

**Ohio Office of Budget
and Management**

State of Ohio
Bob Taft
Governor



OHIO

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FOR THE FISCAL YEAR
ENDED JUNE 30, 1999

ACKNOWLEDGMENTS

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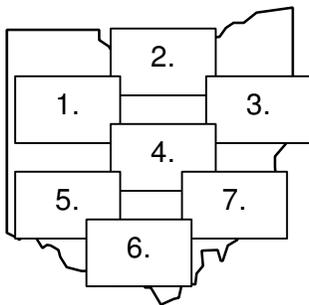
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Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute accurate, timely financial data for their agencies made this report possible.



Front Cover:

1. Lake Erie Sailboats
2. Cleveland's Jacobs Field
3. Amish Buggies
4. Columbus Skyline
5. Cincinnati Skyline
6. Shawnee State Park
7. Old Man's Cave at Hocking Hills State Park

*Photos courtesy of the Ohio Department of Development's
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OHIO

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FOR THE FISCAL YEAR
ENDED JUNE 30, 1999

STATE OF OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
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INTRODUCTORY SECTION



November 19, 1999

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, 1999. 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, required supplementary information, 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 accounting controls are 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 1999, 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, 1999, and the amount and percentage increases and decreases in relation to prior-year's revenues (dollars in thousands).

<i>Revenues</i>	<i>FY 1999 Amount</i>	<i>Percent of Total</i>	<i>Increase/ (Decrease) from FY 1998</i>	<i>Percentage Increase/(Decrease) from FY 1998</i>
<i>Income Taxes</i>	\$ 7,143,344	25.4%	\$ 315,102	4.6%
<i>Sales Taxes</i>	5,834,299	20.8	273,897	4.9
<i>Corporate and Public Utility Taxes</i>	1,817,641	6.5	(151,549)	(7.7)
<i>Motor Vehicle Fuel Taxes</i>	1,445,679	5.1	45,731	3.3
<i>Other Taxes</i>	917,505	3.3	26,954	3.0
<i>Licenses, Permits and Fees</i>	901,653	3.2	17,805	2.0
<i>Sales, Services and Charges</i>	81,731	0.3	5,640	7.4
<i>Federal Government</i>	8,697,800	30.9	348,762	4.2
<i>Investment Income</i>	554,915	2.0	392	0.1
<i>Other</i>	717,672	2.5	18,193	2.6
<i>Total</i>	<u>\$28,112,239</u>	<u>100.0%</u>	<u>\$ 900,927</u>	3.3

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

- The \$315.1 million or 4.6 percent increase in income taxes is mainly attributable to a stronger economy and the realization of capital gains due to favorable changes in the federal tax code.
- Sales tax revenues rose \$273.9 million or 4.9 percent because of increases in consumer spending and growth in Ohio's retail sales.
- A decrease in the corporate franchise tax rate for the 1999 tax year contributed largely to the \$151.5 million or 7.7 percent decrease in corporate and public utility taxes.
- An increase of \$348.8 million or 4.2 percent in federal government revenue is primarily due to increases in federal reimbursements for the Medicaid Program and for education-related programs.

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 1999, and the amount and percentage increases in relation to prior-year's expenditures are shown on the next page for the functions of general government (dollars in thousands).

Expenditures	FY 1999 Amount	Percent of Total	Increase from FY 1998	Percentage Increase from FY 1998
Current:				
Primary, Secondary and Other Education	\$ 6,403,978	22.9%	\$ 476,507	8.0%
Higher Education Support*.....	377,868	1.3	23,338	6.6
Public Assistance and Medicaid.....	8,561,652	30.6	99,444	1.2
Health and Human Services	2,548,360	9.1	63,184	2.5
Justice and Public Protection.....	2,035,739	7.3	165,232	8.8
Environmental Protection and Natural Resources	330,069	1.2	14,547	4.6
Transportation.....	1,497,553	5.2	3,423	0.2
General Government	661,011	2.4	35,736	5.7
Community and Economic Development.....	398,905	1.4	7,012	1.8
Intergovernmental	2,898,094	10.4	162,295	5.9
Capital Outlay	1,256,271	4.5	7,925	0.6
Debt Service	1,024,125	3.7	1,707	0.2
Total	\$27,993,625	100.0%	\$1,060,350	3.9

*During fiscal year 1999, the State also provided \$1.56 billion in support of higher education institutions through operating transfers to the component units. This represents a 2.6 percent increase in funding from fiscal year 1998 when the State transferred \$1.52 billion for this purpose.

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

- Spending at the Department of Education greatly contributed to the \$476.5 million or 8.0 percent increase in primary, secondary and other education expenditures. Expenditures increased significantly for the per-pupil base-cost funding under the Department's School Foundation Program.
- Justice and public protection expenditures grew by \$165.2 million or 8.8 percent. The majority of the rise is due to increased spending at the Department of Rehabilitation and Correction and the Department of Public Safety.
- Intergovernmental expenditures for fiscal year 1999 were \$162.3 million or 5.9 percent higher over last year. The increase is related to the increase in state tax revenues recognized for fiscal year 1999, since intergovernmental expenditures primarily represent distributions of these tax revenues to the benefit of local governments.

An additional analysis of revenues and expenditures for all governmental funds reported for fiscal year 1999 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, 1999	Increase from FY 1998	Percentage Increase from FY 1998
Unreserved/Undesignated Fund Balance.....	\$ 322,773	\$175,192	118.7%
Total Fund Balance	2,640,072	28,877	1.1
Total Revenues	18,897,684	741,284	4.1
Total Expenditures	16,196,961	811,203	5.3

The 1.1 percent increase in the General Fund's total fund balance primarily resulted from lower-than-budgeted spending and higher-than-expected revenue. The 118.7 percent increase in unreserved/undesignated fund balance for the General Fund is attributable in part to a \$190.3 million net decrease in fund balance designations since June 30, 1998. Total fund balance reserves for the General Fund increased by \$44 million or 2.9 percent since June 30, 1998.

As of June 30, 1999, the State's primary government designated \$755.3 million for the purposes described in NOTE 19, and reserved \$1.56 billion in fund balance for a total designated and reserved fund balance of \$2.32 billion for the General Fund. This is compared to a total designated and reserved fund balance of approximately \$2.46 billion, as of June 30, 1998.

PROPRIETARY AND FIDUCIARY FUNDS

The State’s enterprise funds reported retained earnings of \$5.58 billion, as of June 30, 1999, as compared to \$4.49 billion in retained earnings, as of June 30, 1998. These results were caused primarily by the Workers’ Compensation Enterprise Fund, which reported a retained earnings balance of \$5.24 billion, as of June 30, 1999, as compared to a \$4.10 billion retained earnings balance, as of June 30, 1998, a 27.8 percent increase. Operating revenues for the enterprise funds decreased to \$6.43 billion in fiscal year 1999 from \$8.04 billion in fiscal year 1998; operating expenses decreased to \$4.55 billion in fiscal year 1999 from \$7.95 billion in fiscal year 1998. The decrease in operating revenues primarily resulted from an overall decline in investment income for the Enterprise Fund while the decrease in operating expenses is mostly attributable to a decline 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 \$99.8 million, as of June 30, 1999, as compared to \$108.4 million, as of June 30, 1998, a 7.9 percent decrease. Operating revenues and operating expenses remained virtually unchanged when fiscal year 1999 and 1998 results are compared. Operating revenues for the internal service funds increased slightly to \$271.8 million in fiscal year 1999 from \$271 million in fiscal year 1998, while operating expenses increased to \$286.8 million in fiscal year 1999 from \$285.8 million in fiscal year 1998.

The fund balance of the expendable trust funds grew approximately 5.6 percent to \$2.64 billion, as of June 30, 1999, from \$2.50 billion, as of June 30, 1998. Revenues for the expendable trust funds dropped to \$888.9 million in fiscal year 1999 from \$919.3 million in fiscal year 1998; expenditures increased to \$745.7 million in fiscal year 1999 from \$692.1 million in fiscal year 1998.

Net assets of the pension trust fund were approximately \$600 million, as of June 30, 1999, as compared to \$588.7 million, as of June 30, 1998, a 1.9 percent increase. Total additions to plan net assets for the pension trust fund decreased to \$37 million in fiscal year 1999 from \$98.9 million in fiscal year 1998, while total deductions to plan net assets increased to \$25.6 million in fiscal year 1999 from \$22.2 million in fiscal year 1998.

The State Treasury Asset Reserve of Ohio (STAROhio) Investment Trust Fund reported net investment income of \$277.5 million in fiscal year 1999, as compared to \$242.1 million in fiscal year 1998, and net assets held in trust for pool participants was \$5.34 billion, as of June 30, 1999, as compared to \$4.50 billion, as June 30, 1998, an 18.7 percent increase. 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 Investors Service, L.P. (Fitch). Standard & Poor’s Corporation (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-.

As of June 30, 1999, the State’s primary government reported a total of \$8.28 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, 1998</i>
<i>General Obligation Bonds.....</i>	\$1,962,402	25.1%
<i>Revenue Bonds and Notes</i>	224,760	(5.1)
<i>Special Obligation Bonds.....</i>	5,062,344	4.8
<i>Certificates of Participation</i>	16,765	(9.9)
<i>Other General Long-Term Obligations</i>	1,012,136	6.5
<i>Total</i>	<u>\$8,278,407</u>	8.8

For the proprietary funds, Ohio's primary government also reported \$223.7 million (net of unamortized discounts of approximately \$2.8 million) in revenue bonds, as of June 30, 1999.

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 appears to be entering a period of more moderate growth. Surveys by private research groups of manufacturing and non-manufacturing enterprises, homebuilding, retailers, and auto dealers are showing signs of slowdown. Real Gross Domestic Product (GDP), the total value of goods and services produced in the U.S. and adjusted for inflation, cooled in the second quarter of calendar year 1999 to a revised annual rate of growth of 1.6 percent, down from 4.3 percent in the first quarter. On Wall Street, the financial markets were jolted recently over the news that the employment cost index, a bellwether of inflationary trends, showed a larger-than-expected second quarter increase. The Federal Reserve Board, worried about incipient signs of inflation, raised interest rates three times this year, one-quarter point in June, another quarter point in August, and yet another quarter point this past week in November.

Overall, the U.S. economy continues to expand, though performance is mixed. Consumer spending and housing are the bright spots, while manufacturing, foreign trade, and capital spending are weak. Although mortgage rates have climbed as high as 8.0 percent in August, home sales have remained strong. Consumer sentiment remains strong by historical standards. The savings rate is in the negative territory, and the American consumer continues to spend. Chain store sales experienced a strong performance in the second and third quarters of the year. Auto sales were equally strong. Third quarter sales of 17.3 million in light vehicles make it the best quarter for the auto industry in 13 years.

All in all, the strong sectors of the economy outweigh the weak ones, and the overall economic activity remains on a positive growth track with no recession predicted for the near term. The consensus forecast calls for growth in GDP to moderate from the rapid growth rates of 3.0 to 4.0 percent over the last three years to more modest growth rates of 2.0 to 2.5 percent in the years 2000 and 2001. 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 moderate path near the long-term rate of growth of 2.5 to 3.0 percent.

Ohio's revenue picture remains in line with the current budget forecast of moderate economic growth and low inflation. The outlook for the General Fund remains stable and on target, with receipts slightly above estimates and spending slightly lower than estimates, after adjusting for timing factors. Furthermore, Ohio's Budget Stabilization Fund or "Rainy Day" Fund, a budgetary fund reported as part of the General Fund, remains intact with a current fund balance of \$953.3 million.

MAJOR INITIATIVES AND PROJECTS

Ohio's First Separate Education Budget

In late June 1999, the General Assembly approved House Bill 282, a separate budget bill for education, the first of its kind in Ohio's history. The two-year budget provides over \$13.5 billion for primary and secondary education and \$5.1 billion for higher education. It fully funds the new school funding system created by House Bill

650, and accelerates the phase-in of the new system by one year. Primary and secondary education funding highlights are as follows:

- The per-pupil formula amount will increase to \$4,294 in fiscal year 2001, up from \$3,500 in fiscal year 1997, an increase of 22.7 percent. During the same period, inflation is projected to increase only 8.8 percent.
- House Bill 282 also modifies the pupil transportation formula by providing additional financial assistance to rural school districts.
- Unit funding is discontinued for joint vocational school districts and instead, the State will provide equalized, weighted per-pupil funding in the same manner as provided to students in comprehensive schools.
- Funding is continued for other school foundation programs, including Disadvantaged Pupil Impact Aid, gifted pupil programs, power equalization aid, and the charge-off supplement.
- Other new initiatives designed to improve student outcomes are funded, such as the OhioReads Program (\$30 million a year), Tech Prep incentive grants (over \$4 million a year), character education (\$1 million a year), and alternative school grants (\$20 million a year).
- The Classroom Facilities Assistance Program, the primary school building assistance program, will receive more than \$235 million to help provide funding for an additional 38 districts.
- The SchoolNet Plus Program will expand the existing K-4th grade program by providing one interactive multimedia computer workstation for every five public school students in the 5th grade.

Higher education funding, also included in House Bill 282, is over \$5 billion and is provided to make higher education more accessible to Ohio students by making it more affordable to Ohio families. Significant additional funding is provided to the Board of Regents performance-based funding programs. Specifically, additional funding is provided to Ohio's "access" campuses to keep tuition flat in fiscal year 2000 and to reduce tuition by 5.0 percent in fiscal year 2001.

The State's Main Operating Biennial Budgets

On June 30, 1999, the General Assembly approved House Bill 283, which establishes the State's \$51 billion general operating budget for fiscal years 2000 and 2001. The budget contained limited appropriations for new projects due to the emphasis being placed on primary and secondary education. Nevertheless, House Bill 283 does allow for a few program expansions as detailed below.

- The Children's Health Insurance Program will be expanded beginning January 1, 2000 to provide health care coverage for uninsured children in families with incomes between 151 and 200 percent of the federal poverty guideline, thus increasing the program to 27,000 children.
- The Technology Action Program is funded at \$15.1 million each fiscal year to enhance the State's ability to compete for federal research and development funds, provide targeted funding for high-priority technology initiatives, and provide a return on investment for the State's economy.
- As a means to enhance the State's workforce training and development efforts, the Department of Human Services and the Bureau of Employment Services will be merged effective July 1, 2000. The goal of the merger is to develop a seamless local service delivery system designed to provide maximum access and results for employers needing skilled workers or unemployed parents trying to become self-sufficient.

The State's main spending plan also provides tax relief for Ohio taxpayers. A one-time income tax rate reduction of approximately 3.6 percent in fiscal year 2000 for the 1999 tax year will be made possible by a strong economy that produced total budgetary revenue sources of \$19.07 billion for the General Revenue Fund in fiscal year 1999, approximately \$283 million more than estimated. This combined with spending restraint that resulted in disbursements of \$19.2 billion in fiscal year 1999 for the General Revenue Fund, which was \$484.6 million less than estimated, bolstered the State's financial position. Other forms of tax relief specified in the general operating budget include the following:

- *Income Tax Adoption Credit* – provides a \$500 non-refundable income tax credit for the legal adoption of minor children that is expected to benefit more than 2,500 adoptions each year.
- *Income Tax Long-Term Care Deduction* – provides a personal income tax deduction for the full amount of long-term care insurance premiums, which will average about \$1,500 for eligible taxpayers annually.
- *Income Tax Medical Expense Deduction* – provides an income tax deduction for taxpayers with medical expenses in excess of 7.5 percent of their federal adjusted gross income, which should benefit around 130,000 taxpayers.
- *Income Tax Health Insurance Deduction* – provides an income tax deduction to taxpayers not eligible to participate in an employer-sponsored medical insurance plan, allowing them to deduct the premiums paid for medical care insurance, which should benefit around 58,000 taxpayers.
- *Income Tax College Tuition Deduction* – provides a \$2,500 income tax deduction a year for the first two years of post-secondary education tuition, which should benefit around 300,000 taxpayers.
- *Increase and Index Homestead Brackets* – provides a property tax reduction for elderly and disabled homeowners and will increase the number of qualifying taxpayers by 41,000.
- *Extension of the Manufacturing Machine and Equipment Franchise Tax Credit* – extends the 7.5 percent/13.5 percent corporate franchise tax credit for new manufacturing machinery and equipment through December 31, 2005.

The General Assembly also approved the State's other operating biennial budgets including the \$5.2 billion transportation budget, the \$593.4 million spending plan for the Bureau of Workers' Compensation, and the \$105.6 million budget for the Ohio Industrial Commission.

Governor's Tobacco Task Force

In March 1999, a bipartisan, 15-member task force was created at Governor Taft's urging to make recommendations on the best uses for the estimated \$10.1 billion that Ohio is scheduled to receive through 2025 under the terms of the Tobacco Master Settlement Agreement (MSA).

In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the 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. NOTE 24 to the General-Purpose Financial Statements provides details on the amount and timing of payments Ohio is expected to receive under the settlement.

As a result of its deliberations between March 31 and September 29, 1999, which involved public hearings at which testimony was heard from 60 witnesses, the task force issued a report with its recommendations on how the State should utilize the moneys Ohio will receive under the tobacco settlement. In its report, the task force recommended the creation of seven separate trust funds that would be used to address Ohio's needs in the areas of public health, education, training facilities and equipment for law enforcement, and agricultural development in the region of Ohio where tobacco has traditionally been grown.

Specifically, the task force recommended that the following funds be created:

- The Tobacco Use Prevention and Cessation Trust Fund, Ohio's Public Health Priorities Trust Fund, and the Biomedical Research and Technology Transfer Trust Fund to address public health needs by reducing tobacco use and by making other improvements in the health of Ohioans;
- The Primary and Secondary Education School Facilities Trust Fund and the Education Technology Trust Fund to address needs for primary and secondary education school facilities and education technology for

primary and secondary and higher education by rebuilding Ohio's primary and secondary schools and by keeping education technology up to date;

- The Law Enforcement Improvements Trust Fund to address law enforcement needs of the Ohio Attorney General's Office by making needed improvements in the State's law enforcement training and laboratory facilities; and
- The Southern Ohio Agricultural and Community Development Trust Fund to address the need for agricultural and community development in the region of the state that will be most affected by reduced production of tobacco by assisting Ohio's farmers and communities that will be affected by a reduction in tobacco products.

In addition to the creation of the seven separate trust funds, the task force recommended a formula for dividing the tobacco payments among the funds and a funding plan for each fund through 2025.

As of the date of this letter, the General Assembly is considering the task force's recommendations while it works to finalize legislation governing the State's future use of tobacco settlement moneys.

Rebuilding Ohio's Schools: A 12-Year Commitment

On September 9, 1999, Governor Taft unveiled a 12-year plan to provide state support for local school building needs. The plan creates a predictable, dependable and sufficient level of state funding. Highlights of the plan, which is under consideration by the General Assembly, are as follows:

- The total cost of upgrading all school facilities would be split about 50/50 between the state and local school districts.
- Starting in fiscal year 2001 and continuing for 12 years, the State would commit at least \$9.9 billion for the Classroom Facilities Assistance Program and \$260 million for emergency improvements.
- Total investment in school facilities over the next 12 years would be \$23.1 billion including an estimated local match of \$12.9 billion.
- Funding for the plan would be made up of \$5.9 billion or 58 percent from the State's capital budget, \$1.8 billion or 18 percent from operating appropriations and interest earnings, and \$2.5 billion or 24 percent from tobacco settlement revenue.

State Issue 1

State Issue 1, placed on the ballot by the General Assembly and passed in November 1999, is part of Governor Taft's "Rebuilding Ohio's Schools" initiative, and it amends the Ohio Constitution to allow the use of general obligation bonds to provide the State match for local school construction projects. General obligation bonds are backed with the full faith and credit of the State, and therefore can be sold at lower interest rates. State Issue 1 also places a borrowing cap into the Constitution that requires that no more than five percent of the state budget can be spent on debt service for bonds.

OhioReads Program

Governor Taft's "OhioReads" initiative, which was sanctioned by House Bill 1 in March 1999, seeks to use the \$60 million in funding provided in House Bill 282 to improve classroom reading efforts and to support the OhioReads Council. The Council, an 11-member board, oversees the recruitment and training of 20,000 volunteer reading tutors. The OhioReads Program is aimed at improving the reading skills of Ohio's K-4th grade students so they can pass the 4th grade proficiency test. The program began operating during the current 1999-2000 school year.

Electric Utility Deregulation

Beginning January 1, 2001, Ohio consumers will be able to choose their electricity supplier. The supplier a consumer chooses will generate the power, while the consumer's current electric company will distribute the power through existing wires. Senate Bill 3, signed by Governor Taft on July 6, 1999, authorizes customer choice in the selection of suppliers by removing the exclusive franchises of electric utility suppliers. The bill establishes the State's policy with respect to retail electric service. The policy is meant to ensure adequate, reliable, nondis-

criminary, and reasonably priced services. The policy also establishes consumer safeguards to protect against unreasonable sales practices.

YEAR 2000 ISSUE

Because of its reliance on computer systems and other electronic equipment critical to conducting operations, the State has recognized and is addressing the Year 2000 issue. A discussion on the status of the State's remediation efforts for its major computer systems, as of June 30, 1999, can be found in the Required Supplementary Information Section of the CAFR following the notes to the General-Purpose Financial Statements.

From a processing standpoint, the State's Central Accounting System (CAS) began operating in a post-Year 2000 status with the commencement of the State's fiscal year 2000 on July 1, 1999. CAS was one of the State's first mission-critical systems to become Year 2000 compliant, and no problems were encountered when the system was switched to the Year 2000 environment. No difficulty is anticipated when the calendar date in CAS is changed to January 1, 2000, based on results of several date-forward tests of the system. State agencies use CAS to post revenues and expenditures, exercise budgetary control over authorized spending limits, and initiate payments to beneficiaries, vendors, and State employees.

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, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government report.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. 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. The State of Ohio has received a Certificate of Achievement for the last nine years (fiscal years 1990-1998). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Award for Distinguished Budget Presentation

The State received for the first time the GFOA's Award for Distinguished Budget Presentation for its appropriated budgets for fiscal years 1998 and 1999. To qualify for the Distinguished Budget Presentation Award, the State's budget document was judged to be proficient in several categories, including policy documentation, financial planning, and organization. The State has submitted its appropriated budgets for fiscal years 2000 and 2001 to GFOA for consideration under the Distinguished Budget Presentation Program.

ADDITIONAL INFORMATION

The Ohio Office of Budget and Management provides access to the 1999 *Ohio Comprehensive Annual Financial Report*, 1999 *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

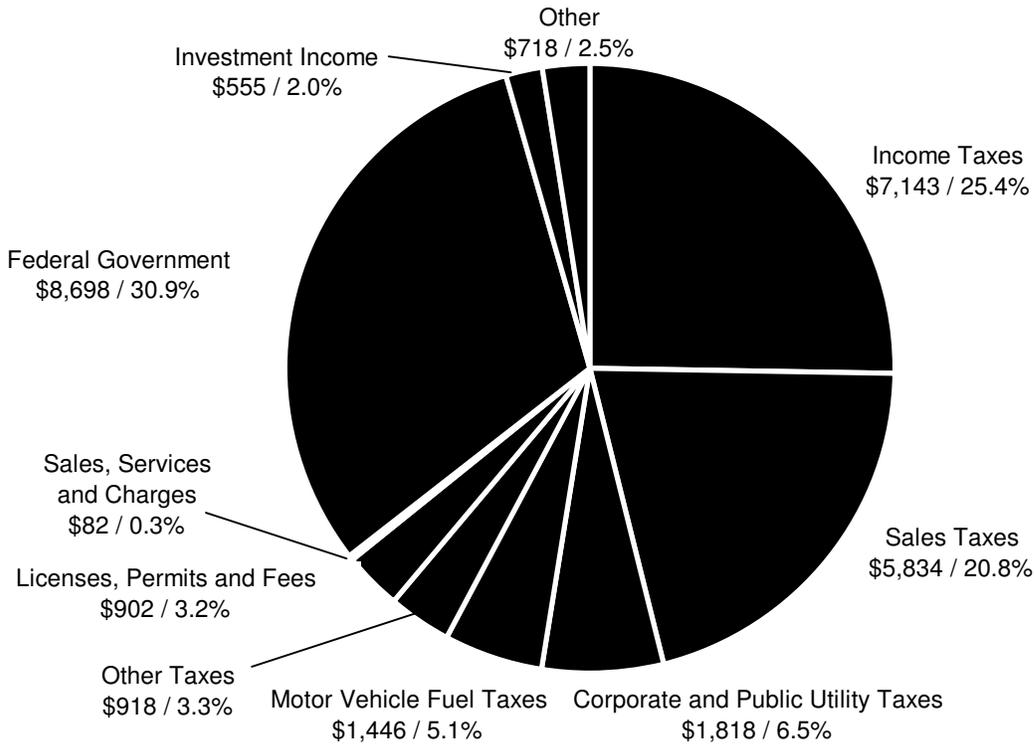
In conclusion, I wish to express my appreciation to the staffs of the various State agencies whose time and dedicated efforts made this report possible.

Sincerely,

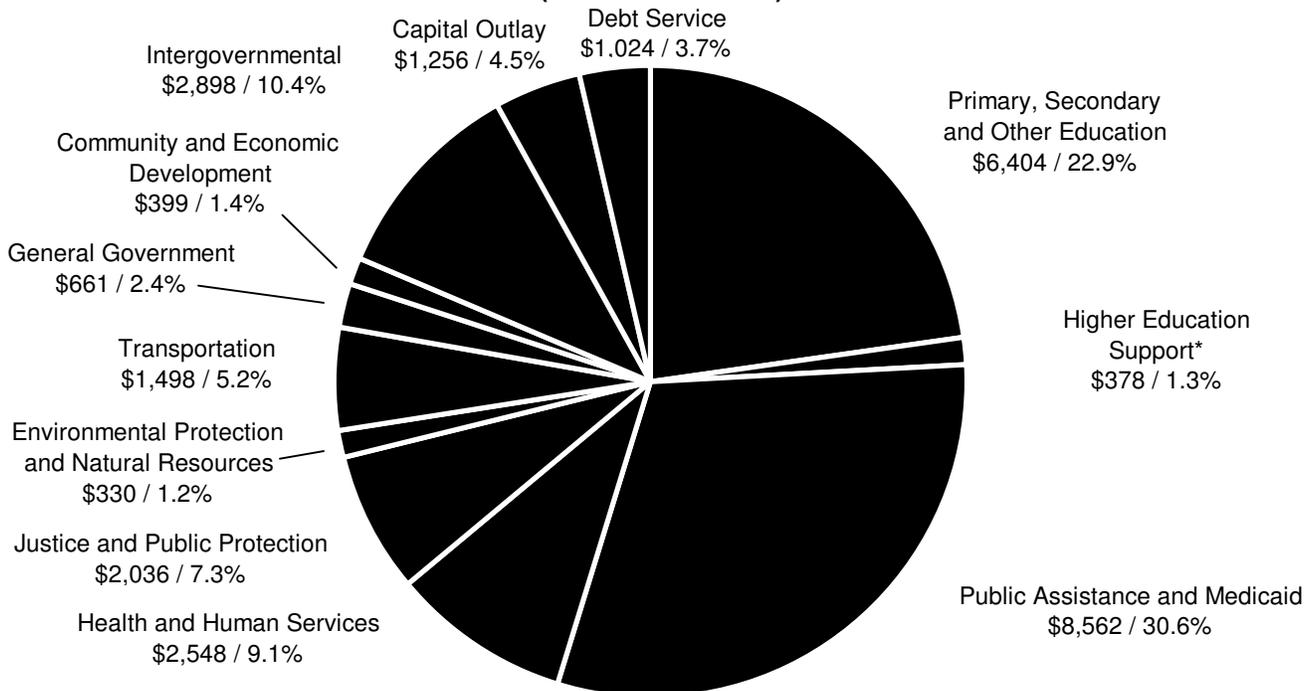


Thomas W. Johnson, Director

**GAAP Basis Revenues for All General Governmental Fund Types
Fiscal Year 1999
(dollars in millions)**



**GAAP Basis Expenditures for All General Governmental Fund Types
Fiscal Year 1999
(dollars in millions)**



* In the governmental funds, budgetary expenditures for Higher Education Support totaling \$1.56 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, 1998

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.



Douglas R. Ellaworth
President

Jeffrey L. Esler
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
Treasurer of State

J. Kenneth Blackwell
Secretary of State

LEGISLATIVE

Richard H. Finan
President of the Senate

Jo Ann Davidson
Speaker of the House

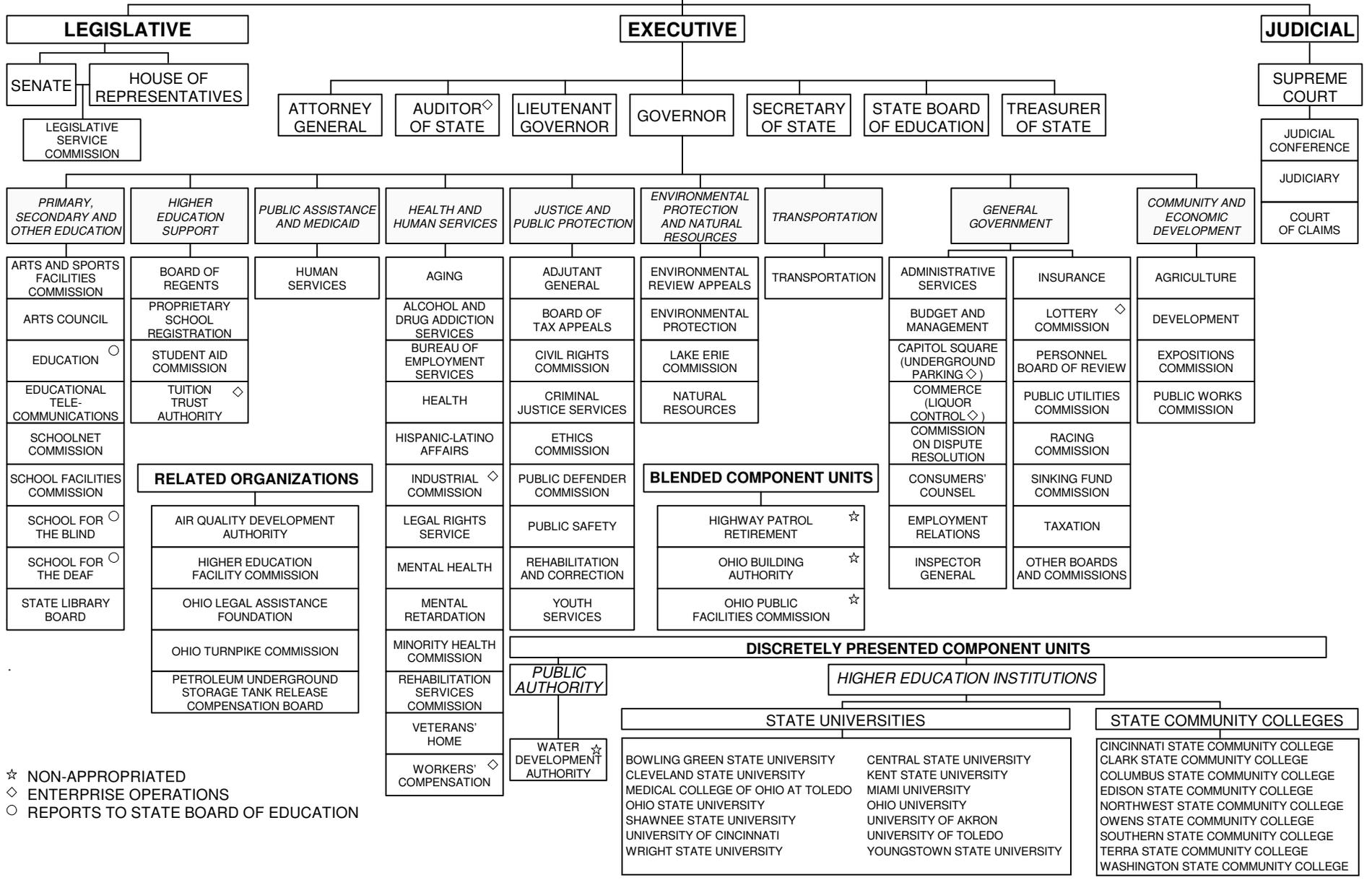
JUDICIAL

Thomas J. Moyer
Chief Justice
Supreme Court

STATE OF OHIO ORGANIZATION CHART

THE CITIZENS OF OHIO

PRIMARY GOVERNMENT



- ☆ NON-APPROPRIATED
- ◇ ENTERPRISE OPERATIONS
- REPORTS TO STATE BOARD OF EDUCATION

FINANCIAL SECTION



STATE OF OHIO
 OFFICE OF THE AUDITOR
 JIM PETRO, AUDITOR OF STATE

35 East Gay Street
 Columbus, Ohio 43216
 Telephone 614-466-3402
 800-443-9275
 Facsimile 614-728-7199

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, 1999, 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:

<u>Blended</u>	
Ohio Building Authority	State Highway Patrol Retirement System
Ohio Public Facilities Commission	

<u>Discretely Presented</u>		
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	45%	10%
Capital Projects Fund Type	1%	47%
Enterprise Fund Type	88%	57%
Internal Service Fund Type	30%	11%
Trust and Agency Fund Type	97%	47%
General Fixed Assets Account Group	9%	—
General Long-Term Obligations Account Group	(66%)	—
Discretely Presented Component Units	83%	94%

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, 1999, 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.

As discussed in Note 2 to the general-purpose financial statements, the State of Ohio has implemented Statement 32 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* for the fiscal year ended June 30, 1999. The State of Ohio has no fiduciary responsibilities for the funds deposited with the Program by its employees, and the State has not included any balances for these funds in its general-purpose financial statements as of the year ended June 30, 1999.

The year 2000 supplementary information on pages 87 - 90 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information.

We did not apply these procedures to the organizations which are a part of the primary government or component units identified in paragraph one, above, as having been audited by other auditors. The other auditors for the Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio, the Auditor of State, the State Treasury Asset Reserve of Ohio, the Ohio Building Authority, the Ohio State University, and the University of Cincinnati reported they were unable to apply to the supplementary year 2000 information the procedures prescribed by professional standards. The other auditors did not audit the year 2000 supplementary information and express no opinion on it.

The year 2000 supplementary information on pages 87 - 90 indicates the Ohio Department of Administrative Services' State Payroll System and the Ohio Department of Rehabilitation and Corrections' Prison Security System are in the remediation stage. It is reasonably possible that neither of these systems will be completely remediated as of January 1, 2000. Failure of either system could have significant effects on the State's ability to conduct its normal operations.

Neither we nor the other auditors provide assurance that the primary government or any of its component units are or will become year 2000 compliant, that the primary government's, or any of its component units', year 2000 remediation efforts will be successful in whole or in part, or that parties with which the primary government or any of its component units do business are or will become year 2000 compliant.

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.



JIM PETRO
Auditor of State

November 19, 1999

**GENERAL-
PURPOSE
FINANCIAL
STATEMENTS**

STATE OF OHIO

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

JUNE 30, 1999

(dollars in thousands)

GOVERNMENTAL FUND TYPES

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash Equity with Treasurer	\$ 2,871,509	\$ 3,145,502	\$ 60,646	\$ 727,159
Cash and Cash Equivalents	13,856	17,028	1,688	—
Investments	—	102,278	95,369	13,551
Collateral on Lent Securities	2,116,346	2,301,729	45,037	533,299
Deposit with Federal Government	—	—	—	—
Receivables:				
Taxes	748,994	200,276	—	—
Intergovernmental	616,388	413,458	—	—
Premiums and Assessments	—	—	—	—
Investment Trade	—	—	—	—
Loans, Net	25,293	455,215	4,135	148,443
Other	24,263	52,285	826	2,840
Due from Other Funds	22,076	23,455	1,243	2,427
Inventories	1,000	33,269	—	—
Food Stamps	—	121,572	—	—
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	6,453	5,347	—	—
Amount Available for Debt Service	—	—	—	—
Amount to be Provided for General Long-Term Obligations	—	—	—	—
TOTAL ASSETS AND OTHER DEBITS	\$ 6,446,178	\$ 6,871,414	\$ 208,944	\$ 1,427,719
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 118,923	\$ 258,703	\$ —	\$ 82,213
Medicaid Claims Payable	509,652	5,752	—	—
Accrued Liabilities	136,796	64,954	954	47
Obligations Under Securities Lending	2,116,346	2,301,729	45,037	533,299
Intergovernmental Payable	278,699	517,573	—	—
Investment Trade Payable	—	—	—	—
Due to Other Funds	41,461	9,645	18	1,198
Deferred Revenue	79	218,942	6,000	—
Benefits Payable	—	—	—	—
Refund and Other Liabilities	604,150	72,743	1,125	—
Liability for Escheat Property	—	—	—	—
Liabilities Payable from Restricted Assets	—	—	—	—
Advances from Other Funds	—	145,689	—	—
General Obligation Bonds	—	—	—	—
Revenue Bonds and Notes	—	—	—	—
Special Obligation Bonds	—	—	—	—
Certificates of Participation	—	—	—	—
Other General Long-Term Obligations	—	—	—	—
Total Liabilities	3,806,106	3,595,730	53,134	616,757
Fund Equity and Other Credits:				
Investment in General Fixed Assets	—	—	—	—
Contributed Capital	—	—	—	—
Reserved Retained Earnings	—	—	—	—
Unreserved Retained Earnings	—	—	—	—
Fund Balances:				
Reserved for:				
Debt Service	1,480	—	151,117	—
Encumbrances	514,032	3,161,002	—	780,076
Budget Stabilization	906,891	—	—	—
Noncurrent Portion of Loans Receivable	24,672	302,405	4,135	146,926
Employees' Pension and Other Postemployment Benefits	—	—	—	—
Unemployment Benefits	—	—	—	—
External Investment Pool Participants	—	—	—	—
Restricted Fund Balances	—	—	—	—
Other	114,965	42,793	—	64,699
Unreserved/Designated	755,259	—	—	—
Unreserved/Undesignated (Deficits)	322,773	(230,516)	558	(180,739)
Total Fund Equity and Other Credits	2,640,072	3,275,684	155,810	810,962
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 6,446,178	\$ 6,871,414	\$ 208,944	\$ 1,427,719

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)	
\$ 153,222	\$ 54,293	\$ 190,807	\$ —	\$ —	\$ 7,203,138	\$ 305	\$ 7,203,443	
1,904,537	170	179,808	—	—	2,117,087	250,353	2,367,440	
17,939,712	1,563	126,453,486	—	—	144,605,959	4,170,195	148,776,154	
2,342,895	39,504	1,205,440	—	—	8,584,250	—	8,584,250	
—	—	2,110,852	—	—	2,110,852	—	2,110,852	
—	—	149,548	—	—	1,098,818	—	1,098,818	
—	2,337	71	—	—	1,032,254	23,182	1,055,436	
1,280,390	—	—	—	—	1,280,390	—	1,280,390	
132,367	—	—	—	—	132,367	—	132,367	
—	—	—	—	—	633,086	2,065,624	2,698,710	
283,345	34,235	39,525	—	—	437,319	494,829	932,148	
4,292	40,567	3,237	—	—	97,297	454,700	551,997	
25,456	19,066	—	—	—	78,791	43,256	122,047	
—	—	—	—	—	121,572	—	121,572	
—	—	145,689	—	—	145,689	—	145,689	
39,276	—	—	—	—	39,276	—	39,276	
1	59	—	—	—	60	4,460	4,520	
—	44,298	—	—	—	44,298	19,170	63,468	
1,742,230	—	—	—	—	1,742,230	—	1,742,230	
1,004,042	—	—	—	—	1,004,042	—	1,004,042	
11,918	—	—	—	—	11,918	—	11,918	
230,773	27,655	2,865	3,889,365	—	4,150,658	8,789,056	12,939,714	
39,923	341	403,331	—	—	455,395	789,245	1,244,640	
—	—	—	—	—	152,597	—	152,597	
—	—	—	—	—	8,125,810	—	8,125,810	
\$ 27,134,379	\$ 264,088	\$ 130,884,659	\$ 3,889,365	\$ 8,278,407	\$ 185,405,153	\$ 17,104,375	\$ 202,509,528	
\$ 156,784	\$ 26,905	\$ 798	\$ —	\$ —	\$ 644,326	\$ 211,233	\$ 855,559	
36,675	11,430	469	—	—	515,404	—	515,404	
2,342,895	39,504	1,205,440	—	—	251,325	708,755	960,080	
—	1,277	87,577	—	—	8,584,250	—	8,584,250	
1,425,071	—	133,679	—	—	885,126	441	885,567	
2,287	1,525	41,206	—	—	1,558,750	—	1,558,750	
445,391	453	—	—	—	97,340	454,700	552,040	
12,581,330	—	20,210	—	—	670,865	184,102	854,967	
1,692,448	—	120,745,889	—	—	12,601,540	—	12,601,540	
—	—	73,579	—	—	123,116,355	144,092	123,260,447	
2,678,362	—	—	—	—	73,579	—	73,579	
—	—	—	—	—	2,678,362	—	2,678,362	
—	—	—	—	—	145,689	—	145,689	
191,864	31,815	—	—	—	1,962,402	—	1,962,402	
—	—	—	—	—	224,760	2,494,976	2,943,415	
—	—	—	—	—	5,062,344	—	5,062,344	
—	—	—	—	—	16,765	13,220	29,985	
—	—	—	—	—	1,012,136	—	1,012,136	
21,553,107	112,909	122,308,847	—	8,278,407	160,324,997	4,211,519	164,536,516	
—	—	—	3,889,365	—	3,889,365	7,755,187	11,644,552	
411	51,359	—	—	—	51,770	—	51,770	
151,201	204	—	—	—	151,405	—	151,405	
5,429,660	99,616	—	—	—	5,529,276	1,313,635	6,842,911	
—	—	—	—	—	152,597	—	152,597	
—	—	—	—	—	4,455,110	—	4,455,110	
—	—	—	—	—	906,891	—	906,891	
—	—	—	—	—	478,138	—	478,138	
—	—	600,099	—	—	600,099	—	600,099	
—	—	2,397,075	—	—	2,397,075	—	2,397,075	
—	—	5,335,446	—	—	5,335,446	—	5,335,446	
—	—	—	—	—	—	2,924,206	2,924,206	
—	—	145,689	—	—	368,146	—	368,146	
—	—	—	—	—	755,259	361,629	1,116,888	
—	—	97,503	—	—	9,579	538,199	547,778	
5,581,272	151,179	8,575,812	3,889,365	—	25,080,156	12,892,856	37,973,012	
\$ 27,134,379	\$ 264,088	\$ 130,884,659	\$ 3,889,365	\$ 8,278,407	\$ 185,405,153	\$ 17,104,375	\$ 202,509,528	

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, 1999

(dollars in thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Income Taxes	\$ 6,389,926	\$ 753,418	\$ —
Sales Taxes	5,539,780	294,519	—
Corporate and Public Utility Taxes	1,718,482	99,159	—
Motor Vehicle Fuel Taxes	—	1,413,301	32,378
Unemployment Taxes	—	—	—
Other Taxes	869,556	47,949	—
Licenses, Permits and Fees	94,789	792,638	14,226
Sales, Services and Charges	43,586	37,495	—
Federal Government	3,658,824	5,038,886	—
Investment Income	399,520	115,132	11,067
Other	183,221	529,107	1,355
TOTAL REVENUES	18,897,684	9,121,604	59,026
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	4,832,607	1,571,371	—
Higher Education Support	365,981	11,887	—
Public Assistance and Medicaid	6,550,881	2,010,771	—
Health and Human Services	1,035,566	1,512,794	—
Justice and Public Protection	1,555,069	480,670	—
Environmental Protection and Natural Resources	113,947	216,122	—
Transportation	35,961	1,461,592	—
General Government	546,537	114,474	—
Community and Economic Development	109,945	288,063	—
INTERGOVERNMENTAL	1,033,066	1,865,028	—
CAPITAL OUTLAY	15,607	267,047	—
DEBT SERVICE	1,794	—	1,017,962
TOTAL EXPENDITURES	16,196,961	9,799,819	1,017,962
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,700,723	(678,215)	(958,936)
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	111,993	—
Refunding Bond Proceeds	—	—	173,500
Payment to Refunded Bond Escrow Agents	—	—	(173,376)
Capital Leases	1,575	682	—
Operating Transfers-in	201,151	2,017,646	969,961
Operating Transfers-out	(1,308,827)	(1,067,918)	(37,882)
Operating Transfers to Component Units	(1,564,910)	—	—
TOTAL OTHER FINANCING SOURCES (USES)	(2,671,011)	1,062,403	932,203
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	29,712	384,188	(26,733)
FUND BALANCES, JULY 1 (as restated)	2,611,195	2,893,453	182,543
Increase (Decrease) for Changes in Inventories	(835)	(1,957)	—
Residual Equity Transfers-out	—	—	—
FUND BALANCES, JUNE 30	\$ 2,640,072	\$ 3,275,684	\$ 155,810

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

	FIDUCIARY FUND TYPE	
CAPITAL PROJECTS	EXPENDABLE TRUST	TOTAL (memorandum only)
\$ —	\$ —	\$ 7,143,344
—	—	5,834,299
—	—	1,817,641
—	—	1,445,679
—	669,896	669,896
—	—	917,505
—	—	901,653
650	—	81,731
90	10,111	8,707,911
29,196	148,190	703,105
3,989	60,751	778,423
33,925	888,948	29,001,187
—	—	6,403,978
—	—	377,868
—	—	8,561,652
—	718,048	3,266,408
—	—	2,035,739
—	—	330,069
—	—	1,497,553
—	27,617	688,628
897	—	398,905
—	—	2,898,094
973,617	—	1,256,271
4,369	—	1,024,125
978,883	745,665	28,739,290
(944,958)	143,283	261,897
1,158,492	—	1,270,485
—	—	173,500
—	—	(173,376)
—	—	2,257
281,287	—	3,470,045
(283,596)	—	(2,698,223)
—	—	(1,564,910)
1,156,183	—	479,778
211,225	143,283	741,675
605,393	2,496,984	8,789,568
—	—	(2,792)
(5,656)	—	(5,656)
\$ 810,962	\$ 2,640,267	\$ 9,522,795

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, 1999

(dollars in thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Income Taxes	\$ 6,150,598	\$ 6,416,827	\$ 266,229	\$ 756,969	\$ 756,969	\$ —
Sales Taxes	5,490,000	5,545,349	55,349	294,624	294,624	—
Corporate and Public Utility Taxes	1,787,902	1,721,628	(66,274)	99,317	99,317	—
Motor Vehicle Fuel Taxes	—	—	—	1,402,408	1,402,408	—
Other Taxes	824,174	869,513	45,339	47,680	47,680	—
Licenses, Permits and Fees	105,965	102,082	(3,883)	965,906	965,906	—
Sales, Services and Charges	34,982	36,213	1,231	34,690	34,690	—
Federal Government	3,531,583	3,485,209	(46,374)	5,027,823	5,027,823	—
Investment Income	123,108	156,466	33,358	135,854	135,854	—
Other	375,905	372,151	(3,754)	717,967	717,967	—
TOTAL REVENUES	18,423,617	18,705,438	281,821	9,483,238	9,483,238	—
BUDGETARY EXPENDITURES:						
CURRENT:						
Primary, Secondary and Other Education	4,846,373	4,814,740	31,633	1,783,376	1,750,975	32,401
Higher Education Support	1,953,416	1,947,044	6,372	18,113	8,294	9,819
Public Assistance and Medicaid	7,006,269	6,630,408	375,861	2,726,739	2,233,486	493,253
Health and Human Services	1,097,235	1,080,393	16,842	2,102,324	1,583,128	519,196
Justice and Public Protection	1,628,383	1,561,847	66,536	591,736	519,653	72,083
Environmental Protection and Natural Resources ...	138,643	131,284	7,359	300,193	238,233	61,960
Transportation	41,637	39,649	1,988	2,354,371	1,766,096	588,275
General Government	456,328	412,191	44,137	137,328	123,659	13,669
Community and Economic Development	133,681	128,817	4,864	440,336	345,053	95,283
INTERGOVERNMENTAL	1,059,401	1,038,479	20,922	2,093,221	2,016,107	77,114
CAPITAL OUTLAY	52,707	19,502	33,205	1,241,524	754,801	486,723
DEBT SERVICE	885,687	839,999	45,688	49,503	36,140	13,363
TOTAL BUDGETARY EXPENDITURES	19,299,760	18,644,353	655,407	13,838,764	11,375,625	2,463,139
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(876,143)	61,085	937,228	(4,355,526)	(1,892,387)	2,463,139
OTHER FINANCING SOURCES (USES):						
Bond Proceeds	—	—	—	115,571	115,571	—
Operating Transfers-in	125,114	898,239	773,125	2,019,916	2,019,916	—
Operating Transfers-out	(339,313)	(1,160,367)	(821,054)	(1,023,497)	(1,023,497)	—
Encumbrance Reversions	—	138,771	138,771	532,913	532,913	—
TOTAL OTHER FINANCING SOURCES (USES) ..	(214,199)	(123,357)	90,842	1,644,903	1,644,903	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	(1,090,342)	(62,272)	1,028,070	\$ (2,710,623)	(247,484)	\$ 2,463,139
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1						
Decrease (Increase) in Budgetary Designations	397,221	397,221	—		(94,202)	
	152,122	152,122	—		—	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30						
Budgetary Designations, June 30	(540,999)	487,071	1,028,070		(341,686)	
	1,762,150	1,762,150	—		—	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	\$ 1,221,151	\$ 2,249,221	\$ 1,028,070		\$ (341,686)	

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)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
32,554	32,554	—	—	—	—
—	—	—	—	—	—
14,083	14,083	—	—	—	—
—	—	—	650	650	—
—	—	—	90	90	—
6,275	6,275	—	36,844	36,844	—
124,610	124,610	—	10,063	10,063	—
177,522	177,522	—	47,647	47,647	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	938	896	42
—	—	—	—	—	—
—	—	—	2,863,927	921,870	1,942,057
287,701	248,038	39,663	4,311	4,311	—
287,701	248,038	39,663	2,869,176	927,077	1,942,099
(110,179)	(70,516)	39,663	(2,821,529)	(879,430)	1,942,099
728	728	—	1,158,492	1,158,492	—
51,349	51,349	—	34,271	34,271	—
—	—	—	(34,139)	(34,139)	—
—	—	—	21,908	21,908	—
52,077	52,077	—	1,180,532	1,180,532	—
\$ (58,102)	(18,439)	\$ 39,663	\$ (1,640,997)	301,102	\$ 1,942,099
	80,634			(416,278)	
	—			—	
	62,195			(115,176)	
	—			—	
	\$ 62,195			\$ (115,176)	

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, 1999
(dollars in thousands)

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (memorandum only)
	ENTERPRISE	INTERNAL SERVICE	
OPERATING REVENUES:			
Charges for Sales and Services	\$ 2,632,478	\$ 269,671	\$ 2,902,149
Premium and Assessment Income	2,032,027	—	2,032,027
Investment Income	1,739,752	—	1,739,752
Other	22,702	2,120	24,822
TOTAL OPERATING REVENUES	6,426,959	271,791	6,698,750
OPERATING EXPENSES:			
Costs of Sales and Services	297,905	121,687	419,592
Administration	186,078	148,250	334,328
Premium Dividend Credits and Rebates	757,669	—	757,669
Bonuses and Commissions	134,614	—	134,614
Prizes	1,259,766	—	1,259,766
Benefits and Claims	1,495,357	—	1,495,357
Depreciation	32,657	10,933	43,590
Other	385,154	5,940	391,094
TOTAL OPERATING EXPENSES	4,549,200	286,810	4,836,010
OPERATING INCOME (LOSS)	1,877,759	(15,019)	1,862,740
NONOPERATING REVENUES (EXPENSES):			
Investment Income	75	2,507	2,582
Interest Expense	(697)	(2,029)	(2,726)
Federal Grants	—	—	—
Other	(7,696)	(1,122)	(8,818)
TOTAL NONOPERATING REVENUES (EXPENSES)	(8,318)	(644)	(8,962)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,869,441	(15,663)	1,853,778
OPERATING TRANSFERS:			
Operating Transfers-in	32,344	36,920	69,264
Operating Transfers-out	(811,695)	(29,391)	(841,086)
TOTAL OPERATING TRANSFERS	(779,351)	7,529	(771,822)
NET INCOME (LOSS)	1,090,090	(8,134)	1,081,956
RETAINED EARNINGS, JULY 1	4,490,771	108,373	4,599,144
Residual Equity Transfers-out	—	(419)	(419)
RETAINED EARNINGS, JUNE 30	\$ 5,580,861	\$ 99,820	\$ 5,680,681

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>	
\$ 105,369	\$ 3,007,518
—	2,032,027
53,235	1,792,987
1,140	25,962
<u>159,744</u>	<u>6,858,494</u>
82,618	502,210
2,385	336,713
—	757,669
—	134,614
—	1,259,766
—	1,495,357
46	43,636
2,687	393,781
<u>87,736</u>	<u>4,923,746</u>
<u>72,008</u>	<u>1,934,748</u>
—	2,582
—	(2,726)
76,005	76,005
332	(8,486)
<u>76,337</u>	<u>67,375</u>
<u>148,345</u>	<u>2,002,123</u>
—	69,264
—	(841,086)
<u>—</u>	<u>(771,822)</u>
<u>148,345</u>	<u>1,230,301</u>
1,165,290	5,764,434
<u>—</u>	<u>(419)</u>
<u>\$ 1,313,635</u>	<u>\$ 6,994,316</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, 1999

(dollars in thousands)

	ENTERPRISE	INTERNAL SERVICE	TOTAL PRIMARY GOVERNMENT (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ 2,621,130	\$ 36,229	\$ 2,657,359
Cash Received from Premiums and Assessments.....	1,469,374	—	1,469,374
Cash Received from Quasi-External Transactions with Other Funds.....	6,572	235,312	241,884
Other Operating Cash Receipts.....	48,987	16,985	65,972
Cash Payments to Suppliers for Goods and Services.....	(405,658)	(186,410)	(592,068)
Cash Payments to Employees for Services.....	(311,062)	(60,764)	(371,826)
Cash Payments for Benefits and Claims.....	(1,780,738)	—	(1,780,738)
Cash Payments for Lottery Prizes.....	(1,358,367)	—	(1,358,367)
Cash Payments for Bonuses and Commissions.....	(134,664)	—	(134,664)
Cash Payments for Premium Dividend Credits and Rebates.....	(338,004)	—	(338,004)
Cash Payments for Quasi-External Transactions with Other Funds.....	(5,609)	(29,211)	(34,820)
Other Operating Cash Payments.....	(307)	(18,252)	(18,559)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	(188,346)	(6,111)	(194,457)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	30,149	36,920	67,069
Operating Transfers-out	(811,695)	(29,391)	(841,086)
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	(781,546)	7,529	(774,017)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases.....	(20,201)	(2,893)	(23,094)
Interest Paid	(10,177)	(2,029)	(12,206)
Principal Receipts on Capital Leases	—	2,893	2,893
Acquisition and Construction of Capital Assets	(9,870)	(7,403)	(17,273)
Proceeds from Sales of Fixed Assets	23,230	3	23,233
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(17,018)	(9,429)	(26,447)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(42,069,633)	(94,478)	(42,164,111)
Proceeds from the Sales and Maturities of Investments	40,923,972	97,731	41,021,703
Investment Income Received	1,083,854	3,205	1,087,059
Borrower Rebates and Agent Fees.....	(205,892)	—	(205,892)
Loan Disbursements.....	—	—	—
Loan Principal Repayments Received	—	—	—
Loan Interest Received.....	—	—	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	(267,699)	6,458	(261,241)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(1,254,609)	(1,553)	(1,256,162)
CASH AND CASH EQUIVALENTS, JULY 1	3,351,645	56,075	3,407,720
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 2,097,036	\$ 54,522	\$ 2,151,558

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>	
\$ 1,160	\$ 2,658,519
—	1,469,374
—	241,884
—	65,972
(1,310)	(593,378)
(802)	(372,628)
—	(1,780,738)
—	(1,358,367)
—	(134,664)
—	(338,004)
—	(34,820)
—	(18,559)
<u>(952)</u>	<u>(195,409)</u>
—	67,069
—	(841,086)
153,046	153,046
76,025	76,025
(382)	(382)
(115,545)	(115,545)
(81,102)	(81,102)
(1,955)	(1,955)
<u>30,087</u>	<u>(743,930)</u>
—	(23,094)
—	(12,206)
—	2,893
(278)	(17,551)
—	23,233
<u>(278)</u>	<u>(26,725)</u>
(10,657,985)	(52,822,096)
10,608,155	51,629,858
52,045	1,139,104
—	(205,892)
(237,304)	(237,304)
108,197	108,197
103,664	103,664
<u>(23,228)</u>	<u>(284,469)</u>
<u>5,629</u>	<u>(1,250,533)</u>
10,331	3,418,051
<u>\$ 15,960</u>	<u>\$ 2,167,518</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, 1999

(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 BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ 1,877,759	\$ (15,019)	\$ 1,862,740
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income	(1,739,752)	—	(1,739,752)
Borrower Rebates and Agent Fees.....	205,892	—	205,892
Depreciation	32,657	10,933	43,590
Provision for Uncollectible Accounts	29,387	—	29,387
Amortization of Premiums and Discounts	99,597	—	99,597
Amortization of Bond Issuance Costs.....	—	—	—
Interest on Bonds, Notes and Capital Leases	9,480	—	9,480
Interest Received on Loans.....	—	—	—
Miscellaneous Nonoperating (Revenues) Expenses	(32)	182	150
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	60	(561)	(501)
Premiums and Assessments Receivable	(6,076)	—	(6,076)
Other Receivables	(62,872)	(23)	(62,895)
Due from Other Funds	(11)	1,945	1,934
Inventories	(1,271)	1,506	235
Other Assets	7,313	(37)	7,276
Increase (Decrease) in Liabilities:			
Accounts Payable	13,397	(2,135)	11,262
Accrued Liabilities	1,596	1,115	2,711
Intergovernmental Payable	—	(1,307)	(1,307)
Due to Other Funds	9	(2,369)	(2,360)
Deferred Revenue.....	(4,091)	(341)	(4,432)
Benefits Payable	(319,656)	—	(319,656)
Refund and Other Liabilities	(288,785)	—	(288,785)
Liabilities Payable from Restricted Assets	(42,947)	—	(42,947)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES..	<u>\$ (188,346)</u>	<u>\$ (6,111)</u>	<u>\$ (194,457)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments.....	\$ 630,743	\$ 22	\$ 630,765
Fixed Assets Acquired under Capital Leases.....	1,261	—	1,261
Increase in Contributed Capital - Fixed Assets Donated from Other Funds.....	411	5,245	5,656
Cash and Cash Equivalents in the Component Units Column on the Combined Balance Sheet include:			
Proprietary-Ohio Water Development Authority.....	\$ 15,960		
Colleges and Universities.....	239,158		
TOTAL	<u>\$ 255,118</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	
\$ 72,008	\$ 1,934,748
(53,235)	(1,792,987)
—	205,892
46	43,636
—	29,387
—	99,597
1,091	1,091
81,527	91,007
(105,369)	(105,369)
3,069	3,219
—	(501)
—	(6,076)
(29)	(62,924)
(1,061)	873
—	235
—	7,276
(60)	11,202
—	2,711
—	(1,307)
1,061	(1,299)
—	(4,432)
—	(319,656)
—	(288,785)
—	(42,947)
<u>\$ (952)</u>	<u>\$ (195,409)</u>
\$ —	\$ 630,765
—	1,261
—	5,656

STATE OF OHIO
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

STATE HIGHWAY PATROL RETIREMENT SYSTEM
(for the year ended December 31, 1998)

ADDITIONS:

Contributions:

	<u>PENSION</u>	<u>POST- EMPLOYMENT</u>	<u>TOTAL</u>
Employer	\$ 13,101	\$ 2,687	\$ 15,788
Employees	6,574	—	6,574
Other Contributions	217	5	222
Total Contributions	19,892	2,692	22,584

Investment Income:

Net Depreciation in Fair Value of Investments	(2,555)	(1,354)	(3,909)
Interest	12,070	2,130	14,200
Dividends	4,162	735	4,897
Other Investment Income	703	124	827
	<u>14,380</u>	<u>1,635</u>	<u>16,015</u>
Less: Investment Expense	1,351	238	1,589
Net Investment Income	13,029	1,397	14,426

TOTAL ADDITIONS	32,921	4,089	37,010
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DEDUCTIONS:

Benefits and Claims	21,540	3,129	24,669
Refunds of Employee Contributions	164	—	164
Administrative Expenses	648	114	762

TOTAL DEDUCTIONS	22,352	3,243	25,595
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NET INCREASE (DECREASE)	10,569	846	11,415
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**FUND BALANCE RESERVED FOR EMPLOYEES' PENSION
AND POSTEMPLOYMENT HEALTHCARE BENEFITS**

JANUARY 1	<u>499,913</u>	<u>88,771</u>	<u>588,684</u>
DECEMBER 31	\$ 510,482	\$ 89,617	\$ 600,099

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, 1999
(dollars in thousands)

	<u>STAROHIO</u>
OPERATIONS:	
Investment Income.....	\$ 281,532
Expenses:	
Administration Fees.....	1,406
Custodian and Transfer Agent Fees and Related Expenses.....	1,018
Security Lending Fees.....	867
Management Fees.....	440
Other.....	278
Total Expenses.....	<u>4,009</u>
Net Investment Income	277,523
Dividends to Shareholders from Net Investment Income.....	<u>(277,523)</u>
INCREASE (DECREASE) FROM OPERATIONS	—
CAPITAL SHARE TRANSACTIONS	
<i>(dollar amounts and number of shares are the same):</i>	
Shares Sold.....	19,228,537
Less: Shares Redeemed.....	<u>18,392,137</u>
INCREASE FROM CAPITAL SHARE TRANSACTIONS	836,400
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	
JULY 1	<u>4,499,046</u>
JUNE 30	<u>\$ 5,335,446</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, 1999

(dollars in thousands)

	<u>COMPONENT UNITS</u>
REVENUES AND OTHER ADDITIONS:	
Unrestricted Current Fund Revenues	\$ 3,010,856
Local Appropriations-Restricted	17,040
Federal Grants and Contracts-Restricted	489,158
State Grants and Contracts-Restricted	89,643
Local Grants and Contracts-Restricted	7,795
Private Gifts, Grants and Contracts-Restricted	362,822
Endowment Income-Restricted	40,935
Investment Income-Restricted	219,827
Interest on Loans Receivable	5,508
Investment in Plant-Additions	647,644
Other	68,443
TOTAL REVENUES AND OTHER ADDITIONS	<u>4,959,671</u>
EXPENDITURES AND OTHER DEDUCTIONS:	
Educational and General Expenditures	3,987,972
Auxiliary Enterprises Expenditures	555,494
Hospital Expenditures	621,639
Indirect Costs Recovered	80,423
Grant Refunds and Adjustments	1,499
Loan Cancellations and Write-offs	2,522
Administrative and Collection Costs	2,016
Expended for Plant Facilities	248,708
Retirement of Indebtedness	74,635
Interest on Indebtedness	42,291
Investment in Plant-Deductions	175,067
Other	34,311
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	<u>5,826,577</u>
TRANSFERS:	
Operating Transfers from Primary Government	<u>1,564,910</u>
NET INCREASE (DECREASE) FOR THE YEAR.....	698,004
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	<u>10,881,217</u>
FUND BALANCE AND OTHER CREDITS, JUNE 30	<u>\$ 11,579,221</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, 1999

(dollars in thousands)

	<u>COMPONENT UNITS</u>
REVENUES:	
Tuition, Fees and Other Student Charges	\$ 1,473,087
Local Appropriations	16,056
Federal Grants and Contracts	482,683
State Grants and Contracts	91,031
Local Grants and Contracts	7,683
Private Gifts, Grants and Contracts	276,108
Endowment Income	64,646
Sales and Services	1,246,050
Investment Income	53,008
Other Sources	114,184
TOTAL REVENUES	<u>3,824,536</u>
EXPENDITURES AND MANDATORY TRANSFERS:	
EDUCATIONAL AND GENERAL:	
Instruction and Departmental Research	1,661,699
Separately Budgeted Research	386,638
Public Service	221,636
Academic Support	391,807
Student Services	230,144
Institutional Support	415,034
Operation and Maintenance of Plant	283,903
Scholarships and Fellowships	395,913
TOTAL EDUCATIONAL AND GENERAL	3,986,774
AUXILIARY ENTERPRISES	555,490
HOSPITALS	621,639
TOTAL EXPENDITURES	<u>5,163,903</u>
MANDATORY TRANSFERS, NET:	
Principal and Interest	94,782
Renewals and Replacements	3,014
Other	1,837
TOTAL MANDATORY TRANSFERS, NET	<u>99,633</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>5,263,536</u>
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):	
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	1,554,735
NONMANDATORY TRANSFERS, NET:	
Capital Improvements	(89,117)
Other	(3,565)
ADDITIONS/(DEDUCTIONS):	
Excess of Restricted Receipts over Transfers to Revenue	104,122
Indirect Costs Recovered	(79,442)
Other	(2,673)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	<u>1,484,060</u>
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 45,060</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, 1999, 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, 1998.

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 Firemen's Disability and Pension Fund, for their fiscal years ended December 31, 1998.

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, 1998.

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

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.

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.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 1999, that were committed during the current fiscal year. Encumbrance reversions represent lapses of prior years’ appropriations. For the Capital Projects Fund, total unexpended appropriations for both the first and second years of the current 1999-2000 biennial budget comprise amounts reported under the “budget” column.

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



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 market 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 market 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	20-45 years
Machinery and Equipment	5-20 years
State Vehicles	5 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 market 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, contingencies, leases, and workers' compensation benefits. The proprietary funds and college and university funds account for long-term liabilities expected to be financed from operations.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 governmental funds, the State reports the non-current portion of the liability for compensated absences in the General Long-Term Obligations Account Group. For proprietary funds, the State reports the liability for compensated absences as a noncurrent accrued liability.

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

Vacation, compensatory time, and personal leaves are accrued 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 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 State's share of Medicare taxes.

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).

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.



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 1998, are summarized as follows.

Primary Government Restatements of Beginning Balance July 1, 1998 (dollars in thousands)			
Fund	Fund Balance/ Retained Earnings as Previously Reported, June 30, 1998	Increase/ (Decrease) for Restatement	Fund Balance/ Retained Earnings as Restated, July 1, 1998
General Fund	\$2,661,847	\$ (50,652)	\$2,611,195
Special Revenue Fund:			
Community and Economic Development	\$ 636,326	\$ (5,500)	\$ 630,826
Highway Operating.....	848,602	46,318	894,920
All Other Special Revenue Funds.....	1,367,707	—	1,367,707
Total Special Revenue Fund.....	\$2,852,635	\$ 40,818	\$2,893,453

(Continued)



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

Component Units			
Restatements of Beginning Balance			
July 1, 1998			
<i>(dollars in thousands)</i>			
Fund	Fund Balance/ Retained Earnings as Previously Reported, June 30, 1998	Increase/ (Decrease) for Restatement	Fund Balance/ Retained Earnings as Restated, July 1, 1998
College and University Funds:			
Shawnee State University.....	\$ 93,233	\$ 847	\$ 94,080
Clark State Community College	45,027	(73)	44,954
Southern State Community College	18,397	(22)	18,375
Cincinnati State Community College	65,793	1,441	67,234
All Other College and University Funds.....	10,656,574	—	10,656,574
Total College and University Funds.....	<u>\$10,879,024</u>	<u>\$2,193</u>	<u>\$10,881,217</u>

For the General Fund, the \$50.7 million decrease in opening fund balance is due to an error in the calculation of the intergovernmental receivable from the federal government for the Temporary Assistance for Needy Families Program.

The \$40.8 million net increase for the Special Revenue Fund is attributed to a \$5.5 million decrease in the outstanding loans and accounts receivable balances for the Department of Development's Office of Financial Incentives and a \$46.3 million increase in the intergovernmental receivable from the federal government for reimbursement of eligible highway construction costs not previously identified as being subject to accrual.

For the discretely presented College and University Funds, the prior year's fund balance has been increased approximately \$2.2 million to reflect:

- an increase in the fixed asset balance reported for Shawnee State University in the amount of \$847 thousand.
- a \$73 thousand decrease due to a \$34 thousand decrease in the fixed assets balance, a \$24 thousand decrease in the accounts receivable balance, and a \$15 thousand increase in the accounts payable balance for Clark State Community College.

- a \$22 thousand decrease in the other assets balance for Southern State Community College.
- an adjustment to the opening fixed asset balance for Cincinnati State Community College, which increased fund balance by \$1.4 million.

B. Changes in Accounting Principles

In October 1997, the Governmental Accounting Standards Board issued Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The provisions of this statement are effective for periods beginning after December 31, 1998, or when a government complies with the requirements of subsection (g) of IRC Section 457, whichever is earlier. The statement requires state and local governments, which have fiduciary responsibilities for IRC Section 457 plans, to report such plans as expendable trust funds.

On September 1, 1998, the Ohio Public Employees Deferred Compensation (OPEDC) Program amended its plan, pursuant to the Small Business Job Protection Act of 1996, to comply with subsection (g) of IRC Section 457.

The State has no fiduciary responsibilities for the funds deposited with the OPEDC Program by its employees, and consequently, the State has not



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

reported any activity or included any balances for these funds in its financial statements, for the year ended and as of June 30, 1999. In prior years, the primary government and its discretely presented component units displayed IRC Section 457-related balances held for their employees in the Agency Fund and in the component unit funds, respectively.

C. 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.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—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 basic financial statements and related required supplementary information.

Management has not yet determined the impact that GASB Statements No. 33 and 34 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 \$108.3 million, \$2.01 billion, \$88 thousand, and \$2.59 billion 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, 1999
(dollars in thousands)

	General	Special Revenue	Debt Service	Capital Projects
Total Fund Balances - GAAP Basis.....	\$2,640,072	\$3,275,684	\$155,810	\$ 810,962
Less: Unbudgeted Fund Balances.....	—	98,048 *	94,736	13,352
Total Budgeted Fund Balances- GAAP Basis	2,640,072	3,177,636	61,074	797,610
Less: Reserved Fund Balances.....	1,562,040	3,493,122	60,519	991,701
Less: Designated Fund Balances.....	755,259	—	—	—
Unreserved/Undesignated Fund Balances- GAAP Basis...	322,773	(315,486)	555	(194,091)
BASIS DIFFERENCES				
Revenue Accruals/Adjustments:				
Cash Equity with Treasurer.....	40,447	32,674	1,548	9,301
Taxes Receivable.....	(748,994)	(200,276)	—	—
Intergovernmental Receivable.....	(616,388)	(413,458)	—	—
Loans Receivable.....	(25,293)	(300,710)	—	(148,443)
Other Receivables.....	(24,263)	(44,198)	(334)	(2,778)
Due from Other Funds	(21,070)	(23,431)	(128)	(2,427)
Inventories.....	(1,000)	(32,644)	—	—
Other Assets	(6,453)	(3,402)	—	—
Deferred Revenue.....	79	95,425	—	—
Total Revenue Accruals/Adjustments.....	(1,402,935)	(890,020)	1,086	(144,347)
Expenditure Accruals/Adjustments:				
Accounts Payable.....	118,923	229,431	—	81,952
Medicaid Claims Payable.....	509,652	5,752	—	—
Accrued Liabilities.....	136,796	64,574	436	47
Intergovernmental Payable	278,699	517,573	—	—
Due to Other Funds.....	41,461	7,333	18	1,198
Refund and Other Liabilities.....	604,150	72,731	983	—
Total Expenditure Accruals/Adjustments.....	1,689,681	897,394	1,437	83,197
Other Adjustments:				
Fund Balance Reclassifications:				
From Unreserved (Non-GAAP Budgetary Basis)				
to Reserved for:				
Debt Service.....	1,480	—	60,519	—
Budget Stabilization.....	906,891	—	—	—
Noncurrent Portion of Loans Receivable.....	24,672	300,235	—	146,926
Other	114,965	42,168	—	64,699
From Undesignated (Non-GAAP Budgetary Basis)				
to Designated	755,259	—	—	—
Cash and Investments Held Outside of State Treasury.....	(13,856)	(16,867)	(1,403)	—
Other.....	—	1	1	—
Total Other Adjustments	1,789,411	325,537	59,117	211,625
Total Basis Differences.....	2,076,157	332,911	61,640	150,475
TIMING DIFFERENCES				
Encumbrances	(149,709)	(359,111)	—	(71,560)
Unreserved/Undesignated and Designated Fund Balances (Deficits) — Non-GAAP Budgetary Basis.....	\$2,249,221	\$ (341,686)	\$ 62,195	\$(115,176)

*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 Firemen's Disability and 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, 1999, the carrying amount of deposits was (dollars in thousands) \$867,675, and the bank balance was \$834,433. Of the bank balance, \$53,037 was fully insured or collateralized with securities held by the primary government or its agent in the primary government's name (Category 1), \$727,838 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 \$53,558, although meeting legal

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

2. Component Units

As of June 30, 1999, the carrying amount of deposits was (dollars in thousands) \$252,681, and the bank balance was \$319,309. Of the bank balance, \$43,586 was fully insured or collateralized with securities held by the respective component units or their agents in the component unit's name (Category 1), \$204,152 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 \$71,571, 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 real estate, mutual funds, limited partnerships and venture capital, direct mortgage loans, 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, 1999, 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.....	\$ 32,852,732	\$35,000	\$ 6,909,324	\$ 39,797,056
On Securities Loan	—	—	207,979	207,979
Common and Preferred Stock:				
Not on Securities Loan.....	46,851,809	—	7,011,534	53,863,343
On Securities Loan	—	—	35,563	35,563
Corporate Bonds and Notes.....	12,216,010	—	1,986,588	14,202,598
Foreign Stocks and Bonds	15,651,545	—	—	15,651,545
Commercial Paper	3,575,356	—	1,894,521	5,469,877
Repurchase Agreements.....	303,019	70	259	303,348
Municipal Obligations.....	574	—	—	574
Securities Lending Collateral:				
U.S. Government & Agency Obligations...	95,000	—	1,467,642	1,562,642
Repurchase Agreements.....	5,353,611	—	—	5,353,611
Common and Preferred Stock	—	—	770,714	770,714
Corporate Bonds and Notes.....	1,096,638	—	—	1,096,638
Commercial Paper	142,307	—	—	142,307
	<u>\$118,138,601</u>	<u>\$35,070</u>	<u>\$20,284,124</u>	<u>138,457,795</u>
Investments Held by Broker-dealers under Securities Loans with Cash Collateral:				
U.S. Government and Agency Obligations.....				8,759,006
Common and Preferred Stock.....				752,973
Mutual Funds.....				5,111,550
Real Estate.....				10,912,695
Venture Capital.....				418,120
Limited Partnerships				27,263
Direct Mortgage Loans.....				38,237
Investment Contracts				5,024
Securities Lending Collateral— Mutual Funds.....				39,142
Securities Lending Collateral— Investment Contracts.....				712,075
Deposit with Federal Government.....				2,110,852
Component Units' Equity in the State Treasury Asset Reserve of Ohio (STAROhio).....				(346,249)
Total Investments — Primary Government				<u>\$166,998,483</u>

Component Units				
<i>(dollars in thousands)</i>				
	Category 1	Category 2	Category 3	Total Fair Value
U.S. Government & Agency Obligations.....	\$259,158	\$ 704,381	\$257,651	\$1,221,190
Common and Preferred Stock.....	376,435	964,022	6,730	1,347,187
Corporate Bonds and Notes.....	112,950	89,918	34,419	237,287
Foreign Stocks and Bonds	9,402	—	—	9,402
Commercial Paper	—	—	6,464	6,464
Repurchase Agreements.....	—	3,045	202,555	205,600
Bankers' Acceptances.....	—	—	5,240	5,240
Municipal Obligations.....	77	—	39	116
Negotiable Certificates of Deposit.....	—	—	2,000	2,000
Other Investments.....	197	—	9,761	9,958
	<u>\$758,219</u>	<u>\$1,761,366</u>	<u>\$524,859</u>	<u>3,044,444</u>
Mutual Funds.....				387,114
Investment in the State Treasury Asset Reserve of Ohio (STAROhio).....				346,249
Real Estate.....				36,394
Life Insurance				9,095
Limited Partnerships				6,765
Investment Contracts				361,436
Total Investments — Component Units				<u>\$4,191,497</u>



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The total carrying amount of deposits and investments, as of June 30, 1999, reported for the primary government and its component units is (dollars in thousands) \$171,895,675. The total carrying amount of deposits and investments categorized and disclosed in this note is \$172,310,336. A reconciliation of the difference follows.

**Reconciliation of Deposits and Investments
Disclosure with Combined Balance Sheet
As of June 30, 1999**
(dollars in thousands)

	Deposits	Investments	Total
Cash Equity with Treasurer (unrestricted and restricted)....	\$350,150	\$ 6,892,569	\$ 7,242,719
Cash and Cash Equivalents (unrestricted and restricted)....	462,792	1,909,168	2,371,960
Investments.....	5,542	148,770,612	148,776,154
Collateral on Lent Securities (unrestricted and restricted)....	38,115	9,550,177	9,588,292
Deposit with Federal Government....	—	2,110,852	2,110,852
Restricted Assets:			
Investments....	—	63,468	63,468
Dedicated Investments....	—	1,742,230	1,742,230
Carrying Amount per Combined Balance Sheet..	856,599	171,039,076	171,895,675
Outstanding Warrants and Other Reconciling Items.....	263,757	150,904	414,661
Total Reporting Entity	<u>\$1,120,356</u>	<u>\$171,189,980</u>	<u>\$172,310,336</u>

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 has

minimized its exposure to credit risk due to borrower default by requiring the custodial agent to ensure that the State's lent securities are collateralized at no less than 102 percent of market value.

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 1999, 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.



NOTE 5 TAXES

The following table provides a summary of taxes receivable for the primary government, as of June 30, 1999. As of June 30, 1999, refund liabilities for income and corporation franchise taxes, totaling

\$667.3 million, are reported as "Refunds and Other Liabilities," of which \$603.5 million is reported in the General Fund and \$63.8 million is reported in the Special Revenue Fund.

**Primary Government
Taxes Receivable
As of June 30, 1999**
(dollars in thousands)

	General	Special Revenue	Trust and Agency	Total
Income Taxes	\$243,340	\$ 28,763	\$ —	\$ 272,103
Sales Taxes.....	505,654	26,650	—	532,304
Motor Vehicle Fuel Taxes.....	—	129,951	—	129,951
Unemployment Taxes	—	—	149,548	149,548
Other Taxes.....	—	14,912	—	14,912
Total Taxes Receivable.....	\$748,994	\$200,276	\$149,548	\$1,098,818

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, 1999, consist of the following.

**Primary Government
Loans Receivable
As of June 30, 1999**
(dollars in thousands)

Loan Type	General	Special Revenue	Debt Service	Capital Projects	Total
Columbiana County Economic Stabilization	\$ 2,945	\$ —	\$ —	\$ —	\$ 2,945
Community and Economic Development:					
Office of Minority Financial Incentives	4,169	—	—	—	4,169
Office of Financial Incentives.....	—	249,924	—	—	249,924
Ohio Housing Finance Agency.....	—	152,335	—	—	152,335
Rail Development.....	—	3,667	—	—	3,667
Total Community and Economic Development	4,169	405,926	—	—	410,095
Higher Education Research					
Investment Loans.....	—	—	4,135	—	4,135
Natural Resources	—	167	—	—	167
Primary, Secondary and Other Education:					
School District Solvency Assistance.....	12,063	—	—	—	12,063
Vocational Education.....	626	177	—	—	803
Wayne Trace Local School District.....	5,490	—	—	—	5,490
Public School Building.....	—	3,839	—	—	3,839
Vocational School Assistance.....	—	9,642	—	—	9,642
School Building	—	11,376	—	—	11,376
Teacher Education.....	—	1,295	—	—	1,295
Nurses Education Assistance.....	—	300	—	—	300
Total Primary, Secondary and Other Education	18,179	26,629	—	—	44,808
Highway and Transit Infrastructure Bank.....	—	22,493	—	—	22,493
Local Infrastructure Improvements	—	—	—	148,443	148,443
Total Loans Receivable.....	\$25,293	\$455,215	\$4,135	\$148,443	\$633,086



NOTE 6 LOANS AND OTHER RECEIVABLES (Continued)

Component Units
Loans Receivable
As of June 30, 1999
(dollars in thousands)

Loan Type	Ohio Water Development Authority (12/31/98)	Ohio State University	University of Cincinnati	Kent State University	Other Component Units	Total Component Units
Water and Wastewater Treatment.....	\$1,878,923	\$ —	\$ —	\$ —	\$ —	\$1,878,923
Student.....	—	56,813	28,060	18,455	74,222	177,550
Other.....	—	—	635	—	8,516	9,151
Total Loans Receivable.....	<u>\$1,878,923</u>	<u>\$56,813</u>	<u>\$28,695</u>	<u>\$18,455</u>	<u>\$82,738</u>	<u>\$2,065,624</u>

B. Other Receivables

Other receivables for the primary government and its component units, as of June 30, 1999, consist of the following.

Primary Government
Other Receivables
As of June 30, 1999
(dollars in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total
Unrestricted:								
Accounts Receivable.....	\$ 3,073	\$ 6,329	\$ —	\$ —	\$156,758	\$ 3,148	\$ —	\$169,308
Interest and Dividends Receivable.....	18,727	14,971	826	2,840	98,230	255	17,971	153,820
Women, Infants and Children Program Rebate Receivable.....	—	14,799	—	—	—	—	—	14,799
Nursing Facility Bed Assessments Receivable.....	—	12,765	—	—	—	—	—	12,765
Leases Receivable.....	—	—	—	—	—	29,320	—	29,320
Receivables from Lottery Sales Agents.....	—	—	—	—	28,351	—	—	28,351
Claims & Settlements Receivable.....	—	—	—	—	—	—	20,911	20,911
Employer Interest and Penalties on Unemployment Taxes.....	—	2,439	—	—	—	—	—	2,439
Refunds from Academic Grants and Scholarships Programs.....	2,463	—	—	—	—	—	—	2,463
Miscellaneous Receivables.....	—	982	—	—	6	1,512	643	3,143
Total Unrestricted.....	<u>24,263</u>	<u>52,285</u>	<u>826</u>	<u>2,840</u>	<u>283,345</u>	<u>34,235</u>	<u>39,525</u>	<u>437,319</u>
Restricted:								
Interest Receivable.....	—	—	—	—	11,914	—	—	11,914
Miscellaneous Receivables.....	—	—	—	—	4	—	—	4
Total Restricted.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11,918</u>	<u>—</u>	<u>—</u>	<u>11,918</u>
Total Unrestricted and Restricted.....	<u>\$24,263</u>	<u>\$52,285</u>	<u>\$826</u>	<u>\$2,840</u>	<u>\$295,263</u>	<u>\$34,235</u>	<u>\$39,525</u>	<u>\$449,237</u>

Component Units
Other Receivables
As of June 30, 1999
(dollars in thousands)

	Ohio State University	University of Cincinnati	Ohio University	Medical College of Ohio	Other Component Units	Total Component Units
Accounts Receivable.....	\$242,697	\$34,417	\$17,911	\$24,288	\$105,427	\$424,740
Interest Receivable.....	14,183	4,226	913	649	4,665	24,636
Pledges Receivable.....	—	38,926	—	—	—	38,926
Miscellaneous Receivable.....	—	314	—	—	6,213	6,527
Total Other Receivables.....	<u>\$256,880</u>	<u>\$77,883</u>	<u>\$18,824</u>	<u>\$24,937</u>	<u>\$116,305</u>	<u>\$494,829</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
2000.....	\$ 4,997
2001.....	5,001
2002.....	5,008
2003.....	5,012
2004.....	5,036
Thereafter.....	20,856
Total minimum lease payments.....	45,910
Amount representing interest.....	(16,590)
Present value of net minimum lease payments.....	<u>\$29,320</u>

NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS

Interfund balances, as of June 30, 1999, and operating transfers among the primary government's funds, for the year ended June 30, 1999, 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	\$ 22,076	\$ 41,461	\$ —	\$ —	\$ 201,151	\$1,308,827
Special Revenue:						
Community and Economic Development	3,333	2,601	—	145,689	73,330	38,660
Human Services.....	470	1,279	—	—	10,753	39,059
Health.....	162	45	—	—	15,552	282
Mental Health and Retardation.....	451	799	—	—	4,239	—
Employment Services.....	24	—	—	—	—	1,500
Education.....	1,518	214	—	—	1,015,246	57,819
Highway Safety	2,695	1,058	—	—	160,671	10,067
Highway Operating.....	4,219	3,387	—	—	601,364	195,375
Natural Resources.....	399	91	—	—	113	4,381
Wildlife and Waterway Safety.....	276	13	—	—	973	13
Revenue Distribution.....	8,760	157	—	—	73,646	720,762
Local Transportation Improvements	1,148	1	—	—	61,759	—
Total Special Revenue Fund.....	23,455	9,645	—	145,689	2,017,646	1,067,918
Debt Service:						
Economic Development Bond Service.....	—	—	—	—	15,899	—
Coal Research/Development Bond Retirement.....	—	—	—	—	5,632	6
Development Bond Retirement	—	—	—	—	—	25
Highway Obligations Bond Retirement	124	—	—	—	—	49
Public Improvements Bond Retirement.....	—	—	—	—	—	13
Local Infrastructure Improvements Bond Retirement.....	—	18	—	—	108,878	—
Ohio Public Facilities Commission.....	1,115	—	—	—	441,901	—
Ohio Building Authority	—	—	—	—	238,019	1,634
Enterprise Bond Retirement	—	—	—	—	32,460	36,036
State Projects Bond Service.....	—	—	—	—	10,000	10
School Building Program Bond Service	—	—	—	—	55,572	—
Highway Capital Improvements Bond Service	4	—	—	—	51,349	109
Infrastructure Bank Bond Service	—	—	—	—	10,251	—
Total Debt Service Fund.....	1,243	18	—	—	969,961	37,882

(Continued)



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

JUNE 30, 1999

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	91	—	—	—	77,840	—
Higher Education Improvements	195	1,115	—	—	—	51
Highway Obligations Construction	19	—	—	—	—	8,885
Mental Health/Mental Retardation Facilities Improvements	50	—	—	—	—	—
Parks and Recreation Improvements	10	—	—	—	—	—
Local Infrastructure Improvements	1,602	3	—	—	386	3
Ohio Building Authority	—	—	—	—	3,351	270,388
Administrative Services						
Building Improvements	212	—	—	—	100,966	3,351
Youth Services Building Improvements	83	—	—	—	50,410	—
Transportation Building Improvements	8	—	—	—	—	—
Adult Correctional Building Improvements ...	8	80	—	—	—	250
Highway Safety Building Improvements	13	—	—	—	—	—
Ohio Parks and Natural Resources	9	—	—	—	—	668
Highway Capital Improvement	19	—	—	—	8,885	—
Sports Facilities Building	76	—	—	—	39,449	—
Infrastructure Bank Obligations	32	—	—	—	—	—
Total Capital Projects Fund	2,427	1,198	—	—	281,287	283,596
Enterprise:						
Liquor Control	84	2,287	—	—	—	108,840
Ohio Lottery Commission	—	—	—	—	—	696,303
Workers' Compensation	—	—	—	—	—	5,779
Underground Parking Garage	—	—	—	—	—	773
Office of Auditor of State	4,208	—	—	—	32,344	—
Total Enterprise Fund	4,292	2,287	—	—	32,344	811,695
Internal Service:						
Ohio Building Authority	—	—	—	—	27,700	29,391
Ohio Data Network	9,093	336	—	—	—	—
Ohio Penal Industries	23,553	1,119	—	—	9,220	—
Support Services	4,338	70	—	—	—	—
Telecommunications	3,583	—	—	—	—	—
Total Internal Service Fund	40,567	1,525	—	—	36,920	29,391
Expendable Trust:						
Unclaimed Funds	1,306	—	145,689	—	—	—
Pension Trust:						
State Highway Patrol Retirement System	1,721	—	—	—	—	—
Agency:						
Holding and Distribution	—	22,477	—	—	—	—
Payroll Withholding and Fringe Benefits	114	18,729	—	—	—	—
Other	96	—	—	—	—	—
Total Trust and Agency Funds	3,237	41,206	145,689	—	—	—
Total per Financial Statements —						
Primary Government	97,297	97,340	145,689	145,689	3,539,309	3,539,309
Reconciliation for Timing Differences for Funds with December 31, 1998 Year-Ends...	43	—	—	—	—	—
Reconciled Total for the Primary Government	97,340	97,340	\$145,689	\$145,689	\$3,539,309	\$3,539,309
Component Units:						
Ohio State University	271,881	271,881				
University of Cincinnati	117,036	117,036				
Other Component Units	65,783	65,783				
Total per Financial Statements —						
Component Units	454,700	454,700				
Total Reporting Entity	\$552,040	\$552,040				



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

For the fiscal year ended June 30, 1999, the Capital Projects Fund reports approximately \$5.7 million in residual equity transfers-out. The transfers represent capital contributions to the Enterprise and Internal Service funds, as discussed in NOTE 18. Additionally, the Internal Service Fund reports a residual equity transfer-out in the amount of \$419 thousand. The transfer represents capital contributions to the General Fixed Assets Account Group.

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, 1999 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>	\$ —	\$1,564,910
Component Units:		
<i>College and University Funds</i>		
Ohio State University.....	418,486	—
University of Cincinnati.....	186,342	—
Ohio University.....	134,505	—
Miami University.....	76,232	—
University of Akron.....	97,898	—
Bowling Green State University.....	78,798	—
Kent State University.....	109,864	—
University of Toledo.....	83,869	—
Cleveland State University.....	68,850	—
Youngstown State University.....	46,803	—
Wright State University	89,152	—
Shawnee State University.....	14,930	—
Central State University.....	17,692	—
Medical College of Ohio.....	36,538	—
Terra State Community College	6,351	—
Columbus State Community College.....	33,070	—
Clark State Community College.....	6,564	—
Edison State Community College.....	4,876	—
Southern State Community College	3,787	—
Washington State Community College..	4,595	—
Cincinnati State Community College.....	16,729	—
Northwest State Community College.....	4,358	—
Owens State Community College.....	24,621	—
Total Reporting Entity	\$1,564,910	\$1,564,910

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, 1999, and the changes in the primary government's general fixed assets for the

year ended June 30, 1999. No projects were under construction during fiscal year 1999 that resulted in capitalized interest for the proprietary and fiduciary fund types.

**Primary Government
Fixed Assets
As of June 30, 1999
(dollars in thousands)**

	Enterprise	Internal Service	Pension Trust	General Fixed Assets	Total Primary Government
Land	\$ 12,871	\$ —	\$ 370	\$ 212,421	\$ 225,662
Buildings.....	248,248	5,733	3,236	2,476,320	2,733,537
Land Improvements.....	—	771	—	159,514	160,285
Machinery and Equipment.....	172,711	64,034	229	263,611	500,585
State Vehicles.....	3,268	877	16	241,854	246,015
Construction-in-Progress.....	—	—	—	535,645	535,645
Total Fixed Assets (at cost).....	437,098	71,415	3,851	3,889,365	4,401,729
Accumulated Depreciation.....	(206,325)	(43,760)	(986)	—	(251,071)
Total Fixed Assets (net).....	<u>\$230,773</u>	<u>\$27,655</u>	<u>\$2,865</u>	<u>\$3,889,365</u>	<u>\$4,150,658</u>



NOTE 8 FIXED ASSETS (Continued)

**Primary Government
Changes in General Fixed Assets
For the Fiscal Year Ended June 30, 1999**

(dollars in thousands)

	Balance July 1, 1998	Beginning Balance Adjustments	Additions	Deletions/ Net Transfers	Balance June 30, 1999
Land	\$ 198,023	\$ 4,707	\$ 10,577	\$ (886)	\$ 212,421
Buildings.....	2,256,807	69,212	178,545	(28,244)	2,476,320
Land Improvements.....	156,987	1,287	5,414	(4,174)	159,514
Machinery and Equipment.....	228,811	8,606	50,389	(24,195)	263,611
State Vehicles.....	230,879	744	34,036	(23,805)	241,854
Construction-in-Progress.....	588,898	(86,992)	413,772	(380,033)	535,645
Total General Fixed Assets..	<u>\$3,660,405</u>	<u>\$ (2,436)</u>	<u>\$692,733</u>	<u>\$(461,337)</u>	<u>\$3,889,365</u>

**Component Units
Fixed Assets
As of June 30, 1999**

(dollars in thousands)

	Ohio State University	University of Cincinnati	Ohio University	Miami University	University of Akron
Land	\$ 34,722	\$ 17,129	\$ 10,531	\$ 2,294	\$ 16,968
Buildings.....	1,474,648	814,381	344,194	326,563	297,455
Land Improvements	147,771	29,200	53,222	59,351	33,010
Machinery, Equipment, and Vehicles	708,630	107,110	90,706	96,679	91,980
Library Books and Publications	131,121	90,590	52,884	40,398	51,029
Construction-in-Progress.....	193,727	166,029	4,277	24,900	3,166
Total Fixed Assets (at cost).....	2,690,619	1,224,439	555,814	550,185	493,608
Accumulated Depreciation.....	—	—	—	—	—
Total Fixed Assets (net).....	<u>\$2,690,619</u>	<u>\$1,224,439</u>	<u>\$555,814</u>	<u>\$550,185</u>	<u>\$493,608</u>

	Kent State University	University of Toledo	Cleveland State University	Other Component Units	Total Component Units
Land	\$ 6,747	\$ 17,798	\$ 51,777	\$ 53,590	\$ 211,556
Buildings.....	285,000	308,498	297,737	1,280,184	5,428,660
Land Improvements	34,466	28,950	14,934	89,739	490,643
Machinery, Equipment, and Vehicles	63,168	57,119	41,252	356,068	1,612,712
Library Books and Publications	48,246	19,152	47,063	91,847	572,330
Construction-in-Progress.....	12,353	11,474	1,771	55,825	473,522
Total Fixed Assets (at cost).....	449,980	442,991	454,534	1,927,253	8,789,423
Accumulated Depreciation.....	—	—	—	(367)	(367)
Total Fixed Assets (net).....	<u>\$449,980</u>	<u>\$442,991</u>	<u>\$454,534</u>	<u>\$1,926,886</u>	<u>\$8,789,056</u>

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.

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.

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 1998 are as follows:

	Contribution Rates — Calendar Year 1998	
	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
1998	\$212,114	\$2,970
1997	218,984	2,747
1996	196,501	2,410

Component Units	
For the Year Ended June 30,	Employer's Contribution for Regular Employees
1999	\$100,392
1998	97,944
1997	96,962

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 1998, 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, 1998, the unaudited estimate of the value of net assets available for future healthcare benefits is \$9.4 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, 1998)	
Regular Employees.....	\$97,791
Law Enforcement Employees.....	998
Total.....	<u>\$98,789</u>

Component Units: (for the year ended June 30, 1999)....	
	<u>\$46,284</u>

The number of eligible benefit recipients for PERS as a whole is 115,579, as of December 31, 1998; a breakout of the number of eligible recipients for the primary government and its component units, as of December 31, 1998, 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.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 plus .1 percent for each year of Ohio contributing service in excess of 30 years, starting at 2.5 percent for the 31st year of service, and by 2.1 percent for all other years of credited service up to a maximum annual allowance of 100 percent of final average salary.

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.

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. 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. Contribu-

tion rates for fiscal year 1999 were 14 percent for employers and 9.3 percent for employees. For STRS, 6.0 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
1999	\$2,876	\$ 59,593
1998	4,384	101,964
1997	5,051	111,928

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 8.0 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, 1998, net assets available for future healthcare benefits are \$2.2 billion. Net healthcare costs paid by the primary government and its component units, for the year ended June 30, 1999, totaled approximately \$3.8 million and \$79.5 million, respectively. The number of eligible benefit recipients for STRS as a whole is 91,999, as of June 30, 1998; a breakout of the number of eligible recipients for the primary government and its component units, as of June 30, 1998, 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.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

During calendar year 1998, active employees and the employer contributed 10 percent and 24 percent, respectively, of active member payroll, of which all of the employees' contributions and 19.87 percent of the employer's contributions fund pension benefits. The difference in the total employer rates charged during calendar year 1998 and the employer rates applicable to the funding of pension benefits is applied to the funding of postemployment healthcare benefits. Effective July 1, 1999, the employer rate will decrease to 23.5 percent of active member payroll, of which 19.5 percent will fund pension benefits and 4.0 percent will fund postemployment healthcare benefits. Employee contributions will remain unchanged.

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, be-

tween 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. 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
1998	\$13,060	100%
1997	12,202	100
1996	11,856	100

SHPRS used the entry-age normal actuarial cost method for the Schedule of Funding Progress for the actuarial valuation, dated December 31, 1998. 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 10 years.

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



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Valuation Year	Actuarial Accrued Liability (AAL)	Valuation Assets	Unfunded Actuarial Accrued Liability (UAAL) (B) – (C)	Ratio of Assets to AAL (C)/(B)	Active Member Payroll	UAAL as Percentage of Active Member Payroll (D)/(F)
1998	\$532,957	\$509,860	\$23,097	95.7%	\$65,154	35.4%
1997 (a)	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
1996	454,514	411,316	43,198	90.5	59,239	72.9

(a) The plan was amended in 1997.

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, 1998, was 1,446. The cost of retiree healthcare benefits is recognized as claims are incurred and premiums are paid. The calendar year 1998 expense was \$3.1 million.

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, 1998 was \$91.5 million, and include investments, which are carried at fair value, as previously described.

As of December 31, 1998, 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 \$87.9 million; the prefunded actuarial accrued liability for healthcare benefits at that date was \$3.6 million.

Employer contributions are made in accordance with actuarially determined requirements. The employer contribution requirement was approximately \$2.7

million or 4.13 percent of active member payroll for the period January 1 through December 31, 1998.

In 1998, the governing board of the SHPRS voted to provide optical and dental coverage to retirees at no cost. Vision and dental coverage will be provided beginning in August 1999 and January 2000, 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.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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. Ohio law also requires that each public institution of higher education contribute 6.0 percent of the employees' gross salary to the retirement plan in which the employee would have otherwise been enrolled. 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 institu-

tion 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, 1999 totaled \$7.3 million and \$5.3 million, respectively.

NOTE 10 GENERAL OBLIGATION BONDS

The State has pledged its 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 15 constitutional amendments (the last adopted in November 1995), 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, and state 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, 1999, the General Assembly had authorized \$1.2 billion of these bonds to be sold, of which approximately \$1.2 billion had been issued and \$977 million (net of unaccreted discount of \$136.9 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, 1999, the General Assembly had authorized \$360 million in Infrastructure Bonds to be issued under the provisions of the 1995 constitutional amendment, of which \$120 million had been issued and \$116.3 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, 1999, for Highway Obligations, was approximately \$1.86 billion, of which \$1.75 billion had been issued and \$217.5 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.



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

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, 1999, the General Assembly had authorized the issuance of approximately \$1.1 billion in Highway Capital Improvements Bonds, of which \$575 million had been issued and \$515 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, 1999, the General Assembly had authorized the issuance of \$150 million in Coal Research and Development Bonds, of which \$95 million had been issued and \$23.9 million was outstanding. Legislative authorizations for the issuance of Parks, Recreation, and Natural Resources Bonds totaled \$180 million, as of June 30, 1999, of which \$130 million had been issued and \$112.7 million was outstanding.

General obligation bonds outstanding and bonds authorized but unissued, as of June 30, 1999, are presented in the table below.

For the year ended June 30, 1999, NOTE 15 summarizes changes in general obligation bonds reported in the General Long-Term Obligations Account Group.

Future general obligation debt service requirements, as of June 30, 1999, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2000	\$ 182,995	\$ 80,534	\$ 263,529
2001	186,020	74,383	260,403
2002	189,110	66,891	256,001
2003	192,515	59,081	251,596
2004	181,940	51,263	233,203
Thereafter..	<u>1,166,725</u>	<u>240,174</u>	<u>1,406,899</u>
	2,099,305	572,326	2,671,631
Unaccrued Discount	<u>(136,903)</u>	—	<u>(136,903)</u>
Total	<u>\$1,962,402</u>	<u>\$572,326</u>	<u>\$2,534,728</u>

In August 1998, the Treasurer of State issued \$12.6 million in Infrastructure Improvement Refunding Bonds, Series 1998, to advance refund \$12.6 million in certain maturities of the Infrastructure Improvement Bonds, Series 1992. The net proceeds of \$13.4 million (after payment of approximately \$124 thousand in bond issuance costs, including the underwriters' discount) were used to purchase U.S. government securities, which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from the General Long-Term Obligations Account Group.

**Primary Government
General Obligation Bonds
As of June 30, 1999**
(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	1990-99	4.7%-8.2%	2018	\$1,093,302	\$240,000
Highway Obligations	1993-97	4.5%-4.8%	2004	217,500	—
Highway Capital Improvements	1997-99	4.4%-4.8%	2009	515,000	517,000
Coal Research and Development	1992-96	4.5%-5.6%	2005	23,900	55,000
Parks, Recreation, and Natural Resources.....	1994-99	4.5%-5.6%	2014	<u>112,700</u>	<u>50,000</u>
Total General Obligation Bonds.....				<u>\$1,962,402</u>	<u>\$862,000</u>



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

The State advance refunded the bonds to reduce its total debt service payments over the next 10 years by approximately \$435 thousand. The refunding resulted in an economic gain of approximately \$367 thousand. The economic gain is the difference between the present value of the debt service payments on the old and new debt.

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, 1999, \$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 Toledo.

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.

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 Ohio Department of Liquor Control and pledged moneys and related investment earnings held in re-

serve under a trust agreement with a financial institution. As of June 30, 1999, approximately \$159 million in economic development bonds payable from liquor profits were outstanding.

Additionally, taxable economic development bonds in the amount of \$2.5 million, issued by the Treasurer of State in connection with the Ohio Enterprise Bond Program, were outstanding, as of June 30, 1999. 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 1999, \$15.6 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 year 1998, the Treasurer of State issued \$70 million in State Infrastructure Bank Bonds for the Department of Transportation. 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, 1999, are presented in the table on the following page.



NOTE 11 REVENUE BONDS AND NOTES (Continued)

Primary Government
Revenue Bonds
As of June 30, 1999
(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	\$191,864
Internal Service:				
Ohio Building Authority.....	1986-97	4.5%-9.8%	2008	31,815
General Long-Term Obligations:				
Treasurer of State:				
Economic Development	1988-97	6.4%-9.7%	2022	161,535
State Infrastructure Bank.....	1998	4.3%-5.0%	2008	63,225
Total General Long-Term Obligations				224,760
Total Revenue Bonds.....				\$448,439

For the year ended June 30, 1999, 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, 1999, are as follows (dollars in thousands):

Year Ending June 30,	General Long-Term Obligations Account Group		
	Principal	Interest	Total
2000.....	\$ 11,440	\$ 14,851	\$ 26,291
2001.....	12,090	14,170	26,260
2002.....	11,375	13,487	24,862
2003.....	12,045	12,819	24,864
2004.....	12,745	12,105	24,850
Thereafter.....	165,065	105,431	270,496
Total.....	\$224,760	\$172,863	\$397,623

Year Ending June 30,	Enterprise Fund		
	Principal	Interest	Total
2000.....	\$ 7,000	\$ 9,209	\$16,209
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
Thereafter.....	149,255	41,318	190,573
	194,255	83,922	278,177
Unamortized Discount	(2,391)	—	(2,391)
Total.....	\$191,864	\$83,922	\$275,786

Year Ending June 30,	Internal Service Fund		
	Principal	Interest	Total
2000.....	\$ 3,039	\$ 1,882	\$ 4,921
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
Thereafter.....	15,354	4,958	20,312
	32,207	12,723	44,930
Unamortized Discount	(392)	—	(392)
Total.....	\$31,815	\$12,723	\$44,538

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, 1999, \$22 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



NOTE 11 REVENUE BONDS AND NOTES (Continued)

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, 1999, 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, 1998, approximately \$555.8 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, 1998, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2000.....	\$ 20,730	\$ 29,035	\$ 49,765
2001.....	19,910	28,087	47,997
2002.....	21,535	27,057	48,592
2003.....	22,860	25,984	48,844
2004.....	24,270	24,750	49,020
Thereafter.....	444,695	171,945	616,640
	554,000	306,858	860,858
Unamortized Premium.....	1,839	—	1,839
Total.....	\$555,839	\$306,858	\$862,697

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, 1999, are presented in the table below and on the following page.

**Component Units
Future Funding Requirements for Revenue Bonds
As of June 30, 1999**
(dollars in thousands)

Year Ending December 31 or June 30,	Ohio Water Development Authority (12/31/98)			Ohio State University			University of Cincinnati		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1999.....	\$ 83,810	\$ 78,494	\$ 162,304						
2000.....	95,670	74,380	170,050	\$112,057	\$ 8,887	\$120,944	\$ 56,904	\$ 12,751	\$ 69,655
2001.....	90,045	70,225	160,270	20,173	8,223	28,396	11,476	10,852	22,328
2002.....	89,815	66,127	155,942	20,945	7,533	28,478	12,116	10,290	22,406
2003.....	88,895	61,685	150,580	16,093	6,925	23,018	12,806	9,683	22,489
2004.....	—	—	—	13,644	6,461	20,105	11,715	9,042	20,757
Thereafter.....	1,082,730	399,074	1,481,804	105,340	41,272	146,612	156,491	65,767	222,258
	1,530,965	749,985	2,280,950	288,252	79,301	367,553	261,508	118,385	379,893
Unamortized Discount.....	(27,115)	—	(27,115)	—	—	—	—	—	—
Total.....	\$1,503,850	\$749,985	\$2,253,835	\$288,252	\$79,301	\$367,553	\$261,508	\$118,385	\$379,893

(Continued)



NOTE 11 REVENUE BONDS AND NOTES (Continued)

**Component Units
Future Funding Requirements for Revenue Bonds (Continued)
As of June 30, 1999
(dollars in thousands)**

Year Ending December 31 or June 30,	University of Toledo			Other Component Units			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1999.....							\$ 83,810	\$ 78,494	\$ 162,304
2000.....	\$ 3,871	\$ 4,770	\$ 8,641	\$ 25,921	\$ 17,073	\$ 42,994	294,423	117,861	412,284
2001.....	3,983	4,643	8,626	29,645	15,818	45,463	155,322	109,761	265,083
2002.....	4,030	4,442	8,472	17,777	14,547	32,324	144,683	102,939	247,622
2003.....	4,229	4,232	8,461	18,083	13,714	31,797	140,106	96,239	236,345
2004.....	4,449	4,010	8,459	17,998	12,837	30,835	47,806	32,350	80,156
Thereafter.....	69,472	40,122	109,594	242,259	105,605	347,864	1,656,292	651,840	2,308,132
	90,034	62,219	152,253	351,683	179,594	531,277	2,522,442	1,189,484	3,711,926
Unamortized Discount.....	—	—	—	(351)	—	(351)	(27,466)	—	(27,466)
Total.....	<u>\$90,034</u>	<u>\$62,219</u>	<u>\$152,253</u>	<u>\$351,332</u>	<u>\$179,594</u>	<u>\$530,926</u>	<u>\$2,494,976</u>	<u>\$1,189,484</u>	<u>\$3,684,460</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 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, 1999, are presented in the table below.

For the year ended June 30, 1999, NOTE 15 summarizes changes in special obligation bonds reported in the General Long-Term Obligations Account Group.

**Primary Government
Special Obligation Bonds
As of June 30, 1999
(dollars in thousands)**

Organization	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Ohio Building Authority.....	1986-99	2.0%-9.8%	2019	\$2,264,079	\$ 744,000
Ohio Public Facilities Commission.....	1992-99	4.4%-6.1%*	2013	2,543,320	219,746
Elementary and Secondary Education.....	1996-99	3.7%-5.8%	2008	254,945	560,000
Total Special Obligation Bonds.....				<u>\$5,062,344</u>	<u>\$1,523,746</u>

*Average Effective Interest Rates



NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

Future special obligation debt service requirements, as of June 30, 1999, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2000.....	\$ 479,732	\$ 253,553	\$ 733,285
2001.....	468,682	227,651	696,333
2002.....	441,106	201,435	642,541
2003.....	429,099	179,872	608,971
2004.....	425,435	158,498	583,933
Thereafter.....	2,818,290	659,951	3,478,241
Total.....	<u>\$5,062,344</u>	<u>\$1,680,960</u>	<u>\$6,743,304</u>

During fiscal year 1999, the OBA had the following bond refundings.

- In September 1998, the OBA issued \$43.7 million in special obligation bonds with an average interest rate of 4.5 percent to retire \$41 million in bonds with an interest rate of 6.3 percent.
- In February 1999, the OBA issued \$70.8 million in special obligation bonds with an average interest rate of 4.5 percent to retire \$67 million in bonds with an interest rate of 6.3 percent.
- In May 1999, the OBA issued \$18.9 million in special obligation bonds with an average interest rate of 4.6 percent to retire \$18 million in bonds with an interest rate of 6.2 percent.

The net proceeds of \$138.5 million, plus an additional \$148 thousand from existing debt service moneys were placed with trustees to retire the bonds at the call date, and consequently, the liability associated with the refunded bonds has been removed

NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 1999, approximately \$16.8 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 cer-

from the General Long-Term Obligations Account Group.

The refunding transactions in September, February, and May reduced the OBA's total future debt service payments by about \$3.4 million, \$6.2 million, and \$1.3 million, respectively, and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$2.6 million, \$4.5 million, and \$.9 million, respectively.

In July 1998, the OPFC issued \$21.3 million in special obligation bonds to advance refund \$26.4 million of outstanding Mental Health Capital Facilities Bonds, Series 1991A. The net proceeds of \$21.6 million (after payment of \$103,177 for underwriter's discount), plus an additional \$6.4 million from existing debt service moneys, were used to purchase U.S. government securities, which were placed in an irrevocable trust with an agent to provide for all future debt service payments on the refunded principal. The OPFC refunded the Mental Health Capital Facilities Bonds to reduce its debt service over the next eight years by approximately \$2.3 million to obtain an economic gain of approximately \$3.8 million.

As a result of this transaction, the advance refunded bonds for the OPFC are considered defeased, and the related liability has been removed from the General Long-Term Obligations Account Group.

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, 1999, \$424.5 million and \$202.9 million of OBA and OPFC bonds outstanding, respectively, are considered defeased.

tificates 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.



NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)

**Primary Government
Certificate of Participation Obligations
As of June 30, 1999**
(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	6.0%-6.5%	2012	\$ 6,895
Waterfront Transit Line Project.....	1996	4.6%-4.8%	2003	6,340
Rickenbacker Port Authority Improvements.....	1996	6.1%	2007	3,530
Total Certificates of Participation Obligations.....				<u>\$16,765</u>

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 principal payments made by trustees to certificate holders.

Obligations outstanding for the primary government under certificate of participation financing arrangements, as of June 30, 1999, are presented in the table above.

For the year ended June 30, 1999, NOTE 15 summarizes changes in certificate of participation obligations reported in the General Long-Term Obligations Account Group.

As of June 30, 1999, 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
2000.....	\$ 2,175	\$ 913	\$ 3,088
2001.....	2,285	803	3,088
2002.....	2,405	685	3,090
2003.....	2,530	558	3,088
2004.....	890	465	1,355
Thereafter.....	6,480	1,893	8,373
Total.....	<u>\$16,765</u>	<u>\$5,317</u>	<u>\$22,082</u>

For the State's component units, approximately \$13.2 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, 1999, 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, 1999**
(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
2000.....	\$ 795	\$ 501	\$ 1,296	\$ 250	\$ 98	\$ 348	\$ 1,045	\$ 599	\$ 1,644
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
Thereafter.....	6,900	2,524	9,424	840	233	1,073	7,740	2,757	10,497
Total.....	<u>\$11,290</u>	<u>\$4,695</u>	<u>\$15,985</u>	<u>\$1,930</u>	<u>\$607</u>	<u>\$2,537</u>	<u>\$13,220</u>	<u>\$5,302</u>	<u>\$18,522</u>



NOTE 14 OTHER LONG-TERM OBLIGATIONS

As of June 30, 1999, 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.).....	\$ 311,646
Lease Agreements (B.).....	6,087
Judgments, Settlements, and Claims (C.).....	63,930
Litigation Liabilities (C.).....	62,373
Workers' Compensation Obligation (D.).....	568,100
Total Other General Long-Term Obligations.....	<u>\$1,012,136</u>

For the year ended June 30, 1999, 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, 1999 was approximately \$25.5 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, 1999, was \$371.2 million, of which \$36.6 million is allocable to the proprietary funds and \$334.6 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the \$25.5 million) compensated absence liability, as of June 30, 1999, was \$345.7 million, of which \$34.1 million is reported in the proprietary funds and \$311.6 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, 1999, in the amount of \$192.5 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 market 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 1999 were approximately \$89.4 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, 1999, are as follows (dollars in thousands):

Primary Government	
Year Ending June 30,	Operating Leases
2000.....	\$10,861
2001.....	1,527
2002.....	88
2003.....	61
2004.....	13
Thereafter.....	—
Total minimum lease payments	<u>\$12,550</u>

Capital Leases			
Year Ending June 30,	Enterprise Funds	General Long-Term Obligations	Total
2000.....	\$1,569	\$2,866	\$4,435
2001.....	1,266	2,172	3,438
2002.....	1,237	747	1,984
2003.....	—	446	446
2004.....	—	197	197
Thereafter....	—	303	303
Total minimum lease payments.	4,072	6,731	10,803
Amount representing interest.....	(339)	(644)	(983)
Present value of net minimum lease payments.	<u>\$3,733</u>	<u>\$6,087</u>	<u>\$9,820</u>

As of June 30, 1999, 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.....	\$4,060	\$12,360	\$16,420
Vehicles.....	—	37	37
Total.....	<u>\$4,060</u>	<u>\$12,397</u>	<u>\$16,457</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, 1999, 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, 1999**

(dollars in thousands)

Year Ending June 30,	Ohio State University	University of Cincinnati	Miami University	Other Component Units	Total Component Units
2000.....	\$ 2,549	\$ 7,029	\$ 2,554	\$ 8,560	\$ 20,692
2001.....	2,863	7,922	2,351	6,364	19,500
2002.....	1,918	7,924	2,103	7,853	19,798
2003.....	1,918	7,923	1,676	2,121	13,638
2004.....	902	7,921	1,222	1,178	11,223
Thereafter.....	961	135,442	2,235	4,026	142,664
Total Minimum Lease Payments	11,111	174,161	12,141	30,102	227,515
Amount Representing Interest.....	(1,445)	(71,703)	(1,955)	(3,811)	(78,914)
Present Value of Net Minimum Lease Payments.....	<u>\$ 9,666</u>	<u>\$102,458</u>	<u>\$10,186</u>	<u>\$26,291</u>	<u>\$148,601</u>
Land	\$ —	\$ —	\$ —	\$ 517	\$ 517
Buildings.....	—	151,994	1,152	7,284	160,430
Land Improvements.....	—	—	—	5,340	5,340
Equipment	12,673	—	14,802	34,267	61,742
Vehicles.....	—	—	—	599	599
Total.....	<u>\$12,673</u>	<u>\$151,994</u>	<u>\$15,954</u>	<u>\$48,007</u>	<u>\$228,628</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, 1999, the State was responsible for an estimated \$33 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 \$21.4 million and \$9.5 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 for the State's portion of its actuarially determined liability for compensation, which is recorded in the General Long-Term Obligations Account Group, in the amount of \$568.1 million.

E. Liabilities Payable from Restricted Assets

Deferred Prize Awards

Deferred prize awards payable in installments over future years totaling approximately \$1.4 billion, as of June 30, 1999, 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, 1999, is as follows (dollars in thousands):

<u>Year Ending June 30,</u>	
2000	\$ 167,507
2001	167,171
2002	167,411
2003	167,166
2004	163,732
Thereafter	<u>1,440,801</u>
	2,273,788
Unamortized Discount	<u>(916,068)</u>
Net Prize Liability	<u>\$1,357,720</u>

Prizes can be claimed within six months of the drawing date for on-line games and within six months of the closing date for instant games. After the expiration of the statutory six-month period, the prize liability is reduced by the amount estimated for unclaimed prizes.

Tuition Benefits

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund totaling \$316.6 million, as of June 30, 1999, 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 annually; and a 3.0 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, 1999, in the amount of \$12.6 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, 1999, are presented in the following table.

Fiscal year 1999 additions to the general obligation bonds and special obligation bonds do not include

premiums/(discounts) and bond issuance costs. These costs came to approximately \$4.2 million and \$8.9 million, respectively for each type of bond issuance, and are netted with bond proceeds and refunding 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, 1999
(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, 1998.....	\$1,568,183	\$236,805	\$4,831,558	\$18,615	\$ 950,684	\$7,605,845
Additions:						
Debt Issues	562,635	—	868,255	—	—	1,430,890
Deep-Discount Accretions.....	17,029	—	1,783	—	—	18,812
Increase in Compensated Absences	—	—	—	—	34,733	34,733
Increase in Lease Obligations.....	—	—	—	—	2,257	2,257
Increase in Workers' Compensation Obligation	—	—	—	—	30,400	30,400
Increase in Judgments, Settlements, and Claims.....	—	—	—	—	45,830	45,830
Increase in Litigation Liabilities.....	—	—	—	—	32,473	32,473
Total Additions.....	579,664	—	870,038	—	145,693	1,595,395
Deductions:						
Debt Retirements, Terminations, and Defeasances.....	185,445	12,045	639,252	1,850	—	838,592
Decrease in Lease Obligations.....	—	—	—	—	10,205	10,205
Decrease in Judgments, Settlements, and Claims.....	—	—	—	—	47,786	47,786
Decrease in Litigation Liabilities.....	—	—	—	—	26,250	26,250
Total Deductions.....	185,445	12,045	639,252	1,850	84,241	922,833
Balance, as of June 30, 1999.....	<u>\$1,962,402</u>	<u>\$224,760</u>	<u>\$5,062,344</u>	<u>\$16,765</u>	<u>\$1,012,136</u>	<u>\$8,278,407</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, 1999, 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.....	\$1,977,237
Ohio Enterprise Bond Program	104,300
Hospital Facilities Bonds.....	8,730
Total No Commitment Debt	<u>\$2,090,267</u>



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

JUNE 30, 1999

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, 1999, 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.....	\$ 97,120	\$397,018	\$2,272,018	\$ 3,625,174	\$ 2,589	\$33,040	\$ 6,426,959
Depreciation.....	114	2,730	13,631	13,722	421	2,039	32,657
Amortization of Premiums....	—	—	99,204	393	—	—	99,597
Operating Income (Loss).....	25,886	104,435	628,322	1,149,396	720	(31,000)	1,877,759
Operating Transfers-in.....	—	—	—	—	—	32,344	32,344
Operating Transfers-out.....	—	108,840	696,303	5,779	773	—	811,695
Net Income (Loss).....	25,868	(4,666)	(68,807)	1,137,500	22	173	1,090,090
Fixed Asset Additions.....	121	2,570	1,924	6,325	444	4,299	15,683
Fixed Asset Disposals.....	61	2,641	1,554	42,186	—	7,763	54,205
Net Working Capital.....	34,585	11,708	131,623	(73,624)	1,885	15,827	122,004
Increase (Decrease) in							
Cash & Cash Equivalents.	(320)	(1,819)	(25,167)	(1,228,362)	422	637	(1,254,609)
Total Assets.....	427,545	50,172	2,676,837	23,938,562	10,874	30,389	27,134,379
Liabilities Payable from							
Restricted Assets.....	316,600	—	2,361,762	—	—	—	2,678,362
Bonds and Other Non-							
current Liabilities Payable							
from Operating Revenues	80	2,004	4,188	12,784,565	89	5,643	12,796,569
Total Equity (Deficits).....	110,497	12,399	192,522	5,238,687	9,242	17,925	5,581,272

NOTE 18 CHANGES IN CONTRIBUTED CAPITAL

For the fiscal year ended June 30, 1999, 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	Ohio Data Network	Ohio Penal Industries	Support Services		
Contributed Capital Balance, July 1, 1998....	\$ —	\$39,345	\$1,512	\$5,257	\$46,114	\$46,114
Additions:						
Capital Contributions from Other Funds (reported as Residual Equity Transfers-out):						
Capital Projects Funds:						
Mental Health/Mental Retardation						
Facilities Improvements.....	—	—	—	275	275	275
Administrative Services						
Building Improvements.....	411	4,720	—	—	4,720	5,131
Adult Correctional Building Improvements.	—	—	250	—	250	250
Total Additions.....	411	4,720	250	275	5,245	5,656
Contributed Capital Balance, June 30, 1999.	\$411	\$44,065	\$1,762	\$5,532	\$51,359	\$51,770



NOTE 19 FUNDEQUITY

A. Fund Deficits

The Local Infrastructure Improvements Bond Retirement Debt Service Fund and the Adult Correctional Building Improvements Capital Projects Fund report a fund balance deficit of \$18 thousand and \$14.9 million, respectively, as of June 30, 1999.

B. Other Reserves and Designations

Details on the "Reserved for Other" account reported for the governmental and expendable trust funds and the "Restricted Fund Balances" account reported for the component unit funds, as of June 30, 1999, are presented in the table below.

Retained earnings for the Enterprise Fund, as of June 30, 1999, are reserved for the payment of deferred lottery prizes from the Ohio Lottery Commission Fund and insurance claims payable from the Work-

ers' Compensation Fund in the amounts of \$43.4 million, and \$107.8 million, respectively.

Reserved retained earnings for the Internal Service Fund, as of June 30, 1999, are provided for the funding of future health care benefits in the amount of \$204 thousand.

As of June 30, 1999, designations of the General Fund's unreserved fund balance are as follows (dollars in thousands):

General Fund	Unreserved, Designated Fund Balance
Income Tax Reduction Program.....	\$293,185
Public School Building Program.....	325,700
SchoolNet Plus Program.....	85,400
Budget Stabilization.....	46,374
Interactive Video Learning Program....	4,600
Total Designations.....	<u>\$755,259</u>

**Primary Government
Reserved for Other Fund Balance
As of June 30, 1999**
(dollars in thousands)

	General	Special Revenue	Capital Projects	Expendable Trust	Total
Inventories.....	\$ 1,000	\$33,269	\$ —	\$ —	\$ 34,269
Other Assets — Prepays.....	6,453	177	—	—	6,630
Human Services Stabilization.....	100,000	—	—	—	100,000
Loan Commitments	—	4,900	64,696	—	69,596
Health Care Benefits.....	6,446	4,447	3	—	10,896
Advances to Other Funds.....	—	—	—	145,689	145,689
Department of Development's Office of Minority Financial Incentives— Mini-Loan Program Deposits	1,066	—	—	—	1,066
Total Reserved for Other Fund Balance.....	<u>\$114,965</u>	<u>\$42,793</u>	<u>\$64,699</u>	<u>\$145,689</u>	<u>\$368,146</u>

**Component Units
Restricted Fund Balance
As of June 30, 1999**
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
General Operations (includes Auxiliary Enterprises)	\$ 185,056	\$ 81,502	\$ 85,968	\$ 352,526
Loan Programs	55,292	30,414	104,444	190,150
Endowment and Quasi-Endowment Activities.....	998,033	1,078,944	195,443	2,272,420
Plant Operations.....	—	25,510	21,143	46,653
Annuity and Life Income.....	—	5,423	—	5,423
University Foundations.....	—	52,179	1,991	54,170
Grants and Contracts.....	—	—	2,697	2,697
Student Organizations and Support Services.....	—	—	167	167
Total Restricted Fund Balance.....	<u>\$1,238,381</u>	<u>\$1,273,972</u>	<u>\$411,853</u>	<u>\$2,924,206</u>



NOTE 19 FUND EQUITY (Continued)

As of June 30, 1999, designations of the component units funds' unreserved fund balance are as follows.

Component Units Designated Fund Balance As of June 30, 1999 <i>(dollars in thousands)</i>				
Designated for:	Ohio University	Miami University	Other Component Units	Total Component Units
Educational and General Programs.....	\$18,103	\$32,877	\$112,318	\$163,298
Auxiliary Enterprises.....	3,099	1,803	8,045	12,947
Hospital Operations.....	—	—	444	444
Loan Programs.....	1,064	849	1,402	3,315
Endowment and Quasi-Endowment Activities.....	13,029	32,455	36,348	81,832
Plant Operations.....	48,630	2,148	46,384	97,162
Federal and State Grants.....	—	—	2,631	2,631
Total Designated Balance	<u>\$83,925</u>	<u>\$70,132</u>	<u>\$207,572</u>	<u>\$361,629</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, 1999 <i>(dollars in thousands)</i>					
	Ohio Water Development Authority (12/31/98)	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
Assets					
Cash Equity with Treasurer.....	\$ 305	\$ —	\$ —	\$ —	\$ 305
Cash and Cash Equivalents.....	15,655	61,633	46,235	126,830	250,353
Investments.....	934,053	1,590,851	697,571	947,720	4,170,195
Receivables.....	1,879,267	316,544	106,578	281,246	2,583,635
Due from Other Funds.....	1,905	271,881	117,036	63,878	454,700
Inventories.....	—	20,203	4,377	18,676	43,256
Restricted Assets.....	—	11,027	—	12,603	23,630
Fixed Assets (net of accumulated depreciation, as applicable).....	370	2,690,619	1,224,439	4,873,628	8,789,056
Other Assets.....	19,073	26,703	706,031	37,438	789,245
Total Assets.....	<u>\$2,850,628</u>	<u>\$4,989,461</u>	<u>\$2,902,267</u>	<u>\$6,362,019</u>	<u>\$17,104,375</u>
Liabilities					
Accounts Payable.....	\$ 20,525	\$ 87,096	\$ 29,081	\$ 74,531	\$ 211,233
Accrued Liabilities.....	6,619	201,964	203,702	296,470	708,755
Intergovernmental Payable.....	—	—	—	441	441
Due to Other Funds.....	1,905	271,881	117,036	63,878	454,700
Deferred Revenue.....	—	70,149	10,540	103,413	184,102
Refund and Other Liabilities.....	4,094	30,990	66,129	42,879	144,092
Revenue Bonds and Notes.....	1,503,850	288,252	261,508	441,366	2,494,976
Certificates of Participation.....	—	11,290	1,930	—	13,220
Total Liabilities.....	<u>1,536,993</u>	<u>961,622</u>	<u>689,926</u>	<u>1,022,978</u>	<u>4,211,519</u>
Fund Equity and Other Credits					
Investment in General Fixed Assets...	—	2,384,591	925,921	4,444,675	7,755,187
Total Unreserved Retained Earnings...	1,313,635	—	—	—	1,313,635
Total Fund Balance.....	—	1,643,248	1,286,420	894,366	3,824,034
Total Fund Equity and Other Credits..	<u>1,313,635</u>	<u>4,027,839</u>	<u>2,212,341</u>	<u>5,339,041</u>	<u>12,892,856</u>
Total Liabilities, Fund Equity and Other Credits.....	<u>\$2,850,628</u>	<u>\$4,989,461</u>	<u>\$2,902,267</u>	<u>\$6,362,019</u>	<u>\$17,104,375</u>



NOTE 20 COMPONENT UNIT FUNDS (Continued)

Colleges and Universities
Condensed Statement of Changes in Fund Balances
For the Year Ended June 30, 1999
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues and Other Additions.....	\$1,957,131	\$ 610,016	\$ 2,392,524	\$ 4,959,671
Total Expenditures and Other Deductions.....	(2,018,250)	(662,765)	(3,145,562)	(5,826,577)
Operating Transfers from Primary Government.....	418,486	186,342	960,082	1,564,910
Net Increase (Decrease) for the Year.....	357,367	133,593	207,044	698,004
Fund Balance and Other Credits, July 1 (as restated).....	3,670,472	2,078,748	5,131,997	10,881,217
Fund Balance and Other Credits, June 30	<u>\$4,027,839</u>	<u>\$2,212,341</u>	<u>\$ 5,339,041</u>	<u>\$11,579,221</u>

Colleges and Universities
Condensed Statement of Current Funds Revenues, Expenditures and Other Changes
For the Year Ended June 30, 1999
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues	\$1,429,358	\$436,570	\$1,958,608	\$3,824,536
Expenditures:				
Educational and General.....	1,147,059	533,764	2,305,951	3,986,774
Auxiliary Enterprises	132,953	52,849	369,688	555,490
Hospitals.....	482,200	—	139,439	621,639
Total Expenditures.....	1,762,212	586,613	2,815,078	5,163,903
Mandatory Transfers, Net.....	34,278	18,551	46,804	99,633
Total Expenditures and Mandatory Transfers.....	1,796,490	605,164	2,861,882	5,263,536
Other Transfers and Additions (Deductions):				
Operating Transfers from Primary Government	414,127	184,203	956,405	1,554,735
Nonmandatory Transfers, Net.....	(17,387)	(12,080)	(63,215)	(92,682)
Additions (Deductions).....	10,796	(977)	12,188	22,007
Total Other Transfers and Additions (Deductions).....	407,536	171,146	905,378	1,484,060
Net Increase in Fund Balances.....	<u>\$ 40,404</u>	<u>\$ 2,552</u>	<u>\$ 2,104</u>	<u>\$ 45,060</u>

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.



NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

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 \$1.1 million for the year ended December 31, 1998) 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, 1998 (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.

Summary financial information for the GLPF, for the fiscal year ended December 31, 1998, is as follows (dollars in thousands):

Cash and Investments.....	\$127,091
Other Assets.....	523
Total Assets.....	\$127,614
Total Liabilities.....	\$ 2,510
Total Fund Equity.....	125,104
Total Liabilities and Fund Equity...	\$127,614
Total Revenues and Other Additions.....	\$ 18,213
Total Expenditures.....	(9,250)
Net Increase in Fund Equity.....	\$ 8,963

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 Facilities 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.



NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

During fiscal year 1999, 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	\$ 40,443	\$ 9,782	\$ 50,225
Jefferson Community College.....	3,731	191	3,922
Lakeland Community College.....	13,827	788	14,615
Lorain County Community College.....	15,709	294	16,003
Rio Grande Community College	3,982	66	4,048
Sinclair Community College.....	34,080	4,851	38,931
Total Local Community Colleges.....	111,772	15,972	127,744
Technical Colleges:			
Belmont Technical College.....	4,726	339	5,065
Central Ohio Technical College.....	4,100	490	4,590
Hocking Technical College.....	16,385	2,038	18,423
Lima Technical College	6,559	4,788	11,347
Marion Technical College.....	3,409	36	3,445
Muskingum Technical College....	5,385	16	5,401
North Central Technical College.....	6,844	386	7,230
Stark State College of Technology	9,234	1,065	10,299
Total Technical Colleges.....	56,642	9,158	65,800
Total	<u>\$168,414</u>	<u>\$25,130</u>	<u>\$193,544</u>

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.

During fiscal year 1999,

- The primary government distributed \$2.3 million in motor vehicle fuel excise tax collections from the Special Revenue Fund to the Ohio Turnpike Commission.
- 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 administrative 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 \$594 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 1999, the Ohio Legal Assistance Foundation received approximately \$695 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.



NOTE 22 CONTINGENCIES AND COMMITMENTS (Continued)

As of June 30, 1999, \$62.4 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. The Ohio Supreme Court concluded in 1997 that major aspects of the system (including basic operating assistance and state loans) were unconstitutional. The Court ordered the State to provide for and fund sufficiently a system complying with the Ohio Constitution, staying its order to permit time for responsive corrective actions by the Ohio General Assembly. The Court indicated that property taxes may still play a role in, but "can no longer be the primary means" of, school funding. The Court remanded the case to the trial court to hear evidence and render an opinion on the constitutionality of the enacted legislation which opinion could then be appealed directly to the Ohio Supreme Court. A hearing in the trial court was subsequently held on the constitutionality of the legislation enacted since 1992 to enhance school funding consistent with the Supreme Court decision.

In February 1999, the trial court judge issued his ruling. He concluded that the State continues to be not in compliance with the constitutional requirements, and ordered the State "forthwith to provide for and fund a system of funding public elementary and secondary education in compliance with the Ohio Constitution and the [1997] directive of the Ohio Supreme Court." He also ordered the State Board of Education and the State Superintendent of Public Instruction to prepare and submit to the General Assembly proposals for compliance with the trial court orders and the Supreme Court directive.

The State has appealed the trial court's decision to the Supreme Court. The Supreme Court has granted the State's request for a stay, pending appeal, of implementation of the trial court's order. Oral arguments took place before the Supreme Court on November 16, 1999. It is not possible at this time to state what the results of any appeal might be, or, should plaintiffs prevail on appeal, the effect on the State's present school funding system.

As part of its post-1991 response, the General Assembly has increased state funding for public schools. In addition, the General Assembly placed two issues on the May 1998 primary ballot. The voters approved neither. One was a constitutional amendment authorizing additional state debt issuing capacity, and the other was an increase in Ohio's sales tax. That constitutional amendment would have authorized general obligation debt to pay costs of school facilities throughout Ohio and facilities at state institutions of higher education. As discussed further in NOTE 25, on November 2, 1999, voters approved a constitutional amendment to authorize the use of State-backed general obligation bonds for school facilities.

Other litigation pending in the Ohio Court of Claims contests 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 1999) 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 1999, the Court of Claims decertified the action there as a class action; plaintiffs have appealed the decertification.

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



NOTE 22 CONTINGENCIES AND COMMITMENTS (Continued)

(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 1998 State of Ohio Single Audit (completed in December 1998), approximately \$3.1 million of federal expenditures is 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, 1999.

C. Construction Commitments

As of June 30, 1999, the Department of Transportation had contractual commitments of approximately \$1.36 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 the amounts of \$572.1 million, \$392.9 million, \$357.9 million, and \$39.1 million, respectively.

As of June 30, 1999, 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.....	\$ 18,793
Higher Education Improvements	167,423
Mental Health/Mental Retardation Facilities Improvements	23,487
Parks and Recreation Improvements.....	11,836
Local Infrastructure Improvements	13
Administrative Services	
Building Improvements	40,772
Youth Services Building Improvements	25,056
Transportation Building Improvements.....	7,397
Adult Correctional Building Improvements.....	126,655
Highway Safety Building Improvements	4,399
Ohio Parks and Natural Resources	31,198
Sports Facilities Building.....	36,682
Total	<u>\$493,711</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, 1999, in the amount of approximately \$12.6 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 \$1.4 billion, is an estimate of future expenses to be incurred in the settlement of claims. The estimate for this liability is based on projected claims-related expenses, estimated costs of the 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. 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.



NOTE 23 RISK FINANCING (Continued)

Benefits payable and the compensation adjustment expenses liability are discounted at 6.25 percent in fiscal year 1999 and 6.5 percent in fiscal year 1998. The undiscounted reserves for the benefits and compensation adjustment expenses totaled \$30.2 billion, as of June 30, 1999, and \$33.6 billion, as of June 30, 1998. For additional information, refer to the Fund's separate audited financial report, for the fiscal year ended June 30, 1999.

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.

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.

Consequently, claims liabilities that exceed financial resources accounted for in the Payroll Withholding and Fringe Benefits Agency Fund are reported as unfunded liabilities in the proprietary funds and in the General Long-Term Obligations Account Group.

As of June 30, 1999, approximately \$32.4 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 1999	Fiscal Year 1998
Claims Liabilities, as of July 1	\$20,054	\$18,732
Incurred Claims.....	84,916	73,311
Claims Payments	(84,878)	(71,989)
Claims Liabilities, as of June 30	<u>\$20,092</u>	<u>\$20,054</u>

As of June 30, 1999, resources on deposit in the Payroll Withholding and Fringe Benefits Agency Fund for the payment of claims exceeded the estimated claims liability amount by \$12.3 million,

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

	Fiscal Year 1999	Fiscal Year 1998
Benefits Payable and Compensation Adjustment Expenses Liability, as of July 1	\$14,517	\$14,464
Incurred Compensation and Compensation Adjustment Benefits.....	1,110	1,628
Incurred Compensation and Compensation Adjustment Benefit Payments.....	(1,900)	(1,909)
Change in Liability Due to Decrease in Discount Rate.....	314	334
Benefits Payable and Compensation Adjustment Expenses Liability, as of June 30	<u>\$14,041</u>	<u>\$14,517</u>



NOTE 23 RISK FINANCING (Continued)

thereby, resulting in a funding surplus. The surplus is offset with a “Due to Other Funds” balance reported in the Agency Fund with corresponding “Due from Other Funds” balances reported in the paying funds.

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.

Under the MSA, the base payments to the states are estimated to total \$206 billion through 2025. Ohio’s share of the base payments through 2025 is estimated to be approximately \$9.87 billion.

While Ohio’s share of the base payments will not change over time, the amount of the annual payment is subject to a number of adjustments including, among others, 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, 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 estimated payments.

NOTE 25 SUBSEQUENT EVENTS

A. Debt Issuances

Subsequent to June 30, 1999 (December 31, 1998 for the Ohio Water Development Authority), the State issued major debt as detailed in the table on the following page.

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.

In addition to a share of the base payments, Ohio will receive an estimated \$239.5 million 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 \$8.6 billion 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.

The total that Ohio is estimated to receive under the MSA is \$10.1 billion. The estimated amount of future payments is as follows (dollars in thousands):

Year Ending June 30,	MSA Base Payments	Payments from Strategic Contribution Fund	Total Estimated Payments
2000.....	\$ 443,893	\$ —	\$ 443,893
2001.....	348,780	—	348,780
2002.....	418,783	—	418,783
2003.....	422,746	—	422,746
2004.....	352,827	—	352,827
Thereafter...	<u>7,882,393</u>	<u>239,500</u>	<u>8,121,893</u>
Total.....	<u>\$9,869,422</u>	<u>\$239,500</u>	<u>\$10,108,922</u>

No payments under the settlement have been received through June 30, 1999, and no balances related to the settlement have been included in the State’s financial statements for the fiscal year ended June 30, 1999.

On November 2, 1999, Ohio voters approved a constitutional amendment (Sections 2(n) and 17 of Article VIII) that authorizes the State to issue general obligation bonds to finance building construction, maintenance, and repairs at Ohio’s elementary and



NOTE 25 SUBSEQUENT EVENTS (Continued)

**Debt Issuances
Subsequent to June 30, 1999**
(dollars in thousands)

Organization/Issue	Date of Bond	Net Interest Cost	Amount	Type of Debt
Primary Government:				
Ohio Public Facilities Commission:				
Higher Education Capital Facilities Bonds, Series II-1999A.....	July 27, 1999	4.8%	<u>\$100,000</u>	Special Obligation
Ohio Building Authority:				
State Facilities Bonds – Adult Correctional Building Fund Project, 1999 Series A	July 1, 1999	5.3%	<u>150,000</u>	Special Obligation
Treasurer of State:				
Infrastructure Improvement Bonds, Series 1999.....	September 15, 1999	5.5%	120,000	General Obligation
Major New State Infrastructure Bonds, Series 1999-1	August 1, 1999	4.7%	<u>20,000</u>	Revenue
			<u>140,000</u>	
Total Primary Government			<u><u>\$390,000</u></u>	
Component Units:				
Ohio Water Development Authority				
Water Development Revenue Notes – Series 1999-A.....	May 1, 1999	Variable Rate – 4.05% Initial Rate	\$ 13,205	Revenue
University of Akron				
General Receipts Bonds, Series 1999.....	August 31, 1999	5.7%	<u>131,320</u>	Revenue
Total Component Units.....			<u><u>\$144,525</u></u>	

secondary schools and at state-supported and state-assisted institutions of higher education.

The amendment allows the Ohio General Assembly to issue bonds, without requiring a vote of the citizenry, if the cost of paying debt service (principal and interest) on all outstanding State bonds is equal to no more than five percent of the total State's estimated revenues for the General Revenue Fund (a budgetary fund) and from net lottery proceeds during the fiscal year in which the obligations are to be issued. The amendment permits net lottery proceeds to only be used to pay off bonds issued for projects at primary and secondary schools. The amendment also allows the Ohio General Assembly to waive the five percent debt limit on a particular issue or amount of the obligations if three-fifths of the Ohio House and Ohio Senate vote to do so.

B. Child Support Enforcement Tracking System

The U.S. Department of Health and Human Services imposed a financial penalty on the State for not having the statewide computerized Child Support Enforcement Tracking System operational by October 1, 1997. Ohio has agreed to accept an alternative penalty, as provided by the Child Performance and Incentive Act of 1998. Under the alternative penalty, \$14.6 million was considered payable, as of June 30, 1999, and has been included in the inter-governmental payable balance for the General Fund.

Since the system was not operational by October 1, 1999, the State could face an additional federal penalty of \$18.7 million; however, 90 percent of this amount would be refunded to the State, if the system becomes operational by October 1, 2000.



NOTE 25 SUBSEQUENT EVENTS (Continued)

**C. Workers' Compensation Enterprise Fund —
Premium Dividend Credit**

On October 20, 1999, the Bureau of Workers' Compensation (BWC) Oversight Commission approved a one-time, 75 percent dividend credit for public employers. The dividend credit approximating \$140 million will be reflected in public employers' bills in January 2000.

In addition, private employers will also receive a three-percent average rate reduction totaling \$40 million, as reflected in the bills they receive in December 1999. The BWC Oversight Commission approved this rate reduction in March 1999.

D. Deferred Prize Payments

Effective July 1, 1999, the Ohio Lottery Commission allows annuity lottery prize winners the option to cash out their remaining deferred prize payments at a discounted lump-sum. This option expires December 31, 1999.

E. Tobacco Settlement

On November 12, 1999, the Master Settlement Agreement, which is discussed in NOTE 24, reached state-specific finality status when the State of Virginia formally approved its acceptance of the settlement. Under the terms of the agreement, tobacco industry payments to the states could not begin until at least 80 percent received court approval for their settlements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**



YEAR 2000 ISSUES

The Year 2000 issue is the result of shortcomings in electronic data-processing systems and other equipment that may adversely affect operations in fiscal year 1999 and beyond.

The following stages have been identified as necessary to implement a Year 2000-compliant system. Completion of these stages is not a guarantee that systems or equipment will be Year 2000-compliant.

Awareness Stage — In this first stage, an organization establishes a budget and project plan (for example, a time line or chart noting major tasks and due dates) for dealing with the Year 2000 issue.

Assessment Stage — While in this stage, an organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components or, through a risk analysis, identify only mission-critical systems and equipment — systems and equipment critical to conducting operations.

Remediation Stage — During this stage, an organization actually makes changes to systems and equipment. This stage deals primarily with the technical issues of converting existing systems, or switching to compliant systems. Decisions are made on how to address

Year 2000 system or equipment issues, and the required changes are made.

Validation/Testing Stage — At this stage, an organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and re-tested.

Primary Government

To address Year 2000 issues, the State of Ohio established the Year 2000 Competency Center within the Department of Administrative Services. The Center's mission is to lead, support, and facilitate achievement of Year 2000 compliance throughout the primary government to ensure uninterrupted service to Ohio's citizens.

As summarized in the table below, the Year 2000 Competency Center has identified the stages under which the following computer systems critical to conducting State operations fall, as of June 30, 1999. The stage identified for each system is the stage the respective State agency was in the process of completing at year-end. As of June 30, 1999, all of the primary government's mission-critical systems had completed the awareness and assessment stages.

Stage/System	Description of System
Remediation Stage	
Board of Regents' Grants and Scholarships System	System processes and accounts for grants and scholarships to students.
Department of Administrative Services' State Payroll System.....	System processes and accounts for payroll transactions for State agencies.
Department of Rehabilitation and Correction's Prison Security System	System provides security at the 31 State correctional facilities.
Validation/Testing Stage	
Department of Administrative Services' Fleet Management System.....	System tracks inventory, maintenance costs, and utilization of State-owned vehicles.
Department of Education's School Finance System.....	System tracks the distribution of education program funds to school districts, county boards, and institutions.
Department of Human Services' Medicaid Management Information System	System processes all Medicaid claims for payment to medical service providers.
Support Enforcement Tracking System.....	System accounts for the collection and distribution of child support payments in Ohio.
Treasurer of State's AS400-Warrant Processing – Redemptions.....	System tracks daily settlements with warrant-clearance banks and provides journals for reconciliation of redeemed State warrants.



YEAR 2000 ISSUES (Continued)

The Year 2000 Competency Center identified the following systems as completing the validation/testing stage, as of June 30, 1999.

System	Description of System
Auditor of State's Warrant-Writing System	System writes warrants for State payroll, tax refunds, Department of Human Services payments, and payments to vendors for equipment, products, and services.
Board of Regent's' Funding System.....	System allocates funding to State-assisted higher education institutions.
Bureau of Employment Services': Unemployment Compensation Tax System	System accounts for employer unemployment tax assessments and payments.
Unemployment Compensation Benefits Delivery System.....	System accounts for unemployment benefit payments.
Department of Administrative Services' Fixed Asset Management System.....	System supports the management of State-owned fixed assets with data input from State agencies.
Department of Commerce's Unclaimed Funds System.....	System tracks the consolidation, safekeeping, and accounting of escheat property derived from inactive accounts in financial institutions and other companies.
Department of Health's Women, Infants and Children (WIC) System	System processes payments for WIC program participants.
Department of Human Services' Client Registry Information-Enhanced System.....	System supports the issuing of food stamps and other public assistance benefits to eligible recipients in Ohio.
Department of Public Safety's: Cashier's System.....	System accounts for the collection of motor vehicle registration and operator license fees.
Law Enforcement Automated Data System.....	System maintains data for remote access by law enforcement officials.
Tax Distribution System.....	System tracks the distribution of motor vehicle registration and license fees to Ohio's counties.
Department of Transportation's: Appropriations Accounting System.....	System tracks and controls costs, budget, and allocations for transportation projects.
Construction Management System	System accounts for highway construction project progress and payments.
Current Billing System	System generates the billing to the federal government for reimbursement of highway construction costs.
Office of Budget and Management's Central Accounting System.....	System performs and tracks all State agency budget and accounting activities, such as, appropriations, allotments, payments, payroll, and revenue.
Department of Taxation's Integrated Tax Administration System	System accounts for collections from various State taxes, including personal income tax, sales tax, and corporation franchise tax.
Treasurer of State's AS400-Cashier's Processing.....	System accounts for State agency deposits in the State Treasury.

In addition to the preceding disclosures on the mission-critical systems, which the Year 2000 Competency Center identified, the following organizations made disclosures on Year 2000 issues affecting their mission-critical systems in their respective separately issued financial reports.

- As of June 30, 1999, the Ohio Building Authority had completed the awareness, assessment, remediation, and validation/testing stages for its Fundware operating software, which controls the Authority's data files and reporting capabilities.
- The Bureau of Workers' Compensation had completed the awareness, assessment, and remediation stages for all of its mission-critical systems. As of June 30, 1999, the Bureau was engaged in the validation/testing stage for its Actuarial System and Rates System. As of its fiscal year-end, the Bureau had completed the validation/testing stage for its Claims Management System, Payments System, Employer Policies and Premiums System, and Investments System.



YEAR 2000 ISSUES (Continued)

- As of June 30, 1999, the Ohio Lottery Commission had completed the awareness, assessment, remediation, and validation/testing stages for its On-Line Gaming System, Instant Ticket Gaming System, and Administrative Support System.
- The State Highway Patrol Retirement System (SHPRS) had completed the awareness and assessment stages for the systems listed below by its fiscal year-end and was in the following stages of work in process, as of December 31, 1998.

<u>SHPRS System</u>	<u>Stage</u>
Benefit	Remediation
Financial Reporting.....	Remediation
Investment Reporting.....	Validation/Testing
Member.....	Validation/Testing

- STAROOhio, through the Office of the Treasurer of State, STAROOhio’s investment adviser and administrator, had completed an inventory of STAROOhio’s computer systems. The inventory included Carnegie Capital Management Company, STAROOhio’s co administrator, and Provident Bank, STAROOhio’s custodian and transfer agent. STAROOhio reported that the Treasurer’s portfolio management system, Provident Bank’s transfer agency system, the Federal Reserve Bank’s wire system, and Carnegie Capital’s portfolio and dividend accounting system are critical to conducting operations.

Carnegie Capital Management Company contracted with Analysts International to upgrade its portfolio and dividend accounting system, which was in the testing and validation stage, as of June 30, 1999.

As of June 30, 1999, the primary government had contractual commitments totaling approximately \$142.9 million to make computer systems and other equipment Year 2000-compliant.

The primary government’s Year 2000 remediation efforts have been aimed primarily at ensuring unimpeded and uninterrupted operation, including tax collections, investment activities, and timely payment of its obligations. However, because of the unprecedented nature of the Year 2000 issues, the effects and the success of the primary government’s remediation efforts cannot be fully determinable until the Year 2000 arrives. Consequently, management cannot assure that the primary government will be Year 2000 ready, that its remediation efforts will be successful in whole or in part, or that parties with whom the primary government does business will be Year 2000 ready.

Major Discretely Presented Component Units

The Ohio Water Development Authority disclosed that it had completed the awareness and assessment stages for its mission-critical systems by its fiscal year-end of December 31, 1998. The Authority also reported it had \$155 thousand committed, as of December 31, 1998, to make its computer systems Year 2000-compliant.

As of June 30, 1999, the Ohio State University disclosed that it had not completed the awareness stage for two of its 64 mission-critical systems while the remaining 62 systems were in varying stages of work in process beyond the awareness stage. As of June 30, 1999, the University reported no significant contractual agreements with respect to making its computer systems Year 2000-compliant.

As of June 30, 1999, the University of Cincinnati disclosed that it completed the awareness, assessment, and remediation stages for all of its mission-critical systems, and it had contractual commitments totaling \$95 thousand to make its computer systems Year 2000-compliant.

Additional information on Year 2000 issues for each of the above discretely presented major component units can be found in their respective separately issued financial reports.

**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 **Student Aid Commission Fund** accounted for the Federal Family Education Loan Program and other programs administered by the Ohio Student Aid Commission, which provided financial assistance to eligible individuals attending higher education institutions. In late fiscal year 1997, the Commission formally dissolved and closed its operations because of declining student loan market share.

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 provides for the planning and design, construction, and maintenance of Ohio's highways and roads.

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 Waterway 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.

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
(dollars in thousands)

	<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>	<u>HUMAN SERVICES</u>	<u>HEALTH</u>
ASSETS			
Cash Equity with Treasurer	\$ 346,949	\$ 179,200	\$ 35,716
Cash and Cash Equivalents	12,052	547	—
Investments	93,073	—	—
Collateral on Lent Securities	252,864	130,110	25,901
Receivables:			
Taxes	1,563	—	—
Intergovernmental	10,171	165,113	16,830
Loans, Net	405,926	—	—
Other	7,238	12,968	15,062
Due from Other Funds	3,333	470	162
Inventories	—	—	—
Food Stamps	—	121,572	—
Other Assets	177	—	1,945
TOTAL ASSETS	\$ 1,133,346	\$ 609,980	\$ 95,616
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 43,248	\$ 43,578	\$ 22,794
Medicaid Claims Payable	—	5,752	—
Accrued Liabilities	7,639	6,597	3,300
Obligations Under Securities Lending	252,864	130,110	25,901
Intergovernmental Payable	8,864	97,014	6,821
Due to Other Funds	2,601	1,279	45
Deferred Revenue	5,078	142,473	6,607
Refund and Other Liabilities	167	8,691	—
Advances from Other Funds	145,689	—	—
Total Liabilities	466,150	435,494	65,468
Fund Balances:			
Reserved for:			
Encumbrances	277,653	230,306	11,124
Noncurrent Portion of Loans Receivable	253,453	—	—
Other:			
Inventories	—	—	—
Prepays	177	—	—
Loan Commitments	4,900	—	—
Health Care Benefits	316	388	121
Unreserved/Undesignated (Deficits)	130,697	(56,208)	18,903
Total Fund Balances	667,196	174,486	30,148
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,133,346	\$ 609,980	\$ 95,616

<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>
\$ 65,799	\$ 12,093	\$ 764,917	\$ 147,568	\$ 1,027,075	\$ 137,048
—	1,410	435	—	—	2,584
—	6,279	2,926	—	—	—
47,667	8,906	562,433	108,228	753,426	99,714
—	—	—	—	43,012	2,120
94,553	—	64,087	1,470	54,550	401
—	—	26,629	—	22,493	167
357	2,900	4,739	724	5,640	951
451	24	1,518	2,695	4,219	399
—	625	—	—	32,644	—
—	—	—	—	—	—
—	—	3,225	—	—	—
<u>\$ 208,827</u>	<u>\$ 32,237</u>	<u>\$ 1,430,909</u>	<u>\$ 260,685</u>	<u>\$ 1,943,059</u>	<u>\$ 243,384</u>

\$ 14,977	\$ 5,144	\$ 8,835	\$ 11,249	\$ 101,357	\$ 4,507
—	—	—	—	—	—
1,115	297	1,515	13,358	23,996	4,675
47,667	8,906	562,433	108,228	753,426	99,714
63,390	—	64,775	3,059	6,231	50
799	—	214	1,058	3,387	91
2,097	—	3,225	2,238	52,354	239
—	12	71	—	—	—
—	—	—	—	—	—
<u>130,045</u>	<u>14,359</u>	<u>641,068</u>	<u>139,190</u>	<u>940,751</u>	<u>109,276</u>

107,736	10,283	1,352,608	20,177	1,115,883	29,806
—	—	26,480	—	22,472	—
—	625	—	—	32,644	—
—	—	—	—	—	—
—	—	—	—	—	—
447	—	56	845	1,841	255
(29,401)	6,970	(589,303)	100,473	(170,532)	104,047
<u>78,782</u>	<u>17,878</u>	<u>789,841</u>	<u>121,495</u>	<u>1,002,308</u>	<u>134,108</u>
<u>\$ 208,827</u>	<u>\$ 32,237</u>	<u>\$ 1,430,909</u>	<u>\$ 260,685</u>	<u>\$ 1,943,059</u>	<u>\$ 243,384</u>

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
(dollars in thousands)
(continued)

	<u>WILDLIFE AND WATERWAY SAFETY</u>	<u>REVENUE DISTRIBUTION</u>	<u>LOCAL TRANSPORTATION IMPROVEMENTS</u>
ASSETS			
Cash Equity with Treasurer	\$ 43,116	\$ 302,710	\$ 83,311
Cash and Cash Equivalents	—	—	—
Investments	—	—	—
Collateral on Lent Securities	31,662	219,685	61,133
Receivables:			
Taxes	973	152,608	—
Intergovernmental	6,283	—	—
Loans, Net	—	—	—
Other	836	413	457
Due from Other Funds	276	8,760	1,148
Inventories	—	—	—
Food Stamps	—	—	—
Other Assets	—	—	—
TOTAL ASSETS	\$ 83,146	\$ 684,176	\$ 146,049
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 1,130	\$ —	\$ 1,884
Medicaid Claims Payable	—	—	—
Accrued Liabilities	2,442	—	20
Obligations Under Securities Lending	31,662	219,685	61,133
Intergovernmental Payable	—	267,369	—
Due to Other Funds	13	157	1
Deferred Revenue	—	4,631	—
Refund and Other Liabilities	—	63,802	—
Advances from Other Funds	—	—	—
Total Liabilities	35,247	555,644	63,038
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Encumbrances	5,425	—	1
Noncurrent Portion of Loans Receivable	—	—	—
<i>Other:</i>			
Inventories	—	—	—
Prepays	—	—	—
Loan Commitments	—	—	—
Health Care Benefits	177	—	1
Unreserved/Undesignated (Deficits)	42,297	128,532	83,009
Total Fund Balances	47,899	128,532	83,011
TOTAL LIABILITIES AND FUND BALANCES ...	\$ 83,146	\$ 684,176	\$ 146,049

TOTAL

\$ 3,145,502
17,028
102,278
2,301,729

200,276
413,458
455,215
52,285
23,455
33,269
121,572
5,347

\$ 6,871,414

\$ 258,703
5,752
64,954
2,301,729
517,573
9,645
218,942
72,743
145,689
3,595,730

3,161,002
302,405

33,269
177
4,900
4,447
(230,516)

3,275,684

\$ 6,871,414

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>	<u>HUMAN SERVICES</u>	<u>HEALTH</u>
REVENUES:			
Income Taxes	\$ 3,767	\$ —	\$ —
Sales Taxes	15,084	—	—
Corporate and Public Utility Taxes	436	—	—
Motor Vehicle Fuel Taxes	1,217	—	—
Other Taxes	18,609	5,128	—
Licenses, Permits and Fees	115,714	67,358	15,789
Sales, Services and Charges	14,799	—	86
Federal Government	308,978	2,062,099	308,497
Investment Income	10,780	10,165	159
Other	50,467	309,477	21,696
TOTAL REVENUES	<u>539,851</u>	<u>2,454,227</u>	<u>346,227</u>
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	397	221	—
Higher Education Support	223	48	—
Public Assistance and Medicaid	—	2,010,301	—
Health and Human Services	79	374,510	355,287
Justice and Public Protection	143,462	33,599	—
Environmental Protection and Natural Resources	254	—	—
Transportation	4,499	—	—
General Government	110,316	—	—
Community and Economic Development	279,456	—	1,455
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	1,231	—
TOTAL EXPENDITURES	<u>538,686</u>	<u>2,419,910</u>	<u>356,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,165</u>	<u>34,317</u>	<u>(10,515)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Capital Leases	535	21	—
Operating Transfers-in	73,330	10,753	15,552
Operating Transfers-out	(38,660)	(39,059)	(282)
TOTAL OTHER FINANCING SOURCES (USES)	<u>35,205</u>	<u>(28,285)</u>	<u>15,270</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>36,370</u>	<u>6,032</u>	<u>4,755</u>
FUND BALANCES, JULY 1 (as restated)	630,826	168,454	25,393
Increase (Decrease) for Changes in Inventories	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 667,196</u>	<u>\$ 174,486</u>	<u>\$ 30,148</u>

<u>MENTAL HEALTH AND RETARDATION</u>	<u>EMPLOYMENT SERVICES</u>	<u>EDUCATION</u>	<u>STUDENT AID COMMISSION</u>	<u>HIGHWAY SAFETY</u>	<u>HIGHWAY OPERATING</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	365,152
—	—	—	—	1,805	—
34	—	321	—	91,315	53,817
—	—	347	—	17,960	1,979
518,224	234,437	889,680	—	10,449	655,857
82	1,205	36,931	—	5,823	41,020
26,162	16,028	12,204	2	24,276	42,654
<u>544,502</u>	<u>251,670</u>	<u>939,483</u>	<u>2</u>	<u>151,628</u>	<u>1,160,479</u>
—	—	1,570,753	—	—	—
—	—	11,590	26	—	—
470	—	—	—	—	—
540,745	241,947	104	—	122	—
—	—	17,101	—	285,827	—
—	—	—	—	—	—
—	—	—	—	—	1,457,093
—	—	—	—	—	—
—	—	—	1,991	—	—
—	—	203,783	—	3,642	—
<u>541,215</u>	<u>241,947</u>	<u>1,803,331</u>	<u>2,017</u>	<u>289,591</u>	<u>1,457,093</u>
<u>3,287</u>	<u>9,723</u>	<u>(863,848)</u>	<u>(2,015)</u>	<u>(137,963)</u>	<u>(296,614)</u>
—	—	111,993	—	—	—
50	76	—	—	—	—
4,239	—	1,015,246	—	160,671	601,364
—	(1,500)	(57,819)	—	(10,067)	(195,375)
<u>4,289</u>	<u>(1,424)</u>	<u>1,069,420</u>	<u>—</u>	<u>150,604</u>	<u>405,989</u>
7,576	8,299	205,572	(2,015)	12,641	109,375
71,206	9,549	584,269	2,015	108,854	894,920
—	30	—	—	—	(1,987)
<u>\$ 78,782</u>	<u>\$ 17,878</u>	<u>\$ 789,841</u>	<u>\$ —</u>	<u>\$ 121,495</u>	<u>\$ 1,002,308</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, 1999
(dollars in thousands)
(continued)

	<u>NATURAL RESOURCES</u>	<u>WILDLIFE AND WATERWAY SAFETY</u>	<u>REVENUE DISTRIBUTION</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ 749,651
Sales Taxes	—	—	279,435
Corporate and Public Utility Taxes	11,241	—	87,482
Motor Vehicle Fuel Taxes	—	7,193	1,039,739
Other Taxes	8,695	—	13,712
Licenses, Permits and Fees	75,928	33,874	338,488
Sales, Services and Charges	1,775	549	—
Federal Government	40,040	10,625	—
Investment Income	1,422	1,871	2,263
Other	23,044	2,908	120
TOTAL REVENUES	<u>162,145</u>	<u>57,020</u>	<u>2,510,890</u>
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	681	—	—
Environmental Protection and Natural Resources	159,190	56,678	—
Transportation	—	—	—
General Government	4,158	—	—
Community and Economic Development	6,844	—	—
INTERGOVERNMENTAL	—	—	1,863,037
CAPITAL OUTLAY	—	3,125	—
TOTAL EXPENDITURES	<u>170,873</u>	<u>59,803</u>	<u>1,863,037</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,728)</u>	<u>(2,783)</u>	<u>647,853</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Capital Leases	—	—	—
Operating Transfers-in	113	973	73,646
Operating Transfers-out	(4,381)	(13)	(720,762)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,268)</u>	<u>960</u>	<u>(647,116)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(12,996)</u>	<u>(1,823)</u>	<u>737</u>
FUND BALANCES, JULY 1 (as restated)	147,104	49,722	127,795
Increase (Decrease) for Changes in Inventories	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 134,108</u>	<u>\$ 47,899</u>	<u>\$ 128,532</u>

**LOCAL
TRANSPORTATION
IMPROVEMENTS**

TOTAL

\$	—	\$	753,418
	—		294,519
	—		99,159
	—		1,413,301
	—		47,949
	—		792,638
	—		37,495
	—		5,038,886
	3,411		115,132
	69		529,107
	3,480		9,121,604

	—		1,571,371
	—		11,887
	—		2,010,771
	—		1,512,794
	—		480,670
	—		216,122
	—		1,461,592
	—		114,474
	308		288,063
	—		1,865,028
	55,266		267,047
	55,574		9,799,819

	(52,094)		(678,215)
--	-----------------	--	------------------

	—		111,993
	—		682
	61,759		2,017,646
	—		(1,067,918)
	61,759		1,062,403

	9,665		384,188
	73,346		2,893,453
	—		(1,957)

\$	83,011	\$	3,275,684
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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, 1999

(dollars in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ 3,785	\$ 3,785	\$ —
Sales Taxes	14,904	14,904	—
Corporate and Public Utility Taxes	435	435	—
Motor Vehicle Fuel Taxes	1,217	1,217	—
Other Taxes	18,610	18,610	—
Licenses, Permits and Fees	113,350	113,350	—
Sales, Services and Charges	9,674	9,674	—
Federal Government	271,627	271,627	—
Investment Income.....	8,764	8,764	—
Other	97,642	97,642	—
TOTAL REVENUES	540,008	540,008	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	628	623	5
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	182,692	162,748	19,944
Environmental Protection and Natural Resources	290	238	52
Transportation	7,757	6,544	1,213
General Government	130,955	119,224	11,731
Community and Economic Development	425,747	335,159	90,588
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	748,069	624,536	123,533
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(208,061)	(84,528)	123,533
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	3,578	3,578	—
Operating Transfers-in	34,575	34,575	—
Operating Transfers-out	(10,967)	(10,967)	—
Encumbrance Reversions	26,978	26,978	—
TOTAL OTHER FINANCING SOURCES (USES)	54,164	54,164	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (153,897)	(30,364)	\$ 123,533
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		66,867	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 36,503	

HUMAN SERVICES			HEALTH		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
5,128	5,128	—	—	—	—
67,367	67,367	—	20,777	20,777	—
—	—	—	2,330	2,330	—
1,497,012	1,497,012	—	297,696	297,696	—
10,544	10,544	—	218	218	—
366,049	366,049	—	74,233	74,233	—
1,946,100	1,946,100	—	395,254	395,254	—
250	249	1	—	—	—
9,285	1,068	8,217	—	—	—
1,957,107	1,656,079	301,028	—	—	—
434,216	396,138	38,078	477,825	402,057	75,768
63,028	42,140	20,888	10	1	9
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	3,345	2,467	878
—	—	—	—	—	—
2,044	58	1,986	—	—	—
—	—	—	—	—	—
2,465,930	2,095,732	370,198	481,180	404,525	76,655
(519,830)	(149,632)	370,198	(85,926)	(9,271)	76,655
—	—	—	—	—	—
1,516	1,516	—	8,347	8,347	—
(36,926)	(36,926)	—	(126)	(126)	—
116,282	116,282	—	6,334	6,334	—
80,872	80,872	—	14,555	14,555	—
\$ (438,958)	(68,760)	\$ 370,198	\$ (71,371)	5,284	\$ 76,655
	<u>(54,856)</u>			<u>2,174</u>	
	\$ (123,616)			\$ 7,458	

(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, 1999

(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	34	34	—
Sales, Services and Charges	—	—	—
Federal Government	1,086,240	1,086,240	—
Investment Income.....	103	103	—
Other	28,160	28,160	—
TOTAL REVENUES	<u>1,114,537</u>	<u>1,114,537</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	769,632	577,407	192,225
Health and Human Services	882,011	536,011	346,000
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>1,651,643</u>	<u>1,113,418</u>	<u>538,225</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(537,106)</u>	<u>1,119</u>	<u>538,225</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	1,623	1,623	—
Operating Transfers-out	(23)	(23)	—
Encumbrance Reversions	6,483	6,483	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,083</u>	<u>8,083</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (529,023)</u>	<u>9,202</u>	<u>\$ 538,225</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(93,445)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ (84,243)</u>	

EMPLOYMENT SERVICES			EDUCATION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
19	19	—	309	309	—
—	—	—	347	347	—
230,628	230,628	—	874,623	874,623	—
1,074	1,074	—	45,323	45,323	—
14,959	14,959	—	20,862	20,862	—
246,680	246,680	—	941,464	941,464	—
—	—	—	1,782,498	1,750,103	32,395
—	—	—	6,808	5,208	1,600
—	—	—	—	—	—
307,885	248,684	59,201	188	92	96
—	—	—	26,754	20,862	5,892
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,904	—	1,904	1,064,653	692,191	372,462
—	—	—	—	—	—
309,789	248,684	61,105	2,880,901	2,468,456	412,445
(63,109)	(2,004)	61,105	(1,939,437)	(1,526,992)	412,445
—	—	—	111,993	111,993	—
—	—	—	1,054,963	1,054,963	—
(34)	(34)	—	(74,381)	(74,381)	—
3,890	3,890	—	278,403	278,403	—
3,856	3,856	—	1,370,978	1,370,978	—
\$ (59,253)	1,852	\$ 61,105	\$ (568,459)	(156,014)	\$ 412,445
	1,214			(492,049)	
	\$ 3,066			\$ (648,063)	

(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, 1999

(dollars in thousands)
(continued)

	STUDENT AID COMMISSION		
	<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	—	—	—
Investment Income.....	—	—	—
Other	1,863	1,863	—
TOTAL REVENUES	<u>1,863</u>	<u>1,863</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	2,020	2,018	2
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	<u>2,020</u>	<u>2,018</u>	<u>2</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(157)</u>	<u>(155)</u>	<u>2</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	1	1	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>1</u>	<u>1</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (156)</u>	<u>(154)</u>	<u>\$ 2</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>154</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ —</u>	

HIGHWAY SAFETY			HIGHWAY OPERATING		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	357,093	357,093	—
1,804	1,804	—	—	—	—
91,513	91,513	—	53,870	53,870	—
18,037	18,037	—	1,978	1,978	—
12,268	12,268	—	705,665	705,665	—
7,309	7,309	—	51,277	51,277	—
26,124	26,124	—	52,086	52,086	—
157,055	157,055	—	1,221,969	1,221,969	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
199	146	53	—	—	—
318,464	293,247	25,217	—	—	—
—	—	—	—	—	—
—	—	—	2,346,614	1,759,552	587,062
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
14,387	4,500	9,887	—	—	—
13,339	10,067	3,272	36,164	26,073	10,091
346,389	307,960	38,429	2,382,778	1,785,625	597,153
(189,334)	(150,905)	38,429	(1,160,809)	(563,656)	597,153
—	—	—	—	—	—
169,846	169,846	—	611,568	611,568	—
(9,174)	(9,174)	—	(179,518)	(179,518)	—
7,071	7,071	—	77,157	77,157	—
167,743	167,743	—	509,207	509,207	—
\$ (21,591)	16,838	\$ 38,429	\$ (651,602)	(54,449)	\$ 597,153
	99,854			(124,668)	
	\$ 116,692			\$ (179,117)	

(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, 1999

(dollars in thousands)
(continued)

	NATURAL RESOURCES		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	11,241	11,241	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	8,849	8,849	—
Licenses, Permits and Fees	76,249	76,249	—
Sales, Services and Charges	1,775	1,775	—
Federal Government	40,376	40,376	—
Investment Income.....	1,814	1,814	—
Other	31,618	31,618	—
TOTAL REVENUES	171,922	171,922	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	788	655	133
Environmental Protection and Natural Resources	231,640	180,412	51,228
Transportation	—	—	—
General Government	6,373	4,435	1,938
Community and Economic Development	10,845	7,044	3,801
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	249,646	192,546	57,100
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(77,724)	(20,624)	57,100
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	2,070	2,070	—
Operating Transfers-out	(3,862)	(3,862)	—
Encumbrance Reversions	9,638	9,638	—
TOTAL OTHER FINANCING SOURCES (USES)	7,846	7,846	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (69,878)	(12,778)	\$ 57,100
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		117,099	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 104,321	

WILDLIFE AND WATERWAY SAFETY			REVENUE DISTRIBUTION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ 753,184	\$ 753,184	\$ —
—	—	—	279,720	279,720	—
—	—	—	87,641	87,641	—
6,853	6,853	—	1,037,245	1,037,245	—
—	—	—	13,289	13,289	—
33,272	33,272	—	509,146	509,146	—
549	549	—	—	—	—
11,688	11,688	—	—	—	—
2,401	2,401	—	2,760	2,760	—
4,106	4,106	—	122	122	—
58,869	58,869	—	2,683,107	2,683,107	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
68,263	57,583	10,680	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	2,093,221	2,016,107	77,114
24,566	3,773	20,793	—	—	—
—	—	—	—	—	—
92,829	61,356	31,473	2,093,221	2,016,107	77,114
(33,960)	(2,487)	31,473	589,886	667,000	77,114
—	—	—	—	—	—
3	3	—	73,646	73,646	—
(13)	(13)	—	(708,473)	(708,473)	—
675	675	—	—	—	—
665	665	—	(634,827)	(634,827)	—
\$ (33,295)	(1,822)	\$ 31,473	\$ (44,941)	32,173	\$ 77,114
	39,345			271,201	
	\$ 37,523			\$ 303,374	

(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, 1999

(dollars in thousands)
(continued)

	LOCAL TRANSPORTATION IMPROVEMENTS		
	<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	—	—	—
Investment Income.....	4,267	4,267	—
Other	143	143	—
TOTAL REVENUES	4,410	4,410	—
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	399	383	16
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	133,970	54,279	79,691
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	134,369	54,662	79,707
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(129,959)	(50,252)	79,707
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	61,759	61,759	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	1	1	—
TOTAL OTHER FINANCING SOURCES (USES)	61,760	61,760	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (68,199)	11,508	\$ 79,707
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>72,908</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 84,416</u>	

TOTAL SPECIAL REVENUE

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 756,969	\$ 756,969	\$ —
294,624	294,624	—
99,317	99,317	—
1,402,408	1,402,408	—
47,680	47,680	—
965,906	965,906	—
34,690	34,690	—
5,027,823	5,027,823	—
135,854	135,854	—
717,967	717,967	—
<u>9,483,238</u>	<u>9,483,238</u>	<u>—</u>
1,783,376	1,750,975	32,401
18,113	8,294	9,819
2,726,739	2,233,486	493,253
2,102,324	1,583,128	519,196
591,736	519,653	72,083
300,193	238,233	61,960
2,354,371	1,766,096	588,275
137,328	123,659	13,669
440,336	345,053	95,283
2,093,221	2,016,107	77,114
1,241,524	754,801	486,723
49,503	36,140	13,363
<u>13,838,764</u>	<u>11,375,625</u>	<u>2,463,139</u>
<u>(4,355,526)</u>	<u>(1,892,387)</u>	<u>2,463,139</u>
115,571	115,571	—
2,019,916	2,019,916	—
(1,023,497)	(1,023,497)	—
532,913	532,913	—
<u>1,644,903</u>	<u>1,644,903</u>	<u>—</u>
<u>\$ (2,710,623)</u>	<u>(247,484)</u>	<u>\$ 2,463,139</u>
	<u>(94,202)</u>	
	<u>\$ (341,686)</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, authorized by Section 15, Article VIII of the Ohio Constitution, to provide financing for coal research and development projects.

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

The **Highway Improvements Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds, authorized by Section 2g, Article VIII of the Ohio Constitution, to provide financing for the acquisition of rights-of-way and for 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, authorized by Section 2h, Article VIII of the Ohio Constitution, to provide financing for the construction, improvement, and development of higher education facilities, public schools, and natural resources and for other purposes.

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

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

The **Vietnam Conflict Compensation Bond Retirement Fund** accounts for the payment of principal and interest on general obligation bonds, authorized by Section 2j, Article VIII of the Ohio Constitution, to provide 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, authorized by Section 2k, Article VIII of the Ohio Constitution, to provide financing for 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, authorized by Section 21, Article VIII of the Ohio Constitution, to provide financing for 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, authorized by Section 2i of Article VIII of the Ohio Constitution, that 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, authorized by Section 2m of Article VIII of the Ohio Constitution, that 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, authorized under the authority of Section 5531.10, Ohio Revised Code, that finance the construction of the Spring-Sandusky Highway Project in Columbus.

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
(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	\$ —	\$ —	\$ 99
Cash and Cash Equivalents	—	121	—
Investments	5,406	824	—
Collateral on Lent Securities	—	—	73
Receivables:			
Loans, Net	—	—	—
Other	—	—	1
Due from Other Funds	—	—	—
TOTAL ASSETS	<u>\$ 5,406</u>	<u>\$ 945</u>	<u>\$ 173</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	\$ —	\$ —	\$ —
Obligations Under Securities Lending	—	—	73
Due to Other Funds	—	—	—
Deferred Revenue	—	—	—
Refund and Other Liabilities	—	—	—
Total Liabilities	<u>—</u>	<u>—</u>	<u>73</u>
Fund Balances:			
Reserved for:			
Debt Service	5,406	945	100
Noncurrent Portion of Loans Receivable	—	—	—
Unreserved/Undesignated (Deficits)	—	—	—
Total Fund Balances (Deficits)	<u>5,406</u>	<u>945</u>	<u>100</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 5,406</u>	<u>\$ 945</u>	<u>\$ 173</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>
\$ 234	\$ 1	\$ 102	\$ 58,345	\$ 64	\$ —
193	60	355	450	345	38
—	—	—	—	—	—
172	1	74	43,090	47	—
—	—	—	—	—	—
1	—	1	321	—	—
—	—	—	124	—	—
<u>\$ 600</u>	<u>\$ 62</u>	<u>\$ 532</u>	<u>\$ 102,330</u>	<u>\$ 456</u>	<u>\$ 38</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
172	1	74	43,090	47	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>178</u>	<u>55</u>	<u>305</u>	<u>200</u>	<u>245</u>	<u>35</u>
<u>350</u>	<u>56</u>	<u>379</u>	<u>43,290</u>	<u>292</u>	<u>35</u>
—	—	—	59,040	—	—
—	—	—	—	—	—
<u>250</u>	<u>6</u>	<u>153</u>	<u>—</u>	<u>164</u>	<u>3</u>
<u>250</u>	<u>6</u>	<u>153</u>	<u>59,040</u>	<u>164</u>	<u>3</u>
<u>\$ 600</u>	<u>\$ 62</u>	<u>\$ 532</u>	<u>\$ 102,330</u>	<u>\$ 456</u>	<u>\$ 38</u>

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
(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	\$ —	\$ —	\$ —
Cash and Cash Equivalents	—	100	11
Investments	—	2,149	60,313
Collateral on Lent Securities	1	—	—
Receivables:			
Loans, Net	—	4,135	—
Other	—	—	451
Due from Other Funds	—	1,115	—
TOTAL ASSETS	<u>\$ 1</u>	<u>\$ 7,499</u>	<u>\$ 60,775</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accrued Liabilities	\$ —	\$ —	\$ 518
Obligations Under Securities Lending	1	—	—
Due to Other Funds	18	—	—
Deferred Revenue	—	—	6,000
Refund and Other Liabilities	—	107	—
Total Liabilities	<u>19</u>	<u>107</u>	<u>6,518</u>
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Debt Service	—	3,257	54,257
Noncurrent Portion of Loans Receivable	—	4,135	—
Unreserved/Undesignated (Deficits)	(18)	—	—
Total Fund Balances (Deficits)	<u>(18)</u>	<u>7,392</u>	<u>54,257</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 1</u>	<u>\$ 7,499</u>	<u>\$ 60,775</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>TOTAL</u>
\$ —	\$ 153	\$ —	\$ 1,648	\$ —	\$ 60,646
14	—	1	—	—	1,688
26,007	—	515	—	155	95,369
—	111	—	1,468	—	45,037
—	—	—	—	—	4,135
41	—	—	10	—	826
—	—	—	4	—	1,243
<u>\$ 26,062</u>	<u>\$ 264</u>	<u>\$ 516</u>	<u>\$ 3,130</u>	<u>\$ 155</u>	<u>\$ 208,944</u>
\$ —	\$ 60	\$ —	\$ 376	\$ —	\$ 954
—	111	—	1,468	—	45,037
—	—	—	—	—	18
—	—	—	—	—	6,000
—	—	—	—	—	1,125
—	171	—	1,844	—	53,134
26,062	93	516	1,286	155	151,117
—	—	—	—	—	4,135
—	—	—	—	—	558
<u>26,062</u>	<u>93</u>	<u>516</u>	<u>1,286</u>	<u>155</u>	<u>155,810</u>
<u>\$ 26,062</u>	<u>\$ 264</u>	<u>\$ 516</u>	<u>\$ 3,130</u>	<u>\$ 155</u>	<u>\$ 208,944</u>

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

(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	260	40	8
Other	—	781	—
TOTAL REVENUES	<u>260</u>	<u>821</u>	<u>8</u>
EXPENDITURES:			
DEBT SERVICE	<u>16,127</u>	<u>765</u>	<u>5,636</u>
TOTAL EXPENDITURES	<u>16,127</u>	<u>765</u>	<u>5,636</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,867)</u>	<u>56</u>	<u>(5,628)</u>
OTHER FINANCING SOURCES (USES):			
Refunding Bond Proceeds	—	—	—
Payment to Refunded Bond Escrow Agents	—	—	—
Operating Transfers-in	15,899	—	5,632
Operating Transfers-out	—	—	(6)
TOTAL OTHER FINANCING SOURCES (USES)	<u>15,899</u>	<u>—</u>	<u>5,626</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>32</u>	<u>56</u>	<u>(2)</u>
FUND BALANCES, JULY 1	<u>5,374</u>	<u>889</u>	<u>102</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 5,406</u>	<u>\$ 945</u>	<u>\$ 100</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>
\$ —	\$ —	\$ —	\$ 32,378	\$ —	\$ —
—	—	—	14,071	—	—
10	—	3	3,610	2	—
—	—	—	9	—	—
<u>10</u>	<u>—</u>	<u>3</u>	<u>50,068</u>	<u>2</u>	<u>—</u>
—	—	—	70,547	—	—
—	—	—	<u>70,547</u>	—	—
<u>10</u>	<u>—</u>	<u>3</u>	<u>(20,479)</u>	<u>2</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(25)	(49)	(13)	—
—	—	<u>(25)</u>	<u>(49)</u>	<u>(13)</u>	<u>—</u>
10	—	(22)	(20,528)	(11)	—
<u>240</u>	<u>6</u>	<u>175</u>	<u>79,568</u>	<u>175</u>	<u>3</u>
<u>\$ 250</u>	<u>\$ 6</u>	<u>\$ 153</u>	<u>\$ 59,040</u>	<u>\$ 164</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, 1999

(dollars in thousands)

(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT	OHIO PUBLIC FACILITIES COMMISSION	OHIO BUILDING AUTHORITY
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	60	1,086	2,907
Other	—	—	—
TOTAL REVENUES	<u>60</u>	<u>1,086</u>	<u>2,907</u>
EXPENDITURES:			
DEBT SERVICE	109,134	447,897	238,086
TOTAL EXPENDITURES	<u>109,134</u>	<u>447,897</u>	<u>238,086</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(109,074)</u>	<u>(446,811)</u>	<u>(235,179)</u>
OTHER FINANCING SOURCES (USES):			
Refunding Bond Proceeds	13,431	21,551	138,518
Payment to Refunded Bond Escrow Agents	(13,307)	(21,551)	(138,518)
Operating Transfers-in	108,878	441,901	238,019
Operating Transfers-out	—	—	(1,634)
TOTAL OTHER FINANCING SOURCES (USES)	<u>109,002</u>	<u>441,901</u>	<u>236,385</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(72)</u>	<u>(4,910)</u>	<u>1,206</u>
FUND BALANCES, JULY 1	<u>54</u>	<u>12,302</u>	<u>53,051</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ (18)</u>	<u>\$ 7,392</u>	<u>\$ 54,257</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>TOTAL</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 32,378
155	—	—	—	—	14,226
1,632	—	179	1,153	117	11,067
2	—	—	—	563	1,355
<u>1,789</u>	<u>—</u>	<u>179</u>	<u>1,153</u>	<u>680</u>	<u>59,026</u>
<u>1,403</u>	<u>9,995</u>	<u>55,572</u>	<u>52,024</u>	<u>10,776</u>	<u>1,017,962</u>
<u>1,403</u>	<u>9,995</u>	<u>55,572</u>	<u>52,024</u>	<u>10,776</u>	<u>1,017,962</u>
<u>386</u>	<u>(9,995)</u>	<u>(55,393)</u>	<u>(50,871)</u>	<u>(10,096)</u>	<u>(958,936)</u>
—	—	—	—	—	173,500
—	—	—	—	—	(173,376)
32,460	10,000	55,572	51,349	10,251	969,961
(36,036)	(10)	—	(109)	—	(37,882)
<u>(3,576)</u>	<u>9,990</u>	<u>55,572</u>	<u>51,240</u>	<u>10,251</u>	<u>932,203</u>
<u>(3,190)</u>	<u>(5)</u>	<u>179</u>	<u>369</u>	<u>155</u>	<u>(26,733)</u>
<u>29,252</u>	<u>98</u>	<u>337</u>	<u>917</u>	<u>—</u>	<u>182,543</u>
<u>\$ 26,062</u>	<u>\$ 93</u>	<u>\$ 516</u>	<u>\$ 1,286</u>	<u>\$ 155</u>	<u>\$ 155,810</u>

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, 1999

(dollars in thousands)

	COAL RESEARCH / DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	9	9	—
Other	5,632	5,632	—
TOTAL REVENUES	5,641	5,641	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	8,346	5,642	2,704
TOTAL BUDGETARY EXPENDITURES	8,346	5,642	2,704
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	(2,705)	(1)	2,704
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES			
	\$ (2,705)	(1)	\$ 2,704
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		103	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 102	

**IMPROVEMENTS
BOND RETIREMENT**

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ —	\$ —	\$ —
—	—	—
13	13	—
—	—	—
<u>13</u>	<u>13</u>	<u>—</u>
—	—	—
—	—	—
<u>13</u>	<u>13</u>	<u>—</u>
—	—	—
—	—	—
—	—	—
<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 13</u>	<u>13</u>	<u>\$ —</u>

**HIGHWAY IMPROVEMENTS
BOND RETIREMENT**

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ —	\$ —	\$ —
—	—	—
—	—	—
—	—	—
<u>—</u>	<u>—</u>	<u>—</u>
—	—	—
—	—	—
<u>—</u>	<u>—</u>	<u>—</u>
—	—	—
—	—	—
—	—	—
<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ —</u>	<u>—</u>	<u>\$ —</u>

224

\$ 237

1

\$ 1

(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, 1999

(dollars in thousands)

(continued)

	DEVELOPMENT BOND RETIREMENT		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	3	3	—
Other	100	100	—
TOTAL REVENUES	103	103	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	26	26	—
TOTAL BUDGETARY EXPENDITURES	26	26	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	77	77	—
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	—	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES			
	\$ 77	77	\$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		26	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 103	

**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>
\$ 32,554	\$ 32,554	\$ —	\$ —	\$ —	\$ —
14,083	14,083	—	—	—	—
4,655	4,655	—	4	4	—
—	—	—	—	—	—
<u>51,292</u>	<u>51,292</u>	<u>—</u>	<u>4</u>	<u>4</u>	<u>—</u>
70,596	70,596	—	14	14	—
<u>70,596</u>	<u>70,596</u>	<u>—</u>	<u>14</u>	<u>14</u>	<u>—</u>
<u>(19,304)</u>	<u>(19,304)</u>	<u>—</u>	<u>(10)</u>	<u>(10)</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ (19,304)</u>	<u>(19,304)</u>	<u>\$ —</u>	<u>\$ (10)</u>	<u>(10)</u>	<u>\$ —</u>
	<u>78,809</u>			<u>75</u>	
	<u>\$ 59,505</u>			<u>\$ 65</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, 1999

(dollars in thousands)

(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Investment Income	81	81	—
Other	108,878	108,878	—
TOTAL REVENUES	108,959	108,959	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	113,060	109,419	3,641
TOTAL BUDGETARY EXPENDITURES	113,060	109,419	3,641
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) BUDGETARY EXPENDITURES	(4,101)	(460)	3,641
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	88	88	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	88	88	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING			
SOURCES OVER (UNDER) BUDGETARY EXPENDITURES			
AND OTHER FINANCING USES	\$ (4,013)	(372)	\$ 3,641
UNRESERVED, UNDESIGNATED BUDGETARY			
FUND BALANCES, JULY 1		374	
UNRESERVED, UNDESIGNATED BUDGETARY			
FUND BALANCES, JUNE 30		\$ 2	

**STATE PROJECTS
BOND SERVICE**

**HIGHWAY CAPITAL IMPROVEMENTS
BOND SERVICE**

STATE PROJECTS BOND SERVICE			HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	1,510	1,510	—
10,000	10,000	—	—	—	—
<u>10,000</u>	<u>10,000</u>	<u>—</u>	<u>1,510</u>	<u>1,510</u>	<u>—</u>
17,753	10,004	7,749	77,906	52,337	25,569
<u>17,753</u>	<u>10,004</u>	<u>7,749</u>	<u>77,906</u>	<u>52,337</u>	<u>25,569</u>
<u>(7,753)</u>	<u>(4)</u>	<u>7,749</u>	<u>(76,396)</u>	<u>(50,827)</u>	<u>25,569</u>
60	60	—	580	580	—
—	—	—	51,349	51,349	—
—	—	—	—	—	—
<u>60</u>	<u>60</u>	<u>—</u>	<u>51,929</u>	<u>51,929</u>	<u>—</u>
<u>\$ (7,693)</u>	56	<u>\$ 7,749</u>	<u>\$ (24,467)</u>	1,102	<u>\$ 25,569</u>
	97			925	
	<u>\$ 153</u>			<u>\$ 2,027</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, 1999

(dollars in thousands)

(continued)

	TOTAL DEBT SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ 32,554	\$ 32,554	\$ —
Licenses, Permits and Fees	14,083	14,083	—
Investment Income	6,275	6,275	—
Other	124,610	124,610	—
TOTAL REVENUES	177,522	177,522	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	287,701	248,038	39,663
TOTAL BUDGETARY EXPENDITURES	287,701	248,038	39,663
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) BUDGETARY EXPENDITURES	(110,179)	(70,516)	39,663
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	728	728	—
Operating Transfers-in	51,349	51,349	—
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	52,077	52,077	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING			
SOURCES OVER (UNDER) BUDGETARY EXPENDITURES			
AND OTHER FINANCING USES	\$ (58,102)	(18,439)	\$ 39,663
UNRESERVED, UNDESIGNATED BUDGETARY			
FUND BALANCES, JULY 1		80,634	
UNRESERVED, UNDESIGNATED BUDGETARY			
FUND BALANCES, JUNE 30		\$ 62,195	

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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, 1999
(dollars in thousands)

	<u>ARTS FACILITIES BUILDING IMPROVEMENTS</u>	<u>HIGHER EDUCATION IMPROVEMENTS</u>	<u>HIGHWAY OBLIGATIONS CONSTRUCTION</u>
ASSETS			
Cash Equity with Treasurer	\$ 45,616	\$ 96,732	\$ 9,636
Investments	—	—	—
Collateral on Lent Securities	33,148	71,465	7,137
Receivables:			
Loans, Net	—	—	—
Other	250	540	53
Due from Other Funds	<u>91</u>	<u>195</u>	<u>19</u>
TOTAL ASSETS	<u>\$ 79,105</u>	<u>\$ 168,932</u>	<u>\$ 16,845</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 1,842	\$ 24,874	\$ —
Accrued Liabilities	—	—	—
Obligations Under Securities Lending	33,148	71,465	7,137
Due to Other Funds	<u>—</u>	<u>1,115</u>	<u>—</u>
Total Liabilities	<u>34,990</u>	<u>97,454</u>	<u>7,137</u>
Fund Balances:			
Reserved for:			
Encumbrances	16,950	145,957	—
Noncurrent Portion of Loans Receivable	—	—	—
Other:			
Loan Commitments	—	1,104	—
Health Care Benefits	—	—	—
Unreserved/Undesignated (Deficits)	<u>27,165</u>	<u>(75,583)</u>	<u>9,708</u>
Total Fund Balances (Deficits)	<u>44,115</u>	<u>71,478</u>	<u>9,708</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 79,105</u>	<u>\$ 168,932</u>	<u>\$ 16,845</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>
\$ 25,071	\$ 4,772	\$ 90,876	\$ —	\$ 106,744	\$ 42,063
—	—	—	13,551	—	—
18,545	3,612	67,145	—	77,824	30,722
—	—	148,443	—	—	—
139	28	499	62	585	231
50	10	1,602	—	212	83
<u>\$ 43,805</u>	<u>\$ 8,422</u>	<u>\$ 308,565</u>	<u>\$ 13,613</u>	<u>\$ 185,365</u>	<u>\$ 73,099</u>
\$ 2,309	\$ 107	\$ 6,234	\$ 261	\$ 1,976	\$ 3,882
—	—	47	—	—	—
18,545	3,612	67,145	—	77,824	30,722
—	—	3	—	—	—
<u>20,854</u>	<u>3,719</u>	<u>73,429</u>	<u>261</u>	<u>79,800</u>	<u>34,604</u>
21,186	11,729	5	—	38,803	21,175
—	—	146,926	—	—	—
—	—	63,592	—	—	—
—	—	3	—	—	—
<u>1,765</u>	<u>(7,026)</u>	<u>24,610</u>	<u>13,352</u>	<u>66,762</u>	<u>17,320</u>
<u>22,951</u>	<u>4,703</u>	<u>235,136</u>	<u>13,352</u>	<u>105,565</u>	<u>38,495</u>
<u>\$ 43,805</u>	<u>\$ 8,422</u>	<u>\$ 308,565</u>	<u>\$ 13,613</u>	<u>\$ 185,365</u>	<u>\$ 73,099</u>

(continued)

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
(dollars in thousands)
(continued)

	<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>	<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>	<u>HIGHWAY SAFETY BUILDING IMPROVEMENTS</u>
ASSETS			
Cash Equity with Treasurer	\$ 3,878	\$ 2,739	\$ 6,369
Investments	—	—	—
Collateral on Lent Securities	2,883	2,414	4,688
Receivables:			
Loans, Net	—	—	—
Other	22	21	35
Due from Other Funds	<u>8</u>	<u>8</u>	<u>13</u>
TOTAL ASSETS	<u>\$ 6,791</u>	<u>\$ 5,182</u>	<u>\$ 11,105</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 446	\$ 17,570	\$ 9
Accrued Liabilities	—	—	—
Obligations Under Securities Lending	2,883	2,414	4,688
Due to Other Funds	<u>—</u>	<u>80</u>	<u>—</u>
Total Liabilities	<u>3,329</u>	<u>20,064</u>	<u>4,697</u>
Fund Balances:			
Reserved for:			
Encumbrances	6,962	109,758	4,390
Noncurrent Portion of Loans Receivable	—	—	—
Other:			
Loan Commitments	—	—	—
Health Care Benefits	—	—	—
Unreserved/Undesignated (Deficits)	<u>(3,500)</u>	<u>(124,640)</u>	<u>2,018</u>
Total Fund Balances (Deficits)	<u>3,462</u>	<u>(14,882)</u>	<u>6,408</u>
TOTAL LIABILITIES AND FUND BALANCES ...	<u>\$ 6,791</u>	<u>\$ 5,182</u>	<u>\$ 11,105</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>
\$ 33,754	\$ 205,931	\$ 36,868	\$ 16,110	\$ 727,159
—	—	—	—	13,551
24,622	150,068	27,026	12,000	533,299
—	—	—	—	148,443
24	52	210	89	2,840
9	19	76	32	2,427
<u>\$ 58,409</u>	<u>\$ 356,070</u>	<u>\$ 64,180</u>	<u>\$ 28,231</u>	<u>\$ 1,427,719</u>
\$ 280	\$ 21,213	\$ 30	\$ 1,180	\$ 82,213
—	—	—	—	47
24,622	150,068	27,026	12,000	533,299
—	—	—	—	1,198
<u>24,902</u>	<u>171,281</u>	<u>27,056</u>	<u>13,180</u>	<u>616,757</u>
30,918	299,101	36,652	36,490	780,076
—	—	—	—	146,926
—	—	—	—	64,696
—	—	—	—	3
<u>2,589</u>	<u>(114,312)</u>	<u>472</u>	<u>(21,439)</u>	<u>(180,739)</u>
<u>33,507</u>	<u>184,789</u>	<u>37,124</u>	<u>15,051</u>	<u>810,962</u>
<u>\$ 58,409</u>	<u>\$ 356,070</u>	<u>\$ 64,180</u>	<u>\$ 28,231</u>	<u>\$ 1,427,719</u>

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	<u>ARTS FACILITIES BUILDING IMPROVEMENTS</u>	<u>HIGHER EDUCATION IMPROVEMENTS</u>	<u>HIGHWAY OBLIGATIONS CONSTRUCTION</u>
REVENUES:			
Sales, Services and Charges	\$ —	\$ —	\$ —
Federal Government	—	—	—
Investment Income	507	5,972	687
Other	—	103	19
TOTAL REVENUES	<u>507</u>	<u>6,075</u>	<u>706</u>
EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	37,190	254,343	1,610
DEBT SERVICE	—	—	—
TOTAL EXPENDITURES	<u>37,190</u>	<u>254,343</u>	<u>1,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(36,683)</u>	<u>(248,268)</u>	<u>(904)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	297,114	—
Operating Transfers-in	77,840	—	—
Operating Transfers-out	—	(51)	(8,885)
TOTAL OTHER FINANCING SOURCES (USES)	<u>77,840</u>	<u>297,063</u>	<u>(8,885)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>41,157</u>	<u>48,795</u>	<u>(9,789)</u>
FUND BALANCES, JULY 1	2,958	22,683	19,497
Residual Equity Transfers-out	—	—	—
FUND BALANCES (DEFICITS), JUNE 30	<u><u>\$ 44,115</u></u>	<u><u>\$ 71,478</u></u>	<u><u>\$ 9,708</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>
\$ 650	\$ —	\$ —	\$ —	\$ —	\$ —
—	90	—	—	—	—
1,643	662	5,639	603	2,252	1,114
641	—	822	—	2,351	—
<u>2,934</u>	<u>752</u>	<u>6,461</u>	<u>603</u>	<u>4,603</u>	<u>1,114</u>
—	—	897	—	—	—
33,835	8,042	97,024	2,954	79,424	28,734
1,485	2,826	58	—	—	—
<u>35,320</u>	<u>10,868</u>	<u>97,979</u>	<u>2,954</u>	<u>79,424</u>	<u>28,734</u>
<u>(32,386)</u>	<u>(10,116)</u>	<u>(91,518)</u>	<u>(2,351)</u>	<u>(74,821)</u>	<u>(27,620)</u>
39,344	—	120,435	268,665	—	—
—	—	386	3,351	100,966	50,410
—	—	(3)	(270,388)	(3,351)	—
<u>39,344</u>	<u>—</u>	<u>120,818</u>	<u>1,628</u>	<u>97,615</u>	<u>50,410</u>
6,958	(10,116)	29,300	(723)	22,794	22,790
16,268	14,819	205,836	14,075	87,902	15,705
(275)	—	—	—	(5,131)	—
<u>\$ 22,951</u>	<u>\$ 4,703</u>	<u>\$ 235,136</u>	<u>\$ 13,352</u>	<u>\$ 105,565</u>	<u>\$ 38,495</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, 1999
(dollars in thousands)
(continued)

	<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>	<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>	<u>HIGHWAY SAFETY BUILDING IMPROVEMENTS</u>
REVENUES:			
Sales, Services and Charges	\$ —	\$ —	\$ —
Federal Government	—	—	—
Investment Income	321	1,849	339
Other	—	2	35
TOTAL REVENUES	<u>321</u>	<u>1,851</u>	<u>374</u>
EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	7,196	93,151	1,766
DEBT SERVICE	—	—	—
TOTAL EXPENDITURES	<u>7,196</u>	<u>93,151</u>	<u>1,766</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,875)</u>	<u>(91,300)</u>	<u>(1,392)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(250)	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>—</u>	<u>(250)</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(6,875)</u>	<u>(91,550)</u>	<u>(1,392)</u>
FUND BALANCES, JULY 1	10,337	76,918	7,800
Residual Equity Transfers-out	—	(250)	—
FUND BALANCES (DEFICITS), JUNE 30	<u><u>\$ 3,462</u></u>	<u><u>\$ (14,882)</u></u>	<u><u>\$ 6,408</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>
\$ —	\$ —	\$ —	\$ —	\$ 650
—	—	—	—	90
790	4,025	1,393	1,400	29,196
16	—	—	—	3,989
<u>806</u>	<u>4,025</u>	<u>1,393</u>	<u>1,400</u>	<u>33,925</u>
—	—	—	—	897
27,450	227,034	36,523	37,341	973,617
—	—	—	—	4,369
<u>27,450</u>	<u>227,034</u>	<u>36,523</u>	<u>37,341</u>	<u>978,883</u>
<u>(26,644)</u>	<u>(223,009)</u>	<u>(35,130)</u>	<u>(35,941)</u>	<u>(944,958)</u>
29,706	403,228	—	—	1,158,492
—	8,885	39,449	—	281,287
(668)	—	—	—	(283,596)
<u>29,038</u>	<u>412,113</u>	<u>39,449</u>	<u>—</u>	<u>1,156,183</u>
2,394	189,104	4,319	(35,941)	211,225
31,113	(4,315)	32,805	50,992	605,393
—	—	—	—	(5,656)
<u>\$ 33,507</u>	<u>\$ 184,789</u>	<u>\$ 37,124</u>	<u>\$ 15,051</u>	<u>\$ 810,962</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, 1999

(dollars in thousands)

	ARTS FACILITIES BUILDING IMPROVEMENTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Sales, Services and Charges	\$ —	\$ —	\$ —
Federal Government	—	—	—
Investment Income.....	362	362	—
Other	—	—	—
TOTAL REVENUES	<u>362</u>	<u>362</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	43,524	8,027	35,497
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	<u>43,524</u>	<u>8,027</u>	<u>35,497</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(43,162)</u>	<u>(7,665)</u>	<u>35,497</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	77,840	77,840	—
Operating Transfers-in	25,000	25,000	—
Operating Transfers-out	(25,000)	(25,000)	—
Encumbrance Reversions	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>77,840</u>	<u>77,840</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ 34,678</u>	<u>70,175</u>	<u>\$ 35,497</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(43,192)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 26,983</u>	

HIGHER EDUCATION IMPROVEMENTS			HIGHWAY OBLIGATIONS CONSTRUCTION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
7,477	7,477	—	931	931	—
105	105	—	19	19	—
7,582	7,582	—	950	950	—
—	—	—	—	—	—
907,189	211,247	695,942	—	—	—
—	—	—	—	—	—
907,189	211,247	695,942	—	—	—
(899,607)	(203,665)	695,942	950	950	—
297,114	297,114	—	—	—	—
—	—	—	—	—	—
(1)	(1)	—	(8,885)	(8,885)	—
950	950	—	9,745	9,745	—
298,063	298,063	—	860	860	—
\$ (601,544)	94,398	\$ 695,942	\$ 1,810	1,810	\$ —
	(163,131)			8,046	
	\$ (68,733)			\$ 9,856	

(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, 1999

(dollars in thousands)
(continued)

	MENTAL HEALTH/MENTAL RETARDATION FACILITIES IMPROVEMENTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Sales, Services and Charges	\$ 650	\$ 650	\$ —
Federal Government	—	—	—
Investment Income.....	2,090	2,090	—
Other	640	640	—
TOTAL REVENUES	<u>3,380</u>	<u>3,380</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	106,721	18,289	88,432
DEBT SERVICE	1,485	1,485	—
TOTAL BUDGETARY EXPENDITURES	<u>108,206</u>	<u>19,774</u>	<u>88,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(104,826)</u>	<u>(16,394)</u>	<u>88,432</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	39,344	39,344	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	250	250	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>39,594</u>	<u>39,594</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (65,232)</u>	<u>23,200</u>	<u>\$ 88,432</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1			
		<u>(21,078)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 2,122</u>	

PARKS AND RECREATION IMPROVEMENTS			LOCAL INFRASTRUCTURE IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
90	90	—	—	—	—
916	916	—	7,212	7,212	—
—	—	—	9,246	9,246	—
1,006	1,006	—	16,458	16,458	—
—	—	—	938	896	42
61,601	10,387	51,214	466,799	124,549	342,250
2,826	2,826	—	—	—	—
64,427	13,213	51,214	467,737	125,445	342,292
(63,421)	(12,207)	51,214	(451,279)	(108,987)	342,292
—	—	—	120,435	120,435	—
—	—	—	386	386	—
—	—	—	(3)	(3)	—
227	227	—	2	2	—
227	227	—	120,820	120,820	—
\$ (63,194)	(11,980)	\$ 51,214	\$ (330,459)	11,833	\$ 342,292
	5,132			80,878	
	\$ (6,848)			\$ 92,711	

(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, 1999

(dollars in thousands)

(continued)

	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
Sales, Services and Charges	\$ —	\$ —	\$ —
Federal Government	—	—	—
Investment Income.....	2,720	2,720	—
Other	1	1	—
TOTAL REVENUES	2,721	2,721	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	278,601	60,721	217,880
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	278,601	60,721	217,880
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(275,880)	(58,000)	217,880
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	100,966	100,966	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	1,638	1,638	—
TOTAL OTHER FINANCING SOURCES (USES)	102,604	102,604	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (173,276)	44,604	\$ 217,880
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1			
		22,095	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30			
		\$ 66,699	

YOUTH SERVICES BUILDING IMPROVEMENTS			TRANSPORTATION BUILDING IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
1,246	1,246	—	455	455	—
—	—	—	—	—	—
1,246	1,246	—	455	455	—
—	—	—	—	—	—
80,342	11,281	69,061	28,938	8,360	20,578
—	—	—	—	—	—
80,342	11,281	69,061	28,938	8,360	20,578
(79,096)	(10,035)	69,061	(28,483)	(7,905)	20,578
50,410	50,410	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1	1	—	97	97	—
50,411	50,411	—	97	97	—
\$ (28,685)	40,376	\$ 69,061	\$ (28,386)	(7,808)	\$ 20,578
	<u>(23,006)</u>			<u>4,393</u>	
	\$ 17,370			\$ (3,415)	

(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, 1999

(dollars in thousands)

(continued)

	ADULT CORRECTIONAL BUILDING IMPROVEMENTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Sales, Services and Charges	\$ —	\$ —	\$ —
Federal Government	—	—	—
Investment Income.....	2,856	2,856	—
Other	2	2	—
TOTAL REVENUES	<u>2,858</u>	<u>2,858</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	392,664	124,232	268,432
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	<u>392,664</u>	<u>124,232</u>	<u>268,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(389,806)</u>	<u>(121,374)</u>	<u>268,432</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	(250)	(250)	—
Encumbrance Reversions	1,383	1,383	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,133</u>	<u>1,133</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (388,673)</u>	<u>(120,241)</u>	<u>\$ 268,432</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(3,080)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ (123,321)</u>	

HIGHWAY SAFETY BUILDING IMPROVEMENTS			OHIO PARKS AND NATURAL RESOURCES		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
424	424	—	1,146	1,146	—
34	34	—	16	16	—
458	458	—	1,162	1,162	—
—	—	—	—	—	—
29,539	4,319	25,220	128,777	28,024	100,753
—	—	—	—	—	—
29,539	4,319	25,220	128,777	28,024	100,753
(29,081)	(3,861)	25,220	(127,615)	(26,862)	100,753
—	—	—	29,706	29,706	—
—	—	—	—	—	—
—	—	—	—	—	—
20	20	—	1,337	1,337	—
20	20	—	31,043	31,043	—
\$ (29,061)	(3,841)	\$ 25,220	\$ (96,572)	4,181	\$ 100,753
	5,915			(1,378)	
	\$ 2,074			\$ 2,803	

(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, 1999

(dollars in thousands)

(continued)

	HIGHWAY CAPITAL IMPROVEMENT		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Sales, Services and Charges	\$ —	\$ —	\$ —
Federal Government	—	—	—
Investment Income.....	5,243	5,243	—
Other	—	—	—
TOTAL REVENUES	<u>5,243</u>	<u>5,243</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	250,960	239,676	11,284
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	<u>250,960</u>	<u>239,676</u>	<u>11,284</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(245,717)</u>	<u>(234,433)</u>	<u>11,284</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	403,228	403,228	—
Operating Transfers-in	8,885	8,885	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	6,187	6,187	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>418,300</u>	<u>418,300</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ 172,583</u>	<u>183,867</u>	<u>\$ 11,284</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(296,886)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ (113,019)</u>	

SPORTS FACILITIES BUILDING			INFRASTRUCTURE BANK OBLIGATIONS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
1,725	1,725	—	2,041	2,041	—
—	—	—	—	—	—
1,725	1,725	—	2,041	2,041	—
—	—	—	—	—	—
43,791	43,791	—	44,481	28,967	15,514
—	—	—	—	—	—
43,791	43,791	—	44,481	28,967	15,514
(42,066)	(42,066)	—	(42,440)	(26,926)	15,514
39,449	39,449	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	71	71	—
39,449	39,449	—	71	71	—
\$ (2,617)	(2,617)	\$ —	\$ (42,369)	(26,855)	\$ 15,514
	3,257			5,757	
	\$ 640			\$ (21,098)	

(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, 1999

(dollars in thousands)

(continued)

	TOTAL CAPITAL PROJECTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Sales, Services and Charges	\$ 650	\$ 650	\$ —
Federal Government	90	90	—
Investment Income.....	36,844	36,844	—
Other	10,063	10,063	—
TOTAL REVENUES	<u>47,647</u>	<u>47,647</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Community and Economic Development	938	896	42
CAPITAL OUTLAY	2,863,927	921,870	1,942,057
DEBT SERVICE	4,311	4,311	—
TOTAL BUDGETARY EXPENDITURES	<u>2,869,176</u>	<u>927,077</u>	<u>1,942,099</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(2,821,529)</u>	<u>(879,430)</u>	<u>1,942,099</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	1,158,492	1,158,492	—
Operating Transfers-in	34,271	34,271	—
Operating Transfers-out	(34,139)	(34,139)	—
Encumbrance Reversions	21,908	21,908	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,180,532</u>	<u>1,180,532</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ (1,640,997)</u>	<u>301,102</u>	<u>\$ 1,942,099</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(416,278)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ (115,176)</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, 1999
(dollars in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>LIQUOR CONTROL</u>	<u>OHIO LOTTERY COMMISSION</u>
ASSETS			
<i>Current Assets:</i>			
Cash Equity with Treasurer	\$ 295	\$ 10,533	\$ 117,228
Cash and Cash Equivalents	251	3,626	12,213
Investments	33,753	—	—
Collateral on Lent Securities	216	7,627	86,362
<i>Receivables:</i>			
Premiums and Assessments	—	—	—
Investment Trade	—	—	—
Other	438	—	28,351
Due from Other Funds	—	84	—
Inventories	—	25,456	—
Other Assets	—	151	5,834
Total Current Assets	34,953	47,477	249,988
<i>Restricted Assets:</i>			
Cash Equity with Treasurer	—	—	39,276
Cash and Cash Equivalents	1	—	—
Dedicated Investments	390,535	—	1,351,695
Collateral on Lent Securities	—	—	1,004,042
Other Receivables	1,759	—	10,159
Total Restricted Assets	392,295	—	2,405,172
Noncurrent Assets-Investments	—	—	—
Fixed Assets (net of accumulated depreciation)	297	2,695	21,677
TOTAL ASSETS	\$ 427,545	\$ 50,172	\$ 2,676,837
LIABILITIES AND FUND EQUITY			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 75	\$ 23,131	\$ 8,002
Accrued Liabilities	72	1,395	1,001
Obligations Under Securities Lending	216	7,627	86,362
Investment Trade Payable	—	—	—
Due to Other Funds	—	2,287	—
Deferred Revenue	5	—	1,241
Refund and Other Liabilities	—	1,329	21,759
Revenue Bonds	—	—	—
Total Current Liabilities	368	35,769	118,365
<i>Liabilities Payable from Restricted Assets:</i>			
Deferred Prize Awards Payable	—	—	1,357,720
Obligations Under Securities Lending	—	—	1,004,042
Benefits Payable	316,600	—	—
Total Liabilities Payable from Restricted Assets	316,600	—	2,361,762
<i>Noncurrent Liabilities:</i>			
Accrued Liabilities	80	2,004	4,188
Benefits Payable	—	—	—
Revenue Bonds	—	—	—
Total Noncurrent Liabilities	80	2,004	4,188
Total Liabilities	317,048	37,773	2,484,315
<i>Fund Equity:</i>			
Contributed Capital	—	—	—
<i>Retained Earnings:</i>			
<i>Reserved For:</i>			
Deferred Lottery Prizes	—	—	43,410
Insurance Claims Payable	—	—	—
Unreserved	110,497	12,399	149,112
Total Fund Equity	110,497	12,399	192,522
TOTAL LIABILITIES AND FUND EQUITY	\$ 427,545	\$ 50,172	\$ 2,676,837

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL</u>
\$ 12,602	\$ 1,950	\$ 10,614	\$ 153,222
1,888,446	—	1	1,904,537
—	—	—	33,753
2,247,261	1,429	—	2,342,895
1,280,390	—	—	1,280,390
132,367	—	—	132,367
246,682	49	7,825	283,345
—	—	4,208	4,292
—	—	—	25,456
33,938	—	—	39,923
<u>5,841,686</u>	<u>3,428</u>	<u>22,648</u>	<u>6,200,180</u>
—	—	—	39,276
—	—	—	1
—	—	—	1,742,230
—	—	—	1,004,042
—	—	—	11,918
—	—	—	2,797,467
17,905,959	—	—	17,905,959
190,917	7,446	7,741	230,773
<u>\$ 23,938,562</u>	<u>\$ 10,874</u>	<u>\$ 30,389</u>	<u>\$ 27,134,379</u>
\$ 122,524	\$ 42	\$ 3,010	\$ 156,784
—	72	3,760	6,300
2,247,261	1,429	—	2,342,895
1,425,071	—	—	1,425,071
—	—	—	2,287
444,145	—	—	445,391
1,669,309	—	51	1,692,448
7,000	—	—	7,000
<u>5,915,310</u>	<u>1,543</u>	<u>6,821</u>	<u>6,078,176</u>
—	—	—	1,357,720
—	—	—	1,004,042
—	—	—	316,600
—	—	—	2,678,362
18,371	89	5,643	30,375
12,581,330	—	—	12,581,330
184,864	—	—	184,864
<u>12,784,565</u>	<u>89</u>	<u>5,643</u>	<u>12,796,569</u>
<u>18,699,875</u>	<u>1,632</u>	<u>12,464</u>	<u>21,553,107</u>
—	411	—	411
—	—	—	43,410
107,791	—	—	107,791
5,130,896	8,831	17,925	5,429,660
<u>5,238,687</u>	<u>9,242</u>	<u>17,925</u>	<u>5,581,272</u>
<u>\$ 23,938,562</u>	<u>\$ 10,874</u>	<u>\$ 30,389</u>	<u>\$ 27,134,379</u>

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>LIQUOR CONTROL</u>	<u>OHIO LOTTERY COMMISSION</u>
OPERATING REVENUES:			
Charges for Sales and Services	\$ 55,965	\$ 396,159	\$ 2,144,726
Premium and Assessment Income	—	—	—
Investment Income	41,122	—	121,519
Other	33	859	5,773
TOTAL OPERATING REVENUES	<u>97,120</u>	<u>397,018</u>	<u>2,272,018</u>
OPERATING EXPENSES:			
Costs of Sales and Services	—	244,864	—
Administration	2,966	44,879	75,130
Premium Dividend Credits and Rebates	—	—	—
Bonuses and Commissions	—	—	134,614
Prizes	—	—	1,259,766
Benefits and Claims	68,154	—	—
Depreciation	114	2,730	13,631
Other	—	110	160,555
TOTAL OPERATING EXPENSES	<u>71,234</u>	<u>292,583</u>	<u>1,643,696</u>
OPERATING INCOME (LOSS)	<u>25,886</u>	<u>104,435</u>	<u>628,322</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	—	—	—
Interest Expense	—	(102)	(595)
Other	(18)	(159)	(231)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(18)</u>	<u>(261)</u>	<u>(826)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>25,868</u>	<u>104,174</u>	<u>627,496</u>
OPERATING TRANSFERS:			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(108,840)	(696,303)
TOTAL OPERATING TRANSFERS	<u>—</u>	<u>(108,840)</u>	<u>(696,303)</u>
NET INCOME (LOSS)	<u>25,868</u>	<u>(4,666)</u>	<u>(68,807)</u>
RETAINED EARNINGS, JULY 1	<u>84,629</u>	<u>17,065</u>	<u>261,329</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 110,497</u>	<u>\$ 12,399</u>	<u>\$ 192,522</u>

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL</u>
\$ —	\$ 2,589	\$ 33,039	\$ 2,632,478
2,032,027	—	—	2,032,027
1,577,111	—	—	1,739,752
16,036	—	1	22,702
<u>3,625,174</u>	<u>2,589</u>	<u>33,040</u>	<u>6,426,959</u>
—	—	53,041	297,905
53,011	1,448	8,644	186,078
757,669	—	—	757,669
—	—	—	134,614
—	—	—	1,259,766
1,427,203	—	—	1,495,357
13,722	421	2,039	32,657
224,173	—	316	385,154
<u>2,475,778</u>	<u>1,869</u>	<u>64,040</u>	<u>4,549,200</u>
<u>1,149,396</u>	<u>720</u>	<u>(31,000)</u>	<u>1,877,759</u>
—	75	—	75
—	—	—	(697)
(6,117)	—	(1,171)	(7,696)
<u>(6,117)</u>	<u>75</u>	<u>(1,171)</u>	<u>(8,318)</u>
<u>1,143,279</u>	<u>795</u>	<u>(32,171)</u>	<u>1,869,441</u>
—	—	32,344	32,344
(5,779)	(773)	—	(811,695)
<u>(5,779)</u>	<u>(773)</u>	<u>32,344</u>	<u>(779,351)</u>
1,137,500	22	173	1,090,090
4,101,187	8,809	17,752	4,490,771
<u>\$ 5,238,687</u>	<u>\$ 8,831</u>	<u>\$ 17,925</u>	<u>\$ 5,580,861</u>

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ 55,962	\$ 396,244	\$ 2,138,952
Cash Received from Premiums and Assessments.....	—	—	—
Cash Received from Quasi-External Transactions with Other Funds.....	—	2	128
Other Operating Cash Receipts.....	—	857	5,645
Cash Payments to Suppliers for Goods and Services.....	(849)	(273,818)	(54,096)
Cash Payments to Employees for Services.....	(2,187)	(14,086)	(19,804)
Cash Payments for Benefits and Claims.....	(9,160)	—	—
Cash Payments for Lottery Prizes.....	—	—	(1,358,367)
Cash Payments for Bonuses and Commissions.....	—	—	(134,664)
Cash Payments for Premium Dividend Credits and Rebates.....	—	—	—
Cash Payments for Quasi-External Transactions with Other Funds.....	(83)	(844)	(2,221)
Other Operating Cash Payments.....	(19)	(8)	(138)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	43,664	108,347	575,435
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in.....	—	—	—
Operating Transfers-out.....	—	(108,840)	(696,303)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	—	(108,840)	(696,303)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases.....	—	(663)	(13,482)
Interest Paid.....	—	(102)	(595)
Acquisition and Construction of Capital Assets.....	(121)	(632)	(1,924)
Proceeds from Sales of Fixed Assets.....	—	71	—
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(121)	(1,326)	(16,001)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(1,433,225)	—	(761,659)
Proceeds from the Sales and Maturities of Investments.....	1,371,867	—	816,620
Investment Income Received.....	17,495	—	117,954
Borrower Rebates and Agent Fees.....	—	—	(61,213)
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	(43,863)	—	111,702
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(320)	(1,819)	(25,167)
CASH AND CASH EQUIVALENTS, JULY 1	867	15,978	193,884
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 547	\$ 14,159	\$ 168,717

WORKERS' COMPENSATION	UNDERGROUND PARKING GARAGE	OFFICE OF AUDITOR OF STATE	TOTAL
\$ —	\$ 2,070	\$ 27,902	\$ 2,621,130
1,469,374	—	—	1,469,374
781	520	5,141	6,572
42,483	—	2	48,987
(68,332)	(322)	(8,241)	(405,658)
(222,262)	(1,102)	(51,621)	(311,062)
(1,771,578)	—	—	(1,780,738)
—	—	—	(1,358,367)
—	—	—	(134,664)
(338,004)	—	—	(338,004)
(2,287)	(4)	(170)	(5,609)
—	—	(142)	(307)
(889,825)	1,162	(27,129)	(188,346)
—	—	30,149	30,149
(5,779)	(773)	—	(811,695)
(5,779)	(773)	30,149	(781,546)
(6,000)	—	(56)	(20,201)
(9,455)	—	(25)	(10,177)
(4,858)	(33)	(2,302)	(9,870)
23,159	—	—	23,230
2,846	(33)	(2,383)	(17,018)
(39,874,749)	—	—	(42,069,633)
38,735,485	—	—	40,923,972
948,339	66	—	1,083,854
(144,679)	—	—	(205,892)
(335,604)	66	—	(267,699)
(1,228,362)	422	637	(1,254,609)
3,129,410	1,528	9,978	3,351,645
\$ 1,901,048	\$ 1,950	\$ 10,615	\$ 2,097,036

(continued)

STATE OF OHIO

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

(dollars in thousands)

(continued)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
RECONCILIATION OF OPERATING INCOME TO			
NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ 25,886	\$ 104,435	\$ 628,322
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income.....	(41,122)	—	(121,519)
Borrower Rebates and Agent Fees.....	—	—	61,213
Depreciation	114	2,730	13,631
Provision for Uncollectible Accounts.....	—	—	—
Amortization of Premiums and Discounts.....	—	—	99,204
Interest on Bonds, Notes and Capital Leases.....	—	—	—
Miscellaneous Nonoperating (Revenues) Expenses.....	(32)	—	—
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	60	—	—
Premiums and Assessments Receivable.....	—	—	—
Other Receivables	2,702	—	(4,833)
Due from Other Funds	—	(11)	—
Inventories	—	(1,271)	—
Other Assets	—	1	514
Increase (Decrease) in Liabilities:			
Accounts Payable	(138)	2,162	(1,456)
Accrued Liabilities	(21)	250	122
Due to Other Funds	—	9	—
Deferred Revenue	—	—	(943)
Benefits Payable.....	—	—	—
Refund and Other Liabilities.....	(85)	42	427
Liabilities Payable from Restricted Assets.....	56,300	—	(99,247)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 43,664	\$ 108,347	\$ 575,435
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments.....	\$ 23,423	\$ —	\$ (34,754)
Fixed Assets Acquired under Capital Leases.....	—	1,009	—
Increase in Contributed Capital - Fixed Assets Donated from Other Funds.....	—	—	—

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>OFFICE OF AUDITOR OF STATE</u>	<u>TOTAL</u>
\$ 1,149,396	\$ 720	\$ (31,000)	\$ 1,877,759
(1,577,111)	—	—	(1,739,752)
144,679	—	—	205,892
13,722	421	2,039	32,657
29,387	—	—	29,387
393	—	—	99,597
9,455	—	25	9,480
—	—	—	(32)
—	—	—	60
(6,076)	—	—	(6,076)
(60,905)	4	160	(62,872)
—	—	—	(11)
—	—	—	(1,271)
6,798	—	—	7,313
12,398	5	426	13,397
—	12	1,233	1,596
—	—	—	9
(3,148)	—	—	(4,091)
(319,656)	—	—	(319,656)
(289,157)	—	(12)	(288,785)
—	—	—	(42,947)
<u>\$ (889,825)</u>	<u>\$ 1,162</u>	<u>\$ (27,129)</u>	<u>\$ (188,346)</u>

\$ 642,074	\$ —	\$ —	\$ 630,743
—	—	252	1,261
—	411	—	411

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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 **Ohio Data Network Fund** accounts for the revenues and expenses associated with electronic data-processing of goods and 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** accounts for the revenues and expenses related to telecommunications services provided to State agencies and to local governments.

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
(dollars in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
ASSETS			
<i>Current Assets:</i>			
Cash Equity with Treasurer	\$ —	\$ 30,478	\$ 17,028
Cash and Cash Equivalents	170	—	—
Investments	1,563	—	—
Collateral on Lent Securities	—	22,187	12,331
<i>Receivables:</i>			
Intergovernmental	—	2	698
Other	4,667	816	1,408
Due from Other Funds	—	9,093	23,553
Inventories	—	241	10,416
Other Assets	341	—	—
Total Current Assets	6,741	62,817	65,434
<i>Restricted Assets:</i>			
Cash and Cash Equivalents	59	—	—
Investments	44,298	—	—
Total Restricted Assets	44,357	—	—
<i>Noncurrent Assets:</i>			
Other Receivables	26,281	—	—
Total Noncurrent Assets	26,281	—	—
Fixed Assets (net of accumulated depreciation)	—	18,929	3,534
TOTAL ASSETS	\$ 77,379	\$ 81,746	\$ 68,968
LIABILITIES AND FUND EQUITY			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 12,413	\$ 1,556	\$ 5,137
Accrued Liabilities	490	1,043	2,760
Obligations Under Securities Lending	—	22,187	12,331
Intergovernmental Payable	—	830	—
Due to Other Funds	—	336	1,119
Deferred Revenue	453	—	—
Revenue Bonds	3,039	—	—
Total Current Liabilities	16,395	25,952	21,347
<i>Noncurrent Liabilities:</i>			
Accrued Liabilities	—	1,826	3,934
Revenue Bonds	28,776	—	—
Total Noncurrent Liabilities	28,776	1,826	3,934
Total Liabilities	45,171	27,778	25,281
<i>Fund Equity:</i>			
Contributed Capital	—	44,065	1,762
<i>Retained Earnings:</i>			
<i>Reserved for:</i>			
Health Care Benefits	—	30	159
Unreserved	32,208	9,873	41,766
Total Fund Equity	32,208	53,968	43,687
TOTAL LIABILITIES AND FUND EQUITY	\$ 77,379	\$ 81,746	\$ 68,968

<u>SUPPORT SERVICES</u>	<u>TELE-COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 2,639	\$ 4,148	\$ 54,293
—	—	170
—	—	1,563
1,911	3,075	39,504
1,545	92	2,337
—	1,063	7,954
4,338	3,583	40,567
8,409	—	19,066
—	—	341
<u>18,842</u>	<u>11,961</u>	<u>165,795</u>
—	—	59
—	—	44,298
—	—	44,357
—	—	26,281
—	—	26,281
<u>3,355</u>	<u>1,837</u>	<u>27,655</u>
<u>\$ 22,197</u>	<u>\$ 13,798</u>	<u>\$ 264,088</u>
\$ 3,947	\$ 3,852	\$ 26,905
307	216	4,816
1,911	3,075	39,504
—	447	1,277
70	—	1,525
—	—	453
—	—	3,039
<u>6,235</u>	<u>7,590</u>	<u>77,519</u>
545	309	6,614
—	—	28,776
<u>545</u>	<u>309</u>	<u>35,390</u>
<u>6,780</u>	<u>7,899</u>	<u>112,909</u>
5,532	—	51,359
9	6	204
<u>9,876</u>	<u>5,893</u>	<u>99,616</u>
<u>15,417</u>	<u>5,899</u>	<u>151,179</u>
<u>\$ 22,197</u>	<u>\$ 13,798</u>	<u>\$ 264,088</u>

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
OPERATING REVENUES:			
Charges for Sales and Services	\$ 26,487	\$ 36,253	\$ 119,121
Other	1,509	182	86
TOTAL OPERATING REVENUES	<u>27,996</u>	<u>36,435</u>	<u>119,207</u>
OPERATING EXPENSES:			
Costs of Sales and Services	24,954	388	19,385
Administration	2,799	32,008	100,030
Depreciation	—	7,711	1,408
Other	1,344	1,570	1,543
TOTAL OPERATING EXPENSES	<u>29,097</u>	<u>41,677</u>	<u>122,366</u>
OPERATING INCOME (LOSS)	<u>(1,101)</u>	<u>(5,242)</u>	<u>(3,159)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	1,801	438	—
Interest Expense	(2,029)	—	—
Other	187	(1,170)	(88)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(41)</u>	<u>(732)</u>	<u>(88)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(1,142)</u>	<u>(5,974)</u>	<u>(3,247)</u>
OPERATING TRANSFERS:			
Operating Transfers-in	27,700	—	9,220
Operating Transfers-out	(29,391)	—	—
TOTAL OPERATING TRANSFERS	<u>(1,691)</u>	<u>—</u>	<u>9,220</u>
NET INCOME (LOSS)	<u>(2,833)</u>	<u>(5,974)</u>	<u>5,973</u>
RETAINED EARNINGS, JULY 1	35,041	15,877	35,952
Residual Equity Transfers-out	—	—	—
RETAINED EARNINGS, JUNE 30	<u>\$ 32,208</u>	<u>\$ 9,903</u>	<u>\$ 41,925</u>

<u>SUPPORT SERVICES</u>	<u>TELE- COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 67,648	\$ 20,162	\$ 269,671
8	335	2,120
<u>67,656</u>	<u>20,497</u>	<u>271,791</u>
60,328	16,632	121,687
6,633	6,780	148,250
552	1,262	10,933
15	1,468	5,940
<u>67,528</u>	<u>26,142</u>	<u>286,810</u>
<u>128</u>	<u>(5,645)</u>	<u>(15,019)</u>
—	268	2,507
—	—	(2,029)
<u>(50)</u>	<u>(1)</u>	<u>(1,122)</u>
<u>(50)</u>	<u>267</u>	<u>(644)</u>
<u>78</u>	<u>(5,378)</u>	<u>(15,663)</u>
—	—	36,920
—	—	(29,391)
<u>—</u>	<u>—</u>	<u>7,529</u>
78	(5,378)	(8,134)
9,807	11,696	108,373
—	(419)	(419)
<u>\$ 9,885</u>	<u>\$ 5,899</u>	<u>\$ 99,820</u>

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers.....	\$ 25,909	\$ 2,562	\$ 3,776
Cash Received from Quasi-External Transactions with Other Funds.....	893	34,794	114,410
Other Operating Cash Receipts.....	16,380	175	84
Cash Payments to Suppliers for Goods and Services.....	(28,442)	(22,259)	(54,576)
Cash Payments to Employees for Services.....	(1,230)	(13,559)	(38,286)
Cash Payments for Quasi-External Transactions with Other Funds.....	—	(942)	(25,859)
Other Operating Cash Payments.....	(15,455)	(2,022)	(24)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	(1,945)	(1,251)	(475)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	27,700	—	9,220
Operating Transfers-out	(29,391)	—	—
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,691)	—	9,220
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases.....	(2,893)	—	—
Interest Paid	(2,029)	—	—
Principal Receipts on Capital Leases	2,893	—	—
Acquisition and Construction of Capital Assets	—	(4,772)	(1,207)
Proceeds from Sales of Fixed Assets	—	—	2
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,029)	(4,772)	(1,205)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments.....	(94,478)	—	—
Proceeds from the Sales and Maturities of Investments	97,731	—	—
Investment Income Received	2,428	477	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES ..	5,681	477	—
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	16	(5,546)	7,540
CASH AND CASH EQUIVALENTS, JULY 1	213	36,024	9,488
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 229	\$ 30,478	\$ 17,028
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss).....	\$ (1,101)	\$ (5,242)	\$ (3,159)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	—	7,711	1,408
Miscellaneous Nonoperating (Revenues) Expenses.....	182	—	—
Decrease (Increase) in Assets:			
Intergovernmental Receivable.....	—	(1)	(235)
Other Receivables	(129)	154	(198)
Due from Other Funds	—	934	(550)
Inventories	—	(58)	2,504
Other Assets	(37)	—	—
Increase (Decrease) in Liabilities:			
Accounts Payable	(519)	(3,496)	(283)
Accrued Liabilities	—	383	752
Intergovernmental Payable	—	(1,191)	—
Due to Other Funds	—	(445)	(714)
Deferred Revenue	(341)	—	—
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,945)	\$ (1,251)	\$ (475)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments.....	\$ 22	\$ —	\$ —
Increase in Contributed Capital - Fixed Assets Donated from Other Funds.....	—	4,720	250

<u>SUPPORT SERVICES</u>	<u>TELE- COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 3,111	\$ 871	\$ 36,229
64,905	20,310	235,312
12	334	16,985
(61,788)	(19,345)	(186,410)
(4,780)	(2,909)	(60,764)
(522)	(1,888)	(29,211)
—	(751)	(18,252)
<u>938</u>	<u>(3,378)</u>	<u>(6,111)</u>
—	—	36,920
—	—	(29,391)
—	—	<u>7,529</u>
—	—	(2,893)
—	—	(2,029)
—	—	2,893
(257)	(1,167)	(7,403)
1	—	3
<u>(256)</u>	<u>(1,167)</u>	<u>(9,429)</u>
—	—	(94,478)
—	—	97,731
—	300	3,205
—	<u>300</u>	<u>6,458</u>
682	(4,245)	(1,553)
1,957	8,393	56,075
<u>\$ 2,639</u>	<u>\$ 4,148</u>	<u>\$ 54,522</u>
\$ 128	\$ (5,645)	\$ (15,019)
552	1,262	10,933
—	—	182
(336)	11	(561)
—	150	(23)
706	855	1,945
(940)	—	1,506
—	—	(37)
978	1,185	(2,135)
(96)	76	1,115
—	(116)	(1,307)
(54)	(1,156)	(2,369)
—	—	(341)
<u>\$ 938</u>	<u>\$ (3,378)</u>	<u>\$ (6,111)</u>
\$ —	\$ —	\$ 22
275	—	5,245

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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 State 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, 1999
(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	\$ —	\$ 300	\$ —
Cash and Cash Equivalents	—	3,287	30,149
Investments	162,249	145,562	564,701
Collateral on Lent Securities	—	228	28,212
Deposit with Federal Government	2,110,852	—	—
Receivables:			
Taxes	149,548	—	—
Intergovernmental	71	—	—
Other	1	20,918	1,641
Due from Other Funds	—	1,306	1,721
Advances to Other Funds	—	145,689	—
Fixed Assets (net of accumulated depreciation)	—	—	2,865
Other Assets	7,329	—	33
TOTAL ASSETS	\$ 2,430,050	\$ 317,290	\$ 629,322
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ —	\$ 291	\$ 507
Accrued Liabilities	—	—	469
Obligations Under Securities Lending	—	228	28,212
Intergovernmental Payable	—	—	—
Investment Trade Payable	—	—	—
Due to Other Funds	—	—	—
Benefits Payable	20,210	—	—
Refund and Other Liabilities	12,765	—	35
Liability for Escheat Property	—	73,579	—
Total Liabilities	<u>32,975</u>	<u>74,098</u>	<u>29,223</u>
Fund Balances:			
Reserved for:			
Employees' Pension and Other Postemployment Benefits. . . .	—	—	600,099
Unemployment Benefits	2,397,075	—	—
External Investment Pool Participants	—	—	—
Other:			
Advances to Other Funds	—	145,689	—
Unreserved/Undesignated	—	97,503	—
Total Fund Balances	<u>2,397,075</u>	<u>243,192</u>	<u>600,099</u>
TOTAL LIABILITIES AND FUND BALANCES . . .	\$ 2,430,050	\$ 317,290	\$ 629,322

<u>INVESTMENT TRUST</u>	<u>AGENCY FUNDS</u>	
<u>STAROHIO</u>		<u>TOTAL</u>
\$ —	\$ 190,507	\$ 190,807
—	146,372	179,808
5,453,915	120,127,059	126,453,486
1,038,022	138,978	1,205,440
—	—	2,110,852
—	—	149,548
—	—	71
15,551	1,414	39,525
—	210	3,237
—	—	145,689
—	—	2,865
—	395,969	403,331
<u>\$ 6,507,488</u>	<u>\$ 121,000,509</u>	<u>\$ 130,884,659</u>

\$ —	\$ —	\$ 798
—	—	469
1,038,022	138,978	1,205,440
—	87,577	87,577
133,679	—	133,679
—	41,206	41,206
—	—	20,210
341	120,732,748	120,745,889
—	—	73,579
<u>1,172,042</u>	<u>121,000,509</u>	<u>122,308,847</u>

—	—	600,099
—	—	2,397,075
5,335,446	—	5,335,446
—	—	145,689
—	—	97,503
<u>5,335,446</u>	<u>—</u>	<u>8,575,812</u>
<u>\$ 6,507,488</u>	<u>\$ 121,000,509</u>	<u>\$ 130,884,659</u>

STATE OF OHIO
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(dollars in thousands)

	<u>EMPLOYMENT SERVICES</u>	<u>UNCLAIMED FUNDS</u>	<u>TOTAL</u>
REVENUES:			
Unemployment Taxes.....	\$ 669,896	\$ —	\$ 669,896
Federal Government.....	10,111	—	10,111
Investment Income.....	141,349	6,841	148,190
Other.....	7,110	53,641	60,751
TOTAL REVENUES	<u>828,466</u>	<u>60,482</u>	<u>888,948</u>
EXPENDITURES:			
CURRENT:			
Health and Human Services.....	718,048	—	718,048
General Government.....	—	27,617	27,617
TOTAL EXPENDITURES	<u>718,048</u>	<u>27,617</u>	<u>745,665</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	110,418	32,865	143,283
FUND BALANCES, JULY 1	<u>2,286,657</u>	<u>210,327</u>	<u>2,496,984</u>
FUND BALANCES, JUNE 30	<u>\$ 2,397,075</u>	<u>\$ 243,192</u>	<u>\$ 2,640,267</u>

STATE OF OHIO
STATEMENT OF PLAN NET ASSETS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
PENSION TRUST FUND
JUNE 30, 1999
(dollars in thousands)

(as of December 31, 1998)

ASSETS

	<u>PENSION</u>	<u>POST- EMPLOYMENT</u>	<u>TOTAL</u>
Cash and Cash Equivalents	\$ 25,627	\$ 4,522	\$ 30,149
Receivables:			
Employer's Contributions	1,009	207	1,216
Employees' Contributions	505	—	505
Interest	1,385	244	1,629
Other	10	2	12
Total Receivables	<u>2,909</u>	<u>453</u>	<u>3,362</u>
Investments:			
Government and Corporate Bonds	118,503	20,912	139,415
Common Stock	255,749	45,132	300,881
Real Estate	50,152	8,850	59,002
Other Investments	55,592	9,811	65,403
Total Investments	<u>479,996</u>	<u>84,705</u>	<u>564,701</u>
Collateral on Lent Securities.....	23,980	4,232	28,212
Other Assets	28	5	33
Total Current Assets	<u>532,540</u>	<u>93,917</u>	<u>626,457</u>
Fixed Assets (net of accumulated depreciation)	2,435	430	2,865
TOTAL ASSETS	<u>534,975</u>	<u>94,347</u>	<u>629,322</u>

LIABILITIES

Accounts Payable	431	76	507
Accrued Healthcare Benefits	—	407	407
Obligations Under Securities Lending.....	23,980	4,232	28,212
Other Liabilities	82	15	97
TOTAL LIABILITIES	<u>24,493</u>	<u>4,730</u>	<u>29,223</u>

**FUND BALANCE RESERVED FOR EMPLOYEES'
PENSION AND POSTEMPLOYMENT
HEALTHCARE BENEFITS**

<u>\$ 510,482</u>	<u>\$ 89,617</u>	<u>\$ 600,099</u>
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STATE OF OHIO
STATEMENT OF NET ASSETS
STAROHIO INVESTMENT TRUST FUND
JUNE 30, 1999
(dollars in thousands)

ASSETS

Investments:

U.S. Government and Agency Obligations.....	\$ 5,121,825
Commercial Paper.....	262,025
Repurchase Agreements.....	70,065
Collateral on Lent Securities.....	1,038,022
Interest Receivable.....	15,551
TOTAL ASSETS	<u>6,507,488</u>

LIABILITIES AND NET ASSETS

Obligations Under Securities Lending.....	1,038,022
Investment Trade Payable.....	133,679
Other Liabilities	341
TOTAL LIABILITIES	<u>1,172,042</u>

NET ASSETS HELD IN TRUST

FOR POOL PARTICIPANTS	<u>\$ 5,335,446</u>
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THE PRICING OF SHARES

Shares Outstanding (unlimited shares authorized).....	<u>\$ 5,335,446</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, 1999

(dollars in thousands)

	BALANCE JULY 1, 1998	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1999
HOLDING AND DISTRIBUTION				
ASSETS				
Cash Equity with Treasurer	\$ 31,706	\$ 993,489	\$ 983,020	\$ 42,175
Cash and Cash Equivalents	7,084	555,898	557,167	5,815
Collateral on Lent Securities	24,151	30,591	24,151	30,591
Other Receivables	351	912	599	664
Total Assets	\$ 63,292	\$ 1,580,890	\$ 1,564,937	\$ 79,245
LIABILITIES				
Obligations Under Securities Lending.....	\$ 24,151	\$ 30,591	\$ 24,151	\$ 30,591
Intergovernmental Payable	1,579	7,318	7,992	905
Due to Other Funds	20,027	926,836	924,386	22,477
Refund and Other Liabilities	17,535	611,317	603,580	25,272
Total Liabilities	\$ 63,292	\$ 1,576,062	\$ 1,560,109	\$ 79,245
PAYROLL WITHHOLDING AND FRINGE BENEFITS				
ASSETS				
Cash Equity with Treasurer	\$ 99,447	\$ 1,710,977	\$ 1,741,015	\$ 69,409
Cash and Cash Equivalents	54,101	147,904	144,257	57,748
Collateral on Lent Securities.....	75,801	50,939	75,801	50,939
Other Receivables	358	2,703	2,745	316
Due from Other Funds	122	3,793	3,801	114
Total Assets	\$ 229,829	\$ 1,916,316	\$ 1,967,619	\$ 178,526
LIABILITIES				
Obligations Under Securities Lending.....	\$ 75,801	\$ 50,939	\$ 75,801	\$ 50,939
Intergovernmental Payable	19,859	394,585	398,775	15,669
Due to Other Funds	14,302	142,171	137,744	18,729
Refund and Other Liabilities	119,867	1,073,805	1,100,483	93,189
Total Liabilities	\$ 229,829	\$ 1,661,500	\$ 1,712,803	\$ 178,526
TAX REFUNDS				
ASSETS				
Cash Equity with Treasurer	\$ 1,838	\$ 1,313,428	\$ 1,308,262	\$ 7,004
Collateral on Lent Securities.....	1,399	5,072	1,399	5,072
Total Assets	\$ 3,237	\$ 1,318,500	\$ 1,309,661	\$ 12,076
LIABILITIES				
Obligations Under Securities Lending.....	\$ 1,399	\$ 5,072	\$ 1,399	\$ 5,072
Refund and Other Liabilities	1,838	1,313,428	1,308,262	7,004
Total Liabilities	\$ 3,237	\$ 1,318,500	\$ 1,309,661	\$ 12,076

(continued)

STATE OF OHIO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE FISCAL YEAR ENDED JUNE 30, 1999

(dollars in thousands)

(continued)

	<u>BALANCE</u> <u>JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1999</u>
RETIREMENT SYSTEMS				
ASSETS				
Investments	\$ 107,088,084	\$ 228,592,013	\$ 215,579,883	\$ 120,100,214
Total Assets	<u>\$ 107,088,084</u>	<u>\$ 228,592,013</u>	<u>\$ 215,579,883</u>	<u>\$ 120,100,214</u>
LIABILITIES				
Refund and Other Liabilities:				
Liability to:				
Public Employees Retirement System.....	\$ 44,621,202	\$ 69,342,661	\$ 63,276,221	\$ 50,687,642
Police and Firemen's Disability and Pension Fund	7,423,519	12,777,636	11,901,732	8,299,423
School Employees Retirement System....	7,485,130	75,185,050	74,370,476	8,299,704
State Teachers Retirement System.....	47,558,233	71,286,666	66,031,454	52,813,445
Total Liabilities	<u>\$ 107,088,084</u>	<u>\$ 228,592,013</u>	<u>\$ 215,579,883</u>	<u>\$ 120,100,214</u>
OTHER				
ASSETS				
Cash Equity with Treasurer	\$ 55,686	\$ 1,479,913	\$ 1,463,680	\$ 71,919
Cash and Cash Equivalents.....	53,168	246,067,719	246,038,078	82,809
Investments	17,157	8,714	9,951	15,920
Collateral on Lent Securities.....	42,432	52,376	42,432	52,376
Other Receivables	231	2,104	2,031	304
Due from Other Funds	66	1,565	1,535	96
Other Assets	396,790	110,325	111,146	395,969
Total Assets	<u>\$ 565,530</u>	<u>\$ 247,722,716</u>	<u>\$ 247,668,853</u>	<u>\$ 619,393</u>
LIABILITIES				
Obligations Under Securities Lending.....	\$ 42,432	\$ 52,376	\$ 42,432	\$ 52,376
Intergovernmental Payable	54,582	1,478,876	1,462,455	71,003
Refund and Other Liabilities	468,516	246,119,462	246,091,964	496,014
Total Liabilities	<u>\$ 565,530</u>	<u>\$ 247,650,714</u>	<u>\$ 247,596,851</u>	<u>\$ 619,393</u>
OHIO BUILDING AUTHORITY				
ASSETS				
Investments	\$ 13,296	\$ 2,739	\$ 5,110	\$ 10,925
Other Receivables	187	752	809	130
Total Assets	<u>\$ 13,483</u>	<u>\$ 3,491</u>	<u>\$ 5,919</u>	<u>\$ 11,055</u>
LIABILITIES				
Refund and Other Liabilities	\$ 13,483	\$ 3,491	\$ 5,919	\$ 11,055
Total Liabilities	<u>\$ 13,483</u>	<u>\$ 3,491</u>	<u>\$ 5,919</u>	<u>\$ 11,055</u>

	BALANCE JULY 1, 1998	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1999
TOTAL AGENCY				
ASSETS				
Cash Equity with Treasurer	\$ 188,677	\$ 5,497,807	\$ 5,495,977	\$ 190,507
Cash and Cash Equivalents.....	114,353	246,771,521	246,739,502	146,372
Investments	107,118,537	228,603,466	215,594,944	120,127,059
Collateral on Lent Securities.....	143,783	138,978	143,783	138,978
Other Receivables	1,127	6,471	6,184	1,414
Due from Other Funds	188	5,358	5,336	210
Other Assets	396,790	110,325	111,146	395,969
Total Assets	\$ 107,963,455	\$ 481,133,926	\$ 468,096,872	\$ 121,000,509
LIABILITIES				
Obligations Under Securities Lending.....	\$ 143,783	\$ 138,978	\$ 143,783	\$ 138,978
Intergovernmental Payable	76,020	1,880,779	1,869,222	87,577
Due to Other Funds	34,329	1,069,007	1,062,130	41,206
Refund and Other Liabilities	107,709,323	477,713,516	464,690,091	120,732,748
Total Liabilities	\$ 107,963,455	\$ 480,802,280	\$ 467,765,226	\$ 121,000,509

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, 1999

(dollars in thousands)

	<u>BALANCE</u> <u>JULY 1, 1998</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, 1999</u>
GENERAL FIXED ASSETS:					
Land	\$ 198,023	\$ 4,707	\$ 10,577	\$ (886)	\$ 212,421
Buildings	2,256,807	69,212	178,545	(28,244)	2,476,320
Land Improvements	156,987	1,287	5,414	(4,174)	159,514
Machinery and Equipment	228,811	8,606	50,389	(24,195)	263,611
State Vehicles	230,879	744	34,036	(23,805)	241,854
Construction-in-Progress	588,898	(86,992)	413,772	(380,033)	535,645
TOTAL GENERAL FIXED ASSETS	<u>\$ 3,660,405</u>	<u>\$ (2,436)</u>	<u>\$ 692,733</u>	<u>\$ (461,337)</u>	<u>\$ 3,889,365</u>
INVESTMENT IN GENERAL FIXED ASSETS					
BY SOURCE:					
ACQUIRED BEFORE JULY 1, 1987	\$ 1,050,555	\$ 6,823	\$ 16,100	\$ (38,143)	\$ 1,035,335
ACQUIRED ON OR AFTER JULY 1, 1987:					
General Fund Revenues	146,447	8,130	23,596	(6,559)	171,614
Special Revenue Fund Revenues	476,651	79,151	64,870	(40,433)	580,239
Capital Projects Funds:					
Special Obligation Bonds	1,938,168	(96,811)	583,454	(375,943)	2,048,868
Certificates of Participation	4,044	—	—	—	4,044
Donations	44,540	271	4,713	(259)	49,265
TOTAL INVESTMENT IN GENERAL FIXED ASSETS ..	<u>\$ 3,660,405</u>	<u>\$ (2,436)</u>	<u>\$ 692,733</u>	<u>\$ (461,337)</u>	<u>\$ 3,889,365</u>

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FOR THE FISCAL YEAR ENDED JUNE 30, 1999

(dollars in thousands)

	<u>BALANCE</u> <u>JULY 1, 1998</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, 1999</u>
REPORTING FUNCTION:					
Primary, Secondary and Other Education	\$ 138,199	\$ (7,121)	\$ 1,206	\$ (6)	\$ 132,278
Higher Education Support	353	—	57	—	410
Public Assistance and Medicaid	8,760	9,923	—	(1,837)	16,846
Health and Human Services	580,883	1,600	26,571	(30,918)	578,136
Justice and Public Protection	940,699	66,392	124,405	(13,402)	1,118,094
Environmental Protection and Natural Resources	362,964	3,246	13,425	(2,055)	377,580
Transportation	474,147	6,213	30,651	(29,431)	481,580
General Government	492,408	4,118	79,332	(2,709)	573,149
Community and Economic Development	73,094	185	3,314	(946)	75,647
TOTAL GENERAL FIXED ASSETS					
ALLOCATED TO FUNCTIONS	3,071,507	84,556	278,961	(81,304)	3,353,720
Construction-in-Progress	588,898	(86,992)	413,772	(380,033)	535,645
TOTAL GENERAL FIXED ASSETS	\$ 3,660,405	\$ (2,436)	\$ 692,733	\$ (461,337)	\$ 3,889,365

STATE OF OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 1999

(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	\$ 13,936	\$ 110,037	\$ 3,809	\$ 3,301	\$ 1,195	\$ 132,278
Higher Education Support	—	—	—	395	15	410
Public Assistance and Medicaid	—	—	—	16,813	33	16,846
Health and Human Services	6,114	455,060	54,890	52,171	9,901	578,136
Justice and Public Protection	9,989	962,568	42,664	49,145	53,728	1,118,094
Environmental Protection and Natural Resources	138,519	156,183	35,826	14,918	32,134	377,580
Transportation	20,865	237,037	12,975	78,921	131,782	481,580
General Government	20,174	490,700	8,134	45,774	8,367	573,149
Community and Economic Development	2,824	64,735	1,216	2,173	4,699	75,647
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	<u>\$ 212,421</u>	<u>\$ 2,476,320</u>	<u>\$ 159,514</u>	<u>\$ 263,611</u>	<u>\$ 241,854</u>	<u>3,353,720</u>
Construction-in-Progress						535,645
TOTAL GENERAL FIXED ASSETS						<u>\$ 3,889,365</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, 1999
(dollars in thousands)

	<u>PROPRIETARY</u>
	<u>OHIO WATER DEVELOPMENT AUTHORITY</u>
ASSETS	
Cash Equity with Treasurer	\$ 305
Cash and Cash Equivalents	15,655
Investments	934,053
Receivables:	
Intergovernmental	47
Loans, Net	1,878,923
Other	297
Due from Other Funds	1,905
Inventories	—
Restricted Assets:	
Cash and Cash Equivalents	—
Investments	—
Fixed Assets (net of accumulated depreciation)	370
Other Assets	19,073
TOTAL ASSETS	<u><u>\$ 2,850,628</u></u>
LIABILITIES, FUND EQUITY AND OTHER CREDITS	
Liabilities:	
Accounts Payable	\$ 20,525
Accrued Liabilities	6,619
Intergovernmental Payable	—
Due to Other Funds	1,905
Deferred Revenue	—
Refund and Other Liabilities	4,094
Revenue Bonds and Notes	1,503,850
Certificates of Participation	—
Total Liabilities	<u>1,536,993</u>
Fund Equity and Other Credits:	
Investment in General Fixed Assets	—
Retained Earnings:	
Unreserved	1,313,635
Fund Balances:	
Reserved for:	
Restricted Fund Balances	—
Unreserved/Designated	—
Unreserved/Undesignated	—
Total Fund Equity	<u>1,313,635</u>
and Other Credits	—
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u><u>\$ 2,850,628</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
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
61,633	46,235	7,672	31,971	141	1,010	629	555
1,590,851	697,571	153,174	179,784	116,188	93,092	99,686	73,180
2,851	—	—	—	1,547	130	153	1,085
56,813	28,695	9,132	8,453	10,221	8,437	18,455	12,901
256,880	77,883	18,824	14,285	12,543	12,226	14,785	11,252
271,881	117,036	6,088	3,285	—	5,239	18,922	7,464
20,203	4,377	1,778	2,813	1,139	2,144	2,222	239
—	—	97	—	—	11	—	—
11,027	—	—	—	857	—	—	—
2,690,619	1,224,439	555,814	550,185	493,608	374,493	449,980	442,991
26,703	706,031	8,494	286	4,629	53	4,762	7,810
\$ 4,989,461	\$ 2,902,267	\$ 761,073	\$ 791,062	\$ 640,873	\$ 496,835	\$ 609,594	\$ 557,477
\$ 87,096	\$ 29,081	\$ 7,864	\$ 6,765	\$ 5,945	\$ 5,374	\$ 8,345	\$ 7,615
201,964	203,702	31,707	34,542	44,992	27,223	24,598	26,114
271,881	117,036	6,088	3,285	—	5,239	18,922	7,464
70,149	10,540	13,743	7,090	11,541	5,115	11,472	12,142
30,990	66,129	3,528	3,943	5,129	1,042	2,827	237
288,252	261,508	79,370	59,864	33,293	34,850	61,370	90,034
11,290	1,930	—	—	—	—	—	—
961,622	689,926	142,300	115,489	100,900	78,843	127,534	143,606
2,384,591	925,921	476,118	494,261	457,600	339,093	397,374	349,269
—	—	—	—	—	—	—	—
1,238,381	1,273,972	56,869	101,789	64,354	53,665	26,950	25,852
404,867	12,448	83,925	70,132	14,637	25,234	36,556	33,776
—	—	1,861	9,391	3,382	—	21,180	4,974
4,027,839	2,212,341	618,773	675,573	539,973	417,992	482,060	413,871
\$ 4,989,461	\$ 2,902,267	\$ 761,073	\$ 791,062	\$ 640,873	\$ 496,835	\$ 609,594	\$ 557,477

(continued)

STATE OF OHIO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 1999
(dollars in thousands)
(continued)

COLLEGES AND UNIVERSITIES

	CLEVELAND STATE UNIVERSITY	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
ASSETS				
Cash Equity with Treasurer	\$ —	\$ —	\$ —	\$ —
Cash and Cash Equivalents	2,086	18,371	6,578	8,278
Investments	57,610	8,424	70,525	7,665
Receivables:				
Intergovernmental	—	—	1,440	—
Loans, Net	10,150	2,511	13,134	36
Other	13,813	4,943	10,324	3,151
Due from Other Funds	—	1,860	5,028	2,259
Inventories	195	1,580	632	49
Restricted Assets:				
Cash and Cash Equivalents	—	141	83	352
Investments	—	5,639	—	181
Fixed Assets (net of accumulated depreciation)	454,534	304,796	332,938	87,365
Other Assets	3,968	507	4,297	285
TOTAL ASSETS	\$ 542,356	\$ 348,772	\$ 444,979	\$ 109,621
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 2,796	\$ 1,879	\$ 4,060	\$ 548
Accrued Liabilities	16,214	18,418	26,138	3,313
Intergovernmental Payable	—	—	—	—
Due to Other Funds	—	1,860	5,028	2,259
Deferred Revenue	8,817	3,954	9,182	461
Refund and Other Liabilities	6,417	95	8,448	11
Revenue Bonds and Notes	30,945	17,219	12,466	3,960
Certificates of Participation	—	—	—	—
Total Liabilities	<u>65,189</u>	<u>43,425</u>	<u>65,322</u>	<u>10,552</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets	438,114	285,699	317,268	83,693
Retained Earnings:				
Unreserved	—	—	—	—
Fund Balances:				
Reserved for:				
Restricted Fund Balances	20,604	13,779	28,883	3,000
Unreserved/Designated	17,130	5,869	33,506	—
Unreserved/Undesignated	1,319	—	—	12,376
Total Fund Equity and Other Credits	<u>477,167</u>	<u>305,347</u>	<u>379,657</u>	<u>99,069</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 542,356	\$ 348,772	\$ 444,979	\$ 109,621

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
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
3,638	—	1,714	37,251	157	1,010	—	1,333
—	45,974	1,552	13,568	4,076	1,563	1,105	—
2,678	10,603	48	—	—	29	—	863
409	5,099	5	528	38	—	94	—
514	24,937	930	3,365	1,377	1,605	1,003	1,008
2,907	—	358	7,456	—	306	—	128
24	2,917	318	1,356	169	178	121	88
2,535	—	—	815	—	—	—	426
196	—	—	244	—	—	1,026	—
94,885	310,714	36,659	111,839	42,331	22,141	20,356	23,682
141	1,060	36	5	222	75	49	268
\$ 107,927	\$ 401,304	\$ 41,620	\$ 176,427	\$ 48,370	\$ 26,907	\$ 23,754	\$ 27,796
\$ 598	\$ 16,517	\$ 132	\$ 2,128	\$ 345	\$ —	\$ —	\$ 452
2,480	27,851	1,026	2,344	628	401	594	721
2,907	—	358	7,456	—	306	—	128
3,034	—	337	4,627	515	1,419	1,041	1,045
757	5,601	—	3,609	445	178	12	—
3,780	—	—	14,215	—	—	—	—
—	—	—	—	—	—	—	—
13,556	49,969	1,853	34,379	1,933	2,304	1,647	2,346
91,105	307,831	36,659	98,907	42,331	22,141	20,081	23,682
—	—	—	—	—	—	—	—
—	8,333	84	2,899	1,979	187	728	—
3,266	5,618	799	19,801	1,534	2,275	1,298	226
—	29,553	2,225	20,441	593	—	—	1,542
94,371	351,335	39,767	142,048	46,437	24,603	22,107	25,450
\$ 107,927	\$ 401,304	\$ 41,620	\$ 176,427	\$ 48,370	\$ 26,907	\$ 23,754	\$ 27,796

(continued)

STATE OF OHIO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 1999
(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	\$ —	\$ —	\$ —	\$ 305
Cash and Cash Equivalents	1,789	2,581	66	250,353
Investments	7,263	—	13,291	4,170,195
Receivables:				
Intergovernmental	—	—	1,708	23,182
Loans, Net	920	—	670	2,065,624
Other	2,241	857	5,786	494,829
Due from Other Funds	2,578	—	—	454,700
Inventories	4	163	547	43,256
Restricted Assets:				
Cash and Cash Equivalents	—	—	—	4,460
Investments	—	—	—	19,170
Fixed Assets (net of accumulated depreciation)	67,546	20,862	75,909	8,789,056
Other Assets	86	—	405	789,245
TOTAL ASSETS	\$ 82,427	\$ 24,463	\$ 98,382	\$ 17,104,375
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 1,727	\$ 24	\$ 1,417	\$ 211,233
Accrued Liabilities	2,799	634	3,733	708,755
Intergovernmental Payable	—	—	441	441
Due to Other Funds	2,578	—	—	454,700
Deferred Revenue	2,042	102	5,734	184,102
Refund and Other Liabilities	554	9	37	144,092
Revenue Bonds and Notes	—	—	—	2,494,976
Certificates of Participation	—	—	—	13,220
Total Liabilities	<u>9,700</u>	<u>769</u>	<u>11,362</u>	<u>4,211,519</u>
Fund Equity and Other Credits:				
Investment in General Fixed Assets	66,734	20,865	75,850	7,755,187
Retained Earnings:				
Unreserved	—	—	—	1,313,635
Fund Balances:				
Reserved for:				
Restricted Fund Balances	458	228	1,212	2,924,206
Unreserved/Designated	3,553	1,544	950	361,629
Unreserved/Undesignated	1,982	1,057	9,008	538,199
Total Fund Equity and Other Credits	<u>72,727</u>	<u>23,694</u>	<u>87,020</u>	<u>12,892,856</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 82,427	\$ 24,463	\$ 98,382	\$ 17,104,375

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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, 1999

(dollars in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 1,082,958	\$ 304,674	\$ 202,470
Local Appropriations-Restricted	16,988	52	—
Federal Grants and Contracts-Restricted	168,002	96,569	31,807
State Grants and Contracts-Restricted	24,201	6,129	7,431
Local Grants and Contracts-Restricted	2,235	692	655
Private Gifts, Grants and Contracts-Restricted	223,370	46,513	12,724
Endowment Income-Restricted	7,371	16,872	619
Investment Income-Restricted	128,149	67,892	8,274
Interest on Loans Receivable	2,618	743	165
Investment in Plant-Additions	301,239	68,835	28,281
Other	—	1,045	32,819
TOTAL REVENUES AND OTHER ADDITIONS	1,957,131	610,016	325,245
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	1,147,059	533,764	318,578
Auxiliary Enterprises Expenditures	132,953	52,849	52,213
Hospital Expenditures	482,200	—	—
Indirect Costs Recovered	39,504	23,581	3,923
Grant Refunds and Adjustments	238	769	250
Loan Cancellations and Write-offs	556	657	48
Administrative and Collection Costs	861	—	15
Expended for Plant Facilities	140,891	16,303	9,512
Retirement of Indebtedness	24,358	9,893	2,550
Interest on Indebtedness	10,051	11,062	2,661
Investment in Plant-Deductions	38,584	9,491	36,299
Other	995	4,396	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	2,018,250	662,765	426,049
TRANSFERS:			
Operating Transfers from Primary Government	418,486	186,342	134,505
NET INCREASE (DECREASE) FOR THE YEAR	357,367	133,593	33,701
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	3,670,472	2,078,748	585,072
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 4,027,839	\$ 2,212,341	\$ 618,773

<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>
\$ 214,985	\$ 129,168	\$ 167,376	\$ 182,470	\$ 152,971	\$ 77,579
—	—	—	—	—	—
11,324	18,540	12,355	30,591	19,369	14,711
2,329	653	3,144	8,527	6,131	6,266
515	1,180	5	182	570	135
10,502	24,626	4,069	3,041	8,570	4,648
2,769	6,526	5,690	—	—	677
6,964	(528)	2,785	88	4,464	212
149	166	—	457	257	329
47,971	24,673	18,282	25,823	19,668	13,825
26,516	2,054	141	2,638	832	493
324,024	207,058	213,847	253,817	212,832	118,875
225,398	243,471	193,792	256,139	217,380	159,076
67,065	28,152	49,103	54,676	43,414	12,635
—	—	—	—	—	—
1,372	2,307	793	1,836	1,421	1,170
55	1	—	46	—	—
65	172	10	326	140	150
127	588	70	27	—	118
13,454	3,250	2,578	5,408	14,138	400
17,101	3,349	5,620	3,259	5,026	795
3,190	2,173	2,214	3,237	5,015	685
3,247	19,955	5,334	8,684	—	20,157
15,041	951	9,168	1,301	2,048	—
346,115	304,369	268,682	334,939	288,582	195,186
76,232	97,898	78,798	109,864	83,869	68,850
54,141	587	23,963	28,742	8,119	(7,461)
621,432	539,386	394,029	453,318	405,752	484,628
\$ 675,573	\$ 539,973	\$ 417,992	\$ 482,060	\$ 413,871	\$ 477,167

(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, 1999

(dollars in thousands)
(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 60,329	\$ 102,049	\$ 13,510
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	8,202	23,960	4,829
State Grants and Contracts-Restricted	837	5,486	1,913
Local Grants and Contracts-Restricted	194	762	303
Private Gifts, Grants and Contracts-Restricted	10,039	8,860	928
Endowment Income-Restricted	164	138	—
Investment Income-Restricted	175	1,612	69
Interest on Loans Receivable	92	296	—
Investment in Plant-Additions	13,476	27,762	2,167
Other	778	143	694
TOTAL REVENUES AND OTHER ADDITIONS	94,286	171,068	24,413
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	101,019	206,435	31,612
Auxiliary Enterprises Expenditures	16,860	15,895	2,071
Hospital Expenditures	—	—	—
Indirect Costs Recovered	117	3,824	—
Grant Refunds and Adjustments	—	139	—
Loan Cancellations and Write-offs	40	268	—
Administrative and Collection Costs	—	205	—
Expended for Plant Facilities	2,481	4,995	70
Retirement of Indebtedness	823	1,324	231
Interest on Indebtedness	848	738	271
Investment in Plant-Deductions	4,467	7,446	99
Other	—	—	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	126,655	241,269	34,354
TRANSFERS:			
Operating Transfers from Primary Government	46,803	89,152	14,930
NET INCREASE (DECREASE) FOR THE YEAR	14,434	18,951	4,989
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	290,913	360,706	94,080
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 305,347	\$ 379,657	\$ 99,069

<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>
\$ 7,592	\$ 187,742	\$ 6,057	\$ 42,953	\$ 7,227	\$ 5,611
—	—	—	—	—	—
9,787	11,417	1,936	5,667	1,881	972
690	3,268	215	2,809	283	168
—	—	—	—	188	—
782	2,000	7	1,180	204	168
43	—	—	—	61	5
43	(791)	8	289	107	—
75	129	—	10	—	—
—	30,906	686	5,850	1,229	516
—	—	—	62	—	32
19,012	234,671	8,909	58,820	11,180	7,472
29,801	80,890	13,454	74,404	14,426	10,826
3,039	7,209	853	5,822	1,759	834
—	139,439	—	—	—	—
519	—	11	—	—	—
—	—	—	—	—	—
—	—	—	58	—	—
—	—	—	—	—	—
1,654	27,602	89	3,650	4	12
306	—	—	—	—	—
146	—	—	—	—	—
—	12,626	162	—	72	610
372	—	—	17	—	1
35,837	267,766	14,569	83,951	16,261	12,283
17,692	36,538	6,351	33,070	6,564	4,876
867	3,443	691	7,939	1,483	65
93,504	347,892	39,076	134,109	44,954	24,538
\$ 94,371	\$ 351,335	\$ 39,767	\$ 142,048	\$ 46,437	\$ 24,603

(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, 1999

(dollars in thousands)
(continued)

	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 4,161	\$ 6,253	\$ 20,602
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	2,617	2,126	3,367
State Grants and Contracts-Restricted	1,432	782	1,849
Local Grants and Contracts-Restricted	140	—	39
Private Gifts, Grants and Contracts-Restricted	109	5	477
Endowment Income-Restricted	—	—	—
Investment Income-Restricted	—	—	—
Interest on Loans Receivable	—	—	8
Investment in Plant-Additions	3,300	3,365	4,714
Other	—	—	56
TOTAL REVENUES AND OTHER ADDITIONS	11,759	12,531	31,112
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	10,961	12,958	40,293
Auxiliary Enterprises Expenditures	853	682	412
Hospital Expenditures	—	—	—
Indirect Costs Recovered	—	—	45
Grant Refunds and Adjustments	—	1	—
Loan Cancellations and Write-offs	—	—	12
Administrative and Collection Costs	—	—	5
Expended for Plant Facilities	—	—	1,276
Retirement of Indebtedness	—	—	—
Interest on Indebtedness	—	—	—
Investment in Plant-Deductions	—	60	305
Other	—	21	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	11,814	13,722	42,348
TRANSFERS:			
Operating Transfers from Primary Government	3,787	4,595	16,729
NET INCREASE (DECREASE) FOR THE YEAR	3,732	3,404	5,493
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	18,375	22,046	67,234
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 22,107	\$ 25,450	\$ 72,727

NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
\$ 6,307	\$ 25,812	\$ 3,010,856
—	—	17,040
1,340	7,789	489,158
1,096	4,004	89,643
—	—	7,795
—	—	362,822
—	—	40,935
14	1	219,827
—	14	5,508
1,097	3,979	647,644
20	120	68,443
9,874	41,719	4,959,671
11,170	55,066	3,987,972
1,115	5,030	555,494
—	—	621,639
—	—	80,423
—	—	1,499
—	20	2,522
—	—	2,016
—	941	248,708
—	—	74,635
—	—	42,291
12	7,457	175,067
—	—	34,311
12,297	68,514	5,826,577
4,358	24,621	1,564,910
1,935	(2,174)	698,004
21,759	89,194	10,881,217
\$ 23,694	\$ 87,020	\$ 11,579,221

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, 1999

(dollars in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 326,576	\$ 160,682	\$ 133,066
Local Appropriations	16,056	—	—
Federal Grants and Contracts	166,334	95,463	31,907
State Grants and Contracts	27,739	6,702	6,816
Local Grants and Contracts	2,170	670	586
Private Gifts, Grants and Contracts	155,769	35,519	12,170
Endowment Income	28,355	29,441	912
Sales and Services	630,764	95,020	55,041
Investment Income	15,568	5,997	3,291
Other Sources	60,027	7,076	6,601
TOTAL REVENUES	1,429,358	436,570	250,390
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	476,337	200,345	138,403
Separately Budgeted Research	213,531	77,487	19,380
Public Service	92,175	43,135	9,893
Academic Support	92,635	52,046	36,083
Student Services	46,134	23,185	17,151
Institutional Support	86,332	49,268	33,383
Operation and Maintenance of Plant	57,847	34,414	27,171
Scholarships and Fellowships	82,068	53,884	37,116
TOTAL EDUCATIONAL AND GENERAL	1,147,059	533,764	318,580
AUXILIARY ENTERPRISES	132,953	52,849	52,213
HOSPITALS	482,200	—	—
TOTAL EXPENDITURES	1,762,212	586,613	370,793
MANDATORY TRANSFERS, NET:			
Principal and Interest	34,267	18,353	4,800
Renewals and Replacements	—	—	—
Other	11	198	51
TOTAL MANDATORY TRANSFERS, NET	34,278	18,551	4,851
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	1,796,490	605,164	375,644
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	414,127	184,203	133,765
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(23,959)	(6,780)	(7,752)
Other	6,572	(5,300)	(10,255)
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	50,309	23,825	4,360
Indirect Costs Recovered	(39,504)	(23,581)	(3,923)
Other	(9)	(1,221)	(250)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	407,536	171,146	115,945
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 40,404	\$ 2,552	\$ (9,309)

MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
\$ 138,056	\$ 89,295	\$ 103,561	\$ 123,541	\$ 100,998	\$ 62,185
—	—	—	—	—	—
11,533	18,417	11,084	30,346	18,682	13,838
2,661	296	2,723	6,606	7,039	5,370
469	1,076	59	192	739	176
9,795	15,137	3,239	4,751	8,764	5,110
2,222	1,067	—	2	1,579	848
67,205	33,164	56,589	45,828	42,501	11,597
4,365	3,186	2,472	4,172	1,893	2,056
1,522	65	3,722	5,138	2,685	547
237,828	161,703	183,449	220,576	184,880	101,727
110,473	92,439	81,682	115,939	100,058	63,274
6,328	11,607	3,182	10,950	8,848	10,090
1,633	11,534	8,966	12,216	5,822	5,201
28,762	27,925	23,101	23,980	25,233	17,354
16,862	11,792	15,767	21,141	14,333	14,295
21,657	40,289	19,002	25,618	22,453	20,174
20,865	17,036	13,157	20,037	13,759	15,364
18,818	30,849	28,935	26,258	26,873	13,324
225,398	243,471	193,792	256,139	217,379	159,076
67,065	28,152	49,103	54,676	43,414	12,635
—	—	—	—	—	—
292,463	271,623	242,895	310,815	260,793	171,711
6,316	3,262	4,970	5,603	9,766	1,480
—	—	3,014	—	—	—
3	119	(6)	165	215	882
6,319	3,381	7,978	5,768	9,981	2,362
298,782	275,004	250,873	316,583	270,774	174,073
75,672	97,898	78,801	109,217	83,869	68,686
(4,496)	(500)	(585)	(8,615)	—	—
(466)	6,385	958	(29)	(655)	209
4,065	3,528	3,006	3,519	1,329	2,001
(1,372)	(2,307)	(793)	(1,836)	(1,421)	(1,171)
(55)	(1)	(982)	(46)	—	—
73,348	105,003	80,405	102,210	83,122	69,725
\$ 12,394	\$ (8,298)	\$ 12,981	\$ 6,203	\$ (2,772)	\$ (2,621)

(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, 1999

(dollars in thousands)

(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 44,902	\$ 68,392	\$ 11,238
Local Appropriations	—	—	—
Federal Grants and Contracts	7,919	23,818	4,829
State Grants and Contracts	939	4,292	3,239
Local Grants and Contracts	80	797	303
Private Gifts, Grants and Contracts	6,493	7,410	932
Endowment Income	—	220	—
Sales and Services	13,099	21,883	356
Investment Income	1,013	2,998	633
Other Sources	1,144	5,192	1,203
TOTAL REVENUES	75,589	135,002	22,733
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	45,062	83,693	10,559
Separately Budgeted Research	496	15,196	—
Public Service	4,330	8,141	2,933
Academic Support	9,089	35,124	1,922
Student Services	5,935	12,356	2,354
Institutional Support	13,841	18,482	4,042
Operation and Maintenance of Plant	8,067	12,707	2,969
Scholarships and Fellowships	14,199	20,736	6,832
TOTAL EDUCATIONAL AND GENERAL	101,019	206,435	31,611
AUXILIARY ENTERPRISES	16,860	15,895	2,071
HOSPITALS	—	—	—
TOTAL EXPENDITURES	117,879	222,330	33,682
MANDATORY TRANSFERS, NET:			
Principal and Interest	1,531	2,067	465
Renewals and Replacements	—	—	—
Other	75	124	—
TOTAL MANDATORY TRANSFERS, NET	1,606	2,191	465
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	119,485	224,521	34,147
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	46,803	89,152	13,655
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(1,159)	(3,895)	(705)
Other	87	2	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	1,090	6,014	509
Indirect Costs Recovered	(90)	(3,824)	—
Other	—	(109)	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	46,731	87,340	13,459
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 2,835	\$ (2,179)	\$ 2,045

CENTRAL STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	TERRA STATE COMMUNITY COLLEGE	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE
\$ 4,333	\$ 9,948	\$ 4,855	\$ 33,468	\$ 5,311	\$ 4,368
—	—	—	—	—	—
9,840	10,894	1,908	5,667	1,881	972
690	2,733	177	2,695	357	173
—	—	—	—	188	—
782	8,535	8	610	332	124
—	—	—	—	—	—
2,352	150,553	994	6,511	1,130	1,030
165	1,611	177	2,083	104	81
123	15,407	32	408	608	157
18,285	199,681	8,151	51,442	9,911	6,905
6,513	42,478	4,634	32,670	4,248	3,966
1,039	8,322	—	—	—	—
4,953	332	1,274	1,196	1,671	444
2,025	3,502	1,024	2,166	466	329
3,060	1,607	1,653	6,507	1,248	2,161
10,713	13,173	1,819	9,899	2,682	2,735
3,557	7,559	1,391	12,775	2,419	785
420	1,097	1,659	8,481	1,687	147
32,280	78,070	13,454	73,694	14,421	10,567
3,039	7,209	853	5,822	1,754	834
—	139,439	—	—	—	—
35,319	224,718	14,307	79,516	16,175	11,401
452	—	—	1,523	—	—
—	—	—	—	—	—
—	—	—	—	—	—
452	—	—	1,523	—	—
35,771	224,718	14,307	81,039	16,175	11,401
17,692	36,538	6,316	33,070	6,564	4,876
—	(29,037)	—	—	—	(258)
—	(1,065)	—	—	(8)	—
—	522	45	—	—	—
519	—	(11)	—	(128)	—
—	—	—	—	—	—
18,211	6,958	6,350	33,070	6,428	4,618
\$ 725	\$ (18,079)	\$ 194	\$ 3,473	\$ 164	\$ 122

(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, 1999

(dollars in thousands)
(continued)

	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 3,093	\$ 4,618	\$ 16,128
Local Appropriations	—	—	—
Federal Grants and Contracts	2,617	2,126	3,367
State Grants and Contracts	1,433	1,402	1,849
Local Grants and Contracts	139	—	39
Private Gifts, Grants and Contracts	109	5	476
Endowment Income	—	—	—
Sales and Services	953	828	3,597
Investment Income	—	—	501
Other Sources	115	188	377
TOTAL REVENUES	8,459	9,167	26,334
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	3,171	3,954	15,935
Separately Budgeted Research	—	—	—
Public Service	1,171	—	2,458
Academic Support	862	1,452	3,960
Student Services	808	1,709	3,069
Institutional Support	733	2,657	7,267
Operation and Maintenance of Plant	702	831	2,912
Scholarships and Fellowships	3,515	2,355	4,737
TOTAL EDUCATIONAL AND GENERAL	10,962	12,958	40,338
AUXILIARY ENTERPRISES	853	682	412
HOSPITALS	—	—	—
TOTAL EXPENDITURES	11,815	13,640	40,750
MANDATORY TRANSFERS, NET:			
Principal and Interest	—	—	—
Renewals and Replacements	—	—	—
Other	—	—	—
TOTAL MANDATORY TRANSFERS, NET	—	—	—
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	11,815	13,640	40,750
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	3,787	4,595	16,470
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	—	(100)	(1,017)
Other	—	—	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	—	—	—
Indirect Costs Recovered	—	—	—
Other	—	—	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	3,787	4,495	15,453
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 431	\$ 22	\$ 1,037

NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
\$ 4,763	\$ 19,710	\$ 1,473,087
—	—	16,056
1,346	7,895	482,683
1,096	4,004	91,031
—	—	7,683
38	—	276,108
—	—	64,646
—	5,055	1,246,050
14	628	53,008
1,519	328	114,184
8,776	37,620	3,824,536
4,625	21,241	1,661,699
—	182	386,638
341	1,817	221,636
405	2,362	391,807
1,316	5,701	230,144
1,951	6,864	415,034
929	6,650	283,903
1,602	10,321	395,913
11,169	55,138	3,986,774
1,115	5,031	555,490
—	—	621,639
12,284	60,169	5,163,903
—	(73)	94,782
—	—	3,014
—	—	1,837
—	(73)	99,633
12,284	60,096	5,263,536
4,358	24,621	1,554,735
—	(259)	(89,117)
—	—	(3,565)
—	—	104,122
—	—	(79,442)
—	—	(2,673)
4,358	24,362	1,484,060
\$ 850	\$ 1,886	\$ 45,060

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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)

<i>SOURCE</i>	1999	1998	1997	1996	1995	1994	1993	1992 ^(b)	1991	1990
<i>Income Taxes</i>	\$ 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	\$ 4,078,371
<i>Sales Taxes</i>	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	3,603,922
<i>Corporate and Public Utility Taxes</i>	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	1,492,646
<i>Motor Vehicle Fuel Taxes</i>	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	993,612
<i>Other Taxes</i>	917,505	890,551	872,869	842,688	852,166	881,994	750,120	673,472	724,942	706,350
<i>Licenses, Permits and Fees</i>	901,653	883,848	849,279	805,605	771,501	739,433	623,980	639,996	679,447	635,790
<i>Sales, Services and Charges</i>	81,731	76,091	79,051	106,517	103,620	66,198	57,831	44,189	46,873	76,985
<i>Federal Government</i> ^(c)	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	4,553,955
<i>Investment Income</i> ^(d)	554,915	554,523	418,799	—	—	—	—	—	—	—
<i>Other</i>	717,672	699,479	660,782	654,457	773,037	932,074	649,360	656,385	676,419	708,305
<i>Total Revenues by Source</i>	<u>\$28,112,239</u>	<u>\$27,211,312</u>	<u>\$25,726,002</u>	<u>\$24,902,363</u>	<u>\$24,127,993</u>	<u>\$22,317,703</u>	<u>\$19,880,907</u>	<u>\$18,563,584</u>	<u>\$17,637,200</u>	<u>\$16,849,936</u>

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 fiscal years 1995 through 1999, 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 1990 through 1994, however, have not been restated for the effect of this change in accounting principle.
- (d)** For fiscal years 1990 through 1996, investment income has been included in "Other" revenue.

Table 2

STATE OF OHIO
EXPENDITURES BY FUNCTION
ALL GENERAL GOVERNMENTAL FUND TYPES^(a)
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

<i>FUNCTION</i>	1999	1998	1997	1996	1995	1994	1993	1992 ^(b)	1991	1990
<i>Current:</i>										
<i>Primary, Secondary and Other Education</i>	\$ 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	\$ 3,972,048
<i>Higher Education Support</i> ^(c)	377,868	354,530	422,482	423,473	407,839	421,041	368,611	327,874	1,549,614	1,502,610
<i>Public Assistance and Medicaid</i> ^(d)	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	4,895,836
<i>Health and Human Services</i>	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	1,609,917
<i>Justice and Public Protection</i>	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	805,899
<i>Environmental Protection and Natural Resources</i>	330,069	315,522	299,607	286,987	273,138	247,324	223,304	226,284	222,507	212,368
<i>Transportation</i>	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	1,129,980
<i>General Government</i>	661,011	625,275	528,592	371,996	355,154	347,443	335,470	336,046	325,530	294,985
<i>Community and Economic Development</i>	398,905	391,893	344,950	323,277	335,159	337,760	284,061	301,392	360,215	337,975
<i>Intergovernmental</i>	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	1,834,230
<i>Capital Outlay</i>	1,256,271	1,248,346	1,138,286	884,456	872,236	893,279	739,463	724,823	678,812	435,462
<i>Debt Service</i>	1,024,125	1,022,418	1,033,948	909,134	801,994	1,064,523	681,207	764,294	653,309	635,298
<i>Total Expenditures by Function</i>	<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>	<u>\$17,666,608</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 1999, 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 1990 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)

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
REVENUES:										
Income Taxes	\$ 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	\$ 3,618,929
Sales Taxes	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	3,418,135
Corporate and Public Utility Taxes	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	1,409,040
Other Taxes	869,556	844,815	828,290	802,912	812,957	843,548	712,400	631,830	598,417	585,296
Licenses, Permits and Fees	94,789	96,411	87,511	89,249	81,772	81,761	80,629	76,210	73,741	68,541
Sales, Services and Charges	43,586	38,947	42,031	64,693	65,015	35,556	32,082	24,200	25,751	21,484
Federal Government	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	2,299,581
Investment Income ^(a)	399,520	381,574	277,337	—	—	—	—	—	—	—
Other	183,221	161,077	168,587	302,772	268,114	227,857	189,935	286,191	254,098	272,609
TOTAL REVENUES	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	11,693,615
EXPENDITURES:										
Current	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	10,606,492
Intergovernmental	1,033,066	982,955	942,690	898,190	814,803	782,014	741,099	703,853	661,452	622,351
Capital Outlay	15,607	38,806	123,217	1,969	5,597	5,552	5,524	17,087	21,810	21,989
Debt Service	1,794	1,831	528	1,428	9,740	—	2	—	—	—
TOTAL EXPENDITURES	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	11,250,832
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	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)	442,783
OTHER FINANCING SOURCES (USES):										
Bond Proceeds	—	—	—	10,159	—	—	—	—	—	—
Capital Leases	1,575	4,737	1,107	335	—	—	—	—	—	—
Operating Transfers-in	201,151	180,176	142,605	93,457	144,114	88,284	89,228	92,392	92,012	94,113
Operating Transfers-out	(1,308,827)	(1,142,014)	(847,794)	(807,457)	(660,799)	(626,006)	(554,393)	(493,947)	(499,842)	(508,054)
Operating Transfers to Component Units	(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)	(2,671,011)	(2,477,533)	(2,114,749)	(2,062,993)	(1,793,610)	(1,712,912)	(1,578,656)	(401,555)	(407,830)	(413,941)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	29,712	293,109	154,780	547,946	748,805	468,738	97,510	(306,504)	(459,255)	28,842
FUND BALANCES, JULY 1	2,611,195	2,319,058	2,167,739	1,656,135	908,212	426,200	327,261	696,642	1,154,780	1,124,614
Increase (Decrease) for Changes in Inventories	(835)	(972)	(2,252)	(889)	(882)	1,265	1,429	185	1,117	1,324
Residual Equity Transfers -out	—	—	—	(22,986)	—	—	—	—	—	—
FUND BALANCES, JUNE 30	\$ 2,640,072	\$ 2,611,195	\$ 2,320,267	\$ 2,180,206	\$ 1,656,135	\$ 896,203	\$ 426,200	\$ 390,323	\$ 696,642	\$ 1,154,780

(a) For fiscal years 1990 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
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%
1990	587,070	16,849,936	3.48%	17,666,608	3.32%

Notes:

(a) Includes general and special obligation bonds for which debt service payments are 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

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 1999 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 1990 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 in the Debt Service Fund <i>(in thousands)</i>	Net Bonded Debt <i>(in thousands)</i>	Net Bonded Debt Per Capita
1999	11,210 ^(b)	\$7,024,746	\$118,549	\$6,906,197	\$616
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
1990	10,847	3,974,040	592,116	3,381,924	312

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 are 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

Capital Projects Fund

Mental Health/Mental Retardation Facilities Improvements
Parks and Recreation Improvements
Local Infrastructure Improvements

(b) An estimate for 1999 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	
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
1990	347,551	274,771	72,780	12,030	6,073	18,103	4.02

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	
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
1990	2,444	—	2,444	475	947	1,422	1.72

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	
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 \$10,251 of federal revenues transferred in 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
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
1990	25,879	19,426	6,453	1,761	4,626	6,387	1.01

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
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	—	—	—	—

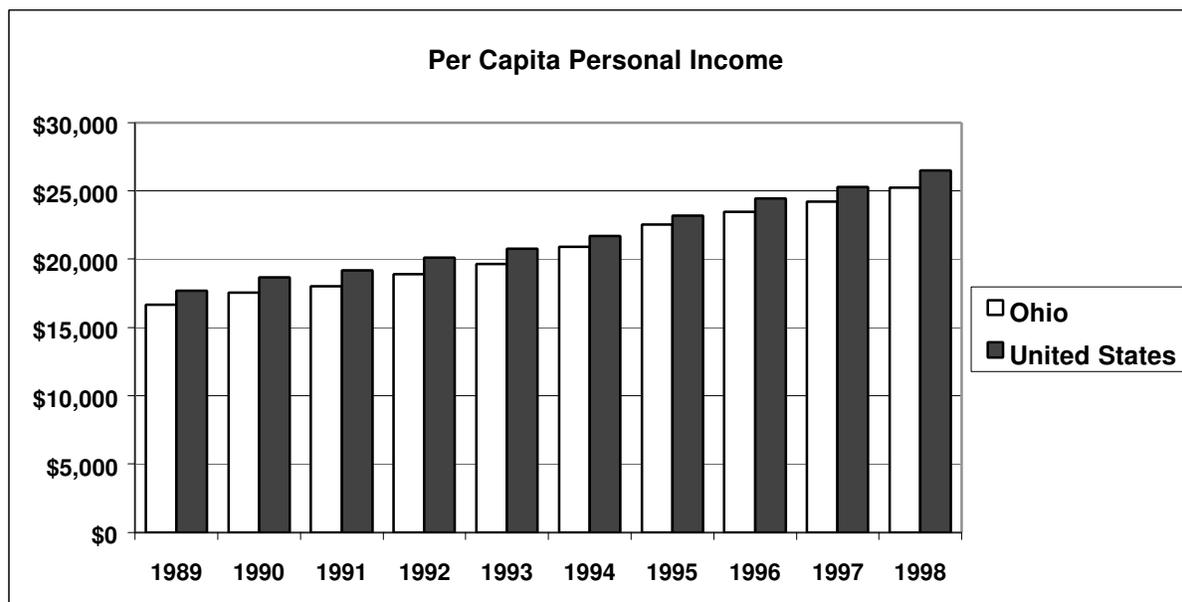
Notes:

- (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
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
1989	180,248	6.1%	16,644	17,690



Source: Survey of Current Business, 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	
1998	\$53,928	19.1%	\$51,987	18.4%	\$26,041	9.2%	\$33,276	11.8%	\$282,920
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%	
1989	39,989	21.6%	30,690	17.0%	17,010	9.4%	20,355	11.3%	

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	
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%	
1996	10,134	3.9%	10,509	4.0%	11,525	4.4%	79,234	30.2%	
1995	9,433	3.8%	10,317	4.1%	10,409	4.1%	74,101	29.5%	
1994	8,588	3.7%	9,365	4.0%	9,678	4.2%	65,989	28.4%	
1993	7,733	3.5%	8,727	4.0%	9,270	4.3%	62,422	28.7%	
1992	7,074	3.4%	8,390	4.0%	8,697	4.2%	59,982	28.8%	
1991	6,896	3.5%	7,996	4.0%	7,856	4.0%	57,700	29.3%	
1990	7,188	3.8%	7,921	4.2%	6,758	3.5%	56,260	29.5%	
1989	6,919	3.8%	7,622	4.2%	6,822	3.8%	51,790	28.7%	

Source: Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

Notes:

- (a) Primarily includes investment and rental income.
- (b) For calendar year 1989, revised personal income figures by industry were not available from the U.S. Department of Commerce. Therefore, the total personal income figures presented in Table 8 for these years do not agree with the total revised personal income figures presented on Table 7, page 210.

STATE OF OHIO

POPULATION BY AGE GROUP OHIO COMPARED TO THE UNITED STATES (in thousands)

OHIO

Age Group	1990 Actual	Percent	1998 Estimated ^(a)	Percent
Under 5 years	797	7.3%	742	6.6%
5 through 19 years	2,356	21.7	2,430	21.7
20 through 44 years	4,204	38.8	4,115	36.7
45 through 64 years	2,088	19.3	2,422	21.6
65 years and over	1,402	12.9	1,501	13.4
	10,847	100.0%	11,210	100.0%

UNITED STATES

Age Group	1990 Actual	Percent	1998 Estimated ^(a)	Percent
Under 5 years	18,763	7.5%	18,966	7.0%
5 through 19 years	52,995	21.3	58,702	21.7
20 through 44 years	99,750	40.1	100,969	37.4
45 through 64 years	46,175	18.6	57,261	21.2
65 years and over	31,082	12.5	34,401	12.7
	248,765	100.0%	270,299	100.0%

OHIO'S TOTAL POPULATION AS A PERCENTAGE OF U.S. TOTAL POPULATION

1990 Actual			1998 Estimated ^(a)		
Ohio	U.S.	Percent	Ohio	U.S.	Percent
10,847	248,765	4.4%	11,210	270,299	4.1%

Source: Current Population Reports — U.S. Bureau of Census

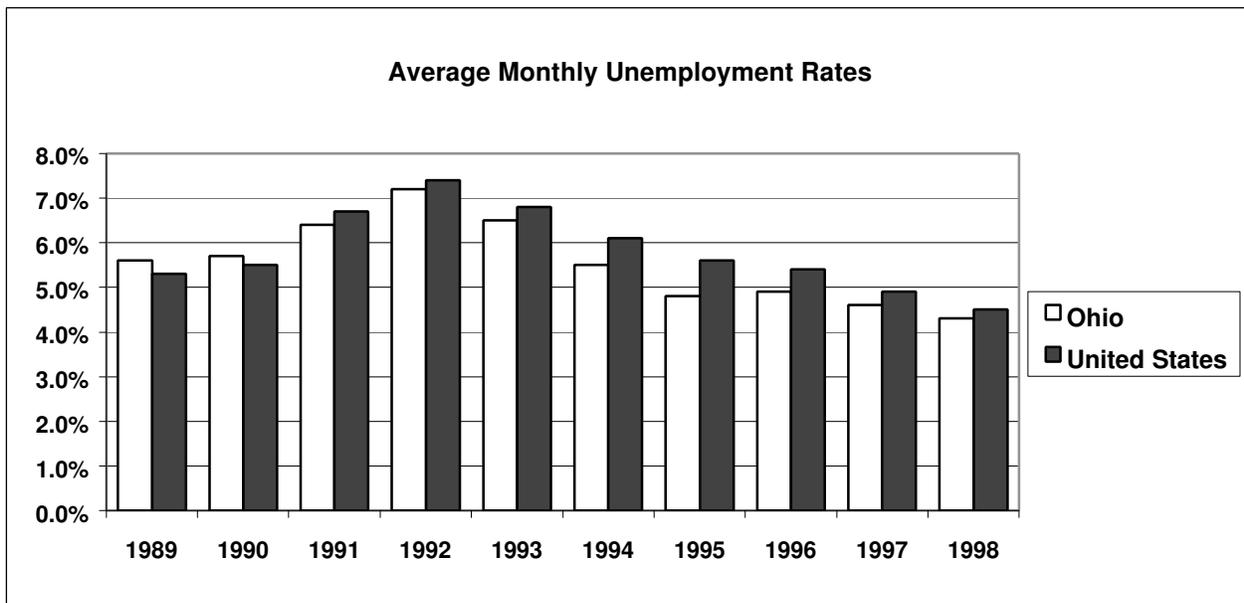
Notes:

(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
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%
1989	5.6%	5.3%



Source: Ohio Bureau of Employment Services

STATE OF OHIO

LIST OF MAJOR CORPORATIONS WITH HEADQUARTERS IN OHIO

American Electric Power (Columbus)	Limited (Columbus)
American Financial Group (Cincinnati)	Mead Corporation (Dayton)
B.F. Goodrich (Richfield)	NCR (Dayton)
Cardinal Health (Dublin)	National City Corporation (Cleveland)
Cinergy (Cincinnati)	Nationwide Insurance Enterprise (Columbus)
Consolidated Stores (Columbus)	OfficeMax (Shaker Heights)
Dana Corporation (Toledo)	Owens-Corning Corporation (Toledo)
Eaton Corporation (Cleveland)	Owens-Illinois Incorporated (Toledo)
Federated Department Stores (Cincinnati)	Parker-Hannifin Corporation (Cleveland)
Firstenergy (Akron)	Procter & Gamble Company (Cincinnati)
Goodyear Tire (Akron)	Progressive (Mayfield Village)
KeyCorp (Cleveland)	Sherwin-Williams Company (Cleveland)
Kroger (Cincinnati)	TRW Incorporated (Cleveland)
LTV Corporation (Cleveland)	

Source: The Fortune 500 Listing, *Fortune Magazine*, April 26, 1999

STATE OF OHIO

TOTAL GROSS STATE PRODUCT FOR CALENDAR YEARS 1988 THROUGH 1997^(a) *(dollars in millions)*

Calendar Year	Total Gross State Product	Percent Change
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%
1988	204,870	6.47%



Source: Survey of Current Business

Notes:

(a) At writing, 1997 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>
1998	\$14,617 ^(a)	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
1989	10,338	41,228	3,079,962

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 1998 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)*

<u>Calendar Year</u>	<u>Assessed Value^(a)</u>	<u>Market Value</u>
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
1989	86,466,335	247,046,671

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	112 ^(a)
Number of State Employees	62,906
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	295,377.55 acres
Area of State Forest Lands	183,498.52 acres

EDUCATION:

Number of State-Assisted Higher Education Institutions	38
1998-99 Student Enrollment at State-Assisted Higher Education Institutions	420,458
Number of Public School Districts	612
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.