2.1 percent for each year of Ohio contributing service up to 30 years and by 2.5 percent for all other years in excess of 30 years of credited service. The annual allowance for law enforcement employees is determined by multiplying the final average salary by 2.5 percent for the first 20 years of Ohio contributing service, and by 2.1 percent for each year of service over 20 years.

Under legislation that takes effect in fiscal year 2001, the annual allowance for regular employees will be determined by multiplying the final average salary by 2.2 percent instead of 2.1 percent for each year of contributing service in Ohio up to 30 years. For law enforcement employees, the annual allowance will be determined by multiplying the final average salary by 2.5 percent for the first 25 years of service instead of the first 20 years.

Employer and employee required contributions to PERS are established under the Ohio Revised Code and are based on percentages of covered employees' gross salaries, which are calculated annually by the

retirement system's actuaries. Contribution rates for calendar year 1999 are as follows:

	Contribution Rates — Calendar Year 1999	
	Employee Share	Employer Share
Regular Employees.....	8.50%	13.31%
Law Enforcement Employees.	9.00	16.70

Employer contributions required and made for the last three years follow (dollars in thousands).

Primary Government		
For the Year Ended December 31,	Employer's Contribution for Regular Employees	Employer's Contribution for Law Enforcement Employees
1999	\$221,791	\$3,094
1998	212,114	2,970
1997	218,984	2,747

Component Units	
For the Year Ended June 30,	Employer's Contribution for Regular Employees
2000	\$101,154
1999	100,392
1998	97,944

Effective July 1, 2000 to December 31, 2000, the employer's required contribution to PERS for regular employees will be reduced from 13.31 percent to 7.99 percent, while the required contribution for law enforcement employees will be reduced from 16.7 percent to 14.7 percent. Employee's required contribution rates remain unchanged. This temporary rate reduction was made possible by higher-than-anticipated returns on investments.

Recent legislation also grants PERS the authority to establish a defined contribution plan as an alternative to the current defined benefit plan. PERS is currently developing such a plan, which is expected to become operational sometime in calendar year 2002.

PERS issues a stand-alone financial report, copies of which may be obtained by making a written request to: Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Other Postemployment Benefits

All age and service retirees with 10 or more years of service credit qualify for healthcare coverage under PERS. Healthcare coverage for disability recipients and primary survivor recipients is also available. Chapter 145, Ohio Revised Code, provides the statutory authority for employer contributions. For calendar year 1999, the portion of the employer rate that is used to fund healthcare is 4.2 percent of covered payroll for law enforcement and regular employees. Employees do not fund any portion of healthcare costs.

PERS healthcare benefits are funded on a pay-as-you-go basis. As of December 31, 1999, the unaudited estimate of the value of net assets available for future healthcare benefits is \$9.9 billion.

The State's net costs for the PERS healthcare plan are as follows (dollars in thousands):

Primary Government:

(for the year ended December 31, 1999)	
Regular Employees	\$102,253
Law Enforcement Employees	1,040
Total.....	<u>\$103,293</u>

Component Units:

(for the year ended June 30, 2000).....	<u>\$ 46,995</u>
---	------------------

The number of eligible benefit recipients for PERS as a whole is 118,062, as of December 31, 1999; a breakout of the number of eligible recipients for the primary government and its component units, as of December 31, 1999, is unavailable.

B. State Teachers Retirement System (STRS)

Pension Benefits

STRS is a cost-sharing, defined benefit multiple-employer public employee retirement system.

Participants in STRS, may retire after 30 years of credited service regardless of age, or at or after age 55 with 25 years of credited service, or at or after age 60 with five years of credited service. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Retirees are entitled to a maximum annual retirement benefit, payable in monthly installments for life, equal to the greater of the "formula benefit" or the "money-purchase benefit" calculation.

Under the "formula benefit" calculation, the retirement allowance is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance is determined by multiplying the final average salary by 2.5 percent for each year of Ohio contributing service in excess of 30 years and by 2.2 percent for all other years of credited service up to a maximum annual allowance of 100 percent of final average salary. Each year over 30 years is increased incrementally by .1 percent starting at 2.5 percent for the 31st year of Ohio service. For teachers with 35 or more years of earned service, the annual allowance is determined by multiplying the final average salary by 2.5 percent for the first 30 years of service.

Under the "money-purchase benefit" calculation, a member's lifetime contributions, plus interest at specified rates, are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Annually, after retirement, STRS benefits are increased by the greater of the amount of the change in the Consumer Price Index or the cumulative increase in prior years, less previous cost-of-living increases, up to a maximum of three percent.

A retiree of STRS or any other Ohio public retirement system is eligible for re-employment as a teacher after two months from the date of retirement. Members and the employer make contributions during the period of re-employment. Upon termination or the retiree reaches the age of 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

STRS also provides death, survivors', disability, healthcare, and supplemental benefits. STRS benefits are established under Chapter 3307, Ohio Revised Code.

Employer and employee required contributions to STRS are established by the Board and limited under the Ohio Revised Code to employer and employee rates of 14 percent and 10 percent, respectively, and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuary. Contribution rates for fiscal year 2000 were 14 percent for employers and 9.3 percent for employees. For



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

STRS, six percent of the employer rate is used to fund pension obligations. The difference between the total employer rate and the share used to fund pension obligations is the percentage used to fund the STRS healthcare program.

Employer contributions required and made for the last three years are as follows (dollars in thousands):

Year Ended June 30,	Primary Government	Component Units
2000	\$3,028	\$ 59,841
1999	2,876	59,593
1998	4,384	101,964

Recent legislation grants STRS the authority to establish a defined contribution plan as an alternative to both the current defined benefit plan and the Alternative Retirement Plan (See NOTE 9D). STRS is currently developing such a plan, which is expected to be operational by July 1, 2001.

STRS issues a stand-alone financial report, copies of which may be obtained by making a written request to: State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

Other Postemployment Benefits

The STRS plan provides comprehensive healthcare benefits to retirees and their dependents. Retirees are required to make healthcare premium payments at amounts that vary according to each retiree's years of credited service and choice of healthcare provider. Retirees must pay additional premiums for covered spouses and dependents. Chapter 3307, Ohio Revised Code, gives the STRS board discretionary authority over how much, if any, of associated healthcare costs are absorbed by the plan. Currently, employer contributions equal to eight percent of covered payroll are allocated to pay for healthcare benefits.

The employer contribution is financed on a pay-as-you-go basis. As of June 30, 1999 (the most recent information available), net assets available for future healthcare benefits are \$2.8 billion. Net healthcare costs paid by the primary government and its component units, for the year ended June 30, 2000, totaled approximately \$4 million and \$74.2 million, respectively. The number of eligible benefit recipients for STRS as a whole is 108,386, as of June 30, 1999; a breakout of the number of eligible recipients

for the primary government and its component units, as of June 30, 1999, is unavailable.

C. State Highway Patrol Retirement System (SHPRS)

SHPRS, a component unit of the State, was established in 1944 by the General Assembly as a single-employer, defined benefit pension plan and is administered by the State.

The plan issues a stand-alone financial report that includes financial statements and required supplementary information, and the State reports the plan as a pension trust fund. Copies of the financial report may be obtained by writing to the Ohio State Highway Patrol Retirement System, 6161 Busch Boulevard, Suite 119, Columbus, Ohio 43229-2553, or by calling (614) 466-2268.

SHPRS is authorized under Chapter 5505, Ohio Revised Code, to provide retirement and disability benefits to retired members and survivor benefits to qualified dependents of deceased members of the Ohio State Highway Patrol. Chapter 5505, Ohio Revised Code, also requires contributions by active members and the Ohio State Highway Patrol. The employee contribution rate is established by the General Assembly, and any change in the rate requires legislative action. The SHPRS Retirement Board establishes and certifies the employer contribution rate to the State of Ohio every two years. By law, the employer rate may not exceed three times the employee contribution rate.

Contribution rates for calendar year 1999 are as follows:

	Contribution Rates	
	Employee Share	Employer Share
January 1, 1999 through June 30, 1999.....	10.00%	24.00%
July 1, 1999 through December 31, 1999.	10.00	23.50

During calendar year 1999, all of the employees' contributions funded pension benefits while 19.87 and 19.5 percent of the employer's contributions funded pension benefits during the first half and second half of calendar year 1999, respectively. The difference in the total employer rates charged during the first half and second half of calendar year 1999



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

and the employer rates applicable to the funding of pension benefits during these periods is applied to the funding of postemployment healthcare benefits.

SHPRS's financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred and revenues are recorded when they are earned. All investments are reported at fair value. Fair value is, "the amount that the plan can reasonably expect to receive for an investment in a current sale, between a willing buyer and a willing seller—that is, other than in a forced or liquidation sale." Short-term investments are reported at cost, which approximates fair value. Corporate bonds are valued at the median price by the brokerage firms.

Securities traded on a national exchange are valued at the last reported sales price at the current exchange rate. The fair value of real estate investments are based on the estimated current value and on independent appraisals. For actuarial purposes, assets are valued with a method that amortizes each year's investment gain or loss over a closed, four-year period.

The employer's annual pension costs for the last three calendar years are as follows (dollars in thousands):

Year Ended December 31,	Primary Government	Percentage of Employer's Annual Pension Cost Contributed
1999	\$13,351	100%
1998	13,060	100
1997	12,202	100

SHPRS used the entry-age normal actuarial cost method for the Schedule of Funding Progress for the actuarial valuation, dated December 31, 1999. Assumptions used in preparing the Schedule of Funding Progress and in determining the annual required contribution include: a 7.75 percent rate of return on investments; projected salary increase of five percent attributable to inflation and additional projected salary increases ranging from .5 percent to 3.5 percent per year attributable to seniority and merit; and post-retirement increases each year equal to the increase in the Consumer Price Index (not to exceed three percent).

The unfunded actuarial accrued liability is being amortized using the level-percentage of projected payroll method over a closed period of 20 years.

The Schedule of Funding Progress for the last three years is presented in the table below. Amounts reported do not include assets or liabilities for postemployment healthcare benefits.

Other Postemployment Benefits

In addition to providing pension benefits, SHPRS pays health insurance claims on behalf of all persons receiving a monthly pension or survivor benefit and Medicare Part B basic premiums for those eligible benefit recipients upon proof of coverage. The number of active contributing plan participants, as of December 31, 1999, was 1,445. The cost of retiree healthcare benefits is recognized as claims are incurred and premiums are paid. The calendar year 1999 expense was \$5.5 million.

**SHPRS Schedule of Funding Progress
Last Three Calendar Years
(dollars in thousands)**

(A) Valuation Year	(B) Actuarial Accrued Liability (AAL)	(C) Valuation Assets	(D) Unfunded Actuarial Accrued Liability (UAAL) (B) – (C)	(E) Ratio of Assets to AAL (C)/(B)	(F) Active Member Payroll	(G) UAAL as Percentage of Active Member Payroll (D)/(F)
1999 (a)	\$577,010	\$546,511	\$30,499	94.7%	\$66,017	46.2%
1999	564,673	546,511	18,162	96.8	66,017	27.5
1998	532,957	509,860	23,097	95.7	65,154	35.4
1997 (b)	496,917	460,667	36,250	92.7	62,233	58.2
1997	487,392	460,667	26,725	94.5	62,233	42.9

(a) The plan was amended in 1999.

(b) The plan was amended in 1997.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Healthcare benefits are established in Chapter 5505, Ohio Revised Code, and are advance funded by the employer on the same actuarially determined basis (using the same assumptions) as are the SHPRS pension benefits, as previously discussed. In addition, the assumption that projected healthcare premiums would increase at a rate of five percent, compounded annually, due to inflation was also used in the valuation. The net assets available for benefits allocated to healthcare costs at December 31, 1999 was \$96.1 million, and include investments, which are carried at fair value, as previously described.

As of December 31, 1999, the actuarial accrued liability for healthcare benefits, the portion of the present value of plan promises to pay benefits in the future that are not covered by future normal cost contributions, was \$107.1 million; the actuarial accrued liability for healthcare benefits at that date was \$11 million.

Employer contributions are made in accordance with actuarially determined requirements. The employer contribution requirement for 1999 was approximately \$2.8 million or 4.13 percent and 4 percent of active member payroll for the periods, January 1 through June 30, 1999 and July 1 through December 31, 1999, respectively.

D. Alternative Retirement Plan (ARP)

Pension Benefits

The ARP is a defined contribution retirement plan that is authorized under Section 3305.02, Ohio Revised Code. The ARP provides at least three or more alternative retirement plans for academic and administrative employees of Ohio's institutions of higher education, who otherwise would be covered by STRS or PERS. Classified civil service employees are not eligible to participate in the ARP.

The Board of Trustees of each public institution of higher education enters into contracts with each approved retirement plan provider. Once established, full-time faculty and unclassified employees who are hired subsequent to the establishment of the ARP, or who had less than five years of service credit under the existing retirement plans, may choose to enroll in the ARP. The choice is irrevocable for as long as the employee remains continuously employed in a position for which the ARP is available. For those employees that choose to join the ARP, any prior

employee contributions that had been made to STRS or PERS would be transferred to the ARP. The Ohio Department of Insurance has designated eight companies as being eligible to serve as plan providers for the ARP.

Ohio law requires that employee contributions be made to the ARP in an amount equal to those that would otherwise have been required by the retirement system that applies to the employee's position. Therefore, employees who would have otherwise been enrolled in STRS or PERS would contribute 9.3 percent or 8.5 percent (9.0 percent for law enforcement employees) of their gross salaries', respectively. Employees may also voluntarily make additional contributions to the ARP.

From July 1, 1999 through April 30, 2000, each public institution of higher education contributed 6.0 percent of the employees' gross salary to the retirement plan in which the employee would have otherwise been enrolled. Beginning May 1, 2000, the higher education institutions were no longer required to contribute to PERS, and their contribution rate for STRS was reduced to 5.76 percent. The amount of this contribution is subject to actuarial review every third year to determine if the rate needs to be adjusted to mitigate any negative financial impact that the loss of contributions may have on STRS and PERS. The Board of Trustees of each public institution of higher education may also make additional payments to the ARP based on the gross salaries of employees multiplied by a percentage the respective Board of Trustees approves.

The ARP provides full and immediate vesting of all contributions made on behalf of participants. The contributions are directed to one of the eight investment management companies as chosen by the participants. The ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits, or death benefits. Benefits are entirely dependent on the sum of the contributions and related investment income generated by each participant's choice of investment options.

Employer and employee contributions required and paid for the year ended June 30, 2000 totaled \$34 million and \$25.9 million, respectively.



NOTE 10 GENERAL OBLIGATION BONDS

The State has pledged its full faith and credit for the payment of principal and interest on general obligation bonds accounted for and included with obligations in the General Long-Term Obligations Account Group.

At various times since 1921, Ohio voters, by 16 constitutional amendments (the last adopted in November 1999), have authorized the incurrence of general obligation debt for the construction and improvement of local infrastructure improvements, highways, research and development of coal technology, parks, recreation, and natural resources, state facilities, and common school and higher education facilities. In practice, general obligation bonds are retired over periods of 10 to 25 years.

A 1987 constitutional amendment provided for the issuance of \$1.2 billion of general obligation bonds for infrastructure improvements (Infrastructure Bonds), of which no more than \$120 million may be issued in any calendar year. As of June 30, 2000, the General Assembly had authorized \$1.2 billion of these bonds to be sold, of which approximately \$1.2 billion had been issued and \$927.2 million (net of unaccreted discount of \$120.5 million on deep-discount bonds issued) was outstanding. In November 1995, voters approved another constitutional amendment that provided for the issuance of an additional \$1.2 billion of Infrastructure Bonds, of which no more than \$120 million (plus any prior years' principal amounts not issued under the new authorization) may be sold in any state fiscal year. As of June 30, 2000, the General Assembly had authorized \$360 million in Infrastructure Bonds to be issued under the provisions of the 1995 constitutional amendment, of which \$240 million had been issued and \$231.2 million was outstanding.

A 1968 constitutional amendment authorized the issuance of Highway Obligations in amounts up to \$100 million in any calendar year, with no more than \$500 million in principal amount outstanding at any one time. The aggregate of General Assembly authorizations, as of June 30, 2000, for Highway Obligations, was approximately \$1.85 billion, of which \$1.75 billion had been issued and \$174 million was outstanding. Pursuant to an amendment voters approved in November 1995, the remaining \$109.7 million in General Assembly authorizations for the issuance of Highway Obligations expired December 31, 1996.

Through approval of the November 1995 amendment, voters authorized the issuance of Highway Capital Improvements Bonds in amounts up to \$220 million in any fiscal year (plus any prior fiscal years' principal amounts not issued under the new authorization), with no more than \$1.2 billion outstanding at any time. As of June 30, 2000, the General Assembly had authorized the issuance of approximately \$1.1 billion in Highway Capital Improvements Bonds, of which \$800 million had been issued and \$682.5 million was outstanding.

Coal Research and Development Bonds and Parks, Recreation, and Natural Resources Bonds may be issued as long as the outstanding principal amounts do not exceed \$100 and \$200 million, respectively. As of June 30, 2000, the General Assembly had authorized the issuance of \$150 million in Coal Research and Development Bonds, of which \$107 million had been issued and \$31.3 million was outstanding. Legislative authorizations for the issuance of Parks, Recreation, and Natural Resources Bonds totaled \$228 million, as of June 30, 2000, of which \$160 million had been issued and \$135.3 million was outstanding.

A 1999 constitutional amendment provided for the issuance of Common Schools Capital Facilities Bonds and Higher Education Capital Facilities Bonds. As of June 30, 2000, the General Assembly had authorized the issuance of \$150 million in Common Schools Capital Facilities Bonds, of which \$140 million had been issued and \$130.2 million was outstanding. As of June 30, 2000, the General Assembly had also authorized the issuance of \$150 million in Higher Education Capital Facilities Bonds, of which \$150 million had been issued and was outstanding.

General obligation bonds outstanding and bonds authorized but unissued, as of June 30, 2000, are presented in the table on the following page.

For the year ended June 30, 2000, NOTE 15 summarizes changes in general obligation bonds reported in the General Long-Term Obligations Account Group.



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

**Primary Government
General Obligation Bonds
As of June 30, 2000**
(dollars in thousands)

Description of General Obligation Bond	Fiscal Years Issued	Average Net Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Infrastructure Improvements.....	1990-00	4.0%-7.6%*	2019	\$1,158,413	\$120,014
Highway Obligations.....	1993-97	4.5%-4.8%	2005	174,000	—
Highway Capital Improvements	1997-00	4.4%-5.0%	2010	682,500	292,500
Coal Research and Development.....	1992-00	4.5%-5.6%	2010	31,300	43,000
Parks, Recreation, and Natural Resources	1995-00	4.5%-5.6%	2015	135,300	68,000
Common Schools Capital Facilities	2000	5.4%	2014	130,160	10,000
Higher Education Capital Facilities	2000	5.4%	2015	150,000	—
Total General Obligation Bonds				\$2,461,673	\$533,514

*Coupon rates

Future general obligation debt service requirements, as of June 30, 2000, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2001.....	\$ 232,325	\$110,349	\$ 342,674
2002.....	234,035	99,952	333,987
2003.....	238,455	89,876	328,331
2004.....	228,960	79,722	308,682
2005.....	197,440	70,037	267,477
Thereafter .	1,450,980	328,408	1,779,388
	2,582,195	778,344	3,360,539
Unaccrued Discount....	(120,522)	—	(120,522)
Total.....	\$2,461,673	\$778,344	\$3,240,017

In prior years, the Treasurer of State defeased certain Infrastructure Improvement Bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 2000, \$62.9 million of Infrastructure Improvement Bonds outstanding are considered defeased.

NOTE 11 REVENUE BONDS AND NOTES

The State Constitution permits state agencies and authorities to issue bonds that are not supported by the faith and credit of the State. These bonds pledge income derived from user fees and rentals on the acquired or constructed assets to pay the debt service. Issuers for the primary government include the Ohio Building Authority (OBA), which has issued revenue bonds on its own behalf and for the Ohio Bureau of Workers' Compensation, the Treasurer of State for the Ohio Department of Development's Office of Financial Incentives, and the Department of Transportation. Major issuers for the State's component units include the Ohio Water Development Authority, the Ohio State University, the University of Cincinnati, and the University of Akron.

A. Primary Government

Revenue bonds accounted for in the Enterprise Fund finance the costs of the William Green Building, which houses the main operations of the Ohio Bureau of Workers' Compensation in Columbus.

OBA revenue bonds reported in the Internal Service Fund finance the costs of office buildings and related facilities for shared use by local governments. The principal and interest requirements on these bonds are paid from rentals received under the long-term lease agreements discussed in NOTE 6.



NOTE 11 REVENUE BONDS AND NOTES (Continued)

Economic development bonds, issued by the Treasurer of State for the Office of Financial Incentives' Direct Loan Program, provide financing for loans and loan guarantees to businesses within the State, which cannot obtain conventional financing for economic development projects that create or retain jobs in the State. The taxable bonds are backed with profits derived from the sale of spirituous liquor by the Division of Liquor Control and pledged moneys and related investment earnings held in reserve under a trust agreement with a financial institution. As of June 30, 2000, approximately \$154.6 million in economic development bonds payable from liquor profits were outstanding.

Additionally, taxable economic development bonds in the amount of \$1.3 million, issued by the Treasurer of State in connection with the Ohio Enterprise Bond Program, were outstanding, as of June 30, 2000. Proceeds from this bond issuance in fiscal year 1988 were placed in a reserve with trustee and are pledged to support, in part, the payment of principal and interest on other economic development bonds issued under this program.

During fiscal year 2000, \$14.8 million of Ohio Enterprise Bonds were issued under the authority of Section 166.09, Ohio Revised Code, to provide private entities with capital financing for economic development projects. The Ohio Enterprise Bonds, which are reported as "no commitment" debt in NOTE 16, are primarily secured by the property financed, and payments by the borrowing entities are used to retire the debt and to service interest payments.

In fiscal years 1998 and 2000, the Treasurer of State issued a total of \$90 million in State Infrastructure Bank Bonds for the Department of Transportation, of which \$76.9 million was outstanding, as of June 30, 2000. The bonds finance construction costs of the Spring-Sandusky Highway Project in Columbus. The State has pledged federal highway receipts as the primary source of moneys for meeting the principal and interest requirements on the bonds.

Revenue bonds outstanding for the primary government, as of June 30, 2000, are presented in the table below.

For the year ended June 30, 2000, NOTE 15 summarizes changes in revenue bonds reported in the General Long-Term Obligations Account Group.

Future bond service requirements for revenue bonds of the primary government, as of June 30, 2000, are as follows (dollars in thousands):

Year Ending June 30,	Enterprise Fund		
	Principal	Interest	Total
2001	\$ 8,000	\$ 8,915	\$ 16,915
2002	9,000	8,571	17,571
2003	10,000	8,175	18,175
2004	11,000	7,734	18,734
2005	12,000	7,240	19,240
Thereafter....	137,255	34,079	171,334
	187,255	74,714	261,969
Unamortized Discount	(2,100)	—	(2,100)
Total	<u>\$185,155</u>	<u>\$74,714</u>	<u>\$259,869</u>

**Primary Government
Revenue Bonds
As of June 30, 2000**
(dollars in thousands)

Description of Revenue Bond	Fiscal Year Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Enterprise:				
Ohio Building Authority/ Bureau of Workers' Compensation	1994	3.3%-5.1%	2014	<u>\$185,155</u>
Internal Service:				
Ohio Building Authority.....	1986-97	4.5%-9.8%	2008	<u>28,808</u>
General Long-Term Obligations:				
Treasurer of State:				
Economic Development	1988-97	6.4%-9.7%	2022	155,880
State Infrastructure Bank.....	1998-00	4.5%-5.0%	2009	<u>76,905</u>
Total General Long-Term Obligations				<u>232,785</u>
Total Revenue Bonds.....				<u>\$446,748</u>



NOTE 11 REVENUE BONDS AND NOTES (Continued)

Year Ending June 30,	Internal Service Fund		
	Principal	Interest	Total
2001.....	\$ 3,194	\$1,728	\$ 4,922
2002.....	3,359	1,565	4,924
2003.....	3,531	1,394	4,925
2004.....	3,730	1,196	4,926
2005.....	3,888	2,446	6,334
Thereafter	11,466	2,512	13,978
	29,168	10,841	40,009
Unamortized Discount.....	(360)	—	(360)
Total.....	<u>\$28,808</u>	<u>\$10,841</u>	<u>\$39,649</u>

Year Ending June 30,	General Long-Term Obligations Account Group		
	Principal	Interest	Total
2001.....	\$ 13,885	\$ 15,059	\$ 28,944
2002.....	13,250	14,293	27,543
2003.....	14,005	13,539	27,544
2004.....	14,790	12,735	27,525
2005.....	15,655	11,874	27,529
Thereafter	161,200	95,085	256,285
Total.....	<u>\$232,785</u>	<u>\$162,585</u>	<u>\$395,370</u>

In October 1996, the Treasurer of State defeased outstanding Series 1989 Liquor Profits Refunding Bonds issued for the Office of Financial Incentives' Direct Loan Program by placing the proceeds of the Series 1996 Taxable Development Assistance Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 2000, \$8.5 million of the Series 1989 bonds are considered defeased.

In December 1998, the Treasurer of State entered into a forward purchase refunding agreement to advance refund approximately \$102 million in Series 1996 Taxable Development Assistance Bonds on October 1, 2006. Under the terms of the bond purchase agreement, the underwriter has agreed to purchase approximately \$102 million in Series 1998 Taxable Development Assistance Refunding Bonds and deliver to the escrow agent on or before August 25, 2006 cash and/or direct U.S. government obligations sufficient to provide for the redemption of the refunded bonds on October 1, 2006. Because the State has not taken delivery of the proceeds from the

issuance of the Series 1998 Taxable Development Assistance Refunding Bonds, as of June 30, 2000, no obligation for the refunding bonds has been included in the General Long-Term Obligations Account Group.

B. Component Units

Ohio Water Development Authority (OWDA) bonds and notes provide financing to local government authorities (LGA) in the State of Ohio for the acquisition, construction, maintenance, repair, and operation of water development projects and solid waste projects, including the construction of sewage and related water treatment facilities. The principal and interest requirements on OWDA obligations are generally paid from investment earnings, federal funds and/or repayments of loan principal and interest thereon from the LGAs.

A portion of OWDA's outstanding bonds has been issued for the Water Pollution Control Loan Program, which provides low-cost financing to LGAs for the construction of wastewater treatment facilities. In the event pledged program revenues, which consist of interest payments from the LGAs as reimbursement for construction costs, are not sufficient to meet debt service requirements for the bonds, the General Assembly may appropriate moneys for the full replenishment of a bond reserve. As of December 31, 1999, approximately \$534.4 million in bonds were outstanding for this program.

Future bond service requirements for the Water Pollution Control Loan Program revenue bonds, as of December 31, 1999, are as follows (dollars in thousands):

Year Ending December 31,	Principal	Interest	Total
2000	\$ 19,910	\$ 28,087	\$ 47,997
2001	21,535	27,057	48,592
2002	22,860	25,984	48,844
2003	24,270	24,750	49,020
2004	25,840	23,360	49,200
Thereafter	418,855	148,585	567,440
	533,270	277,823	811,093
Net Unamortized Premium	1,160	—	1,160
Total.....	<u>\$534,430</u>	<u>\$277,823</u>	<u>\$812,253</u>



NOTE 11 REVENUE BONDS AND NOTES (Continued)

Generally, bonds and notes issued by the state universities and state community colleges are payable from the institutions' available receipts, including student fees, rental income, and gifts and donations, as may be provided for in the respective bond proceedings, for the construction of residence and dining halls and auxiliary facilities such as hospitals, parking facilities, bookstores, and athletic facilities.

Except as previously discussed with respect to OWDA's Water Pollution Control Loan Program bonds, the State is not obligated in any manner for the debt of its component units.

Future bond service requirements for revenue bonds and notes reported in the component unit funds, as of June 30, 2000, are presented in the table below.

**Component Units
Future Funding Requirements for Revenue Bonds
As of June 30, 2000
(dollars in thousands)**

Year Ending December 31 or June 30,	Ohio Water Development Authority (12/31/99)			Ohio State University			University of Cincinnati		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2000.....	\$ 103,500	\$ 73,238	\$ 176,738						
2001.....	90,045	68,715	158,760	\$ 45,316	\$ 15,267	\$ 60,583	\$ 57,978	\$ 13,824	\$ 71,802
2002.....	89,815	64,616	154,431	13,596	13,805	27,401	13,011	11,443	24,454
2003.....	88,895	60,175	149,070	9,246	12,681	21,927	13,736	10,796	24,532
2004.....	89,950	55,587	145,537	9,518	11,698	21,216	12,686	10,112	22,798
2005.....	—	—	—	10,020	10,729	20,749	12,841	9,461	22,302
Thereafter	967,610	336,419	1,304,029	284,969	93,232	378,201	162,640	65,211	227,851
	<u>1,429,815</u>	<u>658,750</u>	<u>2,088,565</u>	<u>372,665</u>	<u>157,412</u>	<u>530,077</u>	<u>272,892</u>	<u>120,847</u>	<u>393,739</u>
Net Unamortized Premium/(Discount).....	(19,642)	—	(19,642)	—	—	—	—	—	—
Unamortized Loss	(4,647)	—	(4,647)	—	—	—	—	—	—
Total.....	<u>\$1,405,526</u>	<u>\$658,750</u>	<u>\$2,064,276</u>	<u>\$372,665</u>	<u>\$157,412</u>	<u>\$530,077</u>	<u>\$272,892</u>	<u>\$120,847</u>	<u>\$393,739</u>

Year Ending December 31 or June 30,	University of Akron			Other Component Units			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2000.....							\$ 103,500	\$ 73,238	\$ 176,738
2001.....	\$ 1,726	\$ 8,886	\$ 10,612	\$ 39,037	\$ 19,783	\$ 58,820	234,102	126,475	360,577
2002.....	1,697	8,802	10,499	20,746	18,056	38,802	138,865	116,722	255,587
2003.....	2,897	8,695	11,592	21,282	17,067	38,349	136,056	109,414	245,470
2004.....	4,065	8,536	12,601	21,417	16,031	37,448	137,636	101,964	239,600
2005.....	4,255	8,338	12,593	20,891	14,992	35,883	48,007	43,520	91,527
Thereafter	148,240	111,288	259,528	274,596	129,216	403,812	1,838,055	735,366	2,573,421
	<u>162,880</u>	<u>154,545</u>	<u>317,425</u>	<u>397,969</u>	<u>215,145</u>	<u>613,114</u>	<u>2,636,221</u>	<u>1,306,699</u>	<u>3,942,920</u>
Net Unamortized Premium/(Discount).....	—	—	—	(325)	—	(325)	(19,967)	—	(19,967)
Unamortized Loss	—	—	—	—	—	—	(4,647)	—	(4,647)
Total.....	<u>\$162,880</u>	<u>\$154,545</u>	<u>\$317,425</u>	<u>\$397,644</u>	<u>\$215,145</u>	<u>\$612,789</u>	<u>\$2,611,607</u>	<u>\$1,306,699</u>	<u>\$3,918,306</u>

NOTE 12 SPECIAL OBLIGATION BONDS

Special obligation bonds reported in the General Long-Term Obligations Account Group have been authorized and issued by the Ohio Building Authority (OBA), the Ohio Public Facilities Commission (OPFC), and the Treasurer of State for the Department of Education. OBA bonds finance the capital costs of categories of facilities including correctional

facilities and office buildings for state departments and agencies and, in some cases, related facilities for local governments. OPFC bonds finance the cost of capital facilities for state-supported institutions of higher education, mental hygiene and retardation, and parks and recreation. Elementary and Secondary Education Bonds, which the Treasurer of State



NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

issues for the Department of Education, finance the cost of capital facilities for local school districts.

The State reports OBA bonds issued for capital projects that benefit state agencies as special obligation bonds, while OBA bonds issued to finance the costs of local government facilities are reported as revenue bonds (See NOTE 11).

Pledges of lease rental payments from appropriations made to the General Fund and the Highway Safety and Highway Operating Special Revenue funds, moneys held by trustees pursuant to related trust agreements, and other receipts, as required by the respective bond documents, secure OBA, OPFC, and the Elementary and Secondary Education bonds.

Special obligation bonds outstanding and bonds authorized but unissued, as of June 30, 2000, are presented in the table below.

For the year ended June 30, 2000, NOTE 15 summarizes changes in special obligation bonds reported in the General Long-Term Obligations Account Group.

Future special obligation debt service requirements, as of June 30, 2000, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2001	\$ 486,890	\$ 246,287	\$ 733,177
2002	460,656	219,977	680,633
2003	449,609	197,420	647,029
2004	446,925	175,015	621,940
2005	424,409	161,021	585,430
Thereafter.....	<u>2,705,168</u>	<u>608,957</u>	<u>3,314,125</u>
Total	<u>\$4,973,657</u>	<u>\$1,608,677</u>	<u>\$6,582,334</u>

In prior years, the OBA and OPFC defeased certain bond issues by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 2000, \$271.3 million and \$73.2 million of OBA and OPFC bonds outstanding, respectively, are considered defeased.

**Primary Government
Special Obligation Bonds
As of June 30, 2000**
(dollars in thousands)

Organization	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Ohio Building Authority	1986-00	3.1%-9.8%	2019	\$2,364,587	\$498,200
Ohio Public Facilities Commission.....	1992-00	4.4%-6.1%*	2015	2,383,535	210,015
Elementary and Secondary Education	1996-99	3.7%-5.8%	2008	<u>225,535</u>	<u>—</u>
Total Special Obligation Bonds				<u>\$4,973,657</u>	<u>\$708,215</u>

*Average effective interest rates

NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 2000, approximately \$14.6 million in certificate of participation obligations were reported in the General Long-Term Obligations Account Group. In fiscal year 1992, the Department of Transportation issued \$8.7 million of certificates of participation obligations to finance the acquisition of the Panhandle Rail Line Project. During fiscal year 1996, the Department also sold \$10 million in certificates of participation obligations to finance state assistance to the Greater Cleveland Regional Transit Authority for a share of the Cleveland Waterfront

Transit Line Project's construction cost, and \$10.2 million in obligations to provide assistance to the Rickenbacker Port Authority for facility improvements at the Rickenbacker International Airport in Franklin and Pickaway counties.

Under the certificate of participation financing arrangements, the State is required to make payments from the Transportation Certificate Retirement Debt Service Fund and the General Fund subject to biennial appropriations that approximate the interest and



NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)

**Primary Government
Certificate of Participation Obligations
As of June 30, 2000**
(dollars in thousands)

Project	Fiscal Year Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
General Long-Term Obligations:				
Department of Transportation:				
Panhandle Rail Line Project	1992	6.1%-6.5%	2012	\$ 6,580
Waterfront Transit Line Project.....	1996	4.6%-4.8%	2003	4,860
Rickenbacker Port Authority Improvements.....	1996	6.1%	2007	3,150
Total Certificates of Participation Obligations.....				<u>\$14,590</u>

principal payments made by trustees to certificate holders.

Obligations outstanding for the primary government under certificate of participation financing arrangements, as of June 30, 2000, are presented in the table above.

For the year ended June 30, 2000, NOTE 15 summarizes changes in certificate of participation obligations reported in the General Long-Term Obligations Account Group.

As of June 30, 2000, the primary government's future commitments under the certificate of participation financing arrangements are as follows (dollars in thousands):

Year Ending June 30,	General Long-Term Obligations Account Group		
	Principal	Interest	Total
2001.....	\$ 2,285	\$ 803	\$ 3,088
2002.....	2,405	685	3,090
2003.....	2,530	558	3,088
2004.....	890	465	1,355
2005.....	945	408	1,353
Thereafter...	5,535	1,484	7,019
Total.....	<u>\$14,590</u>	<u>\$4,403</u>	<u>\$18,993</u>

For the State's component units, approximately \$12.2 million in certificate of participation obligations are reported in the College and University Funds. The obligations finance building construction costs at the Ohio State University and University of Cincinnati.

As of June 30, 2000, future commitments under the certificate of participation financing arrangements for the State's component units are detailed in the table below.

**Component Units
Future Funding Requirements
for Certificate of Participation Obligations
As of June 30, 2000**
(dollars in thousands)

Year Ending June 30,	Ohio State University			University of Cincinnati			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 820	\$ 471	\$ 1,291	\$ 250	\$ 87	\$ 337	\$ 1,070	\$ 558	\$ 1,628
2002	870	437	1,307	250	75	325	1,120	512	1,632
2003	925	401	1,326	250	63	313	1,175	464	1,639
2004	980	361	1,341	90	51	141	1,070	412	1,482
2005	720	321	1,041	90	46	136	810	367	1,177
Thereafter.....	6,180	2,204	8,384	750	187	937	6,930	2,391	9,321
Total	<u>\$10,495</u>	<u>\$4,195</u>	<u>\$14,690</u>	<u>\$1,680</u>	<u>\$ 509</u>	<u>\$2,189</u>	<u>\$12,175</u>	<u>\$4,704</u>	<u>\$16,879</u>



NOTE 14 OTHER LONG-TERM OBLIGATIONS

As of June 30, 2000, other general long-term obligations of the State reported in the General Long-Term Obligations Account Group are as follows (dollars in thousands):

Compensated Absences (A.)	\$331,577
Lease Agreements (B.)	6,190
Judgments, Settlements, and Claims (C.)	65,092
Litigation Liabilities (C.)	27,000
Workers' Compensation Obligation (D.)	548,300
Total Other General Long-Term Obligations	<u>\$978,159</u>

For the year ended June 30, 2000, NOTE 15 summarizes the changes in other general long-term obligations reported in the General Long-Term Obligations Account Group.

A. Compensated Absences

To lessen the impact of terminal leave pay on a given state agency's budget, an accrued leave funding program was instituted by law in 1982. State agencies must contribute a percentage of their gross payroll to a common pool of resources from which terminal leave expenditures/expenses are paid. The amount of cash equity with Treasurer and related interest receivable available to satisfy terminal pay claims at June 30, 2000 was approximately \$24 million. These and related assets are reported as part of the Payroll Withholding and Fringe Benefits Agency Fund.

The compensated absence liability for the primary government's proprietary funds is reported net of the funds' portion of accrued leave funding and is included in "Accrued Liabilities." The compensated absence liability for the primary government's governmental funds is also reported net of the funds' portion of the accrued leave funding and is reported as part of the General Long-Term Obligations Account Group.

For the primary government, the gross compensated absences liability, as of June 30, 2000, was \$393.3 million, of which \$40.2 million is allocable to the proprietary funds and \$353.1 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the \$24 million) compensated absence liability, as of June 30, 2000, was \$369.3 million, of which \$37.7 million is reported in the proprietary funds and \$331.6 million is reported

in the General Long-Term Obligations Account Group.

For the State's component units, the compensated absences liability, as of June 30, 2000, in the amount of \$197 million is included in "Accrued Liabilities."

B. Lease Agreements

The State's primary government leases office buildings and office and computer equipment. Although the lease terms vary, most leases are renewable subject to biennial appropriations by the General Assembly. If the likelihood of the exercise of a fiscal funding clause in the lease agreement is, in the management's judgment, remote, then the lease is considered noncancelable for financial reporting purposes and is reported as a fund expenditure/expense for operating leases or in the General Long-Term Obligations Account Group or appropriate proprietary fund type for capital leases.

Assets acquired through capital leasing are valued at the lower of fair value or the present value of the future minimum lease payments at the lease's inception. The noncurrent portion of capital lease obligations for the proprietary fund types are reported in those funds as long-term obligations. The related assets and depreciation of these assets are included in the proprietary funds. Capital lease obligations for the governmental fund types are reported in the General Long-Term Obligations Account Group and the related assets are reported in the General Fixed Assets Account Group.

Operating leases (leases on assets not recorded in the combined balance sheet) contain various renewal options as well as some purchase options.

Any escalation clauses, sublease rentals, and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

The primary government's total operating lease expenditures/expenses for fiscal year 2000 were approximately \$87.5 million.



NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

Future minimum lease commitments for operating leases and capital leases judged to be noncancelable, as of June 30, 2000, are as follows (dollars in thousands):

Primary Government	
Year Ending June 30,	Operating Leases
2001	\$12,448
2002	2,084
2003	57
2004	2
Total minimum lease payments	<u>\$14,591</u>

Capital Leases			
Year Ending June 30,	Enterprise Funds	General Long-Term Obligations	Total
2001	\$1,877	\$2,168	\$ 4,045
2002	1,290	2,019	3,309
2003	37	1,495	1,532
2004	37	795	832
2005	34	360	394
Thereafter	—	202	202
Total minimum lease payments	3,275	7,039	10,314
Amount representing interest	(203)	(849)	(1,052)
Present value of net minimum lease payments	<u>\$3,072</u>	<u>\$6,190</u>	<u>\$ 9,262</u>

As of June 30, 2000, the primary government had the following fixed assets (net of accumulated depreciation for proprietary funds) under capital leases, which are reported under "Accrued Liabilities" in the proprietary funds (dollars in thousands):

Primary Government			
	Enterprise Fund	General Fixed Assets	Total
Equipment	<u>\$3,573</u>	<u>\$9,420</u>	<u>\$12,993</u>

Amortization expense for the proprietary funds is included with depreciation expense.

For the component units, capital lease obligations are included under the "Accrued Liabilities" account. Future minimum lease commitments for capital leases judged to be noncancelable and fixed assets under capital leases, as of June 30, 2000, are presented in the table below.

C. Judgments, Settlements, and Claims/Litigation Liabilities

The Ohio Department of Education has been involved with several school desegregation court cases filed against the State by various local boards of education. In cases when the judgment went against

**Component Units
Future Funding Requirements for Capital Lease Obligations
and Fixed Assets Acquired Under Capital Leases
As of June 30, 2000
(dollars in thousands)**

Year Ending June 30,	Ohio State University	University of Cincinnati	Kent State University	Other Component Units	Total Component Units
2001	\$ 2,863	\$ 7,922	\$ 2,249	\$ 8,629	\$ 21,663
2002	1,918	7,924	1,890	10,248	21,980
2003	1,918	7,923	1,652	4,209	15,702
2004	902	7,921	1,635	2,702	13,160
2005	240	7,920	819	2,104	11,083
Thereafter	721	127,522	8,165	3,978	140,386
Total Minimum Lease Payments	8,562	167,132	16,410	31,870	223,974
Amount Representing Interest	(897)	(66,492)	(3,741)	(4,011)	(75,141)
Present Value of Net Minimum Lease Payments	<u>\$ 7,665</u>	<u>\$100,640</u>	<u>\$12,669</u>	<u>\$27,859</u>	<u>\$148,833</u>
Land	\$ —	\$ —	\$ —	\$ 346	\$ 346
Buildings	—	76,908	—	8,151	85,059
Land Improvements	—	—	—	5,340	5,340
Equipment	12,050	—	14,800	33,707	60,557
Vehicles	—	—	—	6,645	6,645
Total	<u>\$12,050</u>	<u>\$ 76,908</u>	<u>\$14,800</u>	<u>\$54,189</u>	<u>\$157,947</u>



NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

the State, the courts decided the State was responsible for sharing in all past and future desegregation costs. As of June 30, 2000, the State was responsible for an estimated \$11.8 million liability for past desegregation costs, which is recorded in the General Long-Term Obligations Account Group until such time that it becomes payable from the General Fund.

Additionally, the State has accrued \$49.1 million and \$4.1 million for potential refunds and other claims, respectively.

For information on the State's loss contingencies arising from pending litigation, see NOTE 22.

D. Workers' Compensation Obligation

The State's primary government is permitted to pay its workers' compensation liability on a terminal-funding (pay-as-you-go) basis. As a result, the Workers' Compensation Enterprise Fund recognized an unbilled premium receivable of \$548.3 million for the State's portion of its actuarially determined liability for compensation. The State records all of this liability in the General Long-Term Obligations Account Group, since the current portion of the liability is not measurable.

E. Liabilities Payable from Restricted Assets

Deferred Prize Awards

Deferred prize awards payable in installments over future years totaling approximately \$1.18 billion, as of June 30, 2000, are recorded as "Liabilities Payable from Restricted Assets" at present value based upon interest rates the Treasurer of State provides the Ohio Lottery Commission Enterprise Fund. The interest rates, ranging from 4.0 to 11.7 percent, represent the expected long-term rate of return on the assets restricted for the payment of deferred prize awards. Once established for a particular deferred prize award, the interest rate does not fluctuate with changes in the expected long-term rate of return. The difference between the present value and gross amount of the obligations is amortized into income over the terms of the obligations using the interest method.

The present value of future payments of unpaid prize awards, as of June 30, 2000, is as follows (dollars in thousands):

<u>Year Ending June 30,</u>	
2001.....	\$ 153,628
2002.....	151,314
2003.....	151,416
2004.....	148,304
2005.....	142,139
Thereafter.....	<u>1,198,914</u>
	1,945,715
Unamortized Discount.....	<u>(766,353)</u>
Net Prize Liability	<u><u>\$1,179,362</u></u>

The State reduces prize liabilities by an estimate of the amount of prizes that will ultimately be unclaimed.

In May 1999, the Lottery Commission adopted an administrative rule, which allows winners of annuity prizes the option to cash out their remaining deferred prize payments at a discounted lump-sum amount. This rule is a response to a temporary change in the Internal Revenue Code to allow discounted lump-sum cash payments to be made to certain annuity prizewinners without the constraints of "constructive receipt." During fiscal year 2000, the Commission cashed out 421 deferred prize payments totaling \$168.3 million. The carrying value at the original annuity rate was \$175.7 million, resulting in a gain of \$7.4 million. This option has provided an alternative for annuity winners who did not have a cash option at the time they won or now experience a changed circumstance from the time they elected the annuity option. The option began July 1, 1999 and expires December 31, 2000.

Tuition Benefits

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund totaling \$385.7 million, as of June 30, 2000, are recorded as "Liabilities Payable from Restricted Assets." The valuation method reflects the present value of estimated tuition benefits that will be paid in future years and is adjusted for the effects of projected tuition increases at state universities and state community colleges and termination of plan participation.

The following assumptions were used in the actuarial determination of tuition benefits payable: 7.5 percent rate of return, compounded annually, on the investment of current and future assets; a projected tuition increase of 6.0 percent, compounded annu-



NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

ally; and a 2.5 percent Consumer Price Index (CPI) inflation rate. The assumed rate of projected tuition increase is a compounded average result. Tuition rates are assumed to grow based on a formula reflecting CPI, student enrollment, and proportion to total expenditures covered by tuition.

F. Reserve for Compensation

The Workers' Compensation Enterprise Fund provides benefits to employees for losses sustained

from job-related injury, disease, or death. The Bureau has computed a reserve for compensation, as of June 30, 2000, in the amount of \$12 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is included in the "Benefits Payable" balance reported for the Enterprise Fund. NOTE 23A. describes the changes in this liability.

NOTE 15 CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations, for the year ended June 30, 2000, are presented in the following table.

Fiscal year 2000 additions to the general obligation bonds and special obligation bonds do not include

premiums/(discounts) and bond issuance costs totaling \$5.4 million. These costs came to approximately \$4.8 million and \$615 thousand, respectively for each type of bond issuance, and are netted with bond proceeds reported on the governmental funds' combined operating statement.

**Primary Government
Changes in Other General Long-Term Obligations
For the Fiscal Year Ended June 30, 2000**
(dollars in thousands)

	General Obligation Bonds (NOTE 10)	Revenue Bonds (NOTE 11)	Special Obligation Bonds (NOTE 12)	Certificates of Participation (NOTE 13)	Other General Long-Term Obligations (NOTE 14)	Total
Balance, as of June 30, 1999.....	\$1,962,402	\$224,760	\$5,062,344	\$16,765	\$1,012,136	\$8,278,407
Additions:						
Debt Issues.....	677,000	20,000	400,000	—	—	1,097,000
Deep-Discount Accretions.....	16,381	—	933	—	—	17,314
Increase in Compensated Absences.....	—	—	—	—	19,931	19,931
Increase in Lease Obligations.....	—	—	—	—	4,923	4,923
Increase in Judgments, Settlements, and Claims.....	—	—	—	—	50,297	50,297
Increase in Litigation Liabilities.....	—	—	—	—	18,000	18,000
Total Additions.....	<u>693,381</u>	<u>20,000</u>	<u>400,933</u>	<u>—</u>	<u>93,151</u>	<u>1,207,465</u>
Deductions:						
Debt Retirements, Terminations, and Defeasances.....	194,110	11,975	489,620	2,175	—	697,880
Decrease in Workers' Compensation Obligation.....	—	—	—	—	19,800	19,800
Decrease in Lease Obligations.....	—	—	—	—	4,820	4,820
Decrease in Judgments, Settlements, and Claims.....	—	—	—	—	49,135	49,135
Decrease in Litigation Liabilities.....	—	—	—	—	53,373	53,373
Total Deductions.....	<u>194,110</u>	<u>11,975</u>	<u>489,620</u>	<u>2,175</u>	<u>127,128</u>	<u>825,008</u>
Balance, as of June 30, 2000.....	<u>\$2,461,673</u>	<u>\$232,785</u>	<u>\$4,973,657</u>	<u>\$14,590</u>	<u>\$ 978,159</u>	<u>\$8,660,864</u>



NOTE 16 NO COMMITMENT DEBT

The State of Ohio by action of the General Assembly created various financing authorities for the expressed purpose of making available to non-profit and, in some cases, for profit private entities lower cost sources of capital financing for facilities and projects found to be for a public purpose. Fees are assessed to recover related processing and application costs incurred.

The authorities' debt instruments represent limited obligations payable solely from payments made by the borrowing entities. Most of the bonds are secured by the property financed. Upon repayment of the bonds, ownership of acquired property transfers to the entity served by the bond issuance. This debt is not deemed to constitute debt of the State or

pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.

As of June 30, 2000, revenue bonds and notes outstanding that represent "no commitment" debt for the State are as follows (dollars in thousands):

Organization	Outstanding Amount
Ohio Department of Development:	
Ohio Housing Finance Agency.....	\$2,285,787
Ohio Enterprise Bond Program	103,390
Hospital Facilities Bonds	8,470
Total No Commitment Debt	\$2,397,647

NOTE 17 ENTERPRISE FUNDS — SEGMENT INFORMATION

The primary government has six enterprise funds, which provide for the tuition guarantee program, liquor sales, lottery sales, workers' compensation insurance services, underground state parking facilities, and government audit and management advisory services.

Segment information, as of and for the fiscal year ended June 30, 2000, is as follows (dollars in thousands):

	Tuition Trust Authority	Liquor Control	Ohio Lottery Commission	Workers' Compensation	Underground Parking Garage	Office of Auditor of State	Total Enterprise Funds
Operating Revenues	\$ 90,035	\$428,085	\$2,229,629	\$ 4,361,511	\$2,644	\$37,225	\$ 7,149,129
Depreciation	132	847	8,123	13,179	420	4,847	27,548
Amortization of Premiums	—	—	85,967	291	—	—	86,258
Operating Income (Loss)	475	116,618	593,145	1,219,609	726	(35,873)	1,894,700
Operating Transfers-in	—	—	—	—	—	35,282	35,282
Operating Transfers-out	—	114,443	686,020	6,646	773	—	807,882
Net Income (Loss)	474	2,151	(85,737)	1,210,635	52	(1,171)	1,126,404
Fixed Asset Additions	96	945	1,996	9,655	85	3,272	16,049
Fixed Asset Disposals	13	555	1,220	14,182	—	2,277	18,247
Net Working Capital	36,976	14,128	99,095	868,314	2,299	16,476	1,037,288
Increase (Decrease) in							
Cash & Cash Equivalents	(479)	(15)	(54,281)	(167,026)	368	(1,029)	(222,462)
Total Assets	496,744	43,358	1,540,476	25,099,759	9,635	27,969	27,217,941
Liabilities Payable from							
Restricted Assets	385,700	—	1,389,072	—	—	—	1,774,772
Bonds and Other Non-current Liabilities Payable from Operating Revenues	—	2,291	3,184	12,241,616	116	6,404	12,253,611
Total Equity	108,779	14,550	106,785	6,449,322	9,294	16,754	6,705,484



NOTE 18 CHANGES IN CONTRIBUTED CAPITAL

For the fiscal year ended June 30, 2000, changes in contributed capital reported in the primary government's proprietary funds are as follows (dollars in thousands):

	Enterprise Fund	Internal Service Fund			Total Internal Service Fund	Total Proprietary Funds
	Underground Parking Garage	Information Technology	Ohio Penal Industries	Support Services		
Contributed Capital Balance, July 1, 1999	\$411	\$44,065	\$1,762	\$5,532	\$51,359	\$51,770
Additions:						
Transfer of Fixed Assets from the General Fixed Assets Account Group	—	—	—	30	30	30
Capital Contributions from Other Funds (reported as Residual Equity Transfers-out):						
Telecommunications						
Internal Service Fund.....	—	5,899	—	—	5,899	5,899
Administrative Services						
Building Improvements	—	3,732	—	—	3,732	3,732
Total Additions.....	—	9,631	—	30	9,661	9,661
Contributed Capital Balance, June 30, 2000 ...	\$411	\$53,696	\$1,762	\$5,562	\$61,020	\$61,431

NOTE 19 FUNDEQUITY

A. Fund Deficits

The Information Technology Internal Service Fund reports a deficit of \$5.5 million, as of June 30, 2000.

funds and the "Restricted Fund Balances" account reported for the component unit funds, as of June 30, 2000, are presented in the table below and on the following page.

B. Other Reserves and Designations

Details on the "Reserved for Other" account reported for the governmental and expendable trust

**Primary Government
Reserved for Other Fund Balance
As of June 30, 2000
(dollars in thousands)**

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total
Inventories	\$ 1,511	\$34,125	\$ —	\$ —	\$ —	\$ 35,636
Other Assets — Prepays	378	220	—	—	—	598
Human Services Stabilization	100,000	—	—	—	—	100,000
Loan Commitments.....	—	—	—	60,394	—	60,394
Advances to Other Funds.....	—	—	—	—	168,494	168,494
Assets in Excess of						
Debt Service Requirements.....	—	—	559	—	—	559
Advances to Subrecipients	15,505	—	—	—	—	15,505
Department of Development's Office of Minority Financial Incentives — Mini-Loan Program Deposits	703	—	—	—	—	703
Total Reserved for Other.....	\$118,097	\$34,345	\$559	\$60,394	\$168,494	\$381,889



NOTE 19 FUND EQUITY (Continued)

**Component Units
Restricted Fund Balance
As of June 30, 2000**
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
General Operations (includes Auxiliary Enterprises)	\$ 169,946	\$ 84,934	\$ 104,358	\$ 359,238
Loan Programs.....	55,140	31,853	106,962	193,955
Endowment and Quasi-Endowment Activities.....	1,195,536	1,070,121	194,629	2,460,286
Plant Operations	—	9,768	7,836	17,604
Annuity and Life Income.....	—	4,370	—	4,370
University Foundations.....	—	54,789	2,935	57,724
Grants and Contracts	—	—	3,380	3,380
Auxiliary Enterprises	—	—	272	272
Student Organizations and Support Services	—	—	35	35
Total Restricted Fund Balance	<u>\$1,420,622</u>	<u>\$1,255,835</u>	<u>\$420,407</u>	<u>\$3,096,864</u>

Retained earnings for the Enterprise Fund, as of June 30, 2000, are reserved for the payment of tuition benefits from the Tuition Trust Authority Enterprise Fund and insurance claims payable from the Workers' Compensation Fund in the amounts of \$71.5 million and \$108.4 million, respectively.

General Fund	Unreserved, Designated Fund Balance
Income Tax Reduction Program.....	\$610,400
Budget Stabilization	49,200
Total Designations	<u>\$659,600</u>

As of June 30, 2000, designations of the General Fund's unreserved fund balance are as follows (dollars in thousands):

As of June 30, 2000, designations of unreserved fund balance for the component unit funds are presented in the table below.

**Component Units
Designated Fund Balance
As of June 30, 2000**
(dollars in thousands)

Designated for:	Ohio University	Miami University	Other Component Units	Total Component Units
Educational and General Programs.....	\$20,647	\$ 40,857	\$123,216	\$184,720
Auxiliary Enterprises	3,442	1,819	14,325	19,586
Hospital Operations	—	—	858	858
Loan Programs	1,119	842	2,374	4,335
Endowment and Quasi-Endowment Activities	13,207	38,583	71,331	123,121
Plant Operations	34,879	23,122	43,364	101,365
Total Designated Balance	<u>\$73,294</u>	<u>\$105,223</u>	<u>\$255,468</u>	<u>\$433,985</u>



NOTE 20 COMPONENT UNIT FUNDS

Condensed financial statements for the component unit funds are as follows.

Component Units Condensed Balance Sheet As of June 30, 2000 (dollars in thousands)					
	Ohio Water Development Authority (12/31/99)	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
Assets					
Cash Equity with Treasurer	\$ 252	\$ —	\$ —	\$ —	\$ 252
Cash and Cash Equivalents	3,859	81,287	35,924	152,039	273,109
Investments	883,335	1,818,333	746,685	961,768	4,410,121
Receivables	2,006,168	329,375	108,306	291,026	2,734,875
Due from Other Funds	5,849	268,758	115,247	112,596	502,450
Inventories	—	20,178	4,079	20,161	44,418
Restricted Assets	—	2,214	—	126,562	128,776
Fixed Assets (net of accumulated depreciation, as applicable)	679	2,831,622	1,307,576	5,125,317	9,265,194
Other Assets	17,744	30,147	694,158	45,570	787,619
Total Assets	\$2,917,886	\$5,381,914	\$3,011,975	\$6,835,039	\$18,146,814
Liabilities					
Accounts Payable	\$ 29,162	\$ 148,738	\$ 31,036	\$ 75,071	\$ 284,007
Accrued Liabilities	6,178	189,660	195,386	274,040	665,264
Intergovernmental Payable	—	—	—	490	490
Due to Other Funds	5,849	268,758	115,247	112,596	502,450
Deferred Revenue	—	96,086	7,788	111,234	215,108
Refund and Other Liabilities	5,382	28,479	69,933	47,195	150,989
Revenue Bonds and Notes	1,405,526	372,665	272,892	560,524	2,611,607
Certificates of Participation	—	10,495	1,680	—	12,175
Total Liabilities	1,452,097	1,114,881	693,962	1,181,150	4,442,090
Fund Equity and Other Credits					
Investment in General Fixed Assets ...	—	2,485,526	994,462	4,665,880	8,145,868
Total Unreserved Retained Earnings ..	1,465,789	—	—	—	1,465,789
Total Fund Balance	—	1,781,507	1,323,551	988,009	4,093,067
Total Fund Equity and Other Credits ..	1,465,789	4,267,033	2,318,013	5,653,889	13,704,724
Total Liabilities, Fund Equity and Other Credits	\$2,917,886	\$5,381,914	\$3,011,975	\$6,835,039	\$18,146,814

**Colleges and Universities
Condensed Statement of Changes in Fund Balances
For the Year Ended June 30, 2000
(dollars in thousands)**

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues and Other Additions	\$ 2,213,433	\$ 850,852	\$ 2,538,216	\$ 5,602,501
Total Expenditures and Other Deductions	(2,422,258)	(940,575)	(3,251,939)	(6,614,772)
Operating Transfers from Primary Government	448,019	195,395	1,028,571	1,671,985
Net Increase (Decrease) for the Year	239,194	105,672	314,848	659,714
Fund Balance and Other Credits, July 1 (as restated)	4,027,839	2,212,341	5,339,041	11,579,221
Fund Balance and Other Credits, June 30	\$ 4,267,033	\$2,318,013	\$ 5,653,889	\$12,238,935



NOTE 20 COMPONENT UNIT FUNDS (Continued)

Colleges and Universities
Condensed Statement of Current Funds Revenues, Expenditures and Other Changes
For the Year Ended June 30, 2000
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues	\$1,575,555	\$463,481	\$2,074,684	\$4,113,720
Expenditures:				
Educational and General	1,235,650	569,187	2,427,577	4,232,414
Auxiliary Enterprises	144,501	64,565	388,061	597,127
Hospitals	608,722	—	141,392	750,114
Total Expenditures	1,988,873	633,752	2,957,030	5,579,655
Mandatory Transfers, Net	31,591	28,779	48,919	109,289
Total Expenditures and Mandatory Transfers	2,020,464	662,531	3,005,949	5,688,944
Other Transfers and Additions (Deductions):				
Operating Transfers from Primary Government	433,751	193,300	1,024,229	1,651,280
Nonmandatory Transfers, Net	831	(795)	(45,942)	(45,906)
Additions (Deductions)	12,794	5,326	22,556	40,676
Total Other Transfers and Additions (Deductions)	447,376	197,831	1,000,843	1,646,050
Net Increase (Decrease) in Fund Balances	\$ 2,467	\$ (1,219)	\$ 69,578	\$ 70,826

NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS

A. Joint Ventures

Great Lakes Protection Fund (GLPF)

The Great Lakes Protection Fund is an Illinois non-profit organization that was formed to further federal and state commitments to the restoration and maintenance of the Great Lakes Basin's ecosystem. The governors of seven of the eight states that border on the Great Lakes comprise the GLPF's membership. Under the GLPF's articles of incorporation, each state is required to make a financial contribution. Income earned on the contributions provides grants to projects that advance the goals of the Great Lakes Toxic Substances Control Agreement and the binational Great Lakes Quality Agreement.

Each governor nominates two individuals to the GLPF's board of directors who serve staggered two-year terms. All budgetary and financial decisions rest with the board except when restricted by the GLPF's articles of incorporation.

Annually, one-third of the GLPF's net earnings is allocated and paid to member states in proportion to their respective cash contributions to the GLPF. The allocation is based on the amount and period of time

the states' contributions were invested. GLPF earnings distributions are to be used by the states to finance projects that are compatible with the GLPF's objectives. Ohio has applied its distribution (approximately \$781 thousand for the year ended December 31, 1999) to the operations of its own protection program, known as the Lake Erie Protection Program, which is modeled after the GLPF.

Required contributions and contributions received from the states, which border the Great Lakes, as of December 31, 1999 (the GLPF's year end), are as follows (dollars in thousands):

	Contribution Required	Contribution Received	Contribution Percentage
Michigan	\$25,000	\$25,000	30.9%
Indiana*	16,000	—	—
Illinois	15,000	15,000	18.4
Ohio	14,000	14,000	17.3
New York	12,000	12,000	14.8
Wisconsin	12,000	12,000	14.8
Minnesota	1,500	1,500	1.9
Pennsylvania	1,500	1,500	1.9
Total	\$97,000	\$81,000	100.0%

*The State of Indiana has not yet elected to join the Great Lakes Protection Fund.



NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

Summary financial information for the GLPF, for the fiscal year ended December 31, 1999, is as follows (dollars in thousands):

Cash and Investments.....	\$136,923
Other Assets	416
Total Assets	\$137,339
Total Liabilities	\$ 3,754
Total Fund Equity	133,585
Total Liabilities and Fund Equity ...	\$137,339
Total Revenues and Other Additions.....	\$ 17,136
Total Expenditures	(8,655)
Net Increase in Fund Equity.....	\$ 8,481

In the event of the Fund’s dissolution, the State of Ohio would receive a portion of the Fund’s assets equal to the lesser of the amount of such assets multiplied by the ratio of its required contribution to the required contributions of all member states, or the amount of its required contribution.

Local Community and Technical Colleges

The State’s primary government has an ongoing financial responsibility for the funding of six local community colleges and eight technical colleges. With respect to the local community colleges, State of Ohio officials appoint three members of each college’s respective nine-member board of trustees; county officials appoint the remaining six members. The governing boards of the technical colleges consist of either seven or nine trustees, of whom state officials appoint two and three members, respectively; the remaining members are appointed by the local school boards located in the respective technical college district.

The Ohio General Assembly appropriates moneys to these institutions from the General Fund to subsidize operations so that higher education can become more financially accessible to Ohio residents. These expenditures are included in the “Higher Education Support” expenditure function reported in the General Fund. The primary government also provides financing for the construction of these institutions’ capital facilities by meeting the debt service requirements for the Higher Education Capital Facilities general and special obligation bonds issued by the Ohio Public Facilities Commission (OPFC) for these purposes. The capital outlay expenditures for the projects financed by the OPFC bond issuances

are included in the Higher Education Improvements Capital Projects Fund.

During fiscal year 2000, expenditures reported in the General Fund and the Higher Education Improvements Capital Projects Fund in support of the local community and technical colleges are as follows (dollars in thousands):

	Higher Education Support	Capital Outlay	Total
Local Community Colleges:			
Cuyahoga Community College	\$ 43,470	\$ 2,822	\$ 46,292
Jefferson Community College	3,929	44	3,973
Lakeland Community College	14,996	3,532	18,528
Lorain County Community College	19,632	438	20,070
Rio Grande Community College	4,213	1,663	5,876
Sinclair Community College...	39,225	3,504	42,729
Total Local Community Colleges.....	125,465	12,003	137,468
Technical Colleges:			
Belmont Technical College	5,114	525	5,639
Central Ohio Technical College	4,386	413	4,799
Hocking Technical College	17,462	1,901	19,363
Lima Technical College	7,199	2,534	9,733
Marion Technical College	3,647	—	3,647
Muskingum Technical College	5,553	892	6,445
North Central Technical College	7,191	167	7,358
Stark State College of Technology	10,723	1,728	12,451
Total Technical Colleges..	61,275	8,160	69,435
Total.....	\$186,740	\$20,163	\$206,903

Information for obtaining complete financial statements for each of the primary government’s joint ventures is available from the Ohio Office of Budget and Management.

B. Related Organizations

Officials of the State’s primary government appoint a voting majority of the governing boards of the Ohio Turnpike Commission, the Petroleum Underground Storage Tank Release Compensation Board, the Ohio Air Quality Development Authority, the Higher Education Facility Commission, and the Ohio Legal Assistance Foundation. However, the primary government’s accountability for these organizations does not extend beyond making the appointments.



NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

During fiscal year 2000,

- The primary government distributed \$2.5 million in motor vehicle fuel excise tax collections from the Special Revenue Fund to the Ohio Turnpike Commission. Also, the primary government paid the Commission approximately \$708 thousand from the Special Revenue Fund to fund some of its capital project costs.
- Separate funds, established for the Petroleum Underground Storage Tank Release Compensation Board, the Ohio Air Quality Development Authority, and the Higher Education Facility Commission, were accounted for on the primary government's Central Accounting System. The primary purpose of the funds is to streamline payroll and other administra-

tive disbursement processing for these organizations. The financial activities of the funds, which do not receive any funding support from the primary government, have been included in the Other Agency Fund.

- The Public Defender's Office compensated the Ohio Legal Assistance Foundation approximately \$664 thousand from the Special Revenue Fund for administrative services performed under contract for the distribution of state funding to nonprofit legal aid societies. Also, during fiscal year 2000, the Ohio Legal Assistance Foundation received approximately \$694 thousand in state assistance from the Special Revenue Fund.

NOTE 22 CONTINGENCIES AND COMMITMENTS

A. Litigation

The State, its units, and employees are parties to numerous legal proceedings, which normally occur in governmental operations.

In instances when the unfavorable outcome of pending litigation has been assessed to be probable, liabilities are recorded in the financial statements. As of June 30, 2000, \$27 million in liabilities ultimately payable from various governmental funds has been recorded in the General Long-Term Obligations Account Group for this purpose.

Litigation, similar to that in other states, has been pending in Ohio courts since 1991 questioning the constitutionality of Ohio's system of school funding and compliance with the constitutional requirement that the State provide a "thorough and efficient system of common schools." In May 2000, the Ohio Supreme Court in a 4-3 decision concluded, as it had in 1997, that the State, even after crediting significant gubernatorial and legislative steps in recent years, failed to comply with that requirement. It set as general base threshold requirements that every school district have enough funds to operate, an am-

ple number of teachers, sound and safe buildings, and equipment sufficient for all students to be afforded an educational opportunity. The Court maintained continuing jurisdiction and has scheduled for June 2001 further review of the State's responses to its ruling. With respect to funding sources, the Supreme Court repeated its conclusion that property taxes no longer may be the primary means of school funding in Ohio, noting that recent efforts to reduce that historic reliance have been laudable but, in the Court's view, insufficient. The three dissenting justices concluded generally, as they had in 1997, that compliance with the constitutional requirement was a matter for the legislative branch, not the state judiciary.

In its 1997 opinion, the Court had held that major aspects of the system (including basic operating assistance and state loans) were not in compliance with the constitutional requirement. On remand to hear evidence and opine on the sufficiency of then intervening legislation and executive actions, early in 1999 the trial court judge again concluded that the State was not in compliance with the constitutional requirements. The recent Supreme Court action was on an appeal from that decision.



NOTE 22 CONTINGENCIES AND COMMITMENTS (Continued)

It is not possible at this time to state what further actions may be taken by the State to effect compliance, or what effect those actions may have on the State's overall financial condition.

In response to the ongoing litigation, the General Assembly has significantly increased state funding for public schools. In addition, at the November 1999 election, electors approved a constitutional amendment authorizing the issuance of general obligation debt for school buildings and for higher education facilities.

Other litigation pending in the Ohio Court of Claims contests the Ohio Department of Jobs and Family Services' (formerly the Ohio Department of Human Services) prior Medicaid financial eligibility rules for married couples when one spouse is living in a nursing facility and the other spouse resides in the community. The Department promulgated new eligibility rules effective January 1, 1996. The Department appealed an order of the federal court directing it to provide notice to persons potentially affected by the former rules from 1990 through 1995, and the Court of Appeals ruled in favor of the Department; plaintiff's petition for certiorari was not granted by the U.S. Supreme Court. As to the Court of Claims case, it is not possible to state the period (beyond fiscal year 2001) during which necessary additional Medicaid expenditures would have to be made. Plaintiffs have estimated total additional Medicaid expenditures at \$600 million for the retroactive period and, based on current law, it is estimated that the State's share of those additional expenditures would be approximately \$240 million. In April 2000, a court of appeals reversed the Court of Claims' grant of the motion to decertify the action there as a class action; the State has appealed this decision to the Ohio Supreme Court. No liability has been reported in the State's financial statements for this matter.

All other legal proceedings are not, in the opinion of management after consultation with the Attorney General, likely to have a material adverse effect on the financial position of the State's fund types and account groups.

B. Federal Awards

The State of Ohio receives significant awards from the federal government in the form of grants and entitlements, including certain non-cash programs

(which are not included in the General-Purpose Financial Statements). Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit or to financial compliance audits by the grantor agencies of the federal government or their designees. Disallowances and sanctions as a result of these audits may become liabilities of the applicable funds or the General Long-Term Obligations Account Group.

As a result of the fiscal year 1999 State of Ohio Single Audit (completed in January 2000), approximately \$15 million of federal expenditures are in question as not being appropriate under the terms of the respective grants. The amount of expenditures, which may be ultimately disallowed by the grantor, cannot be determined at this time, and consequently, no provision for any liability or adjustments for this matter has been recognized in the State's financial statements for the fiscal year ended June 30, 2000.

C. Construction Commitments

As of June 30, 2000, the Department of Transportation had contractual commitments of approximately \$1.64 billion for highway construction projects. Funding for future expenditures is expected to be provided from federal, primary government, general obligation and revenue bonds, and local government sources in amounts of \$953.2 million, \$358.4 million, \$291.7 million, and \$35.6 million, respectively.

As of June 30, 2000, non-highway construction commitments for the primary government's budgeted capital projects funds are as follows (dollars in thousands):

<u>Capital Projects Fund</u>	
Arts Facilities Building Improvements	\$ 7,841
Higher Education Improvements.....	155,937
Mental Health/Mental Retardation Facilities Improvements.....	26,853
Parks and Recreation Improvements.....	20,400
Administrative Services	
Building Improvements.....	40,108
Youth Services Building Improvements.....	33,956
Transportation Building Improvements.....	2,885
Adult Correctional Building Improvements ..	54,728
Highway Safety Building Improvements.....	4,778
Ohio Parks and Natural Resources.....	19,590
Sports Facilities Building.....	<u>3,607</u>
Total.....	<u>\$370,683</u>



NOTE 23 RISK FINANCING

A. Workers' Compensation Benefits

The Ohio Workers' Compensation System, which the Bureau of Workers' Compensation and the Industrial Commission administer, is the exclusive provider of workers' compensation insurance to private and public employers in Ohio who are not self-insured. The Workers' Compensation Enterprise Fund provides benefits to employees for losses sustained from work-related injuries or illnesses.

The "Benefits Payable" account balance, as of June 30, 2000, in the amount of approximately \$12 billion includes reserves for indemnity and medical claims, including actuarial estimates for both reported claims and claims incurred but not reported. The estimate for this liability is based on historical claims experience data and assumptions and projections as to future events, including claims frequency, severity, persistency, and inflationary trends for medical claim reserves.

The compensation adjustment expenses liability, which is included in "Refund and Other Liabilities" in the amount of approximately \$1.6 billion, is an estimate of future expenses to be incurred in the settlement of claims. The estimate for this liability is based on projected claim-related expenses, estimated costs of the managed care Health Partnership Program, and the reserve for compensation.

Management of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio believes that the reported liability estimates are adequate; however, the ultimate liabilities may vary from amounts provided. While management uses available information to estimate the liabilities, future changes to the reserves for compensation and compensation adjustment expenses may be necessary based on claims experience and changing claims frequency and severity conditions. The methods of making such estimates and for establishing the resulting liabilities are reviewed and updated quarterly based upon current circumstances. Any adjustments resulting from changes in estimates are recognized in the current period.

Benefits payable and the compensation adjustment expenses liability are discounted at 6.0 percent in fiscal year 2000 and 6.25 percent in fiscal year 1999 to reflect the present value of future benefit payments. The undiscounted reserves for the benefits and compensation adjustment expenses totaled \$28.5 billion, as of June 30, 2000, and \$30.2 billion, as of June 30, 1999. For additional information, refer to the Fund's separate audited financial report, for the fiscal year ended June 30, 2000.

Changes in the balance of benefits payable and the compensation adjustment expenses liability for the Workers' Compensation Program during the past two fiscal years are presented in the table below.

**Primary Government
Changes in Workers' Compensation Benefits Payable
and Compensation Adjustment Expenses Liability
Last Two Fiscal Years**
(dollars in millions)

	<u>Fiscal Year 2000</u>	<u>Fiscal Year 1999</u>
Benefits Payable and Compensation Adjustment Expenses Liability, as of July 1.....	\$14,041	\$14,517
Incurred Compensation and Compensation Adjustment Benefits	1,177	1,110
Incurred Compensation and Compensation Adjustment Benefit Payments	(1,886)	(1,900)
Change in Liability Due to Decrease in Discount Rate	<u>306</u>	<u>314</u>
Benefits Payable and Compensation Adjustment Expenses Liability, as of June 30	<u>\$13,638</u>	<u>\$14,041</u>



NOTE 23 RISK FINANCING (Continued)

B. Ohio Med Health Plan

Employees of the primary government have the option of participating in the Ohio Med Health Plan, which is a fully self-insured health benefit plan established July 1, 1989. Medical Mutual of Ohio administers the plan under a claims administration contract with the primary government.

When it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, the primary government reports liabilities for the governmental and proprietary funds. Liabilities include an amount for claims that have been incurred but not reported. The plan’s actuary calculates estimated claims liabilities based on prior claims data, employee enrollment figures, medical trends, and experience.

Governmental and proprietary funds pay a share of the costs for claims settlement based on the number of employees opting for plan participation and the type of coverage selected by participants. The payments are reported in the Payroll Withholding and Fringe Benefits Agency Fund until such time that the primary government pays the accumulated resources to Medical Mutual of Ohio for claims settlement.

For governmental funds, the primary government recognizes claims as expenditures to the extent that the amounts are payable with expendable available financial resources; any remaining accrued unfunded liabilities are reported in the General Long-Term Obligations Account Group. For proprietary funds, claims are recognized as expenses when incurred.

As of June 30, 2000, approximately \$15.3 million in assets was available in the Agency Fund. Changes in the balance of Ohio Med health claims liabilities during the past two fiscal years are as follows (dollars in thousands):

	Fiscal Year 2000	Fiscal Year 1999
Claims Liabilities, as of July 1	\$20,092	\$20,054
Incurred Claims	102,635	84,916
Claims Payments	(98,573)	(84,878)
Claims Liabilities, as of June 30	<u>\$24,154</u>	<u>\$20,092</u>

As of June 30, 2000, the estimated claims liability exceeded the resources on deposit in the Payroll Withholding and Fringe Benefits Agency Fund for the payment of claims by approximately \$8.9 million, thereby, resulting in a funding deficit. The net claims liability, which is payable from expendable available financial resources in the governmental funds, as of June 30, 2000, is reported as a fund liability in the governmental and proprietary funds and is included under “Accrued Liabilities.”

C. Other Risk Financing Programs

The primary government has established programs to advance fund potential losses for vehicular liability and theft in office. The potential amount of loss arising from these risks, however, is not considered material in relation to the State’s financial position.

NOTE 24 TOBACCO SETTLEMENT

In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the Master Settlement Agreement (MSA) with the nation’s largest tobacco manufacturers. This signaled the end of litigation brought by the Attorneys General against the manufacturers in 1996 for state health care expenses attributed to smoking-related claims. The remaining four states (Florida, Minnesota, Mississippi, and Texas) settled separately.

According to the MSA, participating tobacco manufacturers are required to adhere to a variety of new marketing and lobbying restrictions and provide payments to the states in perpetuity.

While Ohio’s share of the total base payments to the states through 2025 will not change over time, the amount of the annual payment is subject to a number of adjustments, including an inflation adjustment and a volume adjustment. Some of these adjustments (for example, inflation) should contribute to an increase in the payments and others (for example,



NOTE 24 TOBACCO SETTLEMENT (Continued)

domestic cigarette sales volume) may decrease the payments. But the net effect of these adjustment factors on future payments is very uncertain, which makes it difficult to speculate on how different Ohio's real payments will be from the pre-adjusted base payment amounts that have been projected for the future.

In addition to the base payments, Ohio will receive payments from the Strategic Contribution Fund. The Strategic Contribution Fund was established to reward states that played leadership roles in the tobacco litigation and settlement negotiations. Allocations from the fund are based on a state's contribution to the litigation and settlement with the tobacco companies. These payments are also subject to the adjustment factors outlined in the MSA.

A schedule of pre-adjusted base payments and payments from the Strategic Contribution Fund for the State of Ohio follows (dollars in thousands):

Year Ending June 30,	Pre-adjusted MSA Base Payments	Pre-adjusted Payments from Strategic Contribution Fund	Total
2001.....	\$ 348,780	\$ —	\$ 348,780
2002.....	418,783	—	418,783
2003.....	422,746	—	422,746
2004.....	352,827	—	352,827
2005.....	352,827	—	352,827
Thereafter ...	7,529,566	239,500	7,769,066
Total.....	<u>\$9,425,529</u>	<u>\$239,500</u>	<u>\$9,665,029</u>

During fiscal year 2000, the first year when base payments were made to the states under the settlement, Ohio received \$412.3 million, which was 7.1 percent less than the pre-adjusted base payment projected for the year.

In fiscal year 2000, the State enacted legislation to allocate its anticipated share of the proceeds of the national tobacco settlement. A comprehensive allocation had been made through fiscal year 2012 and a partial allocation has been made through fiscal year 2025. (In light of the constitutional two-year limitation on appropriations, those allocations are subject to the General Assembly making biennial appropriations to fund them.) None of the moneys are to be applied to existing operating programs of the State. The main portion of the moneys will go to assist the financing of elementary and secondary school capital facilities. Other amounts are targeted for new programs for smoking cessation and other health-related purposes, biomedical research and technology transfer, and assistance to the tobacco-growing areas in Ohio.

NOTE 25 SUBSEQUENT EVENTS

A. Debt Issuances

Subsequent to June 30, 2000 (December 31, 1999 for the Ohio Water Development Authority), the State issued major debt as detailed in the table on the following page.

On November 7, 2000, Ohio voters approved a constitutional amendment (Section 2o of Article VIII) that authorizes the State to issue \$200 million in general obligation bonds over the course of 25 years. The bonds will finance the purchase of additional "greenspace" land or interest in land devoted to natural areas, open spaces, and agriculture.

The amendment also approves the issuance of another \$200 million in revenue bonds to finance the cleanup of public or privately owned "brownfields," which are defined as properties that are environmentally contaminated.

The amendment limits the amount of obligations issued within a single fiscal year to \$50 million for each bond type, plus the principal amount of obligations that in any prior fiscal year could have been but were not issued within the \$50 million fiscal year limit.



NOTE 25 SUBSEQUENT EVENTS (Continued)

Debt Issuances
Subsequent to June 30, 2000
(dollars in thousands)

Organization/Issue	Date of Bond	Interest Coupon Rates	Amount	Type of Debt
Primary Government:				
Ohio Public Facilities Commission*				
Higher Education Capital Facilities Bonds, Series 2000B.....	November 1, 2000	4.30-4.75%	\$150,000	General Obligation
Treasurer of State				
Infrastructure Improvement Bonds, Series 2000.....	November 15, 2000	4.25-5.75%	<u>120,000</u>	General Obligation
Total Primary Government.....			<u>\$270,000</u>	
Component Units:				
Ohio Water Development Authority				
Water Pollution Control Loan Fund Revenue Bonds, State Match Series 2000...	June 30, 2000	5.13-5.50%	<u>\$ 78,250</u>	Revenue

* Effective September 14, 2000, the Ohio Public Facilities Commission is designated under Ohio law as issuer of Higher Education Capital Facilities bonds. Prior to this time, the Treasurer of State was the designated issuing authority.

B. Interest Rate Swap Agreement

On February 2, 2000, the Ohio Water Development Authority, a component unit fund with a December 31, 1999 year-end, entered into a five-year interest rate swap agreement for \$50 million of its Pure Water Refunding and Improvement Series bonds. As a result of the agreement, which terminates on December 1, 2004, the Authority makes interest payments to a counterparty based on the weekly BMA Municipal Bond Index and receives payment from the counterparty at a fixed rate of 4.68 percent. The rate used to calculate the payment to the counterparty is not to exceed 7.32 percent.

C. Workers' Compensation Premium Credit

Effective July 1, 2000, the Bureau of Workers' Compensation will include a 75 percent premium credit in its bills to private employers for their workers' compensation insurance coverage during the first and second half of state fiscal year 2001. The credit, which the Workers' Compensation Oversight Commission approved on June 28, 2000, will return an estimated \$1.3 billion to these employers.

**COMBINING
FINANCIAL
STATEMENTS
AND SCHEDULES**

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** account for specific revenues that are legally restricted to expenditure for designated purposes.

The **Community and Economic Development Fund** accounts for programs administered by the Department of Development and other various state agencies, which were created to assure the efficient use of resources for the State's community and economic growth and development.

The **Human Services Fund** accounts for public assistance programs primarily administered by the Department of Human Services, which provides financial assistance, services, and training to those individuals and families who do not have sufficient resources to meet their basic needs.

The **Health Fund** accounts for public health programs primarily administered by the Department of Health, which promotes the prevention and treatment of diseases and illnesses through technical assistance, health education, and research.

The **Mental Health and Retardation Fund** accounts for mental health care and retardation programs primarily administered by the Department of Mental Health and the Department of Mental Retardation and Developmental Disabilities, which provide assistance, services, and medical care to those individuals with mental health and developmental disability problems.

The **Employment Services Fund** accounts for programs administered by the Ohio Bureau of Employment Services, which provides unemployment benefits, job placement services, and training to eligible individuals.

The **Education Fund** accounts for programs administered by the Department of Education, the Ohio Board of Regents, and other various state agencies, which prescribe the State's minimum educational requirements and which provide funding and assistance to local school districts for basic instruction and vocational and technical job training and to the State's colleges and universities for post-secondary education.

The **Highway Safety Fund** accounts for public safety programs primarily administered by the Department of Public Safety, which enforces traffic-related laws for the purpose of reducing accidents, deaths, injuries, and property damages on Ohio's highways.

The **Highway Operating Fund** accounts for programs administered by the Department of Transportation, which is responsible for the planning and design, construction, and maintenance of Ohio's highways, roads, and bridges and for Ohio's public transportation programs.

The **Natural Resources Fund** accounts for environmental programs administered by the Department of Natural Resources, the Environmental Protection Agency, and other various state agencies, which promote, protect, and manage the State's natural resources and environment.

The **Wildlife and Waterways Safety Fund** accounts for programs administered by the Department of Natural Resources' Divisions of Wildlife and Watercraft, which promote, protect, and manage the State's wildlife and waterways and which provide technical assistance and education to the public.

The **Revenue Distribution Fund** accounts for tax relief and aid to local government programs, which derive funding from tax and other revenues levied, collected, and designated by the State for these purposes.

The **Local Transportation Improvements Fund** accounts for the Local Transportation Improvement Program administered by the Ohio Public Works Commission, which provides grants to local governments for highway, road, and bridge construction.

The **Tobacco Settlement Fund** accounts for various health, education, economic, and law enforcement-related programs funded with moneys received under the Master Settlement Agreement with the nation's largest tobacco companies.

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>	<u>HUMAN SERVICES</u>	<u>HEALTH</u>
ASSETS			
Cash Equity with Treasurer	\$ 367,143	\$ 168,412	\$ 36,810
Cash and Cash Equivalents	14,923	1,101	—
Investments	99,799	—	—
Collateral on Lent Securities	24,235	10,998	2,395
Receivables:			
Taxes	1,561	—	—
Intergovernmental	11,982	253,502	12,217
Loans, Net	425,719	—	—
Other	11,678	13,134	16,176
Due from Other Funds	2,641	160	62
Inventories	—	—	—
Food Stamps	—	19,878	—
Other Assets	220	—	674
TOTAL ASSETS	<u>\$ 959,901</u>	<u>\$ 467,185</u>	<u>\$ 68,334</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 45,581	\$ 54,538	\$ 22,011
Medicaid Claims Payable	—	9,070	—
Accrued Liabilities	5,529	4,783	2,121
Obligations Under Securities Lending	24,235	10,998	2,395
Intergovernmental Payable	12,376	107,696	5,359
Due to Other Funds	1,385	1,261	61
Deferred Revenue	4,551	25,636	3,891
Refund and Other Liabilities	356	6,738	—
Advances from Other Funds	168,494	—	—
Total Liabilities	<u>262,507</u>	<u>220,720</u>	<u>35,838</u>
Fund Balances:			
Reserved for:			
Encumbrances	275,413	904,090	12,174
Noncurrent Portion of Loans Receivable	425,568	—	—
Other:			
Inventories	—	—	—
Prepays	220	—	—
Unreserved/Undesignated (Deficits)	(3,807)	(657,625)	20,322
Total Fund Balances	<u>697,394</u>	<u>246,465</u>	<u>32,496</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 959,901</u>	<u>\$ 467,185</u>	<u>\$ 68,334</u>

<u>MENTAL HEALTH AND RETARDATION</u>	<u>EMPLOYMENT SERVICES</u>	<u>EDUCATION</u>	<u>HIGHWAY SAFETY</u>	<u>HIGHWAY OPERATING</u>	<u>NATURAL RESOURCES</u>
\$ 62,740	\$ 8,493	\$ 948,037	\$ 144,004	\$ 954,871	\$ 133,225
—	956	563	—	—	1,154
—	9,784	3,854	—	—	—
4,075	566	62,662	9,487	62,945	8,703
—	—	—	—	37,253	1,883
88,462	—	79,999	576	76,961	402
—	—	10,186	—	40,998	287
326	1,560	5,034	629	4,573	864
43	19	1,872	2,268	2,453	550
—	537	—	—	33,588	—
—	—	—	—	—	—
—	—	3,631	—	—	—
<u>\$ 155,646</u>	<u>\$ 21,915</u>	<u>\$ 1,115,838</u>	<u>\$ 156,964</u>	<u>\$ 1,213,642</u>	<u>\$ 147,068</u>
\$ 15,486	\$ 2,164	\$ 12,079	\$ 14,332	\$ 126,536	\$ 8,180
—	—	—	—	—	—
1,047	638	1,012	8,969	15,758	3,232
4,075	566	62,662	9,487	62,945	8,703
58,172	—	46,599	4,453	3,192	56
1,102	—	178	921	404	106
2,188	—	37,335	1,915	50,669	407
27	20	71	—	—	—
—	—	—	—	—	—
<u>82,097</u>	<u>3,388</u>	<u>159,936</u>	<u>40,077</u>	<u>259,504</u>	<u>20,684</u>
303,316	4,992	1,732,810	25,277	1,345,485	30,231
—	—	10,143	—	40,239	—
—	537	—	—	33,588	—
—	—	—	—	—	—
<u>(229,767)</u>	<u>12,998</u>	<u>(787,051)</u>	<u>91,610</u>	<u>(465,174)</u>	<u>96,153</u>
<u>73,549</u>	<u>18,527</u>	<u>955,902</u>	<u>116,887</u>	<u>954,138</u>	<u>126,384</u>
<u>\$ 155,646</u>	<u>\$ 21,915</u>	<u>\$ 1,115,838</u>	<u>\$ 156,964</u>	<u>\$ 1,213,642</u>	<u>\$ 147,068</u>

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

(dollars in thousands)
(continued)

	<u>WILDLIFE AND WATERWAYS SAFETY</u>	<u>REVENUE DISTRIBUTION</u>	<u>LOCAL TRANSPORTATION IMPROVEMENTS</u>
ASSETS			
Cash Equity with Treasurer	\$ 48,676	\$ 286,440	\$ 85,765
Cash and Cash Equivalents	—	—	—
Investments	—	—	—
Collateral on Lent Securities	3,205	18,640	5,653
Receivables:			
Taxes	907	154,466	—
Intergovernmental	6,239	—	—
Loans, Net	—	—	—
Other	579	280	411
Due from Other Funds	133	14,430	178
Inventories	—	—	—
Food Stamps	—	—	—
Other Assets	—	—	—
TOTAL ASSETS	\$ 59,739	\$ 474,256	\$ 92,007
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,840	\$ 2	\$ 3,211
Medicaid Claims Payable	—	—	—
Accrued Liabilities	1,751	—	12
Obligations Under Securities Lending	3,205	18,640	5,653
Intergovernmental Payable	—	250,436	198
Due to Other Funds	21	165	2
Deferred Revenue	—	8,550	—
Refund and Other Liabilities	—	70,389	—
Advances from Other Funds	—	—	—
Total Liabilities	7,817	348,182	9,076
Fund Balances:			
Reserved for:			
Encumbrances	4,979	—	4
Noncurrent Portion of Loans Receivable	—	—	—
Other:			
Inventories	—	—	—
Prepays	—	—	—
Unreserved/Undesignated (Deficits)	46,943	126,074	82,927
Total Fund Balances	51,922	126,074	82,931
TOTAL LIABILITIES AND FUND BALANCES ...	\$ 59,739	\$ 474,256	\$ 92,007

<u>TOBACCO SETTLEMENT</u>	<u>TOTAL</u>
\$ 416,875	\$ 3,661,491
—	18,697
—	113,437
27,267	240,831
—	196,070
—	530,340
—	477,190
1,980	57,224
859	25,668
—	34,125
—	19,878
—	4,525
<u>\$ 446,981</u>	<u>\$ 5,379,476</u>

\$ —	\$ 306,960
—	9,070
—	44,852
27,267	240,831
—	488,537
—	5,606
—	135,142
—	77,601
—	168,494
<u>27,267</u>	<u>1,477,093</u>

—	4,638,771
—	475,950
—	34,125
—	220
<u>419,714</u>	<u>(1,246,683)</u>
<u>419,714</u>	<u>3,902,383</u>
<u>\$ 446,981</u>	<u>\$ 5,379,476</u>

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>	<u>HUMAN SERVICES</u>	<u>HEALTH</u>
REVENUES:			
Income Taxes	\$ 3,718	\$ —	\$ —
Sales Taxes	15,423	—	—
Corporate and Public Utility Taxes	353	—	—
Motor Vehicle Fuel Taxes	1,206	—	—
Other Taxes	20,016	5,190	—
Licenses, Permits and Fees	119,313	295,537	16,207
Sales, Services and Charges	18,317	—	14
Federal Government	330,214	2,265,614	317,436
Tobacco Settlement	—	—	—
Investment Income	22,002	10,472	246
Other	51,316	66,055	24,514
TOTAL REVENUES	<u>581,878</u>	<u>2,642,868</u>	<u>358,417</u>
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	227	291	—
Higher Education Support	178	389	—
Public Assistance and Medicaid	—	2,255,181	—
Health and Human Services	38	367,922	365,268
Justice and Public Protection	114,827	32,089	—
Environmental Protection and Natural Resources	272	—	—
Transportation	3,038	—	—
General Government	122,222	344	—
Community and Economic Development	320,503	—	1,439
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	14,347	—
TOTAL EXPENDITURES	<u>561,305</u>	<u>2,670,563</u>	<u>366,707</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>20,573</u>	<u>(27,695)</u>	<u>(8,290)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	11,907	—	—
Capital Leases	830	—	—
Operating Transfers-in	61,570	16,393	10,985
Operating Transfers-out	(64,682)	(3,106)	(347)
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,625</u>	<u>13,287</u>	<u>10,638</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>30,198</u>	<u>(14,408)</u>	<u>2,348</u>
FUND BALANCES, JULY 1 (as restated)	667,196	260,873	30,148
Increase (Decrease) for Changes in Inventories	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 697,394</u>	<u>\$ 246,465</u>	<u>\$ 32,496</u>

<u>MENTAL HEALTH AND RETARDATION</u>	<u>EMPLOYMENT SERVICES</u>	<u>EDUCATION</u>	<u>HIGHWAY SAFETY</u>	<u>HIGHWAY OPERATING</u>	<u>NATURAL RESOURCES</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	11,340
—	—	—	—	359,128	—
—	—	—	1,788	—	8,047
1	—	783	93,014	63,344	80,179
—	—	631	18,142	1,755	1,717
534,515	235,144	869,068	11,226	709,230	44,450
—	—	—	—	—	—
100	1,410	53,640	6,955	48,337	1,860
23,691	16,805	16,182	25,849	38,973	23,219
<u>558,307</u>	<u>253,359</u>	<u>940,304</u>	<u>156,974</u>	<u>1,220,767</u>	<u>170,812</u>
—	—	1,527,553	—	—	—
—	—	12,872	—	—	—
235	—	—	—	—	—
567,030	251,124	166	160	—	—
—	—	17,684	317,095	—	612
—	—	—	—	—	164,867
—	—	—	—	1,639,781	—
—	—	—	—	—	5,067
—	—	—	—	—	10,344
—	—	—	—	—	—
—	—	360,560	4,097	—	—
<u>567,265</u>	<u>251,124</u>	<u>1,918,835</u>	<u>321,352</u>	<u>1,639,781</u>	<u>180,890</u>
<u>(8,958)</u>	<u>2,235</u>	<u>(978,531)</u>	<u>(164,378)</u>	<u>(419,014)</u>	<u>(10,078)</u>
—	—	142,129	—	—	—
—	—	—	—	—	—
3,725	2	1,022,443	169,856	582,787	5,175
—	(1,500)	(4,765)	(10,086)	(212,887)	(2,821)
<u>3,725</u>	<u>(1,498)</u>	<u>1,159,807</u>	<u>159,770</u>	<u>369,900</u>	<u>2,354</u>
<u>(5,233)</u>	<u>737</u>	<u>181,276</u>	<u>(4,608)</u>	<u>(49,114)</u>	<u>(7,724)</u>
78,782	17,878	774,626	121,495	1,002,308	134,108
—	(88)	—	—	944	—
<u>\$ 73,549</u>	<u>\$ 18,527</u>	<u>\$ 955,902</u>	<u>\$ 116,887</u>	<u>\$ 954,138</u>	<u>\$ 126,384</u>

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	<u>WILDLIFE AND WATERWAYS SAFETY</u>	<u>REVENUE DISTRIBUTION</u>	<u>LOCAL TRANSPORTATION IMPROVEMENTS</u>
REVENUES:			
Income Taxes	\$ —	\$ 850,581	\$ —
Sales Taxes	—	298,537	—
Corporate and Public Utility Taxes	—	81,673	—
Motor Vehicle Fuel Taxes	10,471	1,053,881	—
Other Taxes	—	16,448	—
Licenses, Permits and Fees	34,896	343,671	—
Sales, Services and Charges	684	—	—
Federal Government	11,153	—	—
Tobacco Settlement	—	—	—
Investment Income	2,265	2,483	4,237
Other	4,295	118	—
TOTAL REVENUES	<u>63,764</u>	<u>2,647,392</u>	<u>4,237</u>
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	59,010	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	340
INTERGOVERNMENTAL	—	1,944,492	—
CAPITAL OUTLAY	2,330	—	67,174
TOTAL EXPENDITURES	<u>61,340</u>	<u>1,944,492</u>	<u>67,514</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,424</u>	<u>702,900</u>	<u>(63,277)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Capital Leases	—	—	—
Operating Transfers-in	1,615	30,786	63,197
Operating Transfers-out	(16)	(736,144)	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,599</u>	<u>(705,358)</u>	<u>63,197</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	4,023	(2,458)	(80)
FUND BALANCES, JULY 1 (as restated)	47,899	128,532	83,011
Increase (Decrease) for Changes in Inventories	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 51,922</u>	<u>\$ 126,074</u>	<u>\$ 82,931</u>

<u>TOBACCO SETTLEMENT</u>	<u>TOTAL</u>
\$ —	\$ 854,299
—	313,960
—	93,366
—	1,424,686
—	51,489
—	1,046,945
—	41,260
—	5,328,050
412,270	412,270
7,444	161,451
—	291,017
<u>419,714</u>	<u>10,018,793</u>

—	1,528,071
—	13,439
—	2,255,416
—	1,551,708
—	482,307
—	224,149
—	1,642,819
—	127,633
—	332,626
—	1,944,492
—	448,508
<u>—</u>	<u>10,551,168</u>

<u>419,714</u>	<u>(532,375)</u>
----------------	------------------

—	154,036
—	830
—	1,968,534
—	(1,036,354)
<u>—</u>	<u>1,087,046</u>

<u>419,714</u>	<u>554,671</u>
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—	3,346,856
<u>—</u>	<u>856</u>

<u>\$ 419,714</u>	<u>\$ 3,902,383</u>
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STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ 3,758	\$ 3,758	\$ —
Sales Taxes	15,288	15,288	—
Corporate and Public Utility Taxes	353	353	—
Motor Vehicle Fuel Taxes	1,206	1,206	—
Other Taxes	20,016	20,016	—
Licenses, Permits and Fees	118,377	118,377	—
Sales, Services and Charges	9,833	9,833	—
Federal Government	286,399	286,399	—
Tobacco Settlement	—	—	—
Investment Income.....	20,687	20,687	—
Other	99,679	99,679	—
TOTAL REVENUES	575,596	575,596	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	675	645	30
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	154,201	130,518	23,683
Environmental Protection and Natural Resources	316	217	99
Transportation	5,750	4,200	1,550
General Government	138,458	128,539	9,919
Community and Economic Development	368,573	317,544	51,029
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	769	—	769
TOTAL BUDGETARY EXPENDITURES	668,742	581,663	87,079
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(93,146)	(6,067)	87,079
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	11,907	11,907	—
Operating Transfers-in	20,902	20,902	—
Operating Transfers-out	(27,855)	(27,855)	—
Encumbrance Reversions	35,591	35,591	—
TOTAL OTHER FINANCING SOURCES (USES)	40,545	40,545	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (52,601)	34,478	\$ 87,079
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		36,503	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 70,981	

HUMAN SERVICES			HEALTH		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
5,190	5,190	—	—	—	—
294,992	294,992	—	20,784	20,784	—
—	—	—	2,409	2,409	—
1,708,160	1,708,160	—	309,885	309,885	—
—	—	—	—	—	—
10,741	10,741	—	268	268	—
140,961	140,961	—	75,585	75,585	—
2,160,044	2,160,044	—	408,931	408,931	—
351	298	53	—	—	—
975	803	172	—	—	—
2,518,207	2,443,834	74,373	—	—	—
451,656	411,092	40,564	452,529	414,947	37,582
45,872	36,002	9,870	10	—	10
—	—	—	—	—	—
—	—	—	—	—	—
344	334	10	—	—	—
—	—	—	3,659	2,281	1,378
—	—	—	—	—	—
1,986	1,114	872	—	—	—
—	—	—	—	—	—
3,019,391	2,893,477	125,914	456,198	417,228	38,970
(859,347)	(733,433)	125,914	(47,267)	(8,297)	38,970
—	—	—	—	—	—
1,035	1,035	—	6,582	6,582	—
(3,841)	(3,841)	—	(2,955)	(2,955)	—
39,394	39,394	—	5,135	5,135	—
36,588	36,588	—	8,762	8,762	—
\$ (822,759)	(696,845)	\$ 125,914	\$ (38,505)	465	\$ 38,970
	(123,616)			7,458	
	\$ (820,461)			\$ 7,923	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	MENTAL HEALTH AND RETARDATION		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	1	1	—
Sales, Services and Charges	—	—	—
Federal Government	1,146,028	1,146,028	—
Tobacco Settlement	—	—	—
Investment Income.....	105	105	—
Other	26,285	26,285	—
TOTAL REVENUES	<u>1,172,419</u>	<u>1,172,419</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	830,258	770,995	59,263
Health and Human Services	658,563	596,795	61,768
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	<u>1,488,821</u>	<u>1,367,790</u>	<u>121,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(316,402)</u>	<u>(195,371)</u>	<u>121,031</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	1,025	1,025	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	7,502	7,502	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,527</u>	<u>8,527</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (307,875)</u>	<u>(186,844)</u>	<u>\$ 121,031</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(84,243)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ (271,087)</u>	

EMPLOYMENT SERVICES			EDUCATION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
20	20	—	784	784	—
—	—	—	631	631	—
227,997	227,997	—	923,007	923,007	—
—	—	—	—	—	—
1,048	1,048	—	57,944	57,944	—
12,595	12,595	—	23,455	23,455	—
241,660	241,660	—	1,005,821	1,005,821	—
—	—	—	1,811,610	1,784,868	26,742
—	—	—	8,007	5,972	2,035
—	—	—	—	—	—
355,482	244,621	110,861	180	165	15
—	—	—	26,448	22,382	4,066
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,904	658	1,246	885,601	799,127	86,474
—	—	—	—	—	—
357,386	245,279	112,107	2,731,846	2,612,514	119,332
(115,726)	(3,619)	112,107	(1,726,025)	(1,606,693)	119,332
—	—	—	142,129	142,129	—
2	2	—	1,012,743	1,012,743	—
(14)	(14)	—	(4,879)	(4,879)	—
4,633	4,633	—	280,664	280,664	—
4,621	4,621	—	1,430,657	1,430,657	—
\$ (111,105)	1,002	\$ 112,107	\$ (295,368)	(176,036)	\$ 119,332
	3,066			(648,063)	
	\$ 4,068			\$ (824,099)	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	HIGHWAY SAFETY		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	1,788	1,788	—
Licenses, Permits and Fees	92,482	92,482	—
Sales, Services and Charges	18,291	18,291	—
Federal Government	11,157	11,157	—
Tobacco Settlement	—	—	—
Investment Income.....	7,267	7,267	—
Other	29,957	29,957	—
TOTAL REVENUES	160,942	160,942	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	211	173	38
Justice and Public Protection	349,983	334,135	15,848
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	11,546	4,296	7,250
DEBT SERVICE	12,600	10,106	2,494
TOTAL BUDGETARY EXPENDITURES	374,340	348,710	25,630
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(213,398)	(187,768)	25,630
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	191,695	191,695	—
Operating Transfers-out	(21,839)	(21,839)	—
Encumbrance Reversions	4,814	4,814	—
TOTAL OTHER FINANCING SOURCES (USES)	174,670	174,670	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (38,728)	(13,098)	\$ 25,630
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		116,692	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 103,594	

HIGHWAY OPERATING			NATURAL RESOURCES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	11,340	11,340	—
364,887	364,887	—	—	—	—
—	—	—	8,284	8,284	—
63,237	63,237	—	80,233	80,233	—
1,755	1,755	—	1,717	1,717	—
685,500	685,500	—	44,974	44,974	—
—	—	—	—	—	—
50,686	50,686	—	1,969	1,969	—
48,566	48,566	—	32,295	32,295	—
1,214,631	1,214,631	—	180,812	180,812	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	756	631	125
—	—	—	209,513	177,821	31,692
2,564,618	1,991,013	573,605	—	—	—
—	—	—	6,400	5,077	1,323
—	—	—	14,949	13,491	1,458
—	—	—	—	—	—
—	—	—	—	—	—
40,899	25,455	15,444	—	—	—
2,605,517	2,016,468	589,049	231,618	197,020	34,598
(1,390,886)	(801,837)	589,049	(50,806)	(16,208)	34,598
—	—	—	—	—	—
582,787	582,787	—	15,856	15,856	—
(187,508)	(187,508)	—	(10,737)	(10,737)	—
83,781	83,781	—	5,729	5,729	—
479,060	479,060	—	10,848	10,848	—
\$ (911,826)	(322,777)	\$ 589,049	\$ (39,958)	(5,360)	\$ 34,598
	(179,117)			104,321	
	\$ (501,894)			\$ 98,961	

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	WILDLIFE AND WATERWAYS SAFETY		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	10,537	10,537	—
Other Taxes	—	—	—
Licenses, Permits and Fees	35,161	35,161	—
Sales, Services and Charges	684	684	—
Federal Government	11,197	11,197	—
Tobacco Settlement	—	—	—
Investment Income.....	2,326	2,326	—
Other	5,359	5,359	—
TOTAL REVENUES	65,264	65,264	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	64,305	59,771	4,534
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	20,793	2,471	18,322
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	85,098	62,242	22,856
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(19,834)	3,022	22,856
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	615	615	—
Operating Transfers-out	(16)	(16)	—
Encumbrance Reversions	768	768	—
TOTAL OTHER FINANCING SOURCES (USES)	1,367	1,367	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (18,467)	4,389	\$ 22,856
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>37,523</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 41,912</u>	

STATE OF OHIO

SPECIAL REVENUE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	TOBACCO SETTLEMENT		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Tobacco Settlement	412,270	412,270	—
Investment Income.....	7,724	7,724	—
Other	—	—	—
TOTAL REVENUES	419,994	419,994	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	—	—	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	419,994	419,994	—
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ 419,994	419,994	\$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		—	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 419,994	

TOTAL SPECIAL REVENUE

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 852,584	\$ 852,584	\$ —
313,550	313,550	—
93,714	93,714	—
1,437,146	1,437,146	—
51,935	51,935	—
1,231,630	1,231,630	—
35,320	35,320	—
5,354,304	5,354,304	—
412,270	412,270	—
167,887	167,887	—
494,855	494,855	—
<u>10,445,195</u>	<u>10,445,195</u>	<u>—</u>
1,812,636	1,785,811	26,825
8,982	6,775	2,207
3,348,465	3,214,829	133,636
1,918,621	1,667,793	250,828
577,270	523,668	53,602
274,134	237,809	36,325
2,570,368	1,995,213	575,155
145,202	133,950	11,252
387,578	333,665	53,913
2,159,002	2,157,528	1,474
1,068,521	872,330	196,191
54,268	35,561	18,707
<u>14,325,047</u>	<u>12,964,932</u>	<u>1,360,115</u>
<u>(3,879,852)</u>	<u>(2,519,737)</u>	<u>1,360,115</u>
154,036	154,036	—
1,927,225	1,927,225	—
(983,776)	(983,776)	—
468,011	468,011	—
<u>1,565,496</u>	<u>1,565,496</u>	<u>—</u>
<u>\$ (2,314,356)</u>	<u>(954,241)</u>	<u>\$ 1,360,115</u>
	<u>(341,686)</u>	
	<u>\$ (1,295,927)</u>	

DEBT SERVICE FUNDS

The **Debt Service Funds** account for the accumulation of resources for the payment of general long-term debt principal and interest.

The **Economic Development Bond Service Fund** accounts for the payment of principal and interest on revenue bonds issued to finance loans to individuals, corporations, and agencies within the State, which cannot obtain conventional financing for economic development projects that create or retain jobs in the State.

The **Transportation Certificate Retirement Fund** accounts for the payment of certificate of participation-related obligations that financed the acquisition of the Department of Transportation's Panhandle Rail Line Project.

The **Coal Research/Development Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 15 of Article VIII, Ohio Constitution, to finance coal research and development projects.

The **Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2f of Article VIII, Ohio Constitution, to finance the improvement of higher education facilities, public schools, and natural resources.

The **Highway Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2g of Article VIII, Ohio Constitution, to finance the acquisition of rights-of-way and the construction and reconstruction of the State's highways and urban extensions.

The **Development Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2h of Article VIII, Ohio Constitution, to finance the construction, improvement, and development of higher education facilities, public schools, and natural resources.

The **Highway Obligations Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2i of Article VIII, Ohio Constitution, to finance the construction of the State's highways.

The **Public Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2i of Article VIII, Ohio Constitution, to finance the improvement of higher education facilities, water pollution controls, parks, and natural resources.

The **Vietnam Conflict Compensation Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2j of Article VIII, Ohio Constitution, to provide funding for the compensation to Ohioans that served in the military during the Vietnam Conflict.

The **Local Infrastructure Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2k of Article VIII, Ohio Constitution, to finance the cost of local government's public infrastructure improvement projects.

The **Ohio Public Facilities Commission Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of mental health, higher education, parks and recreation, and state park facilities.

The **Ohio Building Authority Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of state office buildings and the costs of capital improvements for the Departments of Administrative Services, Youth Services, Transportation, Rehabilitation and Correction, Natural Resources, and Public Safety and for the Arts and Sports Facilities Commission.

The **Enterprise Bond Retirement Fund** accounts for the payment of principal and interest on taxable revenue bonds issued to provide a reserve and pledge to secure, in part, the payment of principal and interest on the Ohio Enterprise Bonds, a no commitment debt for the State that is issued under the authority of Section 166.09, Ohio Revised Code.

The **State Projects Bond Service Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 21 of Article VIII, Ohio Constitution, to finance capital improvements at state and local parks and other natural resources-related projects.

The **School Building Program Bond Service Fund** accounts for the payment of principal and interest on special obligation bonds that are authorized under Section 2i of Article VIII, Ohio Constitution, to finance the costs of school buildings and classroom facilities used by public school districts for elementary and secondary education purposes.

The **Highway Capital Improvements Bond Service Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2m of Article VIII, Ohio Constitution, to finance capital improvements to the state highway system.

The **Infrastructure Bank Bond Service Fund** accounts for the payment of principal and interest on revenue bonds that are authorized under the authority of Section 5531.10, Ohio Revised Code, to finance the construction of the Spring-Sandusky Highway Project in Columbus.

The **Higher Education Capital Facilities Bond Service Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2n of Article VIII, Ohio Constitution, to finance the costs of capital facilities for state-supported and state-assisted institutions of higher education, including those for technical education.

The **Common Schools Capital Facilities Bond Service Fund** accounts for the payment of principal and interest on general obligation bonds that are authorized under Section 2n of Article VIII, Ohio Constitution, to finance the costs of facilities for a system of common schools throughout Ohio.

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	<u>ECONOMIC DEVELOPMENT BOND SERVICE</u>	<u>TRANSPORTATION CERTIFICATE RETIREMENT</u>	<u>COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT</u>
ASSETS			
Cash Equity with Treasurer	\$ —	\$ —	\$ 73
Cash and Cash Equivalents	—	58	—
Investments	5,374	890	—
Collateral on Lent Securities	—	—	5
Receivables:			
Loans, Net	—	—	—
Other	—	—	—
Due from Other Funds	—	—	—
TOTAL ASSETS	<u><u>\$ 5,374</u></u>	<u><u>\$ 948</u></u>	<u><u>\$ 78</u></u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accrued Liabilities	\$ —	\$ —	\$ 3
Obligations Under Securities Lending	—	—	5
Refund and Other Liabilities	—	—	—
Total Liabilities	<u>—</u>	<u>—</u>	<u>8</u>
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Debt Service	5,374	948	70
Noncurrent Portion of Loans Receivable	—	—	—
<i>Other:</i>			
Assets in Excess of Debt Service Requirements	—	—	—
Total Fund Balances	<u>5,374</u>	<u>948</u>	<u>70</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u><u>\$ 5,374</u></u>	<u><u>\$ 948</u></u>	<u><u>\$ 78</u></u>

<u>IMPROVEMENTS BOND RETIREMENT</u>	<u>HIGHWAY IMPROVEMENTS BOND RETIREMENT</u>	<u>DEVELOPMENT BOND RETIREMENT</u>	<u>HIGHWAY OBLIGATIONS BOND RETIREMENT</u>	<u>PUBLIC IMPROVEMENTS BOND RETIREMENT</u>	<u>VIETNAM CONFLICT COMPENSATION BOND RETIREMENT</u>
\$ 247	\$ 1	\$ 81	\$ 55,434	\$ 54	\$ —
163	60	355	430	345	38
—	—	—	—	—	—
16	—	5	3,668	4	—
—	—	—	—	—	—
1	—	1	265	—	—
1	—	—	115	—	—
<u>\$ 428</u>	<u>\$ 61</u>	<u>\$ 442</u>	<u>\$ 59,912</u>	<u>\$ 403</u>	<u>\$ 38</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
16	—	5	3,668	4	—
<u>148</u>	<u>55</u>	<u>305</u>	<u>180</u>	<u>245</u>	<u>35</u>
<u>164</u>	<u>55</u>	<u>310</u>	<u>3,848</u>	<u>249</u>	<u>35</u>
—	—	—	56,064	—	—
—	—	—	—	—	—
<u>264</u>	<u>6</u>	<u>132</u>	<u>—</u>	<u>154</u>	<u>3</u>
<u>264</u>	<u>6</u>	<u>132</u>	<u>56,064</u>	<u>154</u>	<u>3</u>
<u>\$ 428</u>	<u>\$ 61</u>	<u>\$ 442</u>	<u>\$ 59,912</u>	<u>\$ 403</u>	<u>\$ 38</u>

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)
(continued)

	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</u>	<u>OHIO PUBLIC FACILITIES COMMISSION</u>	<u>OHIO BUILDING AUTHORITY</u>
ASSETS			
Cash Equity with Treasurer	\$ 6	\$ —	\$ —
Cash and Cash Equivalents	—	101	18
Investments	—	2,264	50,007
Collateral on Lent Securities	2	—	—
Receivables:			
Loans, Net	—	3,058	—
Other	—	—	669
Due from Other Funds	—	1,115	—
TOTAL ASSETS	<u>\$ 8</u>	<u>\$ 6,538</u>	<u>\$ 50,694</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accrued Liabilities	\$ —	\$ —	\$ 321
Obligations Under Securities Lending	2	—	—
Refund and Other Liabilities	—	—	—
Total Liabilities	<u>2</u>	<u>—</u>	<u>321</u>
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Debt Service	6	3,480	50,373
Noncurrent Portion of Loans Receivable	—	3,058	—
Other:			
Assets in Excess of Debt Service Requirements	—	—	—
Total Fund Balances	<u>6</u>	<u>6,538</u>	<u>50,373</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 8</u>	<u>\$ 6,538</u>	<u>\$ 50,694</u>

<u>ENTERPRISE BOND RETIREMENT</u>	<u>STATE PROJECTS BOND SERVICE</u>	<u>SCHOOL BUILDING PROGRAM BOND SERVICE</u>	<u>HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE</u>	<u>INFRASTRUCTURE BANK BOND SERVICE</u>	<u>HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE</u>
\$ —	\$ 209	\$ —	\$ 1,751	\$ —	\$ 496
124	—	—	—	—	—
31,405	—	500	—	159	—
—	14	—	156	—	32
—	—	—	—	—	—
35	—	—	10	—	2
—	—	—	4	—	1
<u>\$ 31,564</u>	<u>\$ 223</u>	<u>\$ 500</u>	<u>\$ 1,921</u>	<u>\$ 159</u>	<u>\$ 531</u>
\$ —	\$ 114	\$ —	\$ 66	\$ —	\$ 491
—	14	—	156	—	32
—	—	—	—	—	—
—	128	—	222	—	523
31,564	95	500	1,699	159	8
—	—	—	—	—	—
31,564	95	500	1,699	159	8
<u>\$ 31,564</u>	<u>\$ 223</u>	<u>\$ 500</u>	<u>\$ 1,921</u>	<u>\$ 159</u>	<u>\$ 531</u>

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)
(continued)

	<u>COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE</u>	<u>TOTAL</u>
ASSETS		
Cash Equity with Treasurer	\$ 5	\$ 58,357
Cash and Cash Equivalents	—	1,692
Investments	—	90,599
Collateral on Lent Securities	1	3,903
Receivables:		
Loans, Net	—	3,058
Other	—	983
Due from Other Funds	—	1,236
TOTAL ASSETS	<u>\$ 6</u>	<u>\$ 159,828</u>
LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accrued Liabilities	\$ —	\$ 995
Obligations Under Securities Lending	1	3,903
Refund and Other Liabilities	—	968
Total Liabilities	<u>1</u>	<u>5,866</u>
<i>Fund Balances:</i>		
<i>Reserved for:</i>		
Debt Service	5	150,345
Noncurrent Portion of Loans Receivable	—	3,058
<i>Other:</i>		
Assets in Excess of Debt Service Requirements	—	559
Total Fund Balances	<u>5</u>	<u>153,962</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 6</u>	<u>\$ 159,828</u>

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STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>ECONOMIC DEVELOPMENT BOND SERVICE</u>	<u>TRANSPORTATION CERTIFICATE RETIREMENT</u>	<u>COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT</u>
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	300	68	8
Other	—	698	—
TOTAL REVENUES	<u>300</u>	<u>766</u>	<u>8</u>
EXPENDITURES:			
DEBT SERVICE	16,135	763	5,681
TOTAL EXPENDITURES	<u>16,135</u>	<u>763</u>	<u>5,681</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,835)</u>	<u>3</u>	<u>(5,673)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	15,803	—	5,680
Operating Transfers-out	—	—	(37)
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,803</u>	<u>—</u>	<u>5,643</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(32)</u>	<u>3</u>	<u>(30)</u>
FUND BALANCES (DEFICITS), JULY 1	<u>5,406</u>	<u>945</u>	<u>100</u>
FUND BALANCES, JUNE 30	<u>\$ 5,374</u>	<u>\$ 948</u>	<u>\$ 70</u>

<u>IMPROVEMENTS BOND RETIREMENT</u>	<u>HIGHWAY IMPROVEMENTS BOND RETIREMENT</u>	<u>DEVELOPMENT BOND RETIREMENT</u>	<u>HIGHWAY OBLIGATIONS BOND RETIREMENT</u>	<u>PUBLIC IMPROVEMENTS BOND RETIREMENT</u>	<u>VIETNAM CONFLICT COMPENSATION BOND RETIREMENT</u>
\$ —	\$ —	\$ —	\$ 34,688	\$ —	\$ —
—	—	—	12,334	—	—
14	—	4	3,693	3	—
—	—	—	—	—	—
<u>14</u>	<u>—</u>	<u>4</u>	<u>50,715</u>	<u>3</u>	<u>—</u>
—	—	—	53,642	—	—
—	—	—	53,642	—	—
<u>14</u>	<u>—</u>	<u>4</u>	<u>(2,927)</u>	<u>3</u>	<u>—</u>
—	—	—	—	—	—
—	—	(25)	(49)	(13)	—
—	—	(25)	(49)	(13)	—
<u>14</u>	<u>—</u>	<u>(21)</u>	<u>(2,976)</u>	<u>(10)</u>	<u>—</u>
<u>250</u>	<u>6</u>	<u>153</u>	<u>59,040</u>	<u>164</u>	<u>3</u>
<u>\$ 264</u>	<u>\$ 6</u>	<u>\$ 132</u>	<u>\$ 56,064</u>	<u>\$ 154</u>	<u>\$ 3</u>

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)
(continued)

	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</u>	<u>OHIO PUBLIC FACILITIES COMMISSION</u>	<u>OHIO BUILDING AUTHORITY</u>
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	76	104	3,440
Other	5	—	—
TOTAL REVENUES	<u>81</u>	<u>104</u>	<u>3,440</u>
EXPENDITURES:			
DEBT SERVICE	<u>115,364</u>	<u>431,238</u>	<u>270,613</u>
TOTAL EXPENDITURES	<u>115,364</u>	<u>431,238</u>	<u>270,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(115,283)</u>	<u>(431,134)</u>	<u>(267,173)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers-in	115,307	430,280	271,380
Operating Transfers-out	—	—	(8,091)
TOTAL OTHER FINANCING SOURCES (USES)	<u>115,307</u>	<u>430,280</u>	<u>263,289</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>24</u>	<u>(854)</u>	<u>(3,884)</u>
FUND BALANCES (DEFICITS), JULY 1	<u>(18)</u>	<u>7,392</u>	<u>54,257</u>
FUND BALANCES, JUNE 30	<u>\$ 6</u>	<u>\$ 6,538</u>	<u>\$ 50,373</u>

<u>ENTERPRISE BOND RETIREMENT</u>	<u>STATE PROJECTS BOND SERVICE</u>	<u>SCHOOL BUILDING PROGRAM BOND SERVICE</u>	<u>HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE</u>	<u>INFRASTRUCTURE BANK BOND SERVICE</u>	<u>HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
147	—	—	—	—	—
1,930	1	28	1,926	155	8
—	—	—	—	81	—
<u>2,077</u>	<u>1</u>	<u>28</u>	<u>1,926</u>	<u>236</u>	<u>8</u>
1,395	12,290	41,734	79,561	10,136	—
<u>1,395</u>	<u>12,290</u>	<u>41,734</u>	<u>79,561</u>	<u>10,136</u>	<u>—</u>
<u>682</u>	<u>(12,289)</u>	<u>(41,706)</u>	<u>(77,635)</u>	<u>(9,900)</u>	<u>8</u>
40,029	12,328	41,690	78,160	9,904	—
(35,209)	(37)	—	(112)	—	—
<u>4,820</u>	<u>12,291</u>	<u>41,690</u>	<u>78,048</u>	<u>9,904</u>	<u>—</u>
5,502	2	(16)	413	4	8
<u>26,062</u>	<u>93</u>	<u>516</u>	<u>1,286</u>	<u>155</u>	<u>—</u>
<u>\$ 31,564</u>	<u>\$ 95</u>	<u>\$ 500</u>	<u>\$ 1,699</u>	<u>\$ 159</u>	<u>\$ 8</u>

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)
(continued)

	COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE	TOTAL
REVENUES:		
Motor Vehicle Fuel Taxes	\$ —	\$ 34,688
Licenses, Permits and Fees	—	12,481
Investment Income	11	11,769
Other	—	784
TOTAL REVENUES	11	59,722
EXPENDITURES:		
DEBT SERVICE	13,076	1,051,628
TOTAL EXPENDITURES	13,076	1,051,628
EXCESS (DEFICIENCY) OF REVENUES		
OVER (UNDER) EXPENDITURES	(13,065)	(991,906)
OTHER FINANCING SOURCES (USES):		
Operating Transfers-in	13,070	1,033,631
Operating Transfers-out	—	(43,573)
TOTAL OTHER FINANCING SOURCES (USES)	13,070	990,058
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING		
SOURCES OVER (UNDER) EXPENDITURES		
AND OTHER FINANCING USES	5	(1,848)
FUND BALANCES (DEFICITS), JULY 1	—	155,810
FUND BALANCES, JUNE 30	\$ 5	\$ 153,962

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STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	COAL RESEARCH / DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	10	10	—
Other	5,680	5,680	—
TOTAL REVENUES	5,690	5,690	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	5,719	5,719	—
TOTAL BUDGETARY EXPENDITURES	5,719	5,719	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(29)	(29)	—
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	3	3	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	3	3	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (26)	(26)	\$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		102	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		\$ 76	

**IMPROVEMENTS
BOND RETIREMENT**

**HIGHWAY IMPROVEMENTS
BOND RETIREMENT**

IMPROVEMENTS BOND RETIREMENT			HIGHWAY IMPROVEMENTS BOND RETIREMENT		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
13	13	—	—	—	—
—	—	—	—	—	—
<u>13</u>	<u>13</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
<u>13</u>	<u>13</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 13</u>	<u>13</u>	<u>\$ —</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
	<u>237</u>			<u>1</u>	
	<u>\$ 250</u>			<u>\$ 1</u>	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	DEVELOPMENT BOND RETIREMENT		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	5	5	—
Other	—	—	—
TOTAL REVENUES	5	5	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	25	25	—
TOTAL BUDGETARY EXPENDITURES	25	25	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(20)	(20)	—
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (20)	(20)	\$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1		103	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30		\$ 83	

**HIGHWAY OBLIGATIONS
BOND RETIREMENT**

**PUBLIC IMPROVEMENTS
BOND RETIREMENT**

HIGHWAY OBLIGATIONS BOND RETIREMENT			PUBLIC IMPROVEMENTS BOND RETIREMENT		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 34,689	\$ 34,689	\$ —	\$ —	\$ —	\$ —
12,343	12,343	—	—	—	—
3,646	3,646	—	3	3	—
—	—	—	—	—	—
<u>50,678</u>	<u>50,678</u>	<u>—</u>	<u>3</u>	<u>3</u>	<u>—</u>
53,691	53,691	—	13	13	—
<u>53,691</u>	<u>53,691</u>	<u>—</u>	<u>13</u>	<u>13</u>	<u>—</u>
<u>(3,013)</u>	<u>(3,013)</u>	<u>—</u>	<u>(10)</u>	<u>(10)</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>\$ (3,013)</u>	<u>(3,013)</u>	<u>\$ —</u>	<u>\$ (10)</u>	<u>(10)</u>	<u>\$ —</u>
	<u>59,505</u>			<u>65</u>	
	<u>\$ 56,492</u>			<u>\$ 55</u>	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	79	79	—
Other	115,307	115,307	—
TOTAL REVENUES	115,386	115,386	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	122,501	115,633	6,868
TOTAL BUDGETARY EXPENDITURES	122,501	115,633	6,868
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	(7,115)	(247)	6,868
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	274	274	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	274	274	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES			
	\$ (6,841)	27	\$ 6,868
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		2	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 29	

STATE PROJECTS BOND SERVICE			HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	2,195	2,195	—
12,329	12,329	—	—	—	—
<u>12,329</u>	<u>12,329</u>	<u>—</u>	<u>2,195</u>	<u>2,195</u>	<u>—</u>
12,870	12,387	483	84,672	80,048	4,624
<u>12,870</u>	<u>12,387</u>	<u>483</u>	<u>84,672</u>	<u>80,048</u>	<u>4,624</u>
<u>(541)</u>	<u>(58)</u>	<u>483</u>	<u>(82,477)</u>	<u>(77,853)</u>	<u>4,624</u>
114	114	—	66	66	—
—	—	—	78,160	78,160	—
<u>114</u>	<u>114</u>	<u>—</u>	<u>78,226</u>	<u>78,226</u>	<u>—</u>
<u>\$ (427)</u>	56	<u>\$ 483</u>	<u>\$ (4,251)</u>	373	<u>\$ 4,624</u>
	153			2,027	
	<u>\$ 209</u>			<u>\$ 2,400</u>	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	8	8	—
Other	—	—	—
TOTAL REVENUES	8	8	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	4,375	—	4,375
TOTAL BUDGETARY EXPENDITURES	4,375	—	4,375
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	(4,367)	8	4,375
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	491	491	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	491	491	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES			
	\$ (3,876)	499	\$ 4,375
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		—	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 499	

COMMON SCHOOLS CAPITAL FACILITIES

BOND SERVICE			TOTAL DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ 34,689	\$ 34,689	\$ —
—	—	—	12,343	12,343	—
15	15	—	5,974	5,974	—
13,070	13,070	—	146,386	146,386	—
<u>13,085</u>	<u>13,085</u>	<u>—</u>	<u>199,392</u>	<u>199,392</u>	<u>—</u>
13,650	13,647	3	297,516	281,163	16,353
<u>13,650</u>	<u>13,647</u>	<u>3</u>	<u>297,516</u>	<u>281,163</u>	<u>16,353</u>
<u>(565)</u>	<u>(562)</u>	<u>3</u>	<u>(98,124)</u>	<u>(81,771)</u>	<u>16,353</u>
571	571	—	1,519	1,519	—
—	—	—	78,160	78,160	—
<u>571</u>	<u>571</u>	<u>—</u>	<u>79,679</u>	<u>79,679</u>	<u>—</u>
<u>\$ 6</u>	<u>9</u>	<u>\$ 3</u>	<u>\$ (18,445)</u>	<u>(2,092)</u>	<u>\$ 16,353</u>
	—			62,195	
	<u>\$ 9</u>			<u>\$ 60,103</u>	

CAPITAL PROJECTS FUNDS

The **Capital Projects Funds** account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary funds and trust funds.

The **Arts Facilities Building Improvements Fund** accounts for bond proceeds that finance construction of and improvements to various arts and sciences facilities in the State.

The **Higher Education Improvements Fund** accounts for bond proceeds that finance the construction of facilities for state-assisted higher education institutions.

The **Highway Obligations Construction Fund** accounts for bond proceeds that finance capital outlay and major repairs and replacements for the State's highways.

The **Mental Health/Mental Retardation Facilities Improvements Fund** accounts for bond proceeds that finance the construction of mental health/mental retardation facilities.

The **Parks and Recreation Improvements Fund** accounts for bond proceeds that finance the capital improvement of parks and recreation facilities.

The **Local Infrastructure Improvements Fund** accounts for bond proceeds that finance the cost of local government's public infrastructure improvement projects.

The **Ohio Building Authority Fund** accounts for bond proceeds that finance the construction of state office buildings and rehabilitation and correctional facilities.

The **Administrative Services Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Administrative Services.

The **Youth Services Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Youth Services.

The **Transportation Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Transportation.

The **Adult Correctional Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Rehabilitation and Correction.

The **Highway Safety Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Public Safety.

The **Ohio Parks and Natural Resources Fund** accounts for bond proceeds that finance capital improvements for state and local parks and other natural resources-related projects.

The **Highway Capital Improvement Fund** accounts for bond proceeds that finance capital improvements to the state highway system.

The **Sports Facilities Building Fund** accounts for bond proceeds that finance capital facilities defined as Ohio sports facilities in Section 3383.01(J), Ohio Revised Code.

The **Infrastructure Bank Obligations Fund** accounts for bond proceeds that finance the Spring-Sandusky Highway Project in Columbus.

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	<u>ARTS FACILITIES BUILDING IMPROVEMENTS</u>	<u>HIGHER EDUCATION IMPROVEMENTS</u>	<u>MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS</u>
ASSETS			
Cash Equity with Treasurer	\$ 21,603	\$ 81,515	\$ 33,710
Investments	—	—	—
Collateral on Lent Securities	1,433	5,397	2,204
Receivables:			
Loans, Net	—	—	—
Other	104	398	58
Due from Other Funds	<u>45</u>	<u>173</u>	<u>25</u>
TOTAL ASSETS	<u>\$ 23,185</u>	<u>\$ 87,483</u>	<u>\$ 35,997</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 589	\$ 27,284	\$ 1,449
Accrued Liabilities	—	—	—
Obligations Under Securities Lending	1,433	5,397	2,204
Intergovernmental Payable	—	—	—
Due to Other Funds	<u>—</u>	<u>1,115</u>	<u>—</u>
Total Liabilities	<u>2,022</u>	<u>33,796</u>	<u>3,653</u>
Fund Balances:			
Reserved for:			
Encumbrances	7,252	131,663	25,640
Noncurrent Portion of Loans Receivable	—	—	—
Other:			
Loan Commitments	—	1,089	—
Unreserved/Undesignated (Deficits)	<u>13,911</u>	<u>(79,065)</u>	<u>6,704</u>
Total Fund Balances	<u>21,163</u>	<u>53,687</u>	<u>32,344</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 23,185</u>	<u>\$ 87,483</u>	<u>\$ 35,997</u>

<u>PARKS AND RECREATION IMPROVEMENTS</u>	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS</u>	<u>OHIO BUILDING AUTHORITY</u>	<u>ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS</u>	<u>YOUTH SERVICES BUILDING IMPROVEMENTS</u>	<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>
\$ 10,975	\$ 102,702	\$ —	\$ 43,164	\$ 19,695	\$ 264
—	—	7,133	—	—	—
716	6,771	—	2,872	1,308	19
—	175,331	—	—	—	—
52	486	54	208	95	1
23	211	—	90	41	1
<u>\$ 11,766</u>	<u>\$ 285,501</u>	<u>\$ 7,187</u>	<u>\$ 46,334</u>	<u>\$ 21,139</u>	<u>\$ 285</u>
\$ 1,753	\$ 2,779	\$ —	\$ 2,649	\$ 3,453	\$ 50
—	27	—	—	—	—
716	6,771	—	2,872	1,308	19
—	929	—	—	—	—
—	4	—	4	167	—
<u>2,469</u>	<u>10,510</u>	<u>—</u>	<u>5,525</u>	<u>4,928</u>	<u>69</u>
18,811	8	—	37,569	30,337	2,836
—	173,961	—	—	—	—
—	59,305	—	—	—	—
<u>(9,514)</u>	<u>41,717</u>	<u>7,187</u>	<u>3,240</u>	<u>(14,126)</u>	<u>(2,620)</u>
<u>9,297</u>	<u>274,991</u>	<u>7,187</u>	<u>40,809</u>	<u>16,211</u>	<u>216</u>
<u>\$ 11,766</u>	<u>\$ 285,501</u>	<u>\$ 7,187</u>	<u>\$ 46,334</u>	<u>\$ 21,139</u>	<u>\$ 285</u>

(continued)

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)
(continued)

	<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>	<u>HIGHWAY SAFETY BUILDING IMPROVEMENTS</u>	<u>OHIO PARKS AND NATURAL RESOURCES</u>
ASSETS			
Cash Equity with Treasurer	\$ 122,937	\$ 4,984	\$ 32,335
Investments	—	—	—
Collateral on Lent Securities	8,066	330	2,120
Receivables:			
Loans, Net	—	—	—
Other	396	25	51
Due from Other Funds	<u>172</u>	<u>11</u>	<u>22</u>
TOTAL ASSETS	<u>\$ 131,571</u>	<u>\$ 5,350</u>	<u>\$ 34,528</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 4,549	\$ 24	\$ 2,678
Accrued Liabilities	—	—	—
Obligations Under Securities Lending	8,066	330	2,120
Intergovernmental Payable	—	—	—
Due to Other Funds	<u>767</u>	<u>101</u>	<u>—</u>
Total Liabilities	<u>13,382</u>	<u>455</u>	<u>4,798</u>
Fund Balances:			
Reserved for:			
Encumbrances	49,413	4,653	17,069
Noncurrent Portion of Loans Receivable	—	—	—
Other:			
Loan Commitments	—	—	—
Unreserved/Undesignated (Deficits)	<u>68,776</u>	<u>242</u>	<u>12,661</u>
Total Fund Balances	<u>118,189</u>	<u>4,895</u>	<u>29,730</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 131,571</u>	<u>\$ 5,350</u>	<u>\$ 34,528</u>

<u>HIGHWAY CAPITAL IMPROVEMENT</u>	<u>SPORTS FACILITIES BUILDING</u>	<u>INFRASTRUCTURE BANK OBLIGATIONS</u>	<u>TOTAL</u>
\$ 172,884	\$ 5,142	\$ 13,262	\$ 665,172
—	—	—	7,133
11,373	351	880	43,840
—	—	—	175,331
824	25	64	2,841
358	11	28	1,211
<u>\$ 185,439</u>	<u>\$ 5,529</u>	<u>\$ 14,234</u>	<u>\$ 895,528</u>

\$ 27,755	\$ 266	\$ 662	\$ 75,940
—	—	—	27
11,373	351	880	43,840
—	—	—	929
—	—	—	2,158
<u>39,128</u>	<u>617</u>	<u>1,542</u>	<u>122,894</u>

243,373	3,341	20,448	592,413
—	—	—	173,961
—	—	—	60,394
<u>(97,062)</u>	<u>1,571</u>	<u>(7,756)</u>	<u>(54,134)</u>
<u>146,311</u>	<u>4,912</u>	<u>12,692</u>	<u>772,634</u>
<u>\$ 185,439</u>	<u>\$ 5,529</u>	<u>\$ 14,234</u>	<u>\$ 895,528</u>

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>ARTS FACILITIES BUILDING IMPROVEMENTS</u>	<u>HIGHER EDUCATION IMPROVEMENTS</u>	<u>HIGHWAY OBLIGATIONS CONSTRUCTION</u>
REVENUES:			
Investment Income	\$ 1,290	\$ 5,803	\$ 221
Other	<u>—</u>	<u>47</u>	<u>—</u>
TOTAL REVENUES	<u>1,290</u>	<u>5,850</u>	<u>221</u>
EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	24,172	269,996	—
DEBT SERVICE	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES	<u>24,172</u>	<u>269,996</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(22,882)</u>	<u>(264,146)</u>	<u>221</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	246,390	—
Capital Leases	—	—	—
Operating Transfers-in	—	285	—
Operating Transfers-out	<u>(70)</u>	<u>(320)</u>	<u>(9,929)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(70)</u>	<u>246,355</u>	<u>(9,929)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(22,952)</u>	<u>(17,791)</u>	<u>(9,708)</u>
FUND BALANCES (DEFICITS), JULY 1	44,115	71,478	9,708
Residual Equity Transfers-out	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES, JUNE 30	<u>\$ 21,163</u>	<u>\$ 53,687</u>	<u>\$ —</u>

<u>MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS</u>	<u>PARKS AND RECREATION IMPROVEMENTS</u>	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS</u>	<u>OHIO BUILDING AUTHORITY</u>	<u>ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS</u>	<u>YOUTH SERVICES BUILDING IMPROVEMENTS</u>
\$ 1,114	\$ 360	\$ 5,653	\$ 470	\$ 3,287	\$ 1,448
96	22	902	—	—	—
<u>1,210</u>	<u>382</u>	<u>6,555</u>	<u>470</u>	<u>3,287</u>	<u>1,448</u>
—	—	830	—	—	—
21,700	15,283	86,328	3,654	68,696	23,732
—	—	47	—	—	—
<u>21,700</u>	<u>15,283</u>	<u>87,205</u>	<u>3,654</u>	<u>68,696</u>	<u>23,732</u>
<u>(20,490)</u>	<u>(14,901)</u>	<u>(80,650)</u>	<u>(3,184)</u>	<u>(65,409)</u>	<u>(22,284)</u>
29,883	19,732	120,506	252,269	—	—
—	—	—	—	1,426	—
—	—	—	—	2,959	—
—	(237)	(1)	(255,250)	—	—
<u>29,883</u>	<u>19,495</u>	<u>120,505</u>	<u>(2,981)</u>	<u>4,385</u>	<u>—</u>
9,393	4,594	39,855	(6,165)	(61,024)	(22,284)
22,951	4,703	235,136	13,352	105,565	38,495
—	—	—	—	(3,732)	—
<u>\$ 32,344</u>	<u>\$ 9,297</u>	<u>\$ 274,991</u>	<u>\$ 7,187</u>	<u>\$ 40,809</u>	<u>\$ 16,211</u>

(continued)

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)
(continued)

	<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>	<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>	<u>HIGHWAY SAFETY BUILDING IMPROVEMENTS</u>
REVENUES:			
Investment Income	\$ 153	\$ 3,715	\$ 328
Other	<u>—</u>	<u>79</u>	<u>—</u>
TOTAL REVENUES	<u>153</u>	<u>3,794</u>	<u>328</u>
EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	3,399	122,992	1,841
DEBT SERVICE	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL EXPENDITURES	<u>3,399</u>	<u>122,992</u>	<u>1,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,246)</u>	<u>(119,198)</u>	<u>(1,513)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Capital Leases	—	—	—
Operating Transfers-in	—	252,269	—
Operating Transfers-out	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>—</u>	<u>252,269</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(3,246)</u>	<u>133,071</u>	<u>(1,513)</u>
FUND BALANCES (DEFICITS), JULY 1	3,462	(14,882)	6,408
Residual Equity Transfers-out	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES, JUNE 30	<u><u>\$ 216</u></u>	<u><u>\$ 118,189</u></u>	<u><u>\$ 4,895</u></u>

<u>OHIO PARKS AND NATURAL RESOURCES</u>	<u>HIGHWAY CAPITAL IMPROVEMENT</u>	<u>SPORTS FACILITIES BUILDING</u>	<u>INFRASTRUCTURE BANK OBLIGATIONS</u>	<u>TOTAL</u>
\$ 1,016	\$ 6,774	\$ 1,099	\$ 1,175	\$ 33,906
14	67	—	—	1,227
<u>1,030</u>	<u>6,841</u>	<u>1,099</u>	<u>1,175</u>	<u>35,133</u>
—	—	—	—	830
34,934	284,717	33,311	23,496	1,018,251
—	—	—	—	47
<u>34,934</u>	<u>284,717</u>	<u>33,311</u>	<u>23,496</u>	<u>1,019,128</u>
<u>(33,904)</u>	<u>(277,876)</u>	<u>(32,212)</u>	<u>(22,321)</u>	<u>(983,995)</u>
30,127	229,469	—	19,962	948,338
—	—	—	—	1,426
—	9,929	—	—	265,442
—	—	—	—	(265,807)
<u>30,127</u>	<u>239,398</u>	<u>—</u>	<u>19,962</u>	<u>949,399</u>
<u>(3,777)</u>	<u>(38,478)</u>	<u>(32,212)</u>	<u>(2,359)</u>	<u>(34,596)</u>
33,507	184,789	37,124	15,051	810,962
—	—	—	—	(3,732)
<u>\$ 29,730</u>	<u>\$ 146,311</u>	<u>\$ 4,912</u>	<u>\$ 12,692</u>	<u>\$ 772,634</u>

STATE OF OHIO

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	ARTS FACILITIES BUILDING IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Investment Income.....	\$ 1,797	\$ 1,797	\$ —
Other	—	—	—
TOTAL REVENUES	1,797	1,797	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	32,278	14,744	17,534
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	32,278	14,744	17,534
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(30,481)	(12,947)	17,534
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	(70)	(70)	—
Encumbrance Reversions	270	270	—
TOTAL OTHER FINANCING SOURCES (USES)	200	200	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (30,281)	(12,747)	\$ 17,534
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		26,983	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 14,236	

HIGHER EDUCATION IMPROVEMENTS			HIGHWAY OBLIGATIONS CONSTRUCTION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 5,620	\$ 5,620	\$ —	\$ —	\$ —	\$ —
47	47	—	—	—	—
5,667	5,667	—	—	—	—
—	—	—	—	—	—
708,813	268,723	440,090	—	—	—
—	—	—	—	—	—
708,813	268,723	440,090	—	—	—
(703,146)	(263,056)	440,090	—	—	—
246,390	246,390	—	—	—	—
285	285	—	—	—	—
(281)	(281)	—	(9,856)	(9,856)	—
12,585	12,585	—	—	—	—
258,979	258,979	—	(9,856)	(9,856)	—
\$ (444,167)	(4,077)	\$ 440,090	\$ (9,856)	(9,856)	\$ —
	(68,733)			9,856	
	\$ (72,810)			\$ —	

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	MENTAL HEALTH/MENTAL RETARDATION FACILITIES IMPROVEMENTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Investment Income.....	\$ 922	\$ 922	\$ —
Other	96	96	—
TOTAL REVENUES	<u>1,018</u>	<u>1,018</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	88,481	26,602	61,879
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	<u>88,481</u>	<u>26,602</u>	<u>61,879</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(87,463)</u>	<u>(25,584)</u>	<u>61,879</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	29,883	29,883	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	677	677	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>30,560</u>	<u>30,560</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (56,903)</u>	<u>4,976</u>	<u>\$ 61,879</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>2,122</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 7,098</u>	

PARKS AND RECREATION IMPROVEMENTS			LOCAL INFRASTRUCTURE IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 168	\$ 168	\$ —	\$ 5,382	\$ 5,382	\$ —
21	21	—	11,116	11,116	—
189	189	—	16,498	16,498	—
—	—	—	929	851	78
51,920	23,141	28,779	342,425	124,476	217,949
—	—	—	105	105	—
51,920	23,141	28,779	343,459	125,432	218,027
(51,731)	(22,952)	28,779	(326,961)	(108,934)	218,027
19,732	19,732	—	120,506	120,506	—
6,000	6,000	—	—	—	—
(6,237)	(6,237)	—	(1)	(1)	—
940	940	—	3	3	—
20,435	20,435	—	120,508	120,508	—
\$ (31,296)	(2,517)	\$ 28,779	\$ (206,453)	11,574	\$ 218,027
	(6,848)			92,711	
	\$ (9,365)			\$ 104,285	

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
Investment Income.....	\$ 4,131	\$ 4,131	\$ —
Other	2,962	2,962	—
TOTAL REVENUES	7,093	7,093	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	222,528	73,717	148,811
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	222,528	73,717	148,811
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(215,435)	(66,624)	148,811
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	4,054	4,054	—
TOTAL OTHER FINANCING SOURCES (USES)	4,054	4,054	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (211,381)	(62,570)	\$ 148,811
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		66,699	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 4,129	

YOUTH SERVICES BUILDING IMPROVEMENTS			TRANSPORTATION BUILDING IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 1,717	\$ 1,717	\$ —	\$ 100	\$ 100	\$ —
—	—	—	—	—	—
<u>1,717</u>	<u>1,717</u>	<u>—</u>	<u>100</u>	<u>100</u>	<u>—</u>
—	—	—	—	—	—
69,084	33,607	35,477	20,578	1,176	19,402
—	—	—	—	—	—
<u>69,084</u>	<u>33,607</u>	<u>35,477</u>	<u>20,578</u>	<u>1,176</u>	<u>19,402</u>
<u>(67,367)</u>	<u>(31,890)</u>	<u>35,477</u>	<u>(20,478)</u>	<u>(1,076)</u>	<u>19,402</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
713	713	—	1,892	1,892	—
<u>713</u>	<u>713</u>	<u>—</u>	<u>1,892</u>	<u>1,892</u>	<u>—</u>
<u>\$ (66,654)</u>	<u>(31,177)</u>	<u>\$ 35,477</u>	<u>\$ (18,586)</u>	<u>816</u>	<u>\$ 19,402</u>
	<u>17,370</u>			<u>(3,415)</u>	
	<u>\$ (13,807)</u>			<u>\$ (2,599)</u>	

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	ADULT CORRECTIONAL BUILDING IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Investment Income.....	\$ 3,889	\$ 3,889	\$ —
Other	2	2	—
TOTAL REVENUES	3,891	3,891	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	271,008	67,198	203,810
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	271,008	67,198	203,810
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(267,117)	(63,307)	203,810
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	252,344	252,344	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	3,800	3,800	—
TOTAL OTHER FINANCING SOURCES (USES)	256,144	256,144	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (10,973)	192,837	\$ 203,810
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(123,321)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 69,516	

HIGHWAY SAFETY BUILDING IMPROVEMENTS			OHIO PARKS AND NATURAL RESOURCES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 330	\$ 330	\$ —	\$ 1,052	\$ 1,052	\$ —
—	—	—	15	15	—
330	330	—	1,067	1,067	—
—	—	—	—	—	—
25,219	2,315	22,904	101,450	22,353	79,097
—	—	—	—	—	—
25,219	2,315	22,904	101,450	22,353	79,097
(24,889)	(1,985)	22,904	(100,383)	(21,286)	79,097
—	—	—	30,127	30,127	—
—	—	—	—	—	—
—	—	—	—	—	—
211	211	—	1,423	1,423	—
211	211	—	31,550	31,550	—
\$ (24,678)	(1,774)	\$ 22,904	\$ (68,833)	10,264	\$ 79,097
	2,074			2,803	
	\$ 300			\$ 13,067	

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	HIGHWAY CAPITAL IMPROVEMENT		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Investment Income.....	\$ 6,722	\$ 6,722	\$ —
Other	67	67	—
TOTAL REVENUES	6,789	6,789	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	248,771	240,064	8,707
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	248,771	240,064	8,707
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(241,982)	(233,275)	8,707
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	229,469	229,469	—
Operating Transfers-in	9,856	9,856	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	11,512	11,512	—
TOTAL OTHER FINANCING SOURCES (USES)	250,837	250,837	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ 8,855	17,562	\$ 8,707
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(113,019)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ (95,457)	

SPORTS FACILITIES BUILDING			INFRASTRUCTURE BANK OBLIGATIONS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 1,165	\$ 1,165	\$ —	\$ 1,040	\$ 1,040	\$ —
—	—	—	—	—	—
<u>1,165</u>	<u>1,165</u>	<u>—</u>	<u>1,040</u>	<u>1,040</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	45,585	7,623	37,962
—	—	—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>45,585</u>	<u>7,623</u>	<u>37,962</u>
<u>1,165</u>	<u>1,165</u>	<u>—</u>	<u>(44,545)</u>	<u>(6,583)</u>	<u>37,962</u>
—	—	—	19,962	19,962	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	169	169	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>20,131</u>	<u>20,131</u>	<u>—</u>
<u>\$ 1,165</u>	<u>1,165</u>	<u>\$ —</u>	<u>\$ (24,414)</u>	<u>13,548</u>	<u>\$ 37,962</u>
	<u>640</u>			<u>(21,098)</u>	
	<u>\$ 1,805</u>			<u>\$ (7,550)</u>	

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	TOTAL CAPITAL PROJECTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Investment Income.....	\$ 34,035	\$ 34,035	\$ —
Other	14,326	14,326	—
TOTAL REVENUES	<u>48,361</u>	<u>48,361</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	929	851	78
CAPITAL OUTLAY	2,228,140	905,739	1,322,401
DEBT SERVICE	105	105	—
TOTAL BUDGETARY EXPENDITURES	<u>2,229,174</u>	<u>906,695</u>	<u>1,322,479</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(2,180,813)</u>	<u>(858,334)</u>	<u>1,322,479</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	948,413	948,413	—
Operating Transfers-in	16,141	16,141	—
Operating Transfers-out	(16,445)	(16,445)	—
Encumbrance Reversions	38,249	38,249	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>986,358</u>	<u>986,358</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (1,194,455)</u>	<u>128,024</u>	<u>\$ 1,322,479</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(115,176)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 12,848</u>	

ENTERPRISE FUNDS

The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises — where the State’s intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes.

The **Tuition Trust Authority Fund** accounts for the operations of the Ohio Tuition Trust Authority.

The **Liquor Control Fund** accounts for the operations of the Department of Commerce’s Division of Liquor Control.

The **Ohio Lottery Commission Fund** accounts for the operations of the Ohio Lottery Commission.

The **Workers’ Compensation Fund** accounts for the operations of the Ohio Bureau of Workers’ Compensation and the Ohio Industrial Commission.

The **Underground Parking Garage Fund** accounts for the operations of the statehouse underground parking garage in Columbus, Ohio.

The **Office of Auditor of State Fund** accounts for the operations of the Ohio Auditor of State.

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
ASSETS			
Current Assets:			
Cash Equity with Treasurer	\$ 37	\$ 8,981	\$ 84,792
Cash and Cash Equivalents	—	5,163	12,140
Investments	39,201	—	—
Collateral on Lent Securities	3	583	5,634
Receivables:			
Premiums and Assessments	—	—	—
Investment Trade	—	—	—
Other	—	—	33,475
Due from Other Funds	—	5	—
Inventories	—	25,768	—
Other Assets	—	145	4,489
Total Current Assets	<u>39,241</u>	<u>40,645</u>	<u>140,530</u>
Restricted Assets:			
Cash Equity with Treasurer	—	—	17,504
Cash and Cash Equivalents	31	—	—
Dedicated Investments	457,211	—	1,150,617
Collateral on Lent Securities	—	—	209,710
Other Receivables	—	—	6,774
Total Restricted Assets	<u>457,242</u>	<u>—</u>	<u>1,384,605</u>
Noncurrent Assets-Investments			
Fixed Assets (net of accumulated depreciation)	261	2,713	15,341
TOTAL ASSETS	<u>\$ 496,744</u>	<u>\$ 43,358</u>	<u>\$ 1,540,476</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	\$ 95	\$ 21,167	\$ 12,012
Accrued Liabilities	154	772	1,153
Obligations Under Securities Lending	3	583	5,633
Investment Trade Payable	—	—	—
Due to Other Funds	—	2,479	—
Deferred Revenue	—	—	2,366
Refund and Other Liabilities	2,013	1,516	20,271
Revenue Bonds	—	—	—
Total Current Liabilities	<u>2,265</u>	<u>26,517</u>	<u>41,435</u>
Liabilities Payable from Restricted Assets:			
Deferred Prize Awards Payable	—	—	1,179,362
Obligations Under Securities Lending	—	—	209,710
Benefits Payable	385,700	—	—
Total Liabilities Payable from Restricted Assets	<u>385,700</u>	<u>—</u>	<u>1,389,072</u>
Noncurrent Liabilities:			
Accrued Liabilities	—	2,291	3,184
Benefits Payable	—	—	—
Revenue Bonds	—	—	—
Total Noncurrent Liabilities	<u>—</u>	<u>2,291</u>	<u>3,184</u>
Total Liabilities	<u>387,965</u>	<u>28,808</u>	<u>1,433,691</u>
Fund Equity:			
Contributed Capital	—	—	—
Retained Earnings:			
Reserved For:			
Tuition Benefits Payable	71,543	—	—
Insurance Claims Payable	—	—	—
Unreserved	37,236	14,550	106,785
Total Fund Equity	<u>108,779</u>	<u>14,550</u>	<u>106,785</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 496,744</u>	<u>\$ 43,358</u>	<u>\$ 1,540,476</u>

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL</u>
\$ 5,671	\$ 2,318	\$ 9,586	\$ 111,385
1,728,351	—	—	1,745,654
—	—	—	39,201
2,327,772	153	—	2,334,145
2,547,108	—	—	2,547,108
368,174	—	—	368,174
283,363	53	9,918	326,809
—	—	1,783	1,788
—	—	—	25,768
16,696	—	—	21,330
<u>7,277,135</u>	<u>2,524</u>	<u>21,287</u>	<u>7,521,362</u>
—	—	—	17,504
—	—	—	31
—	—	—	1,607,828
—	—	—	209,710
—	—	—	6,774
—	—	—	1,841,847
17,640,089	—	—	17,640,089
182,535	7,111	6,682	214,643
<u>\$ 25,099,759</u>	<u>\$ 9,635</u>	<u>\$ 27,969</u>	<u>\$ 27,217,941</u>
\$ 5,837	\$ 17	\$ 1,515	\$ 40,643
—	55	3,147	5,281
2,327,772	153	—	2,334,144
1,286,871	—	—	1,286,871
—	—	—	2,479
435,841	—	—	438,207
2,344,500	—	149	2,368,449
8,000	—	—	8,000
<u>6,408,821</u>	<u>225</u>	<u>4,811</u>	<u>6,484,074</u>
—	—	—	1,179,362
—	—	—	209,710
—	—	—	385,700
—	—	—	1,774,772
19,550	116	6,404	31,545
12,044,911	—	—	12,044,911
177,155	—	—	177,155
<u>12,241,616</u>	<u>116</u>	<u>6,404</u>	<u>12,253,611</u>
<u>18,650,437</u>	<u>341</u>	<u>11,215</u>	<u>20,512,457</u>
—	411	—	411
—	—	—	71,543
108,431	—	—	108,431
6,340,891	8,883	16,754	6,525,099
<u>6,449,322</u>	<u>9,294</u>	<u>16,754</u>	<u>6,705,484</u>
<u>\$ 25,099,759</u>	<u>\$ 9,635</u>	<u>\$ 27,969</u>	<u>\$ 27,217,941</u>

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>LIQUOR CONTROL</u>	<u>OHIO LOTTERY COMMISSION</u>
OPERATING REVENUES:			
Charges for Sales and Services	\$ 63,206	\$ 427,085	\$ 2,150,401
Premium and Assessment Income	—	—	—
Investment Income	26,829	—	73,840
Other	—	1,000	5,388
TOTAL OPERATING REVENUES	<u>90,035</u>	<u>428,085</u>	<u>2,229,629</u>
OPERATING EXPENSES:			
Costs of Sales and Services	—	264,206	—
Administration	4,258	46,096	95,456
Premium Dividend Credits and Rebates	—	—	—
Bonuses and Commissions	—	—	135,003
Prizes	—	—	1,274,979
Benefits and Claims	85,170	—	—
Depreciation	132	847	8,123
Other	—	318	122,923
TOTAL OPERATING EXPENSES	<u>89,560</u>	<u>311,467</u>	<u>1,636,484</u>
OPERATING INCOME (LOSS)	<u>475</u>	<u>116,618</u>	<u>593,145</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	—	—	—
Interest Expense	—	(11)	(175)
Other	(1)	(13)	(95)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(1)</u>	<u>(24)</u>	<u>(270)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>474</u>	<u>116,594</u>	<u>592,875</u>
OPERATING TRANSFERS:			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(114,443)	(686,020)
TOTAL OPERATING TRANSFERS	<u>—</u>	<u>(114,443)</u>	<u>(686,020)</u>
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	<u>474</u>	<u>2,151</u>	<u>(93,145)</u>
EXTRAORDINARY GAIN ON DEFERRED LOTTERY PRIZE PAYOUT OPTION	<u>—</u>	<u>—</u>	<u>7,408</u>
NET INCOME (LOSS)	<u>474</u>	<u>2,151</u>	<u>(85,737)</u>
RETAINED EARNINGS, JULY 1 (as restated)	<u>108,305</u>	<u>12,399</u>	<u>192,522</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 108,779</u>	<u>\$ 14,550</u>	<u>\$ 106,785</u>

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL</u>
\$ —	\$ 2,644	\$ 37,208	\$ 2,680,544
2,720,282	—	—	2,720,282
1,624,008	—	—	1,724,677
17,221	—	17	23,626
<u>4,361,511</u>	<u>2,644</u>	<u>37,225</u>	<u>7,149,129</u>
—	—	58,533	322,739
55,523	1,498	9,126	211,957
1,328,207	—	—	1,328,207
—	—	—	135,003
—	—	—	1,274,979
1,487,228	—	—	1,572,398
13,179	420	4,847	27,548
257,765	—	592	381,598
<u>3,141,902</u>	<u>1,918</u>	<u>73,098</u>	<u>5,254,429</u>
<u>1,219,609</u>	<u>726</u>	<u>(35,873)</u>	<u>1,894,700</u>
—	99	—	99
—	—	—	(186)
(2,328)	—	(580)	(3,017)
<u>(2,328)</u>	<u>99</u>	<u>(580)</u>	<u>(3,104)</u>
<u>1,217,281</u>	<u>825</u>	<u>(36,453)</u>	<u>1,891,596</u>
—	—	35,282	35,282
(6,646)	(773)	—	(807,882)
<u>(6,646)</u>	<u>(773)</u>	<u>35,282</u>	<u>(772,600)</u>
1,210,635	52	(1,171)	1,118,996
—	—	—	7,408
1,210,635	52	(1,171)	1,126,404
5,238,687	8,831	17,925	5,578,669
<u>\$ 6,449,322</u>	<u>\$ 8,883</u>	<u>\$ 16,754</u>	<u>\$ 6,705,073</u>

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ 63,206	\$ 427,512	\$ 2,146,403
Cash Received from Premiums and Assessments.....	—	—	—
Cash Received from Quasi-External Transactions with Other Funds.....	8	1	139
Other Operating Cash Receipts.....	—	1,024	5,249
Cash Payments to Suppliers for Goods and Services.....	(1,190)	(297,098)	(67,377)
Cash Payments to Employees for Services.....	(2,184)	(15,482)	(21,045)
Cash Payments for Benefits and Claims.....	(16,852)	—	—
Cash Payments for Lottery Prizes.....	—	—	(1,532,930)
Cash Payments for Bonuses and Commissions.....	—	—	(134,988)
Cash Payments for Premium Dividend Credits and Rebates.....	—	—	—
Cash Payments for Quasi-External Transactions with Other Funds.....	(105)	(261)	(2,134)
Other Operating Cash Payments.....	(6)	(62)	(284)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	42,877	115,634	393,033
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(114,443)	(686,020)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	—	(114,443)	(686,020)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases.....	—	(319)	(911)
Interest Paid	—	(11)	(174)
Acquisition and Construction of Capital Assets	(56)	(945)	(1,996)
Proceeds from Sales of Fixed Assets	—	69	112
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(56)	(1,206)	(2,969)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(905,293)	—	(304,953)
Proceeds from the Sales and Maturities of Investments	842,804	—	502,509
Investment Income Received	19,189	—	80,791
Borrower Rebates and Agent Fees.....	—	—	(36,672)
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	(43,300)	—	241,675
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(479)	(15)	(54,281)
CASH AND CASH EQUIVALENTS, JULY 1	547	14,159	168,717
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 68	\$ 14,144	\$ 114,436

WORKERS' COMPENSATION	UNDERGROUND PARKING GARAGE	OFFICE OF AUDITOR OF STATE	TOTAL
\$ —	\$ 2,107	\$ 28,920	\$ 2,668,148
750,411	—	—	750,411
253	534	6,779	7,714
36,235	—	17	42,525
(81,744)	(416)	(9,476)	(457,301)
(235,930)	(1,090)	(59,594)	(335,325)
(1,727,401)	—	—	(1,744,253)
—	—	—	(1,532,930)
—	—	—	(134,988)
(250,962)	—	—	(250,962)
(2,009)	(5)	(55)	(4,569)
—	(1)	(164)	(517)
(1,511,147)	1,129	(33,573)	(992,047)
—	—	37,300	37,300
(6,646)	(773)	—	(807,882)
(6,646)	(773)	37,300	(770,582)
(7,000)	—	(122)	(8,352)
(9,209)	—	(29)	(9,423)
(9,560)	(85)	(4,605)	(17,247)
14,435	—	—	14,616
(11,334)	(85)	(4,756)	(20,406)
(31,596,847)	—	—	(32,807,093)
32,152,672	—	—	33,497,985
935,421	97	—	1,035,498
(129,145)	—	—	(165,817)
1,362,101	97	—	1,560,573
(167,026)	368	(1,029)	(222,462)
1,901,048	1,950	10,615	2,097,036
\$ 1,734,022	\$ 2,318	\$ 9,586	\$ 1,874,574

(continued)

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)
(continued)

	<u>TUITION TRUST AUTHORITY</u>	<u>LIQUOR CONTROL</u>	<u>OHIO LOTTERY COMMISSION</u>
RECONCILIATION OF OPERATING INCOME TO			
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ 475	\$ 116,618	\$ 593,145
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income.....	(26,829)	—	(73,840)
Borrower Rebates and Agent Fees.....	—	—	36,672
Depreciation	132	847	8,123
Provision for Uncollectible Accounts.....	—	—	—
Amortization of Premiums and Discounts.....	—	—	85,967
Interest on Bonds, Notes and Capital Leases.....	—	—	—
Decrease (Increase) in Assets:			
Premiums and Assessments Receivable.....	—	—	—
Other Receivables	1	—	(5,124)
Due from Other Funds	—	79	—
Inventories	—	(312)	—
Other Assets	—	6	1,302
Increase (Decrease) in Liabilities:			
Accounts Payable	18	(1,964)	4,009
Accrued Liabilities	—	(19)	59
Due to Other Funds	—	192	—
Deferred Revenue	—	—	1,125
Benefits Payable.....	—	—	—
Refund and Other Liabilities.....	(37)	187	(1,488)
Liabilities Payable from Restricted Assets.....	69,117	—	(256,917)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 42,877	\$ 115,634	\$ 393,033
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments.....	\$ (3,488)	\$ —	\$ 36,031
Fixed Assets Acquired under Capital Leases.....	—	—	—
Extraordinary Gain on Deferred Lottery Prize Payout Option.....	—	—	7,408

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL</u>
\$ 1,219,609	\$ 726	\$ (35,873)	\$ 1,894,700
(1,624,008)	—	—	(1,724,677)
129,145	—	—	165,817
13,179	420	4,847	27,548
77,270	—	26	77,296
291	—	—	86,258
9,209	—	29	9,238
(1,266,718)	—	—	(1,266,718)
(90,103)	(2)	(2,118)	(97,346)
—	—	—	79
—	—	—	(312)
5,243	—	—	6,551
(115,911)	(25)	(122)	(113,995)
—	10	(420)	(370)
—	—	—	192
(8,304)	—	—	(7,179)
(536,419)	—	—	(536,419)
676,370	—	58	675,090
—	—	—	(187,800)
<u>\$ (1,511,147)</u>	<u>\$ 1,129</u>	<u>\$ (33,573)</u>	<u>\$ (992,047)</u>
\$ 663,962	\$ —	\$ —	\$ 696,505
—	—	690	690
—	—	—	7,408

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INTERNAL SERVICE FUNDS

The **Internal Service Funds** account for the financing of goods or services provided by a state department or agency to other agencies and to other government units, on a cost-reimbursement basis.

The **Ohio Building Authority Fund** accounts for the revenues and operating expenses of state office buildings and other government buildings owned by the Ohio Building Authority.

The **Information Technology Fund** accounts for the revenues and expenses associated with electronic data-processing and telecommunications services provided to state agencies and to local governments.

The **Ohio Penal Industries Fund** accounts for the revenues and expenses associated with the purchase of raw materials and labor costs incurred in the production of manufactured goods sold to state agencies.

The **Support Services Fund** accounts for the revenues and expenses associated with the purchase of food, medical, and other institutional supplies and the costs of services provided to state agencies.

The **Telecommunications Fund** accounted for the revenues and expenses related to telecommunications services provided to the state agencies and to local government.

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	<u>OHIO BUILDING AUTHORITY</u>	<u>INFORMATION TECHNOLOGY</u>	<u>OHIO PENAL INDUSTRIES</u>
ASSETS			
<i>Current Assets:</i>			
Cash Equity with Treasurer	\$ —	\$ 23,374	\$ 22,939
Cash and Cash Equivalents	191	—	—
Investments	1,712	—	—
Collateral on Lent Securities	—	1,523	1,489
<i>Receivables:</i>			
Intergovernmental	—	216	299
Other	4,864	2,336	1,010
Due from Other Funds	—	9,773	21,812
Inventories	—	171	10,027
Other Assets	376	—	—
Total Current Assets	<u>7,143</u>	<u>37,393</u>	<u>57,576</u>
<i>Restricted Assets:</i>			
Investments	41,824	—	—
Total Restricted Assets	<u>41,824</u>	<u>—</u>	<u>—</u>
<i>Noncurrent Assets:</i>			
Other Receivables	23,087	—	—
Total Noncurrent Assets	<u>23,087</u>	<u>—</u>	<u>—</u>
Fixed Assets (net of accumulated depreciation)	—	22,352	3,947
TOTAL ASSETS	<u>\$ 72,054</u>	<u>\$ 59,745</u>	<u>\$ 61,523</u>
LIABILITIES AND FUND EQUITY			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 13,385	\$ 3,348	\$ 6,476
Accrued Liabilities	452	830	1,877
Obligations Under Securities Lending	—	1,523	1,489
Due to Other Funds	—	3,332	1,831
Deferred Revenue	378	—	—
Revenue Bonds	3,194	—	—
Total Current Liabilities	<u>17,409</u>	<u>9,033</u>	<u>11,673</u>
<i>Noncurrent Liabilities:</i>			
Accrued Liabilities	—	2,531	4,254
Revenue Bonds	25,614	—	—
Total Noncurrent Liabilities	<u>25,614</u>	<u>2,531</u>	<u>4,254</u>
Total Liabilities	<u>43,023</u>	<u>11,564</u>	<u>15,927</u>
<i>Fund Equity:</i>			
Contributed Capital	—	53,696	1,762
<i>Retained Earnings:</i>			
Unreserved (Deficits)	29,031	(5,515)	43,834
Total Fund Equity	<u>29,031</u>	<u>48,181</u>	<u>45,596</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 72,054</u>	<u>\$ 59,745</u>	<u>\$ 61,523</u>

<u>SUPPORT SERVICES</u>	<u>TOTAL</u>
\$ 862	\$ 47,175
—	191
—	1,712
56	3,068
2,095	2,610
—	8,210
8,257	39,842
8,714	18,912
—	376
<u>19,984</u>	<u>122,096</u>
—	<u>41,824</u>
—	<u>41,824</u>
—	<u>23,087</u>
—	<u>23,087</u>
<u>3,099</u>	<u>29,398</u>
<u>\$ 23,083</u>	<u>\$ 216,405</u>

\$ 6,672	\$ 29,881
191	3,350
56	3,068
42	5,205
—	378
—	3,194
<u>6,961</u>	<u>45,076</u>
574	7,359
—	<u>25,614</u>
<u>574</u>	<u>32,973</u>
<u>7,535</u>	<u>78,049</u>
5,562	61,020
<u>9,986</u>	<u>77,336</u>
<u>15,548</u>	<u>138,356</u>
<u>\$ 23,083</u>	<u>\$ 216,405</u>

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>OHIO BUILDING AUTHORITY</u>	<u>INFORMATION TECHNOLOGY</u>	<u>OHIO PENAL INDUSTRIES</u>
OPERATING REVENUES:			
Charges for Sales and Services	\$ 26,754	\$ 63,982	\$ 116,326
Other	<u>2,447</u>	<u>2,316</u>	<u>162</u>
TOTAL OPERATING REVENUES	<u>29,201</u>	<u>66,298</u>	<u>116,488</u>
OPERATING EXPENSES:			
Costs of Sales and Services	29,393	18,690	16,650
Administration	3,081	44,880	104,630
Depreciation	—	9,330	927
Other	<u>1,388</u>	<u>9,284</u>	<u>2,285</u>
TOTAL OPERATING EXPENSES	<u>33,862</u>	<u>82,184</u>	<u>124,492</u>
OPERATING INCOME (LOSS)	<u>(4,661)</u>	<u>(15,886)</u>	<u>(8,004)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	1,798	473	—
Interest Expense	(1,876)	—	—
Other	<u>(51)</u>	<u>(11)</u>	<u>(1)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(129)</u>	<u>462</u>	<u>(1)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(4,790)</u>	<u>(15,424)</u>	<u>(8,005)</u>
OPERATING TRANSFERS:			
Operating Transfers-in	33,233	6	9,258
Operating Transfers-out	<u>(31,620)</u>	<u>—</u>	<u>—</u>
TOTAL OPERATING TRANSFERS	<u>1,613</u>	<u>6</u>	<u>9,258</u>
NET INCOME (LOSS)	<u>(3,177)</u>	<u>(15,418)</u>	<u>1,253</u>
RETAINED EARNINGS, JULY 1 (as restated)	32,208	9,903	42,681
Residual Equity Transfers-out	<u>—</u>	<u>—</u>	<u>(100)</u>
RETAINED EARNINGS (DEFICITS), JUNE 30	<u>\$ 29,031</u>	<u>\$ (5,515)</u>	<u>\$ 43,834</u>

<u>SUPPORT SERVICES</u>	<u>TELE- COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 74,292	\$ —	\$ 281,354
11	—	4,936
<u>74,303</u>	<u>—</u>	<u>286,290</u>
66,963	—	131,696
6,685	—	159,276
479	—	10,736
2	—	12,959
<u>74,129</u>	<u>—</u>	<u>314,667</u>
<u>174</u>	<u>—</u>	<u>(28,377)</u>
—	—	2,271
—	—	(1,876)
(73)	—	(136)
<u>(73)</u>	<u>—</u>	<u>259</u>
<u>101</u>	<u>—</u>	<u>(28,118)</u>
—	—	42,497
—	—	(31,620)
<u>—</u>	<u>—</u>	<u>10,877</u>
<u>101</u>	<u>—</u>	<u>(17,241)</u>
9,885	5,899	100,576
—	(5,899)	(5,999)
<u>\$ 9,986</u>	<u>\$ —</u>	<u>\$ 77,336</u>

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	OHIO BUILDING AUTHORITY	INFORMATION TECHNOLOGY	OHIO PENAL INDUSTRIES
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ 26,981	\$ 4,474	\$ 4,676
Cash Received from Quasi-External Transactions with Other Funds.....	1,004	61,715	114,068
Other Operating Cash Receipts.....	17,831	1,148	119
Cash Payments to Suppliers for Goods and Services.....	(32,699)	(51,879)	(54,270)
Cash Payments to Employees for Services.....	(1,221)	(19,509)	(43,176)
Cash Payments for Quasi-External Transactions with Other Funds.....	—	(439)	(24,054)
Other Operating Cash Payments.....	(16,209)	(123)	(24)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	(4,313)	(4,613)	(2,661)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	33,233	6	9,258
Operating Transfers-out	(31,620)	—	—
Residual Equity Transfer from the Telecommunications Fund.....	—	4,148	—
Residual Equity Transfers-out.....	—	—	(100)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,613	4,154	9,158
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases.....	(3,039)	—	—
Interest Paid	(1,882)	—	—
Principal Receipts on Capital Leases	3,039	—	—
Acquisition and Construction of Capital Assets	(46)	(7,197)	(589)
Proceeds from Sales of Fixed Assets	—	—	3
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,928)	(7,197)	(586)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(103,128)	—	—
Proceeds from the Sales and Maturities of Investments	105,437	—	—
Investment Income Received	2,281	552	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	4,590	552	—
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(38)	(7,104)	5,911
CASH AND CASH EQUIVALENTS, JULY 1	229	30,478	17,028
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 191	\$ 23,374	\$ 22,939
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ (4,661)	\$ (15,886)	\$ (8,004)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	—	9,330	927
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	—	(122)	400
Other Receivables	(11)	(526)	398
Due from Other Funds	—	2,893	1,741
Inventories	—	70	389
Other Assets	(35)	—	—
Increase (Decrease) in Liabilities:			
Accounts Payable	469	(2,060)	1,339
Accrued Liabilities	—	(31)	(563)
Intergovernmental Payable	—	(1,277)	—
Due to Other Funds	—	2,996	712
Deferred Revenue	(75)	—	—
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (4,313)	\$ (4,613)	\$ (2,661)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Net Assets Donated from Other Funds.....	\$ —	\$ 5,483	\$ —
Net Assets Donated to Other Funds.....	—	—	—

<u>SUPPORT SERVICES</u>	<u>TELE-COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 3,848	\$ —	\$ 39,979
65,964	—	242,751
13	—	19,111
(66,399)	—	(205,247)
(4,537)	—	(68,443)
(399)	—	(24,892)
—	—	(16,356)
<u>(1,510)</u>	<u>—</u>	<u>(13,097)</u>
—	—	42,497
—	—	(31,620)
—	—	4,148
—	(4,148)	(4,248)
—	(4,148)	10,777
—	—	(3,039)
—	—	(1,882)
—	—	3,039
(267)	—	(8,099)
—	—	3
<u>(267)</u>	<u>—</u>	<u>(9,978)</u>
—	—	(103,128)
—	—	105,437
—	—	2,833
—	—	<u>5,142</u>
<u>(1,777)</u>	<u>(4,148)</u>	<u>(7,156)</u>
2,639	4,148	54,522
<u>\$ 862</u>	<u>\$ —</u>	<u>\$ 47,366</u>
\$ 174	\$ —	\$ (28,377)
479	—	10,736
(550)	—	(272)
—	—	(139)
(3,919)	—	715
(304)	—	155
—	—	(35)
2,725	—	2,473
(87)	—	(681)
—	—	(1,277)
(28)	—	3,680
—	—	(75)
<u>\$ (1,510)</u>	<u>\$ —</u>	<u>\$ (13,097)</u>
\$ 30	\$ —	\$ 5,513
—	(1,751)	(1,751)

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TRUST AND AGENCY FUNDS

The **Trust Funds** account for assets held by the State in a trustee capacity. The **Agency Funds** account for assets held by the State as an agent for individuals, private organizations, other governments, and/or other funds.

Expendable Trust

The **Employment Services Fund** accounts for unemployment insurance benefit claims.

The **Unclaimed Funds Fund** accounts for assets held for owners of unclaimed intangible property. Unclaimed property is property for which the owner has not taken some action to indicate ownership interest over a certain period of time specified under Chapter 169, Ohio Revised Code.

Pension Trust

The **State Highway Patrol Retirement System Fund** accounts for the accumulation of resources for pension benefit payments to qualified employees who participate in the State Highway Patrol Retirement System.

Investment Trust

The **STAROhio Fund** accounts for the state-sponsored external investment pool, which the Treasurer of State administers for local government participants.

Agency

The **Holding and Distribution Fund** accounts for assets held until such time that a determination has been made to refund amounts to the original owners or to distribute amounts to other funds.

The **Payroll Withholding and Fringe Benefits Fund** primarily accounts for assets held to liquidate the State's payroll withholding obligations.

The **Tax Refunds Fund** accounts for assets held to liquidate the State's tax refund obligations.

The **Retirement Systems Fund** accounts for assets held in the custody of the Treasurer of State for the Public Employees Retirement System, Police and Firemen's Disability and Pension Fund, School Employees Retirement System, and State Teachers Retirement System. While legal custodian, the Treasurer of State does not manage or provide investment services to the foregoing retirement systems.

The **Other Fund** accounts for assets held for others, which are not accounted for in another agency fund.

The **Ohio Building Authority Fund** accounts for assets held on the Ohio Bureau of Workers' Compensation's behalf.

STATE OF OHIO
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	<u>EXPENDABLE TRUST</u>		<u>PENSION TRUST</u>
	<u>EMPLOYMENT SERVICES</u>	<u>UNCLAIMED FUNDS</u>	<u>STATE HIGHWAY PATROL</u>
ASSETS			
Cash Equity with Treasurer	\$ —	\$ 194	\$ —
Cash and Cash Equivalents	—	3,034	36,537
Investments	174,399	173,900	598,157
Collateral on Lent Securities	—	14	16,318
Deposit with Federal Government	2,251,169	—	—
Receivables:			
Taxes	143,155	—	—
Intergovernmental	12	—	—
Other	3,891	20,773	1,890
Due from Other Funds	—	1,202	—
Advances to Other Funds	—	168,494	—
Fixed Assets (net of accumulated depreciation)	—	—	178
Other Assets	7,169	—	25
TOTAL ASSETS	\$ 2,579,795	\$ 367,611	\$ 653,105
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ —	\$ 325	\$ 931
Accrued Liabilities	—	—	1,043
Obligations Under Securities Lending	—	14	16,318
Intergovernmental Payable	—	—	—
Investment Trade Payable	—	—	—
Due to Other Funds	—	—	—
Benefits Payable	24,680	—	—
Refund and Other Liabilities	19,602	—	43
Liability for Escheat Property	—	81,020	—
Total Liabilities	44,282	81,359	18,335
Fund Balances:			
Reserved for:			
Employees' Pension and Other Postemployment Benefits	—	—	634,770
Unemployment Benefits	2,535,513	—	—
External Investment Pool Participants	—	—	—
Other:			
Advances to Other Funds	—	168,494	—
Unreserved/Undesignated	—	117,758	—
Total Fund Balances	2,535,513	286,252	634,770
TOTAL LIABILITIES AND FUND BALANCES ...	\$ 2,579,795	\$ 367,611	\$ 653,105

<u>INVESTMENT TRUST</u>	<u>AGENCY FUNDS</u>	
<u>STAROHIO</u>		<u>TOTAL</u>
\$ —	\$ 213,727	\$ 213,921
—	100,032	139,603
5,371,398	133,389,886	139,707,740
1,120,937	13,959	1,151,228
—	—	2,251,169
—	—	143,155
—	—	12
16,175	1,207	43,936
—	195	1,397
—	—	168,494
—	—	178
—	458,603	465,797
<u>\$ 6,508,510</u>	<u>\$ 134,177,609</u>	<u>\$ 144,286,630</u>

\$ —	\$ —	\$ 1,256
—	—	1,043
1,120,937	13,959	1,151,228
—	80,314	80,314
136,512	—	136,512
—	33,885	33,885
—	—	24,680
372	134,049,451	134,069,468
—	—	81,020
<u>1,257,821</u>	<u>134,177,609</u>	<u>135,579,406</u>

—	—	634,770
—	—	2,535,513
5,250,689	—	5,250,689
—	—	168,494
—	—	117,758
<u>5,250,689</u>	<u>—</u>	<u>8,707,224</u>
<u>\$ 6,508,510</u>	<u>\$ 134,177,609</u>	<u>\$ 144,286,630</u>

STATE OF OHIO
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(dollars in thousands)

	<u>EMPLOYMENT SERVICES</u>	<u>UNCLAIMED FUNDS</u>	<u>TOTAL</u>
REVENUES:			
Unemployment Taxes.....	\$ 700,415	\$ —	\$ 700,415
Federal Government.....	11,650	—	11,650
Investment Income.....	153,795	7,580	161,375
Other.....	6,740	70,152	76,892
TOTAL REVENUES	<u>872,600</u>	<u>77,732</u>	<u>950,332</u>
EXPENDITURES:			
CURRENT:			
Health and Human Services.....	734,162	—	734,162
General Government.....	—	34,672	34,672
TOTAL EXPENDITURES	<u>734,162</u>	<u>34,672</u>	<u>768,834</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	138,438	43,060	181,498
FUND BALANCES, JULY 1	<u>2,397,075</u>	<u>243,192</u>	<u>2,640,267</u>
FUND BALANCES, JUNE 30	<u>\$ 2,535,513</u>	<u>\$ 286,252</u>	<u>\$ 2,821,765</u>

STATE OF OHIO
STATEMENT OF PLAN NET ASSETS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
PENSION TRUST FUND
JUNE 30, 2000
(dollars in thousands)

(as of December 31, 1999)

	<u>PENSION</u>	<u>POST- EMPLOYMENT</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 31,081	\$ 5,456	\$ 36,537
Receivables:			
Interest	1,598	280	1,878
Other	10	2	12
Total Receivables	<u>1,608</u>	<u>282</u>	<u>1,890</u>
Investments:			
Government and Corporate Bonds	98,530	17,298	115,828
Common Stock	194,597	34,163	228,760
Real Estate	66,236	11,628	77,864
Other Investments	149,465	26,240	175,705
Total Investments	<u>508,828</u>	<u>89,329</u>	<u>598,157</u>
Collateral on Lent Securities.....	13,881	2,437	16,318
Other Assets	21	4	25
Total Current Assets	<u>555,419</u>	<u>97,508</u>	<u>652,927</u>
Fixed Assets (net of accumulated depreciation)	151	27	178
TOTAL ASSETS	<u>555,570</u>	<u>97,535</u>	<u>653,105</u>
LIABILITIES			
Accounts Payable	792	139	931
Accrued Healthcare Benefits	—	972	972
Wages Payable.....	60	11	71
Obligations Under Securities Lending.....	13,881	2,437	16,318
Other Liabilities	37	6	43
TOTAL LIABILITIES	<u>14,770</u>	<u>3,565</u>	<u>18,335</u>
FUND BALANCE RESERVED FOR EMPLOYEES'			
PENSION AND POSTEMPLOYMENT			
HEALTHCARE BENEFITS	<u>\$ 540,800</u>	<u>\$ 93,970</u>	<u>\$ 634,770</u>

STATE OF OHIO
STATEMENT OF NET ASSETS
STAROHIO INVESTMENT TRUST FUND
JUNE 30, 2000
(dollars in thousands)

ASSETS

Investments:

U.S. Government and Agency Obligations.....	\$ 5,074,385
Commercial Paper.....	276,041
Repurchase Agreements.....	20,972
Collateral on Lent Securities.....	1,120,937
Interest Receivable.....	16,175
TOTAL ASSETS	<u>6,508,510</u>

LIABILITIES AND NET ASSETS

Obligations Under Securities Lending.....	1,120,937
Investment Trade Payable.....	136,512
Other Liabilities	372
TOTAL LIABILITIES	<u>1,257,821</u>

NET ASSETS HELD IN TRUST

FOR POOL PARTICIPANTS	<u>\$ 5,250,689</u>
------------------------------------	----------------------------

THE PRICING OF SHARES

Shares Outstanding (unlimited shares authorized).....	<u>\$ 5,250,689</u>
Net Asset Value, offering and redemption price per share.....	<u>\$1.00</u>

STATE OF OHIO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	BALANCE JULY 1, 1999	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2000
HOLDING AND DISTRIBUTION				
ASSETS				
Cash Equity with Treasurer	\$ 42,175	\$ 1,082,030	\$ 1,076,476	\$ 47,729
Cash and Cash Equivalents	5,815	581,972	579,897	7,890
Collateral on Lent Securities	30,591	3,103	30,591	3,103
Other Receivables	664	780	856	588
Total Assets	<u>\$ 79,245</u>	<u>\$ 1,667,885</u>	<u>\$ 1,687,820</u>	<u>\$ 59,310</u>
LIABILITIES				
Obligations Under Securities Lending.....	\$ 30,591	\$ 3,103	\$ 30,591	\$ 3,103
Intergovernmental Payable	905	8,472	7,901	1,476
Due to Other Funds	22,477	1,017,417	1,009,217	30,677
Refund and Other Liabilities	25,272	59,730	60,948	24,054
Total Liabilities	<u>\$ 79,245</u>	<u>\$ 1,088,722</u>	<u>\$ 1,108,657</u>	<u>\$ 59,310</u>
PAYROLL WITHHOLDING AND FRINGE BENEFITS				
ASSETS				
Cash Equity with Treasurer	\$ 69,409	\$ 1,884,890	\$ 1,888,926	\$ 65,373
Cash and Cash Equivalents	57,748	118,501	175,447	802
Collateral on Lent Securities.....	50,939	4,294	50,939	4,294
Other Receivables	316	1,889	1,990	215
Due from Other Funds	114	2,718	2,739	93
Total Assets	<u>\$ 178,526</u>	<u>\$ 2,012,292</u>	<u>\$ 2,120,041</u>	<u>\$ 70,777</u>
LIABILITIES				
Obligations Under Securities Lending.....	\$ 50,939	\$ 4,294	\$ 50,939	\$ 4,294
Intergovernmental Payable	15,669	407,529	422,112	1,086
Due to Other Funds	18,729	224,209	239,730	3,208
Refund and Other Liabilities	93,189	1,135,305	1,166,305	62,189
Total Liabilities	<u>\$ 178,526</u>	<u>\$ 1,771,337</u>	<u>\$ 1,879,086</u>	<u>\$ 70,777</u>
TAX REFUNDS				
ASSETS				
Cash Equity with Treasurer	\$ 7,004	\$ 1,205,530	\$ 1,190,762	\$ 21,772
Collateral on Lent Securities.....	5,072	1,413	5,072	1,413
Total Assets	<u>\$ 12,076</u>	<u>\$ 1,206,943</u>	<u>\$ 1,195,834</u>	<u>\$ 23,185</u>
LIABILITIES				
Obligations Under Securities Lending.....	\$ 5,072	\$ 1,413	\$ 5,072	\$ 1,413
Refund and Other Liabilities	7,004	1,205,530	1,190,762	21,772
Total Liabilities	<u>\$ 12,076</u>	<u>\$ 1,206,943</u>	<u>\$ 1,195,834</u>	<u>\$ 23,185</u>

(continued)

STATE OF OHIO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

(continued)

	BALANCE JULY 1, 1999	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2000
RETIREMENT SYSTEMS				
ASSETS				
Investments	\$ 120,100,214	\$ 279,278,022	\$ 266,010,158	\$ 133,368,078
Total Assets	<u>\$ 120,100,214</u>	<u>\$ 279,278,022</u>	<u>\$ 266,010,158</u>	<u>\$ 133,368,078</u>
LIABILITIES				
Refund and Other Liabilities:				
Liability to:				
Public Employees Retirement System	\$ 50,687,642	\$ 92,042,812	\$ 85,243,352	\$ 57,487,102
Ohio Police and Fire Fund.....	8,299,423	12,754,577	11,782,846	9,271,154
School Employees Retirement System	8,299,704	103,038,587	102,254,357	9,083,934
State Teachers Retirement System	52,813,445	71,442,046	66,729,603	57,525,888
Total Liabilities	<u>\$ 120,100,214</u>	<u>\$ 279,278,022</u>	<u>\$ 266,010,158</u>	<u>\$ 133,368,078</u>
OTHER				
ASSETS				
Cash Equity with Treasurer	\$ 71,919	\$ 1,548,760	\$ 1,541,826	\$ 78,853
Cash and Cash Equivalents.....	82,809	252,080,310	252,071,779	91,340
Investments	15,920	7,573	7,223	16,270
Collateral on Lent Securities.....	52,376	5,149	52,376	5,149
Other Receivables	304	2,041	2,064	281
Due from Other Funds	96	1,546	1,540	102
Other Assets	395,969	148,531	85,897	458,603
Total Assets	<u>\$ 619,393</u>	<u>\$ 253,793,910</u>	<u>\$ 253,762,705</u>	<u>\$ 650,598</u>
LIABILITIES				
Obligations Under Securities Lending.....	\$ 52,376	\$ 5,149	\$ 52,376	\$ 5,149
Intergovernmental Payable	71,003	1,547,606	1,540,857	77,752
Refund and Other Liabilities	496,014	252,171,715	252,100,032	567,697
Total Liabilities	<u>\$ 619,393</u>	<u>\$ 253,724,470</u>	<u>\$ 253,693,265</u>	<u>\$ 650,598</u>
OHIO BUILDING AUTHORITY				
ASSETS				
Investments	\$ 10,925	\$ 2,000	\$ 7,387	\$ 5,538
Other Receivables	130	598	605	123
Total Assets	<u>\$ 11,055</u>	<u>\$ 2,598</u>	<u>\$ 7,992</u>	<u>\$ 5,661</u>
LIABILITIES				
Refund and Other Liabilities	\$ 11,055	\$ 2,598	\$ 7,992	\$ 5,661
Total Liabilities	<u>\$ 11,055</u>	<u>\$ 2,598</u>	<u>\$ 7,992</u>	<u>\$ 5,661</u>

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
TOTAL AGENCY				
ASSETS				
Cash Equity with Treasurer	\$ 190,507	\$ 5,721,210	\$ 5,697,990	\$ 213,727
Cash and Cash Equivalents.....	146,372	252,780,783	252,827,123	100,032
Investments	120,127,059	279,287,595	266,024,768	133,389,886
Collateral on Lent Securities.....	138,978	13,959	138,978	13,959
Other Receivables	1,414	5,308	5,515	1,207
Due from Other Funds	210	4,264	4,279	195
Other Assets	395,969	148,531	85,897	458,603
Total Assets	<u>\$ 121,000,509</u>	<u>\$ 537,961,650</u>	<u>\$ 524,784,550</u>	<u>\$ 134,177,609</u>
LIABILITIES				
Obligations Under Securities Lending.....	\$ 138,978	\$ 13,959	\$ 138,978	\$ 13,959
Intergovernmental Payable	87,577	1,963,607	1,970,870	80,314
Due to Other Funds	41,206	1,241,626	1,248,947	33,885
Refund and Other Liabilities	120,732,748	533,852,900	520,536,197	134,049,451
Total Liabilities	<u>\$ 121,000,509</u>	<u>\$ 537,072,092</u>	<u>\$ 523,894,992</u>	<u>\$ 134,177,609</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The **General Fixed Assets Account Group** accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary, trust, and college and university funds.

STATE OF OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>BEGINNING</u> <u>BALANCE</u> <u>ADJUSTMENTS</u>	<u>ADDITIONS</u>	<u>DELETIONS/</u> <u>NET</u> <u>TRANSFERS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
GENERAL FIXED ASSETS:					
Land	\$ 212,421	\$ 32	\$ 11,476	\$ (373)	\$ 223,556
Buildings	2,476,320	26,598	206,258	(15,027)	2,694,149
Land Improvements	159,514	988	9,018	(4,430)	165,090
Machinery and Equipment	263,611	(16,767)	25,998	(14,152)	258,690
State Vehicles	241,854	70	41,059	(26,683)	256,300
Construction-in-Progress	535,645	56,549	456,029	(487,778)	560,445
TOTAL GENERAL FIXED ASSETS	<u>\$ 3,889,365</u>	<u>\$ 67,470</u>	<u>\$ 749,838</u>	<u>\$ (548,443)</u>	<u>\$ 4,158,230</u>
INVESTMENT IN GENERAL FIXED ASSETS					
BY SOURCE:					
ACQUIRED BEFORE JULY 1, 1987	\$ 1,035,335	\$ (567)	\$ —	\$ (23,664)	\$ 1,011,104
ACQUIRED ON OR AFTER JULY 1, 1987:					
General Fund Revenues	171,614	(8,809)	17,489	(8,460)	171,834
Special Revenue Fund Revenues	580,239	(2,653)	98,080	(53,145)	622,521
Capital Projects Funds:					
Special Obligation Bonds	2,048,868	79,314	631,847	(463,080)	2,296,949
Certificates of Participation	4,044	—	—	—	4,044
Donations	49,265	185	2,422	(94)	51,778
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 3,889,365</u>	<u>\$ 67,470</u>	<u>\$ 749,838</u>	<u>\$ (548,443)</u>	<u>\$ 4,158,230</u>

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	<u>BALANCE</u> <u>JULY 1, 1999</u>	<u>BEGINNING</u> <u>BALANCE</u> <u>ADJUSTMENTS</u>	<u>ADDITIONS</u>	<u>DELETIONS/</u> <u>NET</u> <u>TRANSFERS</u>	<u>BALANCE</u> <u>JUNE 30, 2000</u>
REPORTING FUNCTION:					
Primary, Secondary and Other Education	\$ 132,278	\$ 135	\$ 3,777	\$ (303)	\$ 135,887
Higher Education Support	410	—	31	(23)	418
Public Assistance and Medicaid	16,846	1,037	310	(46)	18,147
Health and Human Services	578,136	3,136	25,375	(24,914)	581,733
Justice and Public Protection	1,118,094	1,472	163,432	(16,427)	1,266,571
Environmental Protection and Natural Resources	377,580	1,948	24,421	(4,262)	399,687
Transportation	481,580	2,866	27,776	(11,555)	500,667
General Government	573,149	(46)	37,586	(1,966)	608,723
Community and Economic Development	75,647	373	11,101	(1,169)	85,952
TOTAL GENERAL FIXED ASSETS					
ALLOCATED TO FUNCTIONS	3,353,720	10,921	293,809	(60,665)	3,597,785
Construction-in-Progress	535,645	56,549	456,029	(487,778)	560,445
TOTAL GENERAL FIXED ASSETS	<u>\$ 3,889,365</u>	<u>\$ 67,470</u>	<u>\$ 749,838</u>	<u>\$ (548,443)</u>	<u>\$ 4,158,230</u>

STATE OF OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 2000

(dollars in thousands)

	<u>LAND</u>	<u>BUILDINGS</u>	<u>LAND IMPROVEMENTS</u>	<u>MACHINERY and EQUIPMENT</u>	<u>STATE VEHICLES</u>	<u>TOTAL</u>
REPORTING FUNCTION:						
Primary, Secondary and Other Education	\$ 14,123	\$ 112,889	\$ 3,811	\$ 3,822	\$ 1,242	\$ 135,887
Higher Education Support	—	—	—	403	15	418
Public Assistance and Medicaid	—	—	—	18,010	137	18,147
Health and Human Services	5,914	461,775	53,368	50,027	10,649	581,733
Justice and Public Protection	10,047	1,104,720	43,788	51,186	56,830	1,266,571
Environmental Protection and Natural Resources	149,174	165,857	36,864	14,839	32,953	399,687
Transportation	20,849	254,645	13,226	71,793	140,154	500,667
General Government	20,175	524,974	8,133	46,269	9,172	608,723
Community and Economic Development	3,274	69,289	5,900	2,341	5,148	85,952
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 223,556</u>	<u>\$ 2,694,149</u>	<u>\$ 165,090</u>	<u>\$ 258,690</u>	<u>\$ 256,300</u>	3,597,785
Construction-in-Progress						<u>560,445</u>
TOTAL GENERAL FIXED ASSETS						<u>\$ 4,158,230</u>

DISCRETELY PRESENTED COMPONENT UNIT FUNDS

The **Discretely Presented Component Unit Funds** account for the financial activities of the State of Ohio's component units, organizations that are legally separate from the State's primary government and for which the primary government is financially accountable. The Discretely Presented Component Unit Funds are presented in two separate reporting categories, **Proprietary Funds** and **College and University Funds**.

Proprietary Funds

The **Ohio Water Development Authority Fund** accounts for the revenues and expenses associated with the Ohio Water Development Authority's operations and its programs, which provide financial assistance to local governments for the construction of wastewater and sewage facilities.

College and University Funds

The **Ohio State University Fund** accounts for operations of Ohio State University, its hospitals and clinics, the Ohio State University Foundation, the Ohio Agricultural Research and Development Center, the Ohio Supercomputer Center, the Ohio State University Research Foundation, the Ohio State University Student Loan Foundation, Inc., the Transportation Research Center of Ohio, Inc., Campus Partners for Community Urban Redevelopment, Inc., University Affiliates, Inc., Reading Recovery and Early Literacy, Inc., Ohio State University Retirees Association, and OSU Managed Health Care Systems, Inc.

The **University of Cincinnati Fund** accounts for the operations of the University of Cincinnati, the University of Cincinnati Foundation, and the Endowment Fund Association of the University of Cincinnati.

The **Ohio University Fund** accounts for the operations of Ohio University located in Athens, Ohio.

The **Miami University Fund** accounts for the operations of Miami University located in Oxford, Ohio.

The **University of Akron Fund** accounts for the operations of the University of Akron.

The **Bowling Green State University Fund** accounts for the operations of Bowling Green State University.

The **Kent State University Fund** accounts for the operations of Kent State University.

The **University of Toledo Fund** accounts for the operations of the University of Toledo, including the University of Toledo Real Estate Corporation.

The **Cleveland State University Fund** accounts for the operations of Cleveland State University.

The **Youngstown State University Fund** accounts for the operations of Youngstown State University.

The **Wright State University Fund** accounts for the operations of Wright State University located in Dayton, Ohio.

The **Shawnee State University Fund** accounts for the operations of Shawnee State University located in Portsmouth, Ohio.

The **Central State University Fund** accounts for the operations of Central State University located in Wilberforce, Ohio.

The **Medical College of Ohio Fund** accounts for the operations of the Medical College of Ohio at Toledo and its hospital.

The **Terra State Community College Fund** accounts for the operations of Terra State Community College located in Fremont, Ohio.

The **Columbus State Community College Fund** accounts for the operations of Columbus State Community College and the Columbus State Community College Development Foundation, Inc.

The **Clark State Community College Fund** accounts for the operations of Clark State Community College located in Springfield, Ohio.

The **Edison State Community College Fund** accounts for the operations of Edison State Community College located in Piqua, Ohio.

The **Southern State Community College Fund** accounts for the operations of Southern State Community College located in Hillsboro, Ohio.

The **Washington State Community College Fund** accounts for the operations of Washington State Community College located in Marietta, Ohio.

The **Cincinnati State Community College Fund** accounts for the operations of Cincinnati State Community College.

The **Northwest State Community College Fund** accounts for the operations of Northwest State Community College located in Archbold, Ohio.

The **Owens State Community College Fund** accounts for the operations of Owens State Community College located in Toledo, Ohio.

STATE OF OHIO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)

	<u>PROPRIETARY</u>
	<u>OHIO WATER DEVELOPMENT AUTHORITY</u>
ASSETS	
Cash Equity with Treasurer	\$ 252
Cash and Cash Equivalents	3,859
Investments	883,335
Receivables:	
Intergovernmental	168
Loans, Net	2,005,994
Other	6
Due from Other Funds	5,849
Inventories	—
Restricted Assets:	
Cash and Cash Equivalents	—
Investments	—
Fixed Assets (net of accumulated depreciation)	679
Other Assets	17,744
TOTAL ASSETS	<u><u>\$ 2,917,886</u></u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS	
Liabilities:	
Accounts Payable	\$ 29,162
Accrued Liabilities	6,178
Intergovernmental Payable	—
Due to Other Funds	5,849
Deferred Revenue	—
Refund and Other Liabilities	5,382
Revenue Bonds and Notes	1,405,526
Certificates of Participation	—
Total Liabilities	<u>1,452,097</u>
Fund Equity and Other Credits:	
Investment in General Fixed Assets	—
Retained Earnings:	
Unreserved	1,465,789
Fund Balances:	
Reserved for:	
Restricted Fund Balances	—
Unreserved/Designated	—
Unreserved/Undesignated	—
Total Fund Equity	<u>1,465,789</u>
and Other Credits	—
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u><u>\$ 2,917,886</u></u>

COLLEGES AND UNIVERSITIES

OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
81,287	35,924	9,241	34,343	98	1,372	3,683	691
1,818,333	746,685	140,499	205,694	123,486	95,606	113,276	81,059
3,930	—	—	—	—	111	—	89
60,982	29,275	9,496	8,345	10,026	8,230	19,094	12,905
264,463	79,031	19,836	18,146	13,068	12,075	15,016	12,446
268,758	115,247	8,962	21,654	—	18,478	23,737	8,063
20,178	4,079	1,754	3,301	1,157	2,381	2,175	231
—	—	—	—	—	6	—	—
2,214	—	—	—	114,648	—	—	—
2,831,622	1,307,576	598,206	576,339	532,133	383,027	510,673	442,308
30,147	694,158	9,517	698	6,336	310	4,823	8,591
\$ 5,381,914	\$ 3,011,975	\$ 797,511	\$ 868,520	\$ 800,952	\$ 521,596	\$ 692,477	\$ 566,383
\$ 148,738	\$ 31,036	\$ 7,303	\$ 6,900	\$ 4,215	\$ 5,338	\$ 11,319	\$ 10,796
189,660	195,386	31,158	31,682	46,399	23,078	35,631	19,647
268,758	115,247	8,962	21,654	—	18,478	23,737	8,063
96,086	7,788	13,987	6,164	12,126	6,568	15,497	12,525
28,479	69,933	3,751	4,844	4,240	2,088	3,780	234
372,665	272,892	83,985	56,199	162,880	31,520	69,105	86,162
10,495	1,680	—	—	—	—	—	—
1,114,881	693,962	149,146	127,443	229,860	87,070	159,069	137,427
2,485,526	994,462	514,102	521,487	473,119	350,992	441,623	353,840
—	—	—	—	—	—	—	—
1,420,622	1,255,835	59,584	103,815	52,227	58,275	28,513	27,795
—	—	73,294	105,223	45,746	15,913	61,946	34,426
360,885	67,716	1,385	10,552	—	9,346	1,326	12,895
4,267,033	2,318,013	648,365	741,077	571,092	434,526	533,408	428,956
\$ 5,381,914	\$ 3,011,975	\$ 797,511	\$ 868,520	\$ 800,952	\$ 521,596	\$ 692,477	\$ 566,383

(continued)

STATE OF OHIO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)
(continued)

COLLEGES AND UNIVERSITIES

ASSETS

	CLEVELAND STATE UNIVERSITY	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —	\$ —
Cash and Cash Equivalents	1,944	9,434	3,521	10,570
Investments.....	46,263	15,076	69,603	6,964
Receivables:				
Intergovernmental	—	—	1,491	—
Loans, Net	9,591	2,727	14,456	42
Other	14,061	4,646	14,045	2,447
Due from Other Funds	—	4,420	8,863	1,682
Inventories.....	194	1,366	641	53
Restricted Assets:				
Cash and Cash Equivalents.....	—	143	84	353
Investments	—	5,999	—	176
Fixed Assets (net of accumulated depreciation).....	473,963	313,666	336,246	90,855
Other Assets	4,971	950	5,597	248
TOTAL ASSETS	\$ 550,987	\$ 358,427	\$ 454,547	\$ 113,390

LIABILITIES, FUND EQUITY AND OTHER CREDITS

Liabilities:				
Accounts Payable	\$ 4,562	\$ 2,188	\$ 4,380	\$ 622
Accrued Liabilities	14,305	13,526	19,290	3,185
Intergovernmental Payable	—	—	—	—
Due to Other Funds.....	—	4,420	8,863	1,682
Deferred Revenue.....	10,984	4,170	9,634	494
Refund and Other Liabilities	6,261	11	7,255	18
Revenue Bonds and Notes	20,990	16,480	11,545	3,725
Certificates of Participation	—	—	—	—
Total Liabilities	<u>57,102</u>	<u>40,795</u>	<u>60,967</u>	<u>9,726</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets	457,810	295,826	321,807	87,256
Retained Earnings:				
Unreserved.....	—	—	—	—
Fund Balances:				
Reserved for:				
Restricted Fund Balances	23,269	14,280	31,499	2,978
Unreserved/Designated	10,737	5,642	40,274	—
Unreserved/Undesignated	2,069	1,884	—	13,430
Total Fund Equity	<u>493,885</u>	<u>317,632</u>	<u>393,580</u>	<u>103,664</u>
and Other Credits	493,885	317,632	393,580	103,664
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 550,987	\$ 358,427	\$ 454,547	\$ 113,390

COLLEGES AND UNIVERSITIES

CENTRAL STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	TERRA STATE COMMUNITY COLLEGE	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
4,792	—	1,546	54,045	343	846	350	920
—	36,976	1,352	2,876	4,518	1,602	450	—
5,587	18,623	38	—	—	7	116	1,215
367	5,254	7	455	30	—	102	—
625	16,372	1,144	4,910	1,733	1,850	1,329	711
3,850	—	220	5,285	339	270	469	950
7	3,633	328	1,526	177	145	117	153
2,926	—	—	465	—	—	319	517
199	—	—	727	—	—	—	—
94,126	319,116	37,321	124,101	42,482	23,334	25,690	23,887
266	364	51	—	514	114	26	200
\$ 112,745	\$ 400,338	\$ 42,007	\$ 194,390	\$ 50,136	\$ 28,168	\$ 28,968	\$ 28,553
\$ 789	\$ 9,593	\$ 108	\$ 2,891	\$ 517	\$ 20	\$ 27	\$ 283
3,997	18,862	927	1,609	512	579	505	814
—	—	—	—	—	—	—	—
3,850	—	220	5,285	339	270	469	950
3,790	—	329	7,556	568	1,640	603	825
940	9,900	—	3,021	804	—	13	—
3,573	—	—	13,560	—	800	—	—
—	—	—	—	—	—	—	—
16,939	38,355	1,584	33,922	2,740	3,309	1,617	2,872
94,126	316,931	37,315	108,535	42,414	22,534	25,081	23,887
—	—	—	—	—	—	—	—
592	8,740	48	3,967	2,221	200	733	—
1,088	2,222	824	22,107	2,106	2,125	1,537	226
—	34,090	2,236	25,859	655	—	—	1,568
95,806	361,983	40,423	160,468	47,396	24,859	27,351	25,681
\$ 112,745	\$ 400,338	\$ 42,007	\$ 194,390	\$ 50,136	\$ 28,168	\$ 28,968	\$ 28,553

(continued)

STATE OF OHIO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2000
(dollars in thousands)
(continued)

COLLEGES AND UNIVERSITIES

	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
ASSETS				
Cash Equity with Treasurer.....	\$ —	\$ —	\$ —	\$ 252
Cash and Cash Equivalents	2,738	3,711	7,851	273,109
Investments.....	6,123	—	10,345	4,410,121
Receivables:				
Intergovernmental	—	439	—	31,814
Loans, Net	360	—	607	2,198,345
Other	3,343	374	3,039	504,716
Due from Other Funds	2,254	—	3,100	502,450
Inventories.....	15	159	648	44,418
Restricted Assets:				
Cash and Cash Equivalents.....	—	—	—	4,813
Investments	—	—	—	123,963
Fixed Assets (net of accumulated depreciation).....	68,500	22,129	87,215	9,265,194
Other Assets	1,448	10	536	787,619
TOTAL ASSETS	\$ 84,781	\$ 26,822	\$ 113,341	\$ 18,146,814
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 1,170	\$ 191	\$ 1,859	\$ 284,007
Accrued Liabilities	3,701	541	4,092	665,264
Intergovernmental Payable	—	—	490	490
Due to Other Funds.....	2,254	—	3,100	502,450
Deferred Revenue.....	2,452	102	1,220	215,108
Refund and Other Liabilities	18	11	6	150,989
Revenue Bonds and Notes	—	—	—	2,611,607
Certificates of Participation	—	—	—	12,175
Total Liabilities	<u>9,595</u>	<u>845</u>	<u>10,767</u>	<u>4,442,090</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets	67,867	22,113	87,215	8,145,868
Retained Earnings:				
Unreserved.....	—	—	—	1,465,789
Fund Balances:				
Reserved for:				
Restricted Fund Balances	419	301	951	3,096,864
Unreserved/Designated	5,048	2,551	950	433,985
Unreserved/Undesignated	1,852	1,012	13,458	562,218
Total Fund Equity	<u>75,186</u>	<u>25,977</u>	<u>102,574</u>	<u>13,704,724</u>
and Other Credits				
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 84,781	\$ 26,822	\$ 113,341	\$ 18,146,814

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STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 1,205,536	\$ 317,580	\$ 214,869
Local Appropriations-Restricted	17,229	76	—
Federal Grants and Contracts-Restricted	172,304	104,164	32,565
State Grants and Contracts-Restricted	34,915	7,864	13,491
Local Grants and Contracts-Restricted	2,799	506	730
Private Gifts, Grants and Contracts-Restricted	248,742	48,875	12,032
Endowment Income-Restricted	28	18,981	943
Investment Income-Restricted	192,665	67,035	5,200
Interest on Loans Receivable	2,148	803	179
Investment in Plant-Additions	337,067	280,412	52,379
Other	—	4,556	9,357
TOTAL REVENUES AND OTHER ADDITIONS	<u>2,213,433</u>	<u>850,852</u>	<u>341,745</u>
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	1,235,649	569,187	338,760
Auxiliary Enterprises Expenditures	144,501	64,565	59,550
Hospital Expenditures	608,722	—	—
Indirect Costs Recovered	42,878	24,627	4,387
Grant Refunds and Adjustments	186	371	331
Loan Cancellations and Write-offs	1,373	545	31
Administrative and Collection Costs	1,078	—	1
Expended for Plant Facilities	174,662	27,354	29,348
Retirement of Indebtedness	26,450	22,945	4,393
Interest on Indebtedness	15,763	17,647	3,747
Investment in Plant-Deductions	169,697	209,599	14,395
Other	1,299	3,735	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	<u>2,422,258</u>	<u>940,575</u>	<u>454,943</u>
TRANSFERS:			
Operating Transfers from Primary Government	448,019	195,395	142,790
NET INCREASE (DECREASE) FOR THE YEAR	<u>239,194</u>	<u>105,672</u>	<u>29,592</u>
FUND BALANCE AND OTHER CREDITS, JULY 1	<u>4,027,839</u>	<u>2,212,341</u>	<u>618,773</u>
FUND BALANCE AND OTHER CREDITS, JUNE 30	<u>\$ 4,267,033</u>	<u>\$ 2,318,013</u>	<u>\$ 648,365</u>

<u>MIAMI UNIVERSITY</u>	<u>UNIVERSITY OF AKRON</u>	<u>BOWLING GREEN STATE UNIVERSITY</u>	<u>KENT STATE UNIVERSITY</u>	<u>UNIVERSITY OF TOLEDO</u>	<u>CLEVELAND STATE UNIVERSITY</u>
\$ 233,690	\$ 136,868	\$ 178,343	\$ 195,590	\$ 153,251	\$ 80,225
—	—	—	—	—	—
9,197	18,785	13,762	30,264	18,702	14,007
6,285	4,001	3,781	9,405	10,606	8,281
296	638	102	274	445	590
13,767	21,200	2,171	6,513	9,571	5,813
2,918	688	8,825	3	—	947
19,000	19,964	2,696	115	3,524	949
143	178	—	433	193	438
38,125	20,431	25,973	47,564	22,195	23,075
714	1,904	110	897	356	—
<u>324,135</u>	<u>224,657</u>	<u>235,763</u>	<u>291,058</u>	<u>218,843</u>	<u>134,325</u>
239,499	247,221	203,710	277,162	213,023	173,282
73,546	29,297	53,750	52,907	42,676	11,099
—	—	—	—	—	—
1,297	2,428	910	2,013	1,624	1,415
134	—	—	39	—	—
62	395	11	705	133	58
132	780	76	33	—	152
12,311	17	15,931	13,974	5,703	760
4,547	3,218	3,330	3,279	5,254	705
3,210	8,103	1,904	3,800	5,077	940
6,099	4,912	14,074	3,255	17,623	3,295
106	1,256	9,912	60	351	—
<u>340,943</u>	<u>297,627</u>	<u>303,608</u>	<u>357,227</u>	<u>291,464</u>	<u>191,706</u>
82,312	104,089	84,379	117,517	87,706	74,099
<u>65,504</u>	<u>31,119</u>	<u>16,534</u>	<u>51,348</u>	<u>15,085</u>	<u>16,718</u>
675,573	539,973	417,992	482,060	413,871	477,167
<u>\$ 741,077</u>	<u>\$ 571,092</u>	<u>\$ 434,526</u>	<u>\$ 533,408</u>	<u>\$ 428,956</u>	<u>\$ 493,885</u>

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 63,163	\$ 107,753	\$ 14,200
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	8,497	23,596	5,165
State Grants and Contracts-Restricted	9,272	7,526	2,562
Local Grants and Contracts-Restricted	88	806	271
Private Gifts, Grants and Contracts-Restricted	8,093	16,313	1,147
Endowment Income-Restricted	185	122	—
Investment Income-Restricted	279	1,150	77
Interest on Loans Receivable	59	265	—
Investment in Plant-Additions	15,537	25,640	3,576
Other	317	109	479
TOTAL REVENUES AND OTHER ADDITIONS	105,490	183,280	27,477
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	109,215	210,024	34,225
Auxiliary Enterprises Expenditures	18,326	15,836	2,916
Hospital Expenditures	—	—	—
Indirect Costs Recovered	95	4,123	—
Grant Refunds and Adjustments	—	50	—
Loan Cancellations and Write-offs	106	114	2
Administrative and Collection Costs	—	118	—
Expended for Plant Facilities	6,647	9,426	810
Retirement of Indebtedness	765	1,492	246
Interest on Indebtedness	818	736	257
Investment in Plant-Deductions	5,385	20,840	13
Other	35	—	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	141,392	262,759	38,469
TRANSFERS:			
Operating Transfers from Primary Government	48,187	93,402	15,587
NET INCREASE (DECREASE) FOR THE YEAR	12,285	13,923	4,595
FUND BALANCE AND OTHER CREDITS, JULY 1	305,347	379,657	99,069
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 317,632	\$ 393,580	\$ 103,664

<u>CENTRAL STATE UNIVERSITY</u>	<u>MEDICAL COLLEGE OF OHIO</u>	<u>TERRA STATE COMMUNITY COLLEGE</u>	<u>COLUMBUS STATE COMMUNITY COLLEGE</u>	<u>CLARK STATE COMMUNITY COLLEGE</u>	<u>EDISON STATE COMMUNITY COLLEGE</u>
\$ 8,722	\$ 183,588	\$ 6,243	\$ 47,713	\$ 7,820	\$ 6,466
—	—	—	—	—	—
11,515	11,878	1,800	6,113	2,190	980
1,063	5,861	351	2,288	601	260
—	—	—	—	359	—
252	2,219	6	1,042	135	142
44	—	—	—	—	4
54	(255)	15	220	121	—
17	137	—	9	—	—
—	14,335	699	8,789	761	573
—	—	—	188	—	151
<u>21,667</u>	<u>217,763</u>	<u>9,114</u>	<u>66,362</u>	<u>11,987</u>	<u>8,576</u>
31,875	85,184	14,266	80,012	15,246	12,180
3,646	4,237	839	6,663	1,939	899
—	141,392	—	—	—	—
481	—	—	—	—	—
—	—	—	—	—	—
12	—	—	76	—	—
—	—	—	1	—	—
750	7,496	3	—	25	16
207	—	—	—	—	—
172	—	—	—	—	16
510	6,784	42	748	411	180
772	—	30	122	357	—
<u>38,425</u>	<u>245,093</u>	<u>15,180</u>	<u>87,622</u>	<u>17,978</u>	<u>13,291</u>
18,193	37,978	6,722	39,680	6,950	4,971
<u>1,435</u>	<u>10,648</u>	<u>656</u>	<u>18,420</u>	<u>959</u>	<u>256</u>
94,371	351,335	39,767	142,048	46,437	24,603
<u>\$ 95,806</u>	<u>\$ 361,983</u>	<u>\$ 40,423</u>	<u>\$ 160,468</u>	<u>\$ 47,396</u>	<u>\$ 24,859</u>

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 4,410	\$ 6,122	\$ 21,951
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	2,758	2,546	3,421
State Grants and Contracts-Restricted	1,365	743	2,124
Local Grants and Contracts-Restricted	246	—	45
Private Gifts, Grants and Contracts-Restricted	108	—	374
Endowment Income-Restricted	—	—	—
Investment Income-Restricted	—	—	—
Interest on Loans Receivable	—	—	8
Investment in Plant-Additions	5,000	255	1,379
Other	—	—	97
TOTAL REVENUES AND OTHER ADDITIONS	13,887	9,666	29,399
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	11,687	13,305	45,148
Auxiliary Enterprises Expenditures	1,006	795	918
Hospital Expenditures	—	—	—
Indirect Costs Recovered	—	—	—
Grant Refunds and Adjustments	—	—	—
Loan Cancellations and Write-offs	6	—	45
Administrative and Collection Costs	—	—	6
Expended for Plant Facilities	—	—	—
Retirement of Indebtedness	—	—	—
Interest on Indebtedness	—	—	—
Investment in Plant-Deductions	—	51	246
Other	—	—	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	12,699	14,151	46,363
TRANSFERS:			
Operating Transfers from Primary Government	4,056	4,716	19,423
NET INCREASE (DECREASE) FOR THE YEAR	5,244	231	2,459
FUND BALANCE AND OTHER CREDITS, JULY 1	22,107	25,450	72,727
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 27,351	\$ 25,681	\$ 75,186

NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
\$ 6,358	\$ 29,151	\$ 3,229,612
—	—	17,305
1,420	7,975	503,604
1,179	3,305	137,129
—	—	8,195
—	—	398,515
—	—	33,688
—	2	312,811
—	25	5,035
965	11,305	936,035
681	656	20,572
10,603	52,419	5,602,501
11,826	60,122	4,231,808
1,185	6,008	597,104
—	—	750,114
—	—	86,278
—	—	1,111
—	39	3,713
—	43	2,420
—	783	306,016
—	—	76,831
—	—	62,190
379	—	478,538
—	614	18,649
13,390	67,609	6,614,772
5,070	30,744	1,671,985
2,283	15,554	659,714
23,694	87,020	11,579,221
\$ 25,977	\$ 102,574	\$ 12,238,935

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES FOR THE FISCAL YEAR ENDED JUNE 30, 2000 (dollars in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 349,476	\$ 168,213	\$ 144,943
Local Appropriations	17,749	68	—
Federal Grants and Contracts	168,882	103,064	32,176
State Grants and Contracts	36,857	7,993	11,078
Local Grants and Contracts	1,826	482	629
Private Gifts, Grants and Contracts	167,824	31,611	11,449
Endowment Income	34,293	33,651	675
Sales and Services	709,650	106,099	55,212
Investment Income	30,336	3,931	3,959
Other Sources	58,662	8,369	5,925
TOTAL REVENUES	1,575,555	463,481	266,046
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	505,959	216,268	155,001
Separately Budgeted Research	232,564	85,725	20,043
Public Service	100,754	45,405	11,135
Academic Support	102,217	56,061	39,804
Student Services	52,515	23,556	18,461
Institutional Support	94,515	50,329	39,027
Operation and Maintenance of Plant	65,502	36,378	28,638
Scholarships and Fellowships	81,624	55,465	26,651
TOTAL EDUCATIONAL AND GENERAL	1,235,650	569,187	338,760
AUXILIARY ENTERPRISES	144,501	64,565	59,550
HOSPITALS	608,722	—	—
TOTAL EXPENDITURES	1,988,873	633,752	398,310
MANDATORY TRANSFERS, NET:			
Principal and Interest	31,579	28,634	4,620
Renewals and Replacements	—	—	—
Other	12	145	57
TOTAL MANDATORY TRANSFERS, NET	31,591	28,779	4,677
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	2,020,464	662,531	402,987
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	433,751	193,300	141,958
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(21,288)	(2,107)	(3,965)
Other	22,119	1,312	1,353
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	55,715	27,158	5,805
Indirect Costs Recovered	(42,878)	(24,627)	(4,387)
Other	(43)	2,795	(261)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	447,376	197,831	140,503
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 2,467	\$ (1,219)	\$ 3,562

<u>MIAMI UNIVERSITY</u>	<u>UNIVERSITY OF AKRON</u>	<u>BOWLING GREEN STATE UNIVERSITY</u>	<u>KENT STATE UNIVERSITY</u>	<u>UNIVERSITY OF TOLEDO</u>	<u>CLEVELAND STATE UNIVERSITY</u>
\$ 147,293	\$ 93,187	\$ 109,954	\$ 134,318	\$ 103,914	\$ 65,591
—	—	—	—	—	—
10,959	18,469	11,794	29,965	18,160	13,984
3,319	9	3,180	8,086	9,443	7,385
500	631	52	277	668	478
10,410	17,704	3,487	5,357	10,349	5,444
3,419	1,687	—	12	1,537	947
74,570	36,842	59,678	46,327	38,566	10,912
6,097	3,025	3,529	6,007	2,301	1,917
1,342	82	3,602	4,643	1,800	380
257,909	171,636	195,276	234,992	186,738	107,038
117,568	99,047	83,791	121,101	98,515	70,102
5,675	14,316	3,738	11,627	9,530	10,960
1,914	9,825	9,726	14,079	4,903	5,527
29,234	28,528	24,670	30,478	25,789	17,432
18,122	12,064	18,217	23,606	14,543	17,718
24,898	33,972	20,358	25,603	23,796	22,177
21,322	18,687	12,075	23,307	12,481	15,061
20,766	30,782	31,135	27,362	23,467	14,305
239,499	247,221	203,710	277,163	213,024	173,282
73,546	29,297	53,750	52,907	42,676	11,099
—	—	—	—	—	—
313,045	276,518	257,460	330,070	255,700	184,381
7,669	4,477	4,453	6,546	10,203	1,354
—	—	3,017	—	—	—
—	89	1	104	157	98
7,669	4,566	7,471	6,650	10,360	1,452
320,714	281,084	264,931	336,720	266,060	185,833
82,212	104,088	84,388	116,920	87,706	72,751
(8,955)	(850)	(720)	(10,388)	—	(640)
(2,205)	115	4,541	(39)	(654)	972
6,178	4,958	2,796	3,735	1,967	3,762
(1,296)	(2,428)	(910)	(2,013)	(1,624)	(1,415)
(110)	—	110	(39)	—	—
75,824	105,883	90,205	108,176	87,395	75,430
\$ 13,019	\$ (3,565)	\$ 20,550	\$ 6,448	\$ 8,073	\$ (3,365)

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 45,919	\$ 71,824	\$ 11,428
Local Appropriations	—	—	—
Federal Grants and Contracts	8,268	23,130	5,165
State Grants and Contracts	5,250	6,678	3,510
Local Grants and Contracts	67	822	271
Private Gifts, Grants and Contracts	7,654	11,031	1,216
Endowment Income	—	209	—
Sales and Services	14,160	22,444	564
Investment Income	1,325	3,732	765
Other Sources	2,060	5,969	1,299
TOTAL REVENUES	84,703	145,839	24,218
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	45,350	78,146	11,336
Separately Budgeted Research	560	18,888	—
Public Service	5,142	7,753	3,643
Academic Support	7,919	37,320	2,032
Student Services	6,328	11,707	2,382
Institutional Support	16,578	20,083	4,979
Operation and Maintenance of Plant	8,381	12,781	3,031
Scholarships and Fellowships	18,957	23,346	6,823
TOTAL EDUCATIONAL AND GENERAL	109,215	210,024	34,226
AUXILIARY ENTERPRISES	18,327	15,837	2,916
HOSPITALS	—	—	—
TOTAL EXPENDITURES	127,542	225,861	37,142
MANDATORY TRANSFERS, NET:			
Principal and Interest	1,447	2,233	466
Renewals and Replacements	—	—	—
Other	54	84	—
TOTAL MANDATORY TRANSFERS, NET	1,501	2,317	466
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	129,043	228,178	37,608
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	48,187	93,402	14,715
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	—	(6,501)	(260)
Other	(617)	33	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	197	7,382	317
Indirect Costs Recovered	(121)	(4,123)	—
Other	—	(48)	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	47,646	90,145	14,772
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 3,306	\$ 7,806	\$ 1,382

CENTRAL STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	TERRA STATE COMMUNITY COLLEGE	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE
\$ 3,734	\$ 10,808	\$ 5,009	\$ 35,062	\$ 5,709	\$ 5,085
—	—	—	—	—	—
11,555	12,228	1,830	6,113	2,190	980
1,063	4,908	281	2,288	403	260
—	—	—	—	359	—
252	8,750	10	2,523	114	142
—	—	—	—	—	—
4,017	148,437	1,015	7,142	1,207	1,120
248	825	181	2,569	158	99
201	13,857	39	539	665	313
21,070	199,813	8,365	56,236	10,805	7,999
5,868	44,065	5,547	35,262	4,588	4,455
277	12,770	—	—	—	—
6,797	379	1,567	2,988	2,173	708
3,326	3,573	687	2,274	419	289
2,845	1,663	1,584	6,679	1,376	2,266
6,400	11,597	2,101	11,748	2,843	2,777
3,763	10,143	1,356	11,826	1,802	955
4,682	982	1,424	8,510	1,860	173
33,958	85,172	14,266	79,287	15,061	11,623
3,668	4,237	838	6,663	1,939	899
—	141,392	—	—	—	—
37,626	230,801	15,104	85,950	17,000	12,522
219	—	—	1,555	—	16
—	—	—	—	—	—
—	—	—	—	—	—
219	—	—	1,555	—	16
37,845	230,801	15,104	87,505	17,000	12,538
18,193	37,978	6,571	39,230	6,950	4,971
—	(12,731)	—	—	—	(573)
—	(1,065)	(30)	—	—	—
—	90	39	—	572	—
480	2,943	—	—	—	—
—	—	—	—	—	—
18,673	27,215	6,580	39,230	7,522	4,398
\$ 1,898	\$ (3,773)	\$ (159)	\$ 7,961	\$ 1,327	\$ (141)

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(dollars in thousands)
(continued)

	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 3,193	\$ 4,505	\$ 16,947
Local Appropriations	—	—	—
Federal Grants and Contracts	2,758	2,546	3,421
State Grants and Contracts	1,365	1,246	2,124
Local Grants and Contracts	246	—	45
Private Gifts, Grants and Contracts	108	—	374
Endowment Income	—	—	—
Sales and Services	1,075	892	4,052
Investment Income	—	—	562
Other Sources	142	222	391
TOTAL REVENUES	8,887	9,411	27,916
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	3,373	4,312	16,181
Separately Budgeted Research	3	—	—
Public Service	1,156	—	2,510
Academic Support	907	1,512	3,841
Student Services	926	1,473	3,138
Institutional Support	916	2,741	10,482
Operation and Maintenance of Plant	820	837	3,548
Scholarships and Fellowships	3,586	2,430	5,446
TOTAL EDUCATIONAL AND GENERAL	11,687	13,305	45,146
AUXILIARY ENTERPRISES	1,006	795	918
HOSPITALS	—	—	—
TOTAL EXPENDITURES	12,693	14,100	46,064
MANDATORY TRANSFERS, NET:			
Principal and Interest	—	—	—
Renewals and Replacements	—	—	—
Other	—	—	—
TOTAL MANDATORY TRANSFERS, NET	—	—	—
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	12,693	14,100	46,064
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	4,056	4,716	19,423
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	—	—	(19)
Other	—	—	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	—	—	—
Indirect Costs Recovered	—	—	—
Other	—	—	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	4,056	4,716	19,404
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 250	\$ 27	\$ 1,256

<u>NORTHWEST STATE COMMUNITY COLLEGE</u>	<u>OWENS STATE COMMUNITY COLLEGE</u>	<u>TOTAL</u>
\$ 4,658	\$ 22,239	\$ 1,563,009
—	—	17,817
1,428	8,334	497,399
1,179	3,302	121,207
—	—	7,353
92	—	295,901
—	—	76,430
—	5,395	1,349,376
170	642	72,378
1,449	899	112,850
8,976	40,811	4,113,720
5,202	23,398	1,754,435
—	121	426,797
502	2,468	241,054
448	2,447	421,207
1,405	5,981	248,555
1,774	7,667	437,361
1,137	7,552	301,383
1,358	10,488	401,622
11,826	60,122	4,232,414
1,185	6,008	597,127
—	—	750,114
13,011	66,130	5,579,655
—	—	105,471
—	—	3,017
—	—	801
—	—	109,289
13,011	66,130	5,688,944
5,070	30,744	1,651,280
—	(2,744)	(71,741)
—	—	25,835
—	—	120,671
—	—	(82,399)
—	—	2,404
5,070	28,000	1,646,050
\$ 1,035	\$ 2,681	\$ 70,826

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**STATISTICAL
SECTION**

Table 1

STATE OF OHIO

REVENUE BY SOURCE
ALL GENERAL GOVERNMENTAL FUND TYPES^(a)
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

SOURCE	2000	1999	1998	1997	1996	1995	1994	1993	1992 ^(b)	1991
Income Taxes.....	\$ 8,098,155	\$ 7,143,344	\$ 6,828,242	\$ 5,879,016	\$ 5,890,587	\$ 5,456,017	\$ 5,032,305	\$ 4,732,247	\$ 4,408,835	\$ 4,241,483
Sales Taxes	6,233,089	5,834,299	5,560,402	5,262,460	5,003,024	4,763,109	4,475,796	4,001,398	3,739,576	3,573,995
Corporate and Public Utility Taxes ..	1,697,970	1,817,641	1,969,190	1,897,439	1,831,300	1,810,396	1,585,557	1,500,475	1,393,528	1,437,142
Motor Vehicle Fuel Taxes.....	1,459,374	1,445,679	1,399,948	1,351,476	1,332,294	1,293,038	1,290,315	1,189,184	1,160,405	1,052,504
Other Taxes	913,086	917,505	890,551	872,869	842,688	852,166	881,994	750,120	673,472	724,942
Licenses, Permits and Fees ^(c)	1,156,380	1,137,577	1,109,895	1,073,907	805,605	982,507	927,398	759,001	680,558	716,662
Sales, Services and Charges	86,998	81,731	76,091	79,051	106,517	103,620	66,198	57,831	44,189	46,873
Federal Government ^(d)	9,321,234	8,697,800	8,349,038	8,454,831	8,435,891	8,305,109	7,314,031	6,376,312	5,847,198	5,204,395
Tobacco Settlement	412,270	—	—	—	—	—	—	—	—	—
Investment Income ^(e)	495,063	554,915	554,523	418,799	—	—	—	—	—	—
Other	482,269	481,748	473,432	436,154	654,457	562,031	744,109	514,339	615,823	639,204
Total Revenues by Source	\$30,355,888	\$28,112,239	\$27,211,312	\$25,726,002	\$24,902,363	\$24,127,993	\$22,317,703	\$19,880,907	\$18,563,584	\$17,637,200

Notes:

- (a) This table includes revenues for the General, special revenue, debt service and capital projects funds.
- (b) For comparative purposes, the revenue data for fiscal year 1992 have been restated for changes in the State of Ohio's reporting entity that resulted from the implementation of GASB Statement No. 14, *The Financial Reporting Entity*, for fiscal year 1993.
- (c) For comparative purposes, the "Licenses, Permits and Fees" revenue for fiscal years 1991 through 1999 have been restated to reflect hospital assessments. Previously, this revenue has been included in "Other" revenue.
- (d) For fiscal years 1995 through 2000, federal government revenue includes the effects of recognizing the distribution of food stamp benefits as revenue, in accordance with the reporting requirements of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. Federal government revenue data for fiscal years 1991 through 1994, however, have not been restated for the effect of this change in accounting principle.
- (e) For fiscal years 1991 through 1996, investment income has been included in "Other" revenue.

STATE OF OHIO
EXPENDITURES BY FUNCTION
ALL GENERAL GOVERNMENTAL FUND TYPES^(a)
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

<i>FUNCTION</i>	2000	1999	1998	1997	1996	1995	1994	1993	1992 ^(b)	1991
<i>Current:</i>										
<i>Primary, Secondary and Other Education ..</i>	\$ 6,636,569	\$ 6,403,978	\$ 5,927,471	\$ 5,449,086	\$ 5,251,805	\$ 4,850,750	\$ 4,599,643	\$ 4,497,568	\$ 4,195,920	\$ 4,158,997
<i>Higher Education Support^(c)</i>	411,853	377,868	354,530	422,482	423,473	407,839	421,041	368,611	327,874	1,549,614
<i>Public Assistance and Medicaid^(d)</i>	9,488,379	8,561,652	8,462,208	8,367,021	7,936,578	8,306,686	7,682,159	6,774,178	6,174,833	5,530,500
<i>Health and Human Services.....</i>	2,613,853	2,548,360	2,485,176	2,328,762	2,333,583	2,197,732	1,974,086	1,854,715	1,723,860	1,648,319
<i>Justice and Public Protection.....</i>	2,167,402	2,035,739	1,870,507	1,761,521	1,588,026	1,403,177	1,202,815	1,060,778	970,653	932,001
<i>Environmental Protection and Natural Resources.....</i>	354,180	330,069	315,522	299,607	286,987	273,138	247,324	223,304	226,284	222,507
<i>Transportation.....</i>	1,680,736	1,497,553	1,494,130	1,465,258	1,319,120	1,461,012	1,426,207	1,293,349	1,372,885	1,365,769
<i>General Government.....</i>	575,576	661,011	625,275	528,592	371,996	355,154	347,443	335,470	336,046	325,530
<i>Community and Economic Development....</i>	452,516	398,905	391,893	344,950	323,277	335,159	337,760	284,061	301,392	360,215
<i>Intergovernmental.....</i>	3,026,320	2,898,094	2,735,799	2,570,501	2,467,137	2,312,160	2,211,669	1,983,308	2,077,469	1,908,442
<i>Capital Outlay</i>	1,491,621	1,256,271	1,248,346	1,138,286	884,456	872,236	893,279	739,463	724,823	678,812
<i>Debt Service</i>	1,053,995	1,024,125	1,022,418	1,033,948	909,134	801,994	1,064,523	681,207	764,294	653,309
<i>Total Expenditures by Function.....</i>	<u>\$29,953,000</u>	<u>\$27,993,625</u>	<u>\$26,933,275</u>	<u>\$25,710,014</u>	<u>\$24,095,572</u>	<u>\$23,577,037</u>	<u>\$22,407,949</u>	<u>\$20,096,012</u>	<u>\$19,196,333</u>	<u>\$19,334,015</u>

Notes:

- (a) This table includes expenditures for the General, special revenue, debt service, and capital projects funds.
- (b) For comparative purposes, the expenditure data for fiscal year 1992 have been restated for changes in the State of Ohio's reporting entity that resulted from the implementation of GASB Statement No. 14, *The Financial Reporting Entity*, for fiscal year 1993.
- (c) Within the higher education support function, the significant decline between fiscal years 1991 and 1992 is primarily a result of reclassifying budgetary expenditures made for the state universities and state community colleges to "Operating Transfers to Component Units" on a GAAP basis. The reclassification is necessary to conform with the reporting requirements of GASB Statement No. 14.
- (d) For fiscal years 1995 through 2000, expenditures reported under the public assistance and Medicaid function include the effects of recognizing the distribution of food stamp benefits as expenditures, in accordance with the reporting requirements of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. Public assistance and Medicaid expenditure data for fiscal years 1991 through 1994, however, have not been restated for the effect of this change in accounting principle.

Table 3

STATE OF OHIO

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES FOR THE GENERAL FUND
FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
REVENUES:										
Income Taxes.....	\$ 7,243,856	\$ 6,389,926	\$ 6,107,084	\$ 5,257,395	\$ 5,268,111	\$ 4,879,232	\$ 4,486,225	\$ 4,270,124	\$ 3,880,594	\$ 3,750,847
Sales Taxes.....	5,919,129	5,539,780	5,277,997	4,995,691	4,750,430	4,522,230	4,246,093	3,810,631	3,539,700	3,378,515
Corporate and Public Utility Taxes.....	1,604,604	1,718,482	1,862,497	1,794,592	1,731,956	1,708,674	1,497,948	1,419,293	1,304,142	1,351,791
Other Taxes.....	861,597	869,556	844,815	828,290	802,912	812,957	843,548	712,400	631,830	598,417
Licenses, Permits and Fees.....	96,954	94,789	96,411	87,511	89,249	81,772	81,761	80,629	76,210	73,741
Sales, Services and Charges.....	45,738	43,586	38,947	42,031	64,693	65,015	35,556	32,082	24,200	25,751
Federal Government.....	3,993,184	3,658,824	3,385,998	3,563,004	3,672,610	3,451,126	3,533,853	3,276,727	3,083,886	2,718,754
Investment Income ^(a)	287,937	399,520	381,574	277,337	—	—	—	—	—	—
Other.....	189,241	183,221	161,077	168,587	302,772	268,114	227,857	189,935	286,191	254,098
TOTAL REVENUES.....	20,242,240	18,897,684	18,156,400	17,014,438	16,682,733	15,789,120	14,952,841	13,791,821	12,826,753	12,151,914
EXPENDITURES:										
Current.....	16,222,066	15,146,494	14,362,166	13,678,474	13,170,207	12,416,565	11,983,625	11,369,030	12,010,762	11,520,077
Intergovernmental.....	1,081,828	1,033,066	982,955	942,690	898,190	814,803	782,014	741,099	703,853	661,452
Capital Outlay.....	24,862	15,607	38,806	123,217	1,969	5,597	5,552	5,524	17,087	21,810
Debt Service.....	2,320	1,794	1,831	528	1,428	9,740	—	2	—	—
TOTAL EXPENDITURES.....	17,331,076	16,196,961	15,385,758	14,744,909	14,071,794	13,246,705	12,771,191	12,115,655	12,731,702	12,203,339
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	2,911,164	2,700,723	2,770,642	2,269,529	2,610,939	2,542,415	2,181,650	1,676,166	95,051	(51,425)
OTHER FINANCING SOURCES (USES):										
Bond Proceeds.....	—	—	—	—	10,159	—	—	—	—	—
Capital Leases.....	2,668	1,575	4,737	1,107	335	—	—	—	—	—
Operating Transfers-in.....	142,267	201,151	180,176	142,605	93,457	144,114	88,284	89,228	92,392	92,012
Operating Transfers-out.....	(1,302,412)	(1,308,827)	(1,142,014)	(847,794)	(807,457)	(660,799)	(626,006)	(554,393)	(493,947)	(499,842)
Operating Transfers to Component Units.....	(1,671,985)	(1,564,910)	(1,520,432)	(1,410,667)	(1,359,487)	(1,276,925)	(1,175,190)	(1,113,491)	—	—
TOTAL OTHER FINANCING SOURCES (USES).....	(2,829,462)	(2,671,011)	(2,477,533)	(2,114,749)	(2,062,993)	(1,793,610)	(1,712,912)	(1,578,656)	(401,555)	(407,830)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES.....	81,702	29,712	293,109	154,780	547,946	748,805	468,738	97,510	(306,504)	(459,255)
FUND BALANCES, JULY 1.....	2,640,072	2,611,195	2,319,058	2,167,739	1,656,135	908,212	426,200	327,261	696,642	1,154,780
Increase (Decrease) for Changes in Inventories.....	511	(835)	(972)	(2,252)	(889)	(882)	1,265	1,429	185	1,117
Residual Equity Transfers-out.....	—	—	—	—	(22,986)	—	—	—	—	—
FUND BALANCES, JUNE 30.....	\$ 2,722,285	\$ 2,640,072	\$ 2,611,195	\$ 2,320,267	\$ 2,180,206	\$ 1,656,135	\$ 896,203	\$ 426,200	\$ 390,323	\$ 696,642

(a) For fiscal years 1991 through 1996, investment income has been included in "Other" revenue.

STATE OF OHIO

PERCENT OF ANNUAL DEBT SERVICE
FOR GENERAL AND SPECIAL BONDED DEBT^(a)
TO TOTAL ALL GENERAL GOVERNMENTAL^(b) REVENUES AND EXPENDITURES
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

For the Year Ended June 30,	Total Debt Service Expenditures	Governmental Fund Revenues	Percent	Governmental Fund Expenditures	Percent
2000 ^(c)	\$ 1,023,246	\$30,355,888	3.37%	\$29,953,000	3.42%
1999 ^(c)	993,260	28,112,239	3.53%	27,993,625	3.55%
1998 ^(c)	1,004,273	27,211,312	3.69%	26,933,275	3.73%
1997 ^(c)	1,014,767	25,726,002	3.95%	25,710,014	3.95%
1996 ^(c)	888,693	24,902,363	3.57%	24,095,572	3.69%
1995 ^(c)	780,482	24,127,993	3.23%	23,577,037	3.31%
1994	1,033,745	22,317,703	4.63%	22,407,949	4.61%
1993	658,945	19,880,907	3.31%	20,096,012	3.28%
1992 ^(d)	743,468	18,563,584	4.00%	19,196,333	3.87%
1991	632,230	17,637,200	3.58%	19,334,015	3.27%

Notes:

(a) Includes general and special obligation bonds for which debt service payments have been made from the following combining funds in the Debt Service Fund and Capital Projects Fund:

Debt Service Fund

Coal Research/Development Bond Retirement
Improvements Bond Retirement
Highway Improvements Bond Retirement
Development Bond Retirement
Highway Obligations Bond Retirement
Public Improvements Bond Retirement
Vietnam Conflict Compensation Bond Retirement
Local Infrastructure Improvements Bond Retirement
Ohio Public Facilities Commission
Ohio Building Authority

State Projects Bond Service
School Building Program Bond Service
Highway Capital Improvements Bond Service
Higher Education Capital Facilities Bond Service
Common Schools Capital Facilities Bond Service

Capital Projects Fund

Mental Health/Mental Retardation Facilities Improvements
Parks and Recreation Improvements
Local Infrastructure Improvements

(b) This table includes revenues and expenditures for the General, special revenue, debt service and capital project funds.

(c) Revenue and expenditures for fiscal years 1995 through 2000 include the effects of recognizing the distribution of food stamp benefits as revenue and expenditures, in accordance with the reporting requirements of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. Revenue and expenditure data presented for fiscal years 1991 through 1994, however, have not been restated for the effect of this change in accounting principle.

(d) For comparative purposes, the revenue and expenditure data for fiscal year 1992 have been restated for changes in the State of Ohio's reporting entity that resulted from the implementation of GASB Statement No. 14, *The Financial Reporting Entity*, for fiscal year 1993.

STATE OF OHIO

NET GENERAL AND SPECIAL BONDED DEBT^(a) PER CAPITA FOR THE LAST TEN FISCAL YEARS

General and Special Obligation Bonds					
For the Year Ended June 30,	Population <i>(in thousands)</i>	Total Outstanding <i>(in thousands)</i>	Less Amount Reserved for Debt Service <i>(in thousands)</i>	Net Bonded Debt <i>(in thousands)</i>	Net Bonded Debt Per Capita
2000	11,256 ^(b)	\$7,435,330	\$112,300	\$7,323,030	\$651
1999	11,256	7,024,746	118,549	6,906,197	614
1998	11,210	6,399,741	141,230	6,258,511	559
1997	11,186	6,263,433	254,751	6,008,682	537
1996	11,173	5,753,400	386,059	5,367,341	480
1995	11,150	5,538,663	425,553	5,113,110	459
1994	11,102	5,169,302	440,399	4,728,903	426
1993	11,091	4,658,431	552,339	4,106,092	370
1992	11,016	4,261,059	560,936	3,700,123	336
1991	10,941	4,045,661	624,807	3,420,854	313

Source: Population figures were obtained from the Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

Notes:

- (a) Includes general and special obligation bonds for which debt service payments have been made from the following combining funds in the Debt Service Fund and Capital Projects Fund:

Debt Service Fund

Coal Research/Development Bond Retirement
 Improvements Bond Retirement
 Highway Improvements Bond Retirement
 Development Bond Retirement
 Highway Obligations Bond Retirement
 Public Improvements Bond Retirement
 Vietnam Conflict Compensation Bond Retirement
 Local Infrastructure Improvements Bond Retirement
 Ohio Public Facilities Commission
 Ohio Building Authority

State Projects Bond Service
 School Building Program Bond Service
 Highway Capital Improvements Bond Service
 Higher Education Capital Facilities Bond Service
 Common Schools Capital Facilities Bond Service

Capital Projects Fund

Mental Health/Mental Retardation Facilities Improvements
 Parks and Recreation Improvements
 Local Infrastructure Improvements

- (b) An estimate for fiscal year 2000 was not available; therefore, population data from the prior year was used.

STATE OF OHIO

SCHEDULE OF REVENUE BOND COVERAGE FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

Treasurer of State/Office of Financial Incentives (Liquor Bonds)

Fiscal Year	Gross Revenue ^(a)	Direct Operating Expenses ^(b)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	\$ 428,085	\$ 310,620	\$ 117,465	\$ 4,450	\$11,685	\$16,135	7.28
1999	397,018	289,853	107,165	4,175	11,952	16,127	6.65
1998	380,791	276,085	104,706	3,790	12,189	15,979	6.55
1997	366,636	270,525	96,111	9,330	6,738	16,068	5.98
1996	350,744	265,820	84,924	14,410	3,851	18,261	4.65
1995	346,979	267,545	79,434	13,500	4,761	18,261	4.35
1994	341,674	267,368	74,306	12,645	5,608	18,253	4.07
1993	350,914	273,967	76,947	11,800	6,392	18,192	4.23
1992	355,201	281,236	73,965	11,015	7,113	18,128	4.08
1991	354,560	277,644	76,916	10,325	7,783	18,108	4.25

Treasurer of State/Office of Financial Incentives (Ohio Enterprise Bonds)

Fiscal Year	Gross Revenue ^(c)	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	\$ 42,106	\$ —	\$ 42,106	\$ 1,205	\$ 186	\$ 1,391	30.27
1999	34,249	—	34,249	1,095	298	1,393	24.59
1998	41,690	—	41,690	1,000	400	1,400	29.78
1997	29,673	—	29,673	910	492	1,402	21.16
1996	26,298	—	26,298	830	577	1,407	18.69
1995	27,733	—	27,733	755	654	1,409	19.68
1994	22,436	—	22,436	690	734	1,424	15.76
1993	21,184	—	21,184	630	788	1,418	14.94
1992	25,892	—	25,892	570	846	1,416	18.29
1991	7,008	—	7,008	520	899	1,419	4.94

Infrastructure Bank Bond Service

Fiscal Year	Gross Revenue ^(d)	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	\$ 10,140	\$ —	\$ 10,140	\$ 6,320	\$ 3,816	\$ 10,136	1.00
1999	10,931	—	10,931	6,775	4,001	10,776	1.01

Notes:

- (a) Includes only the revenues reported in the Liquor Control Enterprise Fund.
- (b) Includes only the expenses, exclusive of depreciation, reported in the Liquor Control Enterprise Fund.
- (c) Includes only the revenues reported in the Enterprise Bond Retirement Debt Service Fund and operating transfers to the debt service fund from the Community and Economic Development Special Revenue Fund.
- (d) Includes only the revenues reported in the Infrastructure Bank Bond Service Fund and transfers of federal revenues from the Highway Operating Special Revenue Fund.

Ohio Building Authority Internal Service Fund

Fiscal Year	Gross Revenue ^(e)	Direct Operating Expenses ^(f)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	\$ 30,999	\$ 33,862	\$ (2,863)	\$ 3,039	\$ 1,882	\$ 4,921	N/A
1999	29,797	29,097	700	2,893	2,029	4,922	0.14
1998	31,018	25,270	5,748	2,736	2,264	5,000	1.15
1997	27,929	26,913	1,016	3,480	1,801	5,281	0.19
1996	28,251	22,473	5,778	2,602	3,279	5,881	0.99
1995	30,638	22,046	8,592	1,878	4,275	6,153	1.40
1994	33,700	25,763	7,937	2,349	3,881	6,230	1.27
1993	26,924	20,895	6,029	2,222	3,043	5,265	1.15
1992	35,924	22,345	13,579	1,982	4,200	6,182	2.20
1991	30,098	22,599	7,499	1,662	4,764	6,426	1.17

Ohio Building Authority/Bureau of Workers' Compensation Enterprise Fund

Calendar/ Fiscal Year ^(g)	Gross Revenue ^(h)	Direct Operating Expenses ⁽ⁱ⁾	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2000	\$4,361,511	\$3,128,723	\$ 1,232,788	\$ 7,000	\$ 9,209	\$16,209	76.06
1999	3,625,174	2,462,056	1,163,118	6,000	9,455	15,455	75.26
1998	5,115,778	5,891,409	(775,631)	5,000	9,655	14,655	N/A
1997	4,348,344	2,696,867	1,651,477	4,000	9,807	13,807	119.61
1995	3,365,892	2,264,097	1,101,795	2,000	9,947	11,947	92.23
1994	3,161,387	665,854	2,495,533	2,000	9,947	11,947	208.88
1993	3,158,992	2,375,518	783,474	—	—	—	—

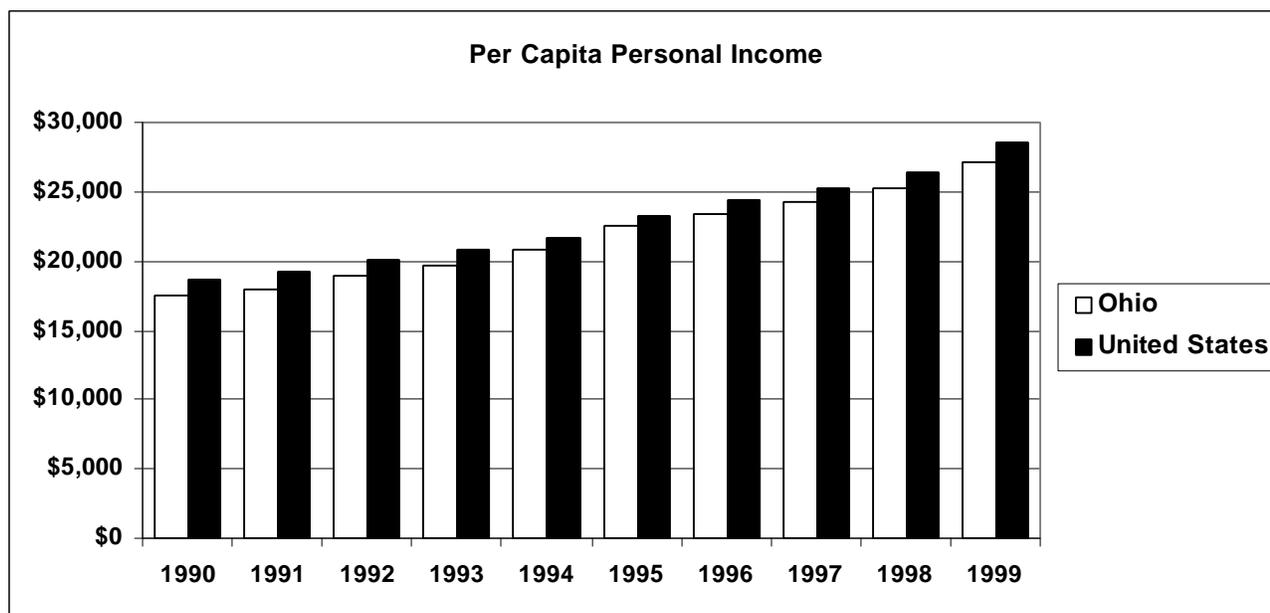
Notes:

- (e) Includes only the revenues reported in the Ohio Building Authority Internal Service Fund.
- (f) Includes only the expenses, exclusive of depreciation, reported in the Ohio Building Authority Internal Service Fund.
- (g) Beginning in fiscal year 1997, the Bureau of Workers' Compensation changed its accounting from calendar year to fiscal year.
- (h) Includes only the revenues reported in the Bureau of Workers' Compensation Enterprise Fund.
- (i) Includes only the expenses, exclusive of depreciation, reported in the Bureau of Workers' Compensation Enterprise Fund.

STATE OF OHIO

PERSONAL INCOME OHIO COMPARED TO THE UNITED STATES FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio's Total Personal Income (in millions)	Percent Change	Per Capita Personal Income	
			Ohio	United States
1999	\$305,643	8.0%	\$27,152	\$28,542
1998	282,920	4.5%	25,238	26,482
1997	270,741	3.3%	24,203	25,298
1996	262,077	4.4%	23,457	24,426
1995	251,037	8.3%	22,514	23,208
1994	231,843	6.5%	20,883	21,699
1993	217,693	4.4%	19,627	20,781
1992	208,560	5.9%	18,923	20,131
1991	196,927	3.3%	18,001	19,199
1990	190,608	5.7%	17,547	18,667



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 8

STATE OF OHIO

**PERSONAL INCOME BY INDUSTRY
FOR THE LAST TEN CALENDAR YEARS**
(dollars in millions)

Calendar Year	MANUFACTURING		SERVICES		GOVERNMENT		WHOLESALE & RETAIL TRADE		Ohio's Total Personal Income
	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	
1999	\$54,358	17.8%	\$55,182	18.0%	\$31,380	10.3%	\$34,230	11.2%	
1998	53,928	19.1%	51,987	18.4%	26,041	9.2%	33,276	11.8%	
1997	52,317	19.3%	48,511	17.9%	25,120	9.3%	31,148	11.5%	
1996	51,493	19.6%	45,475	17.4%	24,242	9.3%	29,465	11.2%	
1995	51,343	20.5%	43,703	17.4%	23,491	9.4%	28,240	11.2%	
1994	47,770	20.6%	40,913	17.7%	22,692	9.8%	26,848	11.6%	
1993	44,723	20.5%	38,197	17.6%	21,766	10.0%	24,855	11.4%	
1992	43,433	20.8%	36,134	17.3%	20,901	10.0%	23,949	11.5%	
1991	40,949	20.8%	33,232	16.9%	19,684	10.0%	22,614	11.5%	
1990	39,723	20.8%	32,274	16.9%	18,586	9.8%	21,898	11.5%	
Calendar Year	CONSTRUCTION		TRANSPORTATION & PUBLIC UTILITIES		FINANCE, INSURANCE & REAL ESTATE		OTHER ^(a)		Ohio's Total Personal Income
	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	
1999	\$12,555	4.1%	\$12,306	4.0%	\$15,163	5.0%	\$90,469	29.6%	\$305,643
1998	11,667	4.1%	11,710	4.1%	13,974	4.9%	80,337	28.4%	282,920
1997	10,822	4.0%	10,933	4.1%	12,545	4.6%	79,345	29.3%	270,741
1996	10,134	3.9%	10,509	4.0%	11,525	4.4%	79,234	30.2%	262,077
1995	9,433	3.8%	10,317	4.1%	10,409	4.1%	74,101	29.5%	251,037
1994	8,588	3.7%	9,365	4.0%	9,678	4.2%	65,989	28.4%	231,843
1993	7,733	3.5%	8,727	4.0%	9,270	4.3%	62,422	28.7%	217,693
1992	7,074	3.4%	8,390	4.0%	8,697	4.2%	59,982	28.8%	208,560
1991	6,896	3.5%	7,996	4.0%	7,856	4.0%	57,700	29.3%	196,927
1990	7,188	3.8%	7,921	4.2%	6,758	3.5%	56,260	29.5%	190,608

Source: Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

Notes:

(a) Primarily includes investment and rental income.

STATE OF OHIO

POPULATION BY AGE GROUP OHIO COMPARED TO THE UNITED STATES

(in thousands)

OHIO

Age Group	1990 Actual	Percent	1999 Estimated ^(a)	Percent
Under 5 years	797	7.3%	740	6.6%
5 through 19 years.....	2,356	21.7	2,436	21.6
20 through 44 years.....	4,204	38.8	4,092	36.4
45 through 64 years.....	2,088	19.3	2,487	22.1
65 years and over	1,402	12.9	1,501	13.3
	<u>10,847</u>	<u>100.0%</u>	<u>11,256</u>	<u>100.0%</u>

UNITED STATES

Age Group	1990 Actual	Percent	1999 Estimated ^(a)	Percent
Under 5 years	18,763	7.5%	18,942	6.9%
5 through 19 years.....	52,995	21.3	59,243	21.7
20 through 44 years.....	99,750	40.1	100,774	37.0
45 through 64 years.....	46,175	18.6	59,191	21.7
65 years and over	31,082	12.5	34,540	12.7
	<u>248,765</u>	<u>100.0%</u>	<u>272,690</u>	<u>100.0%</u>

OHIO'S TOTAL POPULATION AS A PERCENTAGE OF U.S. TOTAL POPULATION

1990 Actual			1999 Estimated ^(a)		
Ohio	U.S.	Percent	Ohio	U.S.	Percent
<u>10,847</u>	<u>248,765</u>	<u>4.4%</u>	<u>11,256</u>	<u>272,690</u>	<u>4.1%</u>

Source: Current Population Reports — U.S. Bureau of Census

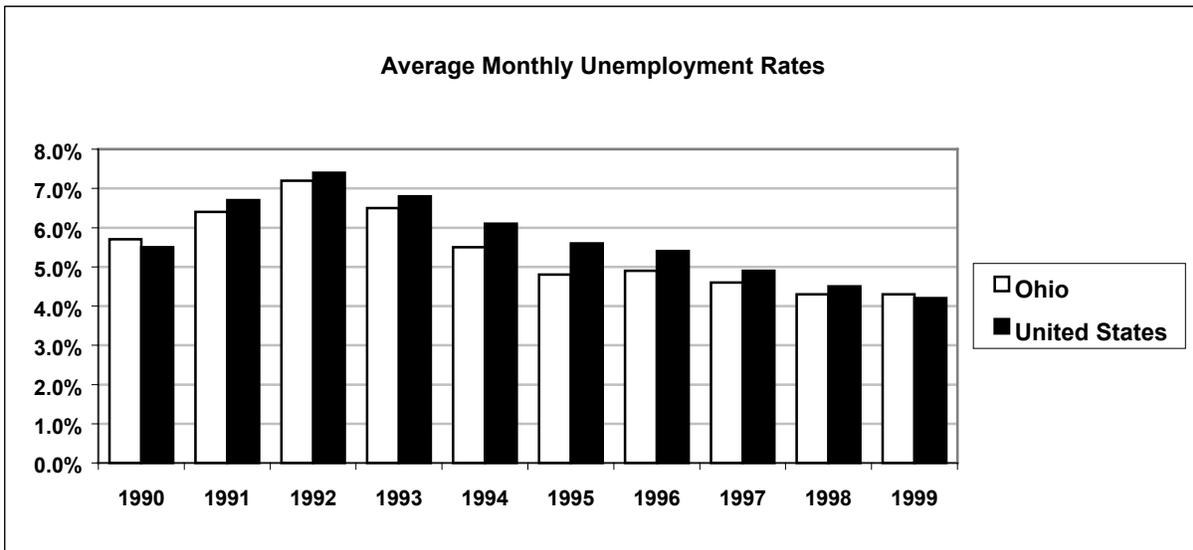
Notes:

(a) The most recent information available

STATE OF OHIO

AVERAGE MONTHLY UNEMPLOYMENT RATES OHIO COMPARED TO THE UNITED STATES FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio	United States
1999	4.3%	4.2%
1998	4.3%	4.5%
1997	4.6%	4.9%
1996	4.9%	5.4%
1995	4.8%	5.6%
1994	5.5%	6.1%
1993	6.5%	6.8%
1992	7.2%	7.4%
1991	6.4%	6.7%
1990	5.7%	5.5%



Source: Ohio Bureau of Employment Services

STATE OF OHIO

LIST OF MAJOR CORPORATIONS WITH HEADQUARTERS IN OHIO

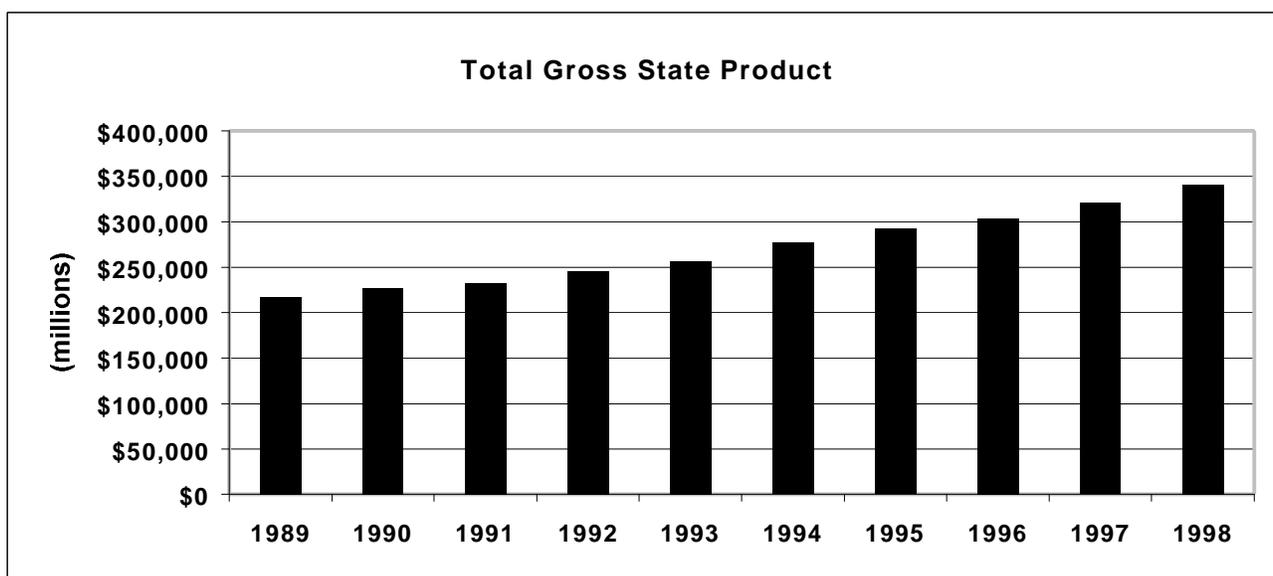
AK Steel Holding (Middletown)	LTV Corporation (Cleveland)
American Electric Power (Columbus)	Limited (Columbus)
American Financial Group (Cincinnati)	Mead Corporation (Dayton)
Cardinal Health (Dublin)	NCR (Dayton)
Cinergy (Cincinnati)	National City Corporation (Cleveland)
Consolidated Stores (Columbus)	Nationwide Insurance Enterprise (Columbus)
Dana Corporation (Toledo)	OfficeMax (Shaker Heights)
Eaton Corporation (Cleveland)	Owens-Corning Corporation (Toledo)
Federated Department Stores (Cincinnati)	Owens-Illinois Incorporated (Toledo)
Fifth Third Bancorp (Cincinnati)	Parker-Hannifin Corporation (Cleveland)
Firstenergy (Akron)	Procter & Gamble Company (Cincinnati)
Goodyear Tire & Rubber (Akron)	Progressive (Mayfield Village)
KeyCorp (Cleveland)	Sherwin-Williams Company (Cleveland)
Kroger (Cincinnati)	TRW Incorporated (Cleveland)

Source: The Fortune 500 Listing, *Fortune Magazine*, April 17, 2000

STATE OF OHIO

TOTAL GROSS STATE PRODUCT FOR CALENDAR YEARS 1989 THROUGH 1998^(a) *(dollars in millions)*

Calendar Year	Total Gross State Product	Percent Change
1998	\$341,070	6.42%
1997	320,506	5.58%
1996	303,569	3.93%
1995	292,076	5.54%
1994	276,742	7.85%
1993	256,593	4.42%
1992	245,726	5.76%
1991	232,337	2.31%
1990	227,102	4.74%
1989	216,820	5.83%



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Notes:

(a) At writing, 1998 was the last available year of actual data.

STATE OF OHIO

CONSTRUCTION CONTRACTS AND
RESIDENTIAL BUILDING ACTIVITY
FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Construction Contracts <i>(in millions)</i>	Residential Building Activity	
		Permits	Valuation <i>(in thousands)</i>
1999	\$15,127 ^(a)	55,880	\$6,400,599
1998	15,127	48,034	5,410,012
1997	14,617	46,487	4,795,483
1996	14,021	49,280	5,000,781
1995	12,364	44,812	4,375,036
1994	11,935	47,152	4,799,052
1993	11,037	44,235	4,318,976
1992	10,757	42,610	3,926,554
1991	9,442	35,810	3,146,887
1990	9,902	38,491	3,039,007

Sources: Construction Contracts - F. W. Dodge, McGraw-Hill, Inc., New York, NY
Residential Activity - Current Construction Reports, U.S. Bureau of Census

Notes:

(a) Data for 1999 was not available; therefore, construction contracts data from the prior year was used.

STATE OF OHIO

**ASSESSED AND MARKET VALUE OF TAXABLE REAL PROPERTY
 FOR THE LAST TEN CALENDAR YEARS**
(dollars in thousands)

Calendar Year	Assessed Value ^(a)	Market Value
1999	\$156,600,957	\$447,431,306
1998	142,864,247	408,183,563
1997	137,544,846	392,985,274
1996	129,853,309	371,009,454
1995	121,046,340	345,846,686
1994	116,576,831	333,076,660
1993	110,319,626	315,198,931
1992	102,548,627	292,996,077
1991	99,937,534	285,535,811
1990	93,677,819	267,650,911

Source: Ohio Department of Taxation

Notes:

(a) Assessed value is 35 percent of market value.

STATE OF OHIO**MISCELLANEOUS STATISTICS AND DATA****STATE AND LOCAL GOVERNMENT:**

Form of State Government	Executive, Legislative, Judicial
Number of Counties	88
Number of Incorporated Cities and Villages	943
Number of State Agencies, Boards, Commissions, and Elected Offices	111 ^(a)
Number of State Employees	63,114
Number of State Representatives	99
Number of State Senators	33

PARKS AND RECREATION:

Number of State Parks	73
Area of State Parks, Natural and Wildlife Lands	300,062.98 acres
Area of State Forest Lands	184,016.43 acres

EDUCATION:

Number of State-Assisted Higher Education Institutions	38
1999-2000 Student Enrollment at State-Assisted Higher Education Institutions	415,948
Number of Public School Districts	611
Number of Joint Vocational School Districts	49

MISCELLANEOUS:

State Capital	Columbus
Date of Statehood	March 1, 1803
State Motto	With God, All Things are Possible
Total Land Acreage	26.4 million acres
Total Farm Acreage	14.9 million acres
Ohio's Three Largest Metropolitan Areas	Cleveland, Cincinnati, Columbus
Largest Source of Federal Financial Support	U.S. Department of Health and Human Services

Sources: Ohio Department of Natural Resources
Ohio Public Facilities Commission's Official Statement

Notes:

(a) Limited to those entities that have financial activity recorded on the State of Ohio's Central Accounting System.