Ohio Office of Budget
and Management

State of Ohio
George V. Voinovich
Governor

OHIO

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 1997
ACKNOWLEDGMENTS

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

FOR THE FISCAL YEAR ENDED JUNE 30, 1997

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Timothy I. Murphy
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Prepared by Division of State Accounting
# STATE OF OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 1997

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November 21, 1997

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, 1997. 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 of the Ohio Revised Code, which requires that an official financial report of the State be issued annually. The report includes General Purpose Financial Statements, which provide an overview of the State’s financial position and the results of financial operations by fund type.

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

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

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

FINANCIAL PRESENTATION

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

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

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

**Fiduciary fund types** include trust funds, which account for assets held by the primary government in a trustee capacity, and agency funds, which account for assets held by the primary government as an agent for individuals, private organizations, other governments, and/or other funds.
The reporting format for our CAFR is significantly different from the way the State more typically presents its finances on a non-GAAP budgetary basis. The most obvious difference is that the “General Fund” in the CAFR includes more than just the State’s General Revenue Fund. The General Fund also includes other funds such as the reimbursement-supported funds used for activities administered by State agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate. Furthermore, the majority of budgetary expenditures reported in the General Revenue Fund for the support of higher education have been reclassified on a GAAP basis to “operating transfers to component units,” as required by the reporting requirements of GASB Statement No. 14.

INDEPENDENT AUDIT RESULTS
The General Purpose Financial Statements have been audited by the Office of the Auditor of State, Jim Petro. The outcome of the audit conducted by the Auditor of State, in accordance with generally accepted auditing standards, was an unqualified auditors’ report. Such an 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 controls.

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 subsequent departmental obligation and expenditure activity to ensure that 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 and pension 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 1997, 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.

For fiscal year 1997, investment earnings on the State’s cash and investments pool managed by the Treasurer of State, including the portion dedicated to the Ohio Lottery Commission, totaled approximately $556.0 million compared with $466.1 million (as restated) in fiscal year 1996, a 19.3 percent increase. This increase is due to greater cash resources available for investment during fiscal year 1997.

Quarterly, the Office of Budget and Management allocates the interest income earned on the undedicated portion of 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.

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, 1997, and the amount and percentage increases and decreases in relation to prior-year’s revenues (in thousands).

<table>
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<tr>
<th>Revenues</th>
<th>FY 1997 Amount</th>
<th>Percent of Total</th>
<th>Increase (Decrease) from FY 1996</th>
<th>Percentage Increase/(Decrease) from FY 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>$ 5,879,016</td>
<td>22.9%</td>
<td>$(11,571)</td>
<td>(0.2)%</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>5,282,460</td>
<td>20.5%</td>
<td>259,436</td>
<td>5.2%</td>
</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>1,897,439</td>
<td>7.4%</td>
<td>66,139</td>
<td>3.6%</td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>1,351,476</td>
<td>5.2%</td>
<td>19,182</td>
<td>1.4%</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>872,869</td>
<td>3.3%</td>
<td>30,181</td>
<td>3.6%</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>849,279</td>
<td>3.3%</td>
<td>43,674</td>
<td>5.4%</td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>79,051</td>
<td>3%</td>
<td>$(27,466)</td>
<td>(25.8)%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>8,454,831</td>
<td>32.9%</td>
<td>18,940</td>
<td>.2%</td>
</tr>
<tr>
<td>Other (including Investment Income)</td>
<td>1,079,581</td>
<td>4.2%</td>
<td>425,124</td>
<td>65.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$25,726,002</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$823,639</strong></td>
<td><strong>3.3%</strong></td>
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Significant increases and decreases reported for the State’s major revenue sources are explained as follows:

- Sales tax revenues rose more than $259.4 million or 5.2 percent because of increases in consumer spending and growth in Ohio’s retail sales.

- The $27.5 million or 25.8 percent decrease in sales, services and charges results primarily from the reclassification of revenues reported for the Auditor of State’s Office from the General Fund in fiscal year 1996 to the Enterprise Fund in 1997.

- Other revenue increased significantly by $425.1 million or 65 percent. The increase primarily resulted from increased collections of hospital assessments, which fund, in part, the Ohio Department of Human Services’ Hospital Care Assurance Program, and the implementation of
GASB Statement No. 28 *Accounting and Financial Reporting for Securities Lending Transactions*. Specifically, the hospital assessments, which along with federal moneys provide financial relief to Ohio hospitals for the delivery of uncompensated services, increased by $224.6 million, and investment income was adjusted upward by $169.7 million for the recognition of earnings from securities lending transactions.

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 1997, and the amount and percentage increases and decreases in relation to prior-year’s expenditures are shown below for the functions of general government (in thousands).

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 1997 Amount</th>
<th>Percent of Total</th>
<th>Increase (Decrease) from FY 1996</th>
<th>Percentage Increase(Decrease) from FY 1996</th>
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<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Primary, Secondary and Other Education</td>
<td>$ 5,449,086</td>
<td>21.2%</td>
<td>$ 197,281</td>
<td>3.8%</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td>422,482</td>
<td>1.6</td>
<td>(991)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
<td>8,367,021</td>
<td>32.5</td>
<td>430,443</td>
<td>5.4</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>2,328,762</td>
<td>9.1</td>
<td>(4,821)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Justice and Public Protection</td>
<td>1,761,521</td>
<td>6.9</td>
<td>173,495</td>
<td>10.9</td>
</tr>
<tr>
<td>Environmental Protection and Natural Resources</td>
<td>299,607</td>
<td>1.2</td>
<td>12,620</td>
<td>4.4</td>
</tr>
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<td>Transportation</td>
<td>1,465,258</td>
<td>5.7</td>
<td>146,138</td>
<td>11.1</td>
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<tr>
<td>General Government</td>
<td>528,592</td>
<td>2.1</td>
<td>156,596</td>
<td>42.1</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>344,950</td>
<td>1.3</td>
<td>21,673</td>
<td>6.7</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>2,570,501</td>
<td>10.0</td>
<td>103,364</td>
<td>4.2</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>1,138,286</td>
<td>4.4</td>
<td>253,830</td>
<td>28.7</td>
</tr>
<tr>
<td>Debt Service</td>
<td>1,033,948</td>
<td>4.0</td>
<td>124,814</td>
<td>13.7</td>
</tr>
<tr>
<td>Total</td>
<td>$25,710,014</td>
<td>100.0%</td>
<td>$1,614,442</td>
<td>6.7</td>
</tr>
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</table>

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

- Public assistance and Medicaid expenditures increased by $430.4 million or 5.4 percent. The increase primarily resulted from spending increases for the Hospital Care Assurance Program, which is described above.

- Increased spending for operations at the Department of Rehabilitation and Correction and the Department of Youth Services accounts for most of the $173.5 million or 10.9 percent increase in justice and public protection expenditures.

- Transportation expenditures during fiscal year 1997 were higher by $146.1 million or 11.1 percent over last year’s due to more spending on highway projects.

- General government expenditures rose by $156.6 million or 42.1 percent. The increase primarily resulted from the implementation of GASB Statement No. 28 when borrower rebates and agent fees from securities lending transactions were recognized as expenditures for the first time.

- Capital outlay expenditures grew by $253.8 million or 28.7 percent primarily because of increased spending for the SchoolNet Plus Program, which provides state funding to facilitate the installation and use of networking technology in Ohio’s public schools. Also, the Higher Education Improvements and Highway Safety Building Improvements capital projects funds experienced higher spending in fiscal year 1997.

- Debt service expenditures grew $124.8 million or 13.7 percent primarily because of higher principal and interest payment requirements during 1997 on bonds issued by the Ohio Public Facilities Commission and Ohio Building Authority.

An additional analysis of revenues and expenditures for all governmental funds reported for fiscal year 1997 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 (in thousands):

<table>
<thead>
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<th></th>
<th>Balance as of June 30, 1997</th>
<th>Increase (Decrease) from FY 1996</th>
<th>Percentage Increase/(Decrease) from FY 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unreserved/Undesignated Fund Balance</td>
<td>$195,450</td>
<td>$(105,583)</td>
<td>(35.1)%</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$2,320,267</td>
<td>$140,061</td>
<td>6.4</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$17,014,438</td>
<td>$331,705</td>
<td>2.0</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$14,744,909</td>
<td>$673,115</td>
<td>4.8</td>
</tr>
</tbody>
</table>

The 6.4 percent increase in the General Fund’s total fund balance primarily resulted from lower-than-budgeted spending and higher-than-expected revenue. The General Fund’s unreserved/undesignated fund balance decreased by 35.1 percent due mainly to increased year-end reserves and designations. As of June 30, 1997, the State’s primary government designated $685.9 million for the purposes described in NOTE 20 and reserved close to $1.44 billion in fund balance for a total designated and reserved fund balance of $2.12 billion for the General Fund. This is compared to a total designated and reserved fund balance of approximately $1.88 billion, as of June 30, 1996.

PROPRIETARY AND FIDUCIARY FUNDS
The State’s enterprise funds reported retained earnings of $5.19 billion, as of June 30, 1997, as compared to $3.52 billion in retained earnings (as restated), as of June 30, 1996. These results were caused primarily by the Workers’ Compensation Enterprise Fund, which reported a retained earnings balance of $4.90 billion, as of June 30, 1997, as compared to a $3.26 billion retained earnings balance (as restated), as of June 30, 1996, a 50.1 percent improvement. Operating revenues for the enterprise funds increased to $7.23 billion in fiscal year 1997 from $6.33 billion (as restated) in fiscal year 1996; operating expenses increased to $4.76 billion in fiscal year 1997 from $3.90 billion (as restated) in fiscal year 1996. The improvement was primarily due to the Workers’ Compensation Enterprise Fund’s early implementation in fiscal year 1997 of Governmental Accounting Standards Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, the effect of which increased investment income by $2.0 billion for the net appreciation in the fair value of investments.

The State’s internal service funds reported retained earnings of approximately $115.9 million, as of June 30, 1997, as compared to $115.3 million, as of June 30, 1996, a .5 percent increase. Operating revenues for the internal service funds decreased to $288.4 million in fiscal year 1997 from $297.9 million in fiscal year 1996 while operating expenses increased to $293.8 million in fiscal year 1997 from $285.8 million in fiscal year 1996.

The fund balance of the expendable trust funds grew approximately 8.1 percent to $2.27 billion, as of June 30, 1997, from $2.10 billion, as of June 30, 1996. Revenues for the expendable trust funds dropped to $970.9 million in fiscal year 1997 from $1.13 billion in fiscal year 1996; expenditures decreased to $801.5 million in fiscal year 1997 from $806.0 million in fiscal year 1996.

The fund balance of the pension trust fund was approximately $512.1 million, as of June 30, 1997, as compared to $447.7 million, as of June 30, 1996, a 14.4 percent increase. Total additions to plan net assets for the pension trust fund decreased to $83.6 million in fiscal year 1997 from $103.4 million in fiscal year 1996, while total deductions to plan net assets increased to $19.2 million in fiscal year 1997 from $17.7 million in fiscal year 1996.

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 Aa3. S&P and Fitch generally rate unenhanced debt of the two state authorities as AA-.
As of June 30, 1997, the State’s primary government reported a total of $7.5 billion in outstanding liabilities in its General Long-Term Obligations Account Group as follows (in thousands):

<table>
<thead>
<tr>
<th>Type of Obligation</th>
<th>Outstanding Balance</th>
<th>Percentage Increase/(Decrease) Since June 30, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation Bonds</td>
<td>$1,598,596</td>
<td>22.5%</td>
</tr>
<tr>
<td>Revenue Bonds and Notes</td>
<td>171,595</td>
<td>154.3</td>
</tr>
<tr>
<td>Special Obligation Bonds</td>
<td>4,664,837</td>
<td>4.9</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>26,630</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Other General Long-Term Obligations</td>
<td>1,010,267</td>
<td>(1.7)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,471,925</strong></td>
<td><strong>8.7</strong></td>
</tr>
</tbody>
</table>

For the proprietary funds, Ohio’s primary government also reported $242.3 million (net of unamortized discounts of approximately $3.6 million) in revenue bonds, as of June 30, 1997.

RETIREMENT SYSTEMS
State employees may be eligible to participate in the Public Employees Retirement System, the State Teachers Retirement System, or the State Highway Patrol Retirement System. Further information on the State’s participation in the retirement systems can be found in NOTE 9 to the financial statements.

RISK MANAGEMENT
As discussed in NOTE 1P. to the financial statements, the State’s primary government retains risks 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 continues to grow at a moderate and steady pace with low inflation. The recovery that began in the Spring of 1991 is soon approaching the seven-year mark, well in excess of the post-war average expansion of four years. The risk of a downturn in the economy increases as the expansion becomes more mature. Furthermore, the turmoil in the Asian currency markets and the volatility of the U.S. financial markets could undermine consumer euphoria, which could lead to a slowdown in economic growth.

The consensus forecast for the fiscal year 1998 and fiscal year 1999 budget cycle calls for economic growth to continue at the long-term trend rate of 2.0 to 2.5 percent. The picture emerging from the most recent reports reveals an economy that is likely to grow more rapidly in 1997 and then retreat in 1998 and 1999. The incoming data show continued growth near 3.0 percent during the third quarter of 1997, slightly below the second quarter pace of 3.3 percent. The second half of 1997 is likely to experience slower growth than the first half, but the year as a whole will average a fairly robust 3.0 percent growth.

Inflation has remained low despite strong economic growth and a low unemployment rate. The combination of strong growth and low inflation is unusual. Historically, strong economic growth leads to higher inflation which leads to higher interest rates. The moderation of inflation in recent years was, in large part, due to the slowdown in the growth of fringe benefit costs. Wage gains are the main concern, but so far the employment cost index has not been robust enough to cause an increase in general inflation. In addition, the low inflation rate in the U.S. may be attributed to the weak economies of foreign countries which engage in trade with the U.S. In the new global economy of the 90’s, inflation may be determined by world economic growth, instead of U.S. growth. The consensus view expects inflation to remain under control during the forecast period, with the Consumer Price Index increasing in the range of 2.5 to 3.0 percent per year, as the economy grows moderately.

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 higher than
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 $862.7 million.

MAJOR INITIATIVES AND PROJECTS

School Funding Reform
As discussed in NOTE 23A., the State has been involved in litigation, similar to that in other states, questioning the constitutionality of Ohio’s system of school funding. The Ohio Supreme Court concluded in a decision released March 24, 1997 that major aspects of the system (including basic operating assistance and state loans) are unconstitutional. It ordered the State to provide for and fund sufficiently a system complying with the Ohio Constitution, staying its order for a year to permit time for responsive corrective actions by the Ohio General Assembly. The State’s management is working with the General Assembly to devise an acceptable funding formula for Ohio schools.

Tax Policy Changes
The State has made significant changes in tax policy that will begin to take effect in tax year 1997. The personal income tax is being reduced through increases in the personal exemption. The exemption for a taxpayer and spouse will increase from $750 in 1996 to $850 in 1997 and $950 in 1998. The exemption for dependents will increase from $850 in 1996 to $1,050 in 1997. These changes, combined with further reductions in taxes through an increase in the dependent care credit, will result in savings to Ohio income taxpayers of about $200 million.

Additionally, the income tax is being further reduced by the introduction of an Income Tax Reduction Fund. This fund was first established in June 1996 and was used to refund Ohio income taxpayers $400 million in tax year 1996 by way of a 6.61 percent reduction of the income tax rate that was the result of better economic performance and reduced spending due to good fiscal management during the previous fiscal year. In the new 1998-1999 budget, House Bill 215, the Governor proposed and the legislature approved the permanent establishment of the Income Tax Reduction Fund. This will allow for the possibility of future income tax rate reductions due to budgetary surpluses less certain set-asides. The tax year 1997 reduction, based on the ending surplus of fiscal year 1997, will be 3.99 percent, which amounts to a savings of $262.9 million to income taxpayers.

The 1998-1999 budget bill also incorporates changes to the Corporate Franchise tax, the Insurance tax, and the Financial Institutions tax. The net effect of these changes is to reduce tax rates, reduce burdensome record keeping, close loopholes, address tax inequities, and generally provide a more equitable, balanced, and competitive tax structure.

Welfare Reform
Ohio continues to be a leader in the nation in the area of welfare reform. The Ohio Works First Act, which was enacted on July 2, 1997, and the related portions of the 1998-99 budget bill build upon the past success of the 1995 welfare reform bill. Ohio is creating a new system that takes full advantage of the flexibility granted by the federal government in the Personal Responsibility and Work Opportunity Reconciliation Act and the accompanying Temporary Assistance for Needy Families (TANF) Block Grant.

The Ohio Works First Act addresses, in a comprehensive manner, issues of benefit changes, service delivery, accountability and fiscal management, technology infrastructure, and the state/county governance partnership. The major provisions of the Ohio Works First Act address the following.

- The creation of a partnership agreement between the Ohio Department of Human Services and each Board of County Commissioners that allows counties to receive greater funding flexibility and the opportunity to receive financial incentives based on performance measures, including work activity participation rates and reduction of out-of-wedlock pregnancy rates.
• A requirement for clients to participate in work activities for 30 or 35 hours a week to teach clients self-sufficiency and to meet new federal work participation requirements.

• The limiting of the ability to receive cash assistance to three out of five years with a special hardship provision allowing families up to an additional two years of assistance after they have been off the program for at least two years. The application process will also be simplified and will no longer involve resource limits.

• The enablement of counties to use TANF funds for services that prevent families from needing to enroll in the cash assistance program. Such assistance could include funds for car repairs and other emergency types of services.

Central Accounting System
The State Accounting Division of the Office of Budget and Management is upgrading the State’s Central Accounting System (CAS). The project, known as CAS Plus, will initially be implemented in the Ohio Department of Human Services to meet its specific needs, but is scaleable to support multi-agency and statewide use. The upgrade will feature a Graphical Interface System that will allow personal computers to communicate more easily with the State’s existing mainframe system as well as improve functionality in agency budgeting, automated workflow, and accounts receivable tracking.

CERTIFICATE OF ACHIEVEMENT

In order 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 seven years (fiscal years 1990-1996). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

In addition, 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. In order 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.

ADDITIONAL INFORMATION

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,

R. GREGORY BROWNING,
Director
GAAP Basis Revenues for All General Governmental Fund Types
Fiscal Year 1997
(in millions)

GAAP Basis Expenditures for All General Governmental Fund Types
Fiscal Year 1997
(in millions)

* In the governmental funds, budgetary expenditures for Higher Education Support totaling $1.41 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 22 and 23.
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, 1996

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.

Lisa M. Savitsky
President

Jeffrey D. Evans
Executive Director
STATE OF OHIO
OFFICIALS

EXECUTIVE

George V. Voinovich
Governor

Nancy Hollister
Lieutenant Governor

Betty D. Montgomery
Attorney General

Jim Petro
Auditor of State

J. Kenneth Blackwell
Treasurer of State

Bob Taft
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
FINANCIAL SECTION
Independent Accountants' Report

The Honorable George V. Voinovich, 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, 1997, 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:

Ohio Housing Finance Agency
Capitol Square Review and Advisory Board
Office of the Auditor of State
Office of Financial Incentives
Ohio Bureau of Workers' Compensation
and Industrial Commission of Ohio

Also, we did not audit the following component units:

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

Discretely Presented
Ohio Water Development Authority
Bowling Green State University
Cleveland State University
Youngstown State University
Medical College of Ohio at Toledo

University of Akron
Miami University
Kent State University
Wright State University
Ohio State University
Ohio University
University of Cincinnati
University of Toledo

In addition, we did not audit the financial statements of the Public Employees Retirement System and the Police and Firemen's Disability and Pension Fund System, whose assets are held by the Treasurer of State and are included as part of the State's agency fund type. These financial statements reflect the following percent of total assets or liabilities and revenues or additions of the indicated fund types, account groups, and discretely presented component units:

<table>
<thead>
<tr>
<th>Percent of Total Assets/(Liabilities)</th>
<th>Percent of Total Revenues/Additions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Revenue Fund Type</td>
<td>11%</td>
</tr>
<tr>
<td>Debt Service Fund Type</td>
<td>50%</td>
</tr>
<tr>
<td>Capital Projects Fund Type</td>
<td>1%</td>
</tr>
<tr>
<td>Enterprise Fund Type</td>
<td>89%</td>
</tr>
<tr>
<td>Internal Service Fund Type</td>
<td>33%</td>
</tr>
<tr>
<td>Trust and Agency Fund Type</td>
<td>46%</td>
</tr>
<tr>
<td>General Fixed Assets Account Group</td>
<td>10%</td>
</tr>
<tr>
<td>General Long-Term Obligations Account Group</td>
<td>(68%)</td>
</tr>
<tr>
<td>Discretely Presented Component Units</td>
<td>96%</td>
</tr>
</tbody>
</table>
The Honorable George V. Voinovich, Governor

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

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

In our opinion, based on our audit and reports of other auditors, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Ohio at June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types, nonexpendable trust funds and discretely presented component units for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 4 to the general-purpose financial statements, the State of Ohio has implemented Statement 28 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Securities Lending Transactions for the fiscal year ended June 30, 1997; and in Note 2 the Bureau of Workers’ Compensation has early implemented Statement 31 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Certain Investments and for External Investment Pools for the fiscal year ended June 30, 1997.

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.

November 14, 1997
## STATE OF OHIO

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

**JUNE 30, 1997**

(amounts expressed in thousands)

### GOVERNMENTAL FUND TYPES

<table>
<thead>
<tr>
<th>ASSETS AND OTHER DEBITS</th>
<th>GENERAL</th>
<th>SPECIAL REVENUE</th>
<th>DEBT SERVICE</th>
<th>CAPITAL PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$2,566,298</td>
<td>$2,232,467</td>
<td>$108,464</td>
<td>$746,458</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>11,889</td>
<td>15,491</td>
<td>1,220</td>
<td>—</td>
</tr>
<tr>
<td>Investments</td>
<td>83,887</td>
<td>176,180</td>
<td>7,337</td>
<td>—</td>
</tr>
<tr>
<td>Collateral on Lents Securities</td>
<td>1,519,883</td>
<td>1,317,125</td>
<td>63,990</td>
<td>440,382</td>
</tr>
<tr>
<td>Deposit with Federal Government</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Receivables:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Taxes</td>
<td>787,434</td>
<td>190,463</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>433,449</td>
<td>350,926</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Premiums and Assessments</td>
<td>9,939</td>
<td>398,384</td>
<td>6,244</td>
<td>109,664</td>
</tr>
<tr>
<td>Loans, Net</td>
<td>21,690</td>
<td>35,200</td>
<td>1,037</td>
<td>2,543</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>13,359</td>
<td>27,737</td>
<td>1,242</td>
<td>1,770</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,807</td>
<td>33,873</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>257,644</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amount Available in Debt Service Fund</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total Assets and Other Debts</td>
<td>$5,367,584</td>
<td>$4,952,804</td>
<td>$359,057</td>
<td>$1,308,154</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, FUND EQUITY AND OTHER CREDITS</th>
<th>GENERAL</th>
<th>SPECIAL REVENUE</th>
<th>DEBT SERVICE</th>
<th>CAPITAL PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$74,144</td>
<td>$262,073</td>
<td>—</td>
<td>$77,830</td>
</tr>
<tr>
<td>Medicaid Claims Payable</td>
<td>475,780</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>104,594</td>
<td>59,797</td>
<td>940</td>
<td>39</td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>1,519,883</td>
<td>1,317,125</td>
<td>63,990</td>
<td>440,382</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>231,624</td>
<td>371,239</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>35,913</td>
<td>11,120</td>
<td>—</td>
<td>1,143</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td>64,590</td>
<td>317,288</td>
<td>1,500</td>
<td>—</td>
</tr>
<tr>
<td>Workers' Compensation Benefits Payable</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>540,589</td>
<td>71,772</td>
<td>1,632</td>
<td>—</td>
</tr>
<tr>
<td>Liability for Escheat Property</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Liability for Deferred Compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Liabilities Payable from Restricted Assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Advances from Other Funds</td>
<td>—</td>
<td>85,076</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>General Obligation Bonds</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Revenue Bonds and Notes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Special Obligation Bonds</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other General Long-Term Obligations</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$3,047,317</td>
<td>$2,495,490</td>
<td>68,062</td>
<td>519,394</td>
</tr>
<tr>
<td>Fund Equity and Other Credits:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Investment in General Fixed Assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Contributed Capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Retained Earnings:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reserved</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Unreserved</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fund Balances:</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Debt Service</td>
<td>—</td>
<td>—</td>
<td>284,153</td>
<td>—</td>
</tr>
<tr>
<td>Budget Stabilization</td>
<td>454,423</td>
<td>2,051,215</td>
<td>—</td>
<td>769,505</td>
</tr>
<tr>
<td>Noncurrent Portion of Loans Receivable</td>
<td>828,307</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Pension and Other Postemployment Benefits</td>
<td>—</td>
<td>303,124</td>
<td>6,224</td>
<td>108,554</td>
</tr>
<tr>
<td>Unemployment Benefits</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restricted Fund Balances</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>146,394</td>
<td>173,383</td>
<td>—</td>
<td>40,243</td>
</tr>
<tr>
<td>Unreserved/Designated</td>
<td>685,900</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Unreserved/Undesignated (Deficits)</td>
<td>195,450</td>
<td>(70,408)</td>
<td>618</td>
<td>(129,542)</td>
</tr>
<tr>
<td>Total Fund Equity and Other Credits</td>
<td>$2,320,267</td>
<td>$2,457,314</td>
<td>290,995</td>
<td>788,760</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS**

$5,367,584 $4,952,804 $359,057 $1,308,154

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>PROPRIETARY FUND TYPES</th>
<th>FIDUCIARY FUND TYPES</th>
<th>ACCOUNT GROUPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENTERPRISE</td>
<td>INTERNAL SERVICE</td>
<td>TRUST AND AGENCY</td>
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<tr>
<td>$154,621</td>
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<tr>
<td>$1,552</td>
<td>$47,804</td>
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<td>$16,633,909</td>
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<td>$88,203,669</td>
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<tr>
<td>$4,024,254</td>
<td>$29,646</td>
<td>$1,054,786</td>
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<tr>
<td>$1,031,443</td>
<td>$19,171</td>
<td>$5,047,383</td>
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<td>$359,041</td>
<td>$45,745</td>
<td>$24,633</td>
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<td>$1,178</td>
<td>$38,219</td>
<td>$5,208</td>
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<td>$22,948</td>
<td>$22,155</td>
<td>$4,450,638</td>
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<td>$18,552</td>
<td>$42,154</td>
<td>$856,020</td>
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<td>$1,001,443</td>
<td>$19,171</td>
<td>$5,047,383</td>
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<tr>
<td>$286,180</td>
<td>$30,575</td>
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<tr>
<td>$169,627</td>
<td>$395</td>
<td>$32</td>
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</table>

$27,361,038 $262,500 $92,993,155 $3,394,541 $7,471,925 $143,470,758 $14,174,356 $157,645,114

$183,074 $22,081 $428 $ | $ | $619,630 $183,886 $803,516 |
| $46,232 | $10,855 | $290 | $ | $475,780 | $475,780 | $ |
| $4,024,254 | $29,646 | $1,054,786 | $ | $ | $8,450,066 | $8,450,066 |
| $350 | $3,701,875 | $ | $ | $4,305,288 | $309 | $4,305,288 |

$27,361,038 $262,500 $92,993,155 $3,394,541 $7,471,925 $143,470,758 $14,174,356 $157,645,114
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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>GOVERNMENTAL FUND TYPES</th>
<th>GENERAL</th>
<th>SPECIAL REVENUE</th>
<th>DEBT SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
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<td>Income Taxes</td>
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<td>Sales Taxes</td>
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<td>Corporate and Public Utility Taxes</td>
<td>1,794,592</td>
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<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>—</td>
<td>1,290,215</td>
<td>61,261</td>
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<td>Unemployment Taxes</td>
<td>828,290</td>
<td>44,579</td>
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<td>87,511</td>
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<td>43,536</td>
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<tr>
<td>Licenses, Permits and Fees</td>
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<td>37,020</td>
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<td>4,890,942</td>
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<td>277,337</td>
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<td>20,536</td>
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<td>Other</td>
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<td>TOTAL REVENUES</td>
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<td>CURRENT:</td>
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<td>—</td>
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<td>TOTAL EXPENDITURES</td>
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<td>$9,053,365</td>
<td>$1,033,420</td>
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<tr>
<td>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</td>
<td>$2,269,529</td>
<td>($499,054)</td>
<td>($906,288)</td>
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<td>OTHER FINANCING SOURCES (USES):</td>
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<td></td>
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<tr>
<td>Bond Proceeds</td>
<td>—</td>
<td>170,219</td>
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<tr>
<td>Refunding Bond Proceeds</td>
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<td>342,661</td>
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<tr>
<td>Payment to Refunded Bond Escrow Agents</td>
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<td>—</td>
<td>(341,716)</td>
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<td>Capital Leases</td>
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<td>2,863</td>
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<tr>
<td>Operating Transfers-in</td>
<td>142,605</td>
<td>1,710,704</td>
<td>807,992</td>
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<tr>
<td>Operating Transfers-out</td>
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<td>(951,022)</td>
<td>(33,942)</td>
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<tr>
<td>Operating Transfers to Component Units</td>
<td>(1,410,667)</td>
<td>—</td>
<td>$—</td>
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<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>(2,114,749)</td>
<td>932,764</td>
<td>774,995</td>
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</table>

EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES
154,780 433,710 (131,293)

FUND BALANCES, JULY 1 (as restated) 2,167,739 2,020,366 422,288
Increase (Decrease) for Changes in Inventories (2,252) 3,238 $—
Residual Equity Transfers-out — — —
FUND BALANCES, JUNE 30 $2,320,267 $2,457,314 $290,995

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>FIDUCIARY FUND TYPE</th>
<th>TOTAL (memorandum only)</th>
</tr>
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<tbody>
<tr>
<td>CAPITAL PROJECTS</td>
<td>EXPENDABLE TRUST</td>
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<tr>
<td>—</td>
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<td>—</td>
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<td>—</td>
<td>—</td>
</tr>
<tr>
<td>$5,879,016</td>
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<tr>
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<td>79,051</td>
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<td>847,986</td>
<td>79,051</td>
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<tr>
<td>835</td>
<td>13,155</td>
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<tr>
<td>169,412</td>
<td>710,517</td>
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<td>3,104</td>
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<td>130,325</td>
<td>835</td>
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<tr>
<td>710,517</td>
<td>835</td>
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<td>1,033,948</td>
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<td><strong>878,320</strong></td>
<td><strong>801,478</strong></td>
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<td><strong>26,511,492</strong></td>
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<tr>
<td><strong>(848,199)</strong></td>
<td><strong>169,412</strong></td>
</tr>
<tr>
<td></td>
<td><strong>185,400</strong></td>
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<tr>
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<td>1,296,255</td>
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<tr>
<td>—</td>
<td>342,661</td>
</tr>
<tr>
<td>—</td>
<td>(341,716)</td>
</tr>
<tr>
<td>3,970</td>
<td>3,970</td>
</tr>
<tr>
<td>3,008,449</td>
<td>3,008,449</td>
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<tr>
<td>(2,202,129)</td>
<td>(2,202,129)</td>
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<tr>
<td>—</td>
<td>(1,410,667)</td>
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<tr>
<td><strong>1,103,813</strong></td>
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<td>255,614</td>
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<td>—</td>
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<td>—</td>
<td>986</td>
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<tr>
<td>(5,737)</td>
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<td>(5,737)</td>
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<tr>
<td><strong>$788,760</strong></td>
<td><strong>$2,269,786</strong></td>
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<td><strong>$8,127,122</strong></td>
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STATE OF OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>GENERAL FUND</th>
<th>VARIANCE FAVORABLE (UNFAVORABLE)</th>
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<tbody>
<tr>
<td>Income Taxes</td>
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<td>$5,382,261</td>
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<tr>
<td>Sales Taxes</td>
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<td>Motor Vehicle Fuel Taxes</td>
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<td>Other Taxes</td>
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<td>828,290</td>
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<td>Sales, Services and Charges</td>
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<td>35,887</td>
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<td>Federal Government</td>
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<td>3,566,386</td>
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<td>Investment Income</td>
<td>82,230</td>
<td>109,782</td>
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<tr>
<td>Other</td>
<td>315,908</td>
<td>323,313</td>
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<td>TOTAL REVENUES</td>
<td>$17,121,026</td>
<td>$17,100,008</td>
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<table>
<thead>
<tr>
<th>BUDGETARY EXPENDITURES:</th>
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<tbody>
<tr>
<td>CURRENT:</td>
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<td></td>
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<tr>
<td>Primary, Secondary and Other Education</td>
<td>4,080,207</td>
<td>4,057,322</td>
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<td>1,747,701</td>
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<td>Public Assistance and Medicaid</td>
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<tr>
<td>Health and Human Services</td>
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<td>1,009,562</td>
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<td>Justice and Public Protection</td>
<td>1,357,975</td>
<td>1,334,870</td>
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<td>Environmental Protection and Natural Resources</td>
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<td>119,727</td>
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<tr>
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<td>38,773</td>
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<td>383,286</td>
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<td>Community and Economic Development</td>
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<td>INTERGOVERNMENTAL</td>
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<tr>
<td>CAPITAL OUTLAY</td>
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<tr>
<td>DEBT SERVICE</td>
<td>811,736</td>
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<td>TOTAL BUDGETARY EXPENDITURES</td>
<td>$17,948,321</td>
<td>$17,102,324</td>
</tr>
</tbody>
</table>

| EXCESS (DEFICIENCY) OF REVENUES               |                                              |                                  |
| OVER (UNDER) BUDGETARY EXPENDITURES           | (827,295)                                    | (2,316)                          | 824,979  |

| OTHER FINANCING SOURCES (USES):              |                                              |                                  |
| Bond Proceeds                                |                                              |                                  |          |
| Operating Transfers-in                       | 70,486                                       | 1,060,204                        | 989,718  |
| Operating Transfers-out                      | (31,838)                                     | (1,034,781)                      | (1,002,943)|
| Encumbrance Reversions                       |                                              | 86,452                           | 86,452   |
| TOTAL OTHER FINANCING SOURCES (USES)         | 38,648                                       | 111,875                          | 73,227   |

| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES | (788,647) | 109,559 | 898,206 |

| UNRESERVED, UNDESIGNATED BUDGETARY           |                                              |                                  |
| FUND BALANCES (DEFICITS), JULY 1             | 381,156                                      | 381,156                          |          |
| Decrease (Increase) in Budgetary Designations| (152,723)                                    | (152,723)                        |          |

| UNRESERVED, UNDESIGNATED BUDGETARY           |                                              |                                  |
| FUND BALANCES (DEFICITS), JUNE 30            | (560,214)                                    | 337,940                          | 898,206  |
| Budgetary Designations, June 30              | 1,625,411                                     | 1,625,411                        |          |

| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30  | $1,065,197                                    | $1,963,403                       | $898,206 |

The notes to the financial statements are an integral part of this statement.
### SPECIAL REVENUE FUNDS

#### DEBT SERVICE FUNDS

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>FAVORABLE VARIANCE</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>FAVORABLE VARIANCE</th>
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<td>$636,262</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
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<td>4,620,774</td>
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<td>6,600</td>
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<tr>
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<td>94,935</td>
<td>94,935</td>
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<tr>
<td>704,589</td>
<td>704,589</td>
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<td>—</td>
<td>—</td>
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<tr>
<td>$8,746,913</td>
<td>$8,746,913</td>
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<td>$210,472</td>
<td>$210,472</td>
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<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
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<td>1,700,708</td>
<td>1,634,619</td>
<td>66,089</td>
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<td>255,278</td>
<td>213,608</td>
<td>41,670</td>
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<tr>
<td>1,714,526</td>
<td>1,521,221</td>
<td>193,305</td>
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<td>367,779</td>
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<td>73,501</td>
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<td>1,798,943</td>
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<td>123,271</td>
<td>221,944</td>
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<tr>
<td>20,878</td>
<td>18,885</td>
<td>1,993</td>
<td>237,759</td>
<td>224,655</td>
<td>13,104</td>
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<tr>
<td>$11,156,145</td>
<td>$9,762,472</td>
<td>$1,393,673</td>
<td>$237,759</td>
<td>$224,655</td>
<td>$13,104</td>
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</table>

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
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<tbody>
<tr>
<td>(2,409,232)</td>
<td>(1,015,559)</td>
<td>$1,393,673</td>
<td>(27,287)</td>
<td>(14,183)</td>
<td>13,104</td>
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<tr>
<td>170,219</td>
<td>170,219</td>
<td>832</td>
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<td>1,894,730</td>
<td>1,894,730</td>
<td>64,838</td>
<td>64,838</td>
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<tr>
<td>(1,121,995)</td>
<td>(1,121,995)</td>
<td>(58,361)</td>
<td>(58,361)</td>
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<tr>
<td>406,491</td>
<td>406,491</td>
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</tr>
<tr>
<td>$1,349,445</td>
<td>$1,349,445</td>
<td>—</td>
<td>7,309</td>
<td>7,309</td>
<td>—</td>
</tr>
</tbody>
</table>

| $1,059,787 | $333,866 | $1,393,673 | $19,978 | (6,874) | $13,104 |

| (549,861) | 115,338 | — | — | — | — |
| (215,975) | 108,464 | — | — | — | — |

| $215,975 | $108,464 | — | — | — | — |
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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>PROPRIETARY FUND TYPES</th>
<th>TOTAL PRIMARY GOVERNMENT (memorandum only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENTERPRISE</td>
<td>INTERNAL SERVICE</td>
</tr>
</tbody>
</table>

**OPERATING REVENUES:**
- Charges for Sales and Services $2,702,860 $282,024 $2,984,884
- Premium and Assessment Income 1,605,143 — 1,605,143
- Investment Income 2,886,096 — 2,886,096
- Other 33,132 6,330 39,462

**TOTAL OPERATING REVENUES** $7,227,231 288,354 7,515,585

**OPERATING EXPENSES:**
- Costs of Sales and Services 274,891 124,829 399,720
- Administration 203,997 150,995 354,992
- Bonuses and Commissions 144,689 — 144,689
- Prizes 1,312,220 — 1,312,220
- Benefits and Claims 2,532,990 — 2,532,990
- Depreciation 21,123 10,227 31,350
- Other 274,254 7,718 281,972

**TOTAL OPERATING EXPENSES** $4,764,164 293,769 5,057,933

**OPERATING INCOME (LOSS)** $2,463,067 (5,415) 2,457,652

**NONOPERATING REVENUES (EXPENSES):**
- Investment Income 16,436 1,803 18,239
- Interest Expense — (3,396) (3,396)
- Federal Grants — — —
- Other (514) (2,580) (3,094)

**TOTAL NONOPERATING REVENUES (EXPENSES)** $15,922 (4,173) 11,749

**INCOME (LOSS) BEFORE OPERATING TRANSFERS** $2,478,989 (9,588) 2,469,401

**OPERATING TRANSFERS:**
- Operating Transfers-in 28,218 36,728 64,946
- Operating Transfers-out (844,745) (26,521) (871,266)

**TOTAL OPERATING TRANSFERS** $(816,527) 10,207 $(806,320)

**NET INCOME (LOSS)** $1,662,462 619 1,663,081

**RETAINTED EARNINGS, JULY 1 (as restated)** 3,522,970 115,280 3,638,250

**RETAINTED EARNINGS, JUNE 30** $5,185,432 $115,899 $5,301,331

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>COMPONENT UNIT</th>
<th>TOTAL REPORTING ENTITY (memorandum only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>OHIO WATER</td>
<td></td>
</tr>
<tr>
<td>DEVELOPMENT</td>
<td></td>
</tr>
<tr>
<td>AUTHORITY</td>
<td></td>
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<td></td>
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<tr>
<td>$ 97,936</td>
<td>$ 3,082,820</td>
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<tr>
<td>—</td>
<td>1,605,143</td>
</tr>
<tr>
<td>42,496</td>
<td>2,928,592</td>
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<tr>
<td>1,003</td>
<td>40,465</td>
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<td></td>
<td>141,435</td>
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<td>7,657,020</td>
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<td>74,934</td>
<td>474,654</td>
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<td>5,441</td>
<td>360,433</td>
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<td>—</td>
<td>144,689</td>
</tr>
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<td>—</td>
<td>1,312,220</td>
</tr>
<tr>
<td>—</td>
<td>2,532,990</td>
</tr>
<tr>
<td>97</td>
<td>31,447</td>
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<tr>
<td>—</td>
<td>281,972</td>
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<td></td>
<td>80,472</td>
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<td>5,138,405</td>
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<td>60,963</td>
<td>2,518,615</td>
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<td></td>
<td></td>
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<tr>
<td>—</td>
<td>18,239</td>
</tr>
<tr>
<td>—</td>
<td>(3,396)</td>
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<tr>
<td>81,864</td>
<td>81,864</td>
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<tr>
<td>3,100</td>
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<td></td>
<td>84,964</td>
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<td>96,713</td>
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<td>145,927</td>
<td>2,615,328</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>—</td>
<td>64,946</td>
</tr>
<tr>
<td>—</td>
<td>(871,266)</td>
</tr>
<tr>
<td>—</td>
<td>(806,320)</td>
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<tr>
<td>145,927</td>
<td>1,809,008</td>
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<td>909,833</td>
<td>4,548,083</td>
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<tr>
<td></td>
<td></td>
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<tr>
<td>$ 1,055,760</td>
<td>$ 6,357,091</td>
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STATE OF OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES:</th>
<th>ENTERPRISE</th>
<th>INTERNAL SERVICE</th>
<th>TOTAL PRIMARY GOVERNMENT (memorandum only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)..................</td>
<td>$ 2,463,067</td>
<td>$ (5,415)</td>
<td>$ 2,457,652</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income ................................</td>
<td>(2,885,746)</td>
<td>—</td>
<td>(2,885,746)</td>
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<tr>
<td>Depreciation ...............................</td>
<td>21,123</td>
<td>10,227</td>
<td>31,350</td>
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<tr>
<td>Provision for Uncollectible Accounts ...................................</td>
<td>86,563</td>
<td>—</td>
<td>86,563</td>
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<tr>
<td>Amortization of Premiums and Discounts ................................</td>
<td>99,632</td>
<td>—</td>
<td>99,632</td>
</tr>
<tr>
<td>Interest on Bonds, Notes and Capital Leases ................................</td>
<td>9,807</td>
<td>—</td>
<td>9,807</td>
</tr>
<tr>
<td>Interest Received on Loans ........................................</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Miscellaneous Nonoperating Income ................................</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Decrease (Increase) in Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental Receivables .........................</td>
<td>(417)</td>
<td>430</td>
<td>13</td>
</tr>
<tr>
<td>Premiums and Assessments Receivable ..................</td>
<td>341,046</td>
<td>—</td>
<td>341,046</td>
</tr>
<tr>
<td>Other Receivables .......................................</td>
<td>(78,605)</td>
<td>(1,066)</td>
<td>(79,671)</td>
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<tr>
<td>Due from Other Funds ................................</td>
<td>24</td>
<td>344</td>
<td>368</td>
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<tr>
<td>Inventories .............................................</td>
<td>(1,397)</td>
<td>(2,051)</td>
<td>(3,448)</td>
</tr>
<tr>
<td>Other Assets .............................................</td>
<td>(73,405)</td>
<td>3</td>
<td>(73,402)</td>
</tr>
<tr>
<td>Increase (Decrease) in Liabilities:</td>
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<td></td>
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<tr>
<td>Accounts Payable ...................................</td>
<td>70,317</td>
<td>(83)</td>
<td>70,234</td>
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<td>Accrued Liabilities ..................................</td>
<td>991</td>
<td>865</td>
<td>1,856</td>
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<td>Intergovernmental Payable ...........................</td>
<td>(7)</td>
<td>—</td>
<td>(7)</td>
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<tr>
<td>Due to Other Funds ....................................</td>
<td>(34)</td>
<td>111</td>
<td>77</td>
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<td>Deferred Revenues ....................................</td>
<td>(4,362)</td>
<td>(75)</td>
<td>(4,437)</td>
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<td>Workers' Compensation Benefits Payable ................</td>
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<td>—</td>
<td>40,012</td>
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<td>Refund and Other Liabilities ........................</td>
<td>665,206</td>
<td>—</td>
<td>665,206</td>
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<td>Liabilities Payable from Restricted Assets ..................</td>
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<td>—</td>
<td>14,674</td>
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<tr>
<td><strong>NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</strong></td>
<td><strong>768,489</strong></td>
<td><strong>3,290</strong></td>
<td><strong>771,779</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

| Operating Transfers-in | 28,088 | 36,728 | 64,816 |
| Operating Transfers-out | (844,745) | (26,521) | (871,266) |
| Bond Proceeds | — | — | — |
| Federal Grants | — | — | — |
| Retirement of Revenue Bond Principal | — | — | — |
| Interest Paid | — | — | — |
| Bond and Note Issuance Costs | — | — | — |
| **NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES** | **(816,657)** | **10,207** | **(806,450)** |

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>COMPONENT UNIT</th>
<th>OHIO WATER DEVELOPMENT AUTHORITY</th>
<th>TOTAL REPORTING ENTITY (memorandum only)</th>
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<tbody>
<tr>
<td></td>
<td>$60,963</td>
<td>$2,518,615</td>
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<tr>
<td></td>
<td>$(42,496)</td>
<td>$(2,928,242)</td>
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<tr>
<td></td>
<td>97</td>
<td>31,447</td>
</tr>
<tr>
<td></td>
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<td>86,563</td>
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<tr>
<td></td>
<td>1,007</td>
<td>100,639</td>
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<td></td>
<td>73,926</td>
<td>83,733</td>
</tr>
<tr>
<td></td>
<td>(97,935)</td>
<td>(97,935)</td>
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<tr>
<td></td>
<td>3,050</td>
<td>3,050</td>
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<tr>
<td></td>
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<td>13</td>
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<tr>
<td></td>
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<td>341,046</td>
</tr>
<tr>
<td></td>
<td>(462)</td>
<td>(80,133)</td>
</tr>
<tr>
<td></td>
<td>586</td>
<td>954</td>
</tr>
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<td>(3,448)</td>
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<td>(73,402)</td>
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<td>(586)</td>
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<td>(4,437)</td>
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<td>40,012</td>
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<tr>
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<td>—</td>
<td>665,206</td>
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<tr>
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<td>14,674</td>
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<tr>
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<td>(1,850)</td>
<td>769,929</td>
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<td>6,745</td>
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<td>82,756</td>
<td>82,756</td>
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<tr>
<td></td>
<td>(64,135)</td>
<td>(64,135)</td>
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<tr>
<td></td>
<td>(73,145)</td>
<td>(73,145)</td>
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<tr>
<td></td>
<td>(91)</td>
<td>(91)</td>
</tr>
<tr>
<td></td>
<td>(47,870)</td>
<td>(854,320)</td>
</tr>
</tbody>
</table>

(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, 1997
(amounts expressed in thousands)
(continued)

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>ENTERPRISE</th>
<th>INTERNAL</th>
<th>SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Payments on Bonds</td>
<td>(4,000)</td>
<td>(3,480)</td>
<td>(7,480)</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>(9,807)</td>
<td>(1,801)</td>
<td>(11,608)</td>
</tr>
<tr>
<td>Principal Receipts on Capital Leases</td>
<td>—</td>
<td>2,671</td>
<td>2,671</td>
</tr>
<tr>
<td>Acquisition and Construction of Capital Assets</td>
<td>(8,405)</td>
<td>(3,350)</td>
<td>(11,755)</td>
</tr>
<tr>
<td>Proceeds from Sales of Fixed Assets</td>
<td>32,270</td>
<td>134</td>
<td>32,404</td>
</tr>
<tr>
<td>Principal Payments on Capital Leases</td>
<td>(8,643)</td>
<td>(298)</td>
<td>(8,941)</td>
</tr>
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</table>

NET CASH FLOWS PROVIDED (USED) BY
CAPITAL AND RELATED FINANCING ACTIVITIES .......................... 1,415 (6,124) (4,709)

CASH FLOWS FROM INVESTING ACTIVITIES:

<table>
<thead>
<tr>
<th></th>
<th>ENTERPRISE</th>
<th>INTERNAL</th>
<th>SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from the Sales and Maturities of Investments</td>
<td>10,281,944</td>
<td>261</td>
<td>10,282,205</td>
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<tr>
<td>Purchase of Investments</td>
<td>(10,424,537)</td>
<td>—</td>
<td>(10,424,537)</td>
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<tr>
<td>Investment Income Received</td>
<td>924,090</td>
<td>1,802</td>
<td>925,892</td>
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<tr>
<td>Borrower Rebate and Agent Fees</td>
<td>(60,626)</td>
<td>—</td>
<td>(60,626)</td>
</tr>
<tr>
<td>Loan Principal Repayments Received</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loan Disbursements</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loan Interest Received</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

NET CASH FLOWS PROVIDED (USED) BY
INVESTING ACTIVITIES .......................................................... 720,871 2,063 722,934

NET INCREASE (DECREASE)
IN CASH AND CASH EQUIVALENTS .............................................. 674,118 9,436 683,554

CASH AND CASH EQUIVALENTS, JULY 1 (as restated) ............... 652,734 41,202 693,936

CASH AND CASH EQUIVALENTS, JUNE 30 ................................. $ 1,326,852 $ 50,638 $ 1,377,490

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>ENTERPRISE</th>
<th>INTERNAL</th>
<th>SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and Construction of Capital Assets .............</td>
<td>$ —</td>
<td>$ 5,737</td>
<td>$ 5,737</td>
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</table>

INCREASE (DECREASE) IN CONTRIBUTED CAPITAL ........................ $ —        $ 5,737  $ 5,737

Cash and cash equivalents in the Component Units column on the Combined Balance Sheet include:

<table>
<thead>
<tr>
<th></th>
<th>ENTERPRISE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proprietary-Ohio Water Development Authority ..........</td>
<td>$ 6,999</td>
</tr>
<tr>
<td>Colleges and Universities</td>
<td>151,905</td>
</tr>
</tbody>
</table>

Total .............................................................................. $ 158,904

The notes to the financial statements are an integral part of this statement.
<table>
<thead>
<tr>
<th>COMPONENT UNIT</th>
<th>OHIO WATER REPORTING DEVELOPMENT AUTHORITY</th>
<th>TOTAL ENTITY (memorandum only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>—</td>
<td>(7,480)</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>(11,608)</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>2,671</td>
</tr>
<tr>
<td></td>
<td>(77)</td>
<td>(11,832)</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>32,404</td>
</tr>
<tr>
<td></td>
<td>—</td>
<td>(8,941)</td>
</tr>
<tr>
<td></td>
<td>(77)</td>
<td>(4,786)</td>
</tr>
</tbody>
</table>

|               | 7,086,713                                | 17,368,918                  |
|               | (7,042,019)                              | (17,466,556)                |
|               | 42,859                                   | 968,751                     |
|               | —                                        | (60,626)                    |
|               | 71,739                                   | 71,739                      |
|               | (199,401)                                | (199,401)                   |
|               | 95,139                                   | 95,139                      |
|               | 55,030                                   | 777,964                     |

|               | 5,233                                    | 688,787                     |
|               | 1,766                                    | 695,702                     |

$ 6,999 $ 1,364,489

$ 5,737 $ 5,737
STATE OF OHIO
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>STATE HIGHWAY PATROL RETIREMENT SYSTEM</th>
<th>PENSION</th>
<th>POST-EMPLOYMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDITIONS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer</td>
<td>$12,176</td>
<td>$2,531</td>
<td>$14,707</td>
</tr>
<tr>
<td>Employees</td>
<td>$6,223</td>
<td>—</td>
<td>$6,223</td>
</tr>
<tr>
<td>Other Contributions</td>
<td>349</td>
<td>6</td>
<td>355</td>
</tr>
<tr>
<td>Total Contributions</td>
<td>18,748</td>
<td>2,537</td>
<td>21,285</td>
</tr>
<tr>
<td>Investment Income:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Appreciation in Fair Value of Investments</td>
<td>39,617</td>
<td>6,928</td>
<td>46,545</td>
</tr>
<tr>
<td>Interest</td>
<td>11,641</td>
<td>2,029</td>
<td>13,670</td>
</tr>
<tr>
<td>Dividends</td>
<td>2,998</td>
<td>523</td>
<td>3,521</td>
</tr>
<tr>
<td>Other Investment Income</td>
<td>585</td>
<td>102</td>
<td>687</td>
</tr>
<tr>
<td></td>
<td>54,841</td>
<td>9,582</td>
<td>64,423</td>
</tr>
<tr>
<td>Less: Investment Expense</td>
<td>1,736</td>
<td>361</td>
<td>2,097</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>53,105</td>
<td>9,221</td>
<td>62,326</td>
</tr>
<tr>
<td>TOTAL ADDITIONS</td>
<td>71,853</td>
<td>11,758</td>
<td>83,611</td>
</tr>
<tr>
<td>DEDUCTIONS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits and Claims</td>
<td>15,920</td>
<td>2,023</td>
<td>17,943</td>
</tr>
<tr>
<td>Refunds of Employee Contributions</td>
<td>67</td>
<td>—</td>
<td>67</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>1,056</td>
<td>148</td>
<td>1,204</td>
</tr>
<tr>
<td>TOTAL DEDUCTIONS</td>
<td>17,043</td>
<td>2,171</td>
<td>19,214</td>
</tr>
<tr>
<td>NET INCREASE (DECREASE)</td>
<td>54,810</td>
<td>9,587</td>
<td>64,397</td>
</tr>
</tbody>
</table>

FUND BALANCE RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>JULY 1</td>
<td>379,953</td>
<td>67,722</td>
</tr>
<tr>
<td>JUNE 30</td>
<td>$434,763</td>
<td>$77,309</td>
</tr>
</tbody>
</table>

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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>COMPONENT UNITS</th>
<th>REVENUES AND OTHER ADDITIONS:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted Current Fund Revenues ............................................................ 2,706,398</td>
</tr>
<tr>
<td></td>
<td>Local Appropriations-Restricted ............................................................ 14,334</td>
</tr>
<tr>
<td></td>
<td>Federal Grants and Contracts-Restricted ................................................... 419,883</td>
</tr>
<tr>
<td></td>
<td>State Grants and Contracts-Restricted ....................................................... 84,519</td>
</tr>
<tr>
<td></td>
<td>Local Grants and Contracts-Restricted ....................................................... 6,511</td>
</tr>
<tr>
<td></td>
<td>Private Gifts, Grants and Contracts-Restricted .......................................... 296,718</td>
</tr>
<tr>
<td></td>
<td>Endowment Income-Restricted .................................................................. 25,897</td>
</tr>
<tr>
<td></td>
<td>Investment Income-Restricted .................................................................. 21,305</td>
</tr>
<tr>
<td></td>
<td>Realized Gain on Investments-Restricted (net) ........................................ 129,420</td>
</tr>
<tr>
<td></td>
<td>Interest on Loans Receivable .................................................................. 4,564</td>
</tr>
<tr>
<td></td>
<td>Investment in Plant-Additions .................................................................. 738,281</td>
</tr>
<tr>
<td></td>
<td>Other ............................................................................................. 208,381</td>
</tr>
<tr>
<td></td>
<td>TOTAL REVENUES AND OTHER ADDITIONS ..................................................... 4,656,211</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPONENT UNITS</th>
<th>EXPENDITURES AND OTHER DEDUCTIONS:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Educational and General Expenditures .................................................... 3,519,339</td>
</tr>
<tr>
<td></td>
<td>Auxiliary Enterprises Expenditures ....................................................... 497,299</td>
</tr>
<tr>
<td></td>
<td>Hospital Expenditures ........................................................................ 486,729</td>
</tr>
<tr>
<td></td>
<td>Indirect Costs Recovered ..................................................................... 69,646</td>
</tr>
<tr>
<td></td>
<td>Grant Refunds and Adjustments ............................................................ 965</td>
</tr>
<tr>
<td></td>
<td>Loan Cancellations and Write-offs ....................................................... 2,286</td>
</tr>
<tr>
<td></td>
<td>Administrative and Collection Costs .................................................... 2,524</td>
</tr>
<tr>
<td></td>
<td>Expended for Plant Facilities ................................................................ 177,338</td>
</tr>
<tr>
<td></td>
<td>Retirement of Indebtedness ................................................................. 150,737</td>
</tr>
<tr>
<td></td>
<td>Interest on Indebtedness ...................................................................... 42,982</td>
</tr>
<tr>
<td></td>
<td>Investment in Plant-Deductions ............................................................ 535,083</td>
</tr>
<tr>
<td></td>
<td>Other ............................................................................................. 4,417</td>
</tr>
<tr>
<td></td>
<td>TOTAL EXPENDITURES AND OTHER DEDUCTIONS ........................................... 5,489,345</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPONENT UNITS</th>
<th>TRANSFERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating Transfers from Primary Government ........................................ 1,410,667</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPONENT UNITS</th>
<th>NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT</td>
</tr>
<tr>
<td></td>
<td>OF CHANGE IN ACCOUNTING PRINCIPLE ........................................ 577,533</td>
</tr>
<tr>
<td></td>
<td>Cumulative Effect of Change in Accounting Principle ............. 5,072</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMPONENT UNITS</th>
<th>NET INCREASE (DECREASE) FOR THE YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NET INCREASE (DECREASE) FOR THE YEAR</td>
</tr>
<tr>
<td></td>
<td>FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated) .................... 9,056,797</td>
</tr>
<tr>
<td></td>
<td>FUND BALANCE AND OTHER CREDITS, JUNE 30 .................................... $ 9,639,402</td>
</tr>
</tbody>
</table>

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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>COMPONENT UNITS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
</tr>
<tr>
<td>Tuition, Fees and Other Student Charges</td>
<td>$1,312,515</td>
</tr>
<tr>
<td>Local Appropriations</td>
<td>14,649</td>
</tr>
<tr>
<td>Federal Grants and Contracts</td>
<td>417,227</td>
</tr>
<tr>
<td>State Grants and Contracts</td>
<td>87,037</td>
</tr>
<tr>
<td>Local Grants and Contracts</td>
<td>7,987</td>
</tr>
<tr>
<td>Private Gifts, Grants and Contracts</td>
<td>242,651</td>
</tr>
<tr>
<td>Endowment Income</td>
<td>89,508</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>1,066,928</td>
</tr>
<tr>
<td>Temporary Investment Income</td>
<td>1,066,928</td>
</tr>
<tr>
<td>Other Sources</td>
<td>115,058</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$3,410,991</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES AND MANDATORY TRANSFERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EDUCATIONAL AND GENERAL:</strong></td>
</tr>
<tr>
<td>Instruction and Departmental Research</td>
</tr>
<tr>
<td>Separately Budgeted Research</td>
</tr>
<tr>
<td>Public Service</td>
</tr>
<tr>
<td>Academic Support</td>
</tr>
<tr>
<td>Student Services</td>
</tr>
<tr>
<td>Institutional Support</td>
</tr>
<tr>
<td>Operation and Maintenance of Plant</td>
</tr>
<tr>
<td>Scholarships and Fellowships</td>
</tr>
<tr>
<td><strong>TOTAL EDUCATIONAL AND GENERAL</strong></td>
</tr>
<tr>
<td><strong>AUXILIARY ENTERPRISES</strong></td>
</tr>
<tr>
<td><strong>HOSPITALS</strong></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
</tr>
<tr>
<td><strong>MANDATORY TRANSFERS, NET:</strong></td>
</tr>
<tr>
<td>Principal and Interest</td>
</tr>
<tr>
<td>Renewals and Replacements</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>TOTAL MANDATORY TRANSFERS, NET</strong></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES AND MANDATORY TRANSFERS</strong></td>
</tr>
<tr>
<td><strong>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</strong></td>
</tr>
<tr>
<td>OPERATING TRANSFERS FROM PRIMARY GOVERNMENT</td>
</tr>
<tr>
<td><strong>NONMANDATORY TRANSFERS, NET:</strong></td>
</tr>
<tr>
<td>Capital Improvements</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>ADDITIONS/(DEDUCTIONS):</strong></td>
</tr>
<tr>
<td>Excess of Restricted Receipts over Transfers to Revenue</td>
</tr>
<tr>
<td>Indirect Costs Recovered</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)</strong></td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</strong></td>
</tr>
<tr>
<td>Cumulative Effect of Change in Accounting Principle</td>
</tr>
<tr>
<td><strong>NET INCREASE (DECREASE) IN FUND BALANCE</strong></td>
</tr>
</tbody>
</table>

The notes to the financial statements are an integral part of this statement.
## INDEX TO THE NOTES

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<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
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<td>36</td>
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<td>45</td>
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<td>GAAP vs. Non-GAAP Budgetary Basis</td>
<td>47</td>
</tr>
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<td>49</td>
</tr>
<tr>
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<td>Taxes</td>
<td>53</td>
</tr>
<tr>
<td>NOTE  6</td>
<td>Loans and Other Receivables</td>
<td>53</td>
</tr>
<tr>
<td>NOTE  7</td>
<td>Interfund and Intra-Entity Balances and Transfers</td>
<td>55</td>
</tr>
<tr>
<td>NOTE  8</td>
<td>Fixed Assets</td>
<td>57</td>
</tr>
<tr>
<td>NOTE  9</td>
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<td>59</td>
</tr>
<tr>
<td>NOTE 10</td>
<td>General Obligation Bonds</td>
<td>64</td>
</tr>
<tr>
<td>NOTE 11</td>
<td>Special Obligation Bonds</td>
<td>65</td>
</tr>
<tr>
<td>NOTE 12</td>
<td>Revenue Bonds and Notes</td>
<td>66</td>
</tr>
<tr>
<td>NOTE 13</td>
<td>Certificates of Participation</td>
<td>70</td>
</tr>
<tr>
<td>NOTE 14</td>
<td>Other Long-Term Obligations</td>
<td>71</td>
</tr>
<tr>
<td>NOTE 15</td>
<td>Changes in General Long-Term Obligations</td>
<td>75</td>
</tr>
<tr>
<td>NOTE 16</td>
<td>No Commitment Debt</td>
<td>75</td>
</tr>
<tr>
<td>NOTE 17</td>
<td>Deferred Compensation Plan</td>
<td>76</td>
</tr>
<tr>
<td>NOTE 18</td>
<td>Enterprise Funds</td>
<td>76</td>
</tr>
<tr>
<td>NOTE 19</td>
<td>Changes in Contributed Capital</td>
<td>77</td>
</tr>
<tr>
<td>NOTE 20</td>
<td>Fund Equity — Other Reserves and Designations</td>
<td>78</td>
</tr>
<tr>
<td>NOTE 21</td>
<td>Component Unit Funds</td>
<td>79</td>
</tr>
<tr>
<td>NOTE 22</td>
<td>Joint Ventures and Related Organizations</td>
<td>80</td>
</tr>
<tr>
<td>NOTE 23</td>
<td>Contingencies and Commitments</td>
<td>83</td>
</tr>
<tr>
<td>NOTE 24</td>
<td>Risk Financing</td>
<td>85</td>
</tr>
<tr>
<td>NOTE 25</td>
<td>Subsequent Events</td>
<td>86</td>
</tr>
</tbody>
</table>
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, 1997, 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 (GASB Codification) documents these principles. The State’s significant accounting policies are as follows.

A. Financial Reporting Entity

For financial reporting purposes, 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.

GASB Statement No. 14, The Financial Reporting Entity, defines financial accountability. The criteria for determining financial accountability include the following considerations: 1) 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 2) an organization is fiscally dependent on the primary government. Information for obtaining complete financial statements for the State’s component units 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.

<table>
<thead>
<tr>
<th>Proprietary:</th>
<th>Colleges and Universities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Water</td>
<td>Ohio State University</td>
</tr>
<tr>
<td>Development Authority</td>
<td>Ohio University</td>
</tr>
<tr>
<td></td>
<td>Shawnee State University</td>
</tr>
<tr>
<td></td>
<td>University of Akron</td>
</tr>
<tr>
<td></td>
<td>University of Cincinnati</td>
</tr>
<tr>
<td></td>
<td>University of Toledo</td>
</tr>
<tr>
<td></td>
<td>Wright State University</td>
</tr>
<tr>
<td></td>
<td>Youngstown State University</td>
</tr>
<tr>
<td></td>
<td>Medical College:</td>
</tr>
<tr>
<td></td>
<td>Medical College of Ohio at</td>
</tr>
<tr>
<td>Medical College:</td>
<td>Toledo</td>
</tr>
</tbody>
</table>

State Community Colleges:

<table>
<thead>
<tr>
<th>Cincinnati State Community College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clark State Community College</td>
</tr>
<tr>
<td>Columbus State Community College</td>
</tr>
<tr>
<td>Edison State Community College</td>
</tr>
<tr>
<td>Northwest State Community College</td>
</tr>
<tr>
<td>Owens State Community College</td>
</tr>
<tr>
<td>Southern State Community College</td>
</tr>
<tr>
<td>Terra State Community College</td>
</tr>
<tr>
<td>Washington State Community College</td>
</tr>
</tbody>
</table>
3. Joint Ventures and Related Organizations

As discussed in more detail in NOTE 22, 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 of Ohio 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 is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. An account group is an accounting device to account 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:

**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.

**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.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and pension trust funds. The Pension Trust Fund includes the State Highway Patrol Retirement System for its fiscal year ended December 31, 1996.

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, 1996.

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.

*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

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, 1996.

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 Governmental Accounting Standards Board’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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

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 and pension 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.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting has been applied to all governmental, expendable trust, and agency funds. 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, expenditures are recorded when related fund liabilities are incurred, except for principal and interest on general long-term debt, which are recognized 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. When the State has a legal claim to the resources, revenue is recognized.

The accrual basis of accounting has been applied to the proprietary and pension trust funds. Under this method, revenues are recorded when earned, and expenses are recorded when incurred.

The State’s proprietary and pension trust funds apply all applicable GASB pronouncements and the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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 are accounted for on 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 required by the Ohio Revised Code, the Governor submits biennial operating and capital budgets to the General Assembly. The particular budget, which includes those funds of the State subject to appropriation pursuant to State law, is comprised of all proposed expenditures for the State and of estimated revenues and borrowings for a biennium.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Operating appropriations are provided in annual amounts while capital appropriations are provided in two-year amounts. Because capital projects funds’ appropriations are not made on an annual basis, budgetary basis financial statements for these funds are not presented.

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 an 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-items within a state agency in amounts not to exceed a total of 10 percent of the appropriation from which the transfer is made or $25,000, whichever is less, 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, Employment Services, and Student Aid Commission Special Revenue Funds, as discussed in NOTE 3

Capital Projects Fund:
- Ohio Building Authority

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

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. A modified cash basis of accounting is used for budgetary purposes. Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as a reserve of the applicable appropriations, is employed as an extension of formal budgetary integration in the State’s accounting system. Encumbrances outstanding in the General, special revenue, and capital projects funds at fiscal year end are reported as reservations of fund balance for expenditure in subsequent years. Operating encumbrances are generally canceled five months after fiscal year end while capital encumbrances are automatically reappropriated. Unencumbered appropriations lapse at the end of the biennium for which they were appropriated. A more comprehensive accounting of activity on the budgetary basis at the legal level of budgetary control is provided in the Detailed Appropriation Summary by Fund Report, which is available for public inspection at the Ohio Office of Budget and Management.

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, budgeted revenues and other financing sources and uses for budgeted funds other than the General Fund are reported 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. In addition, budgetary expenditures include cash disbursements against fiscal year 1997
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

appropriations and outstanding encumbrances, as of June 30, 1997, that were committed during fiscal year 1997. Encumbrance reversions represent lapses of prior years’ appropriations.

The Employment Services Expendable Trust Fund and the State Highway Patrol Pension 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. Budgetary data for discretely presented component units are not presented.

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

E. Cash Equity with Treasurer and Cash and Cash Equivalents

Cash equity with Treasurer consists of pooled demand deposits and investments carried at cost, which approximates market. 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. Also included in cash and cash equivalents are investments with original maturities of three months or less from the date of acquisition, which are reported in the Bureau of Workers’ Compensation and Ohio Lottery Commission enterprise funds, the State Highway Patrol Retirement System Pension Trust Fund, and the University of Cincinnati and University of Toledo component unit funds.

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. Investments are carried at cost or amortized cost (which does not exceed market) except those of the Deferred Compensation Agency Fund, which are reported at market, and those of the Bureau of Workers’ Compensation Enterprise Fund and State Highway Patrol Retirement System Pension Trust Fund, which are reported at fair value. For the colleges and universities, investments received as gifts are reported at the fair market or appraised value at the donation date.

G. Intergovernmental Revenues/Receivables

Intergovernmental revenues primarily represent resources from reimbursement-type grants received from the federal government. Intergovernmental receivables and revenues are recorded when the related grant expenditures/expenses are incurred.

H. Inventories

For governmental funds, the costs of material inventories are recorded 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. Proprietary and college and university funds’ inventories are valued at cost, which approximates market; principal inventory cost methods applied include first-in, first-
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

out, average cost, moving-average, and retail. Inventories recorded in the governmental fund types do not reflect current appropriable resources, and therefore, an equivalent portion of fund balance is reserved.

I. Food Stamps

Food stamp coupons held in the State’s and its agents’ custody are stated at face value and are offset by deferred revenue, in conformity with GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The State recognizes revenue and expenditures in the Special Revenue Fund when the food stamp coupons are distributed to eligible recipients.

J. Restricted Assets

Assets restricted for payment of deferred prize awards (Ohio Lotto) and tuition benefits are reported 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 its pledged receipts be held and invested in a reserve account placed with a trustee financial institution. These restricted assets are reported in the internal service funds.

Generally, restricted assets reported for the college and university funds are assets held in trust that are legally restricted under bond covenants or other financing arrangements.

K. Fixed Assets

General Fixed Assets — Fixed assets purchased with governmental fund resources are recorded in the General Fixed Assets Account Group at historical cost, or at estimated historical cost in cases when no historical records exist. Donated fixed assets are valued at estimated fair market value at the donation date. The costs of normal maintenance and repairs that do not add to the asset value or materially extend an asset’s useful life are not capitalized. The costs of major improvements are capitalized, while interest costs associated with the acquisition of general fixed assets are not capitalized.

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

Assets in the General Fixed Assets Account Group are not depreciated.

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. Fixed assets, excluding land, are depreciated using the straight-line method over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Buildings</th>
<th>20-45 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and Equipment</td>
<td>5-20 years</td>
</tr>
<tr>
<td>State Vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Material interest is capitalized on proprietary fund fixed assets acquired through the issuance of debt.

College and University Fund Fixed Assets — All purchased fixed assets are valued at cost. Donated fixed assets are valued at estimated fair market value at the donation date. Generally, public domain (infrastructure) assets are not capitalized. College and university fund fixed assets are not depreciated.
NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Sureties

Sureties include various assets placed by their owners in safekeeping with the Treasurer of State, as required by applicable statutes.

M. Long-Term Obligations

Governmental funds recognize long-term obligations as liabilities when due. Only the portion expected to be financed from expendable available financial resources is reported 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, and claims, contingencies, leases, and workers’ compensation benefits. Long-term liabilities expected to be financed from proprietary fund and college and university fund operations are accounted for in those funds.

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

N. 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, employees are paid 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 noncurrent portion of the liability for compensated absences is reported in the General Long-Term Obligations Account Group. For proprietary funds, the liability for compensated absences is reported as a noncurrent accrued liability.

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

In accordance with GASB Statement No. 16, Accounting for Compensated Absences, 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.

Sick leave is accrued using the vesting method, whereby 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
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

O.  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.

P.  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 14D). 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.

Q.  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 (Reimbursement) — Reimbursements of expenditures made by one fund for another are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund.

Residual Equity Transfers — Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund equity.

Quasi-external Transactions — Charges or collections for services rendered by one fund to another are recorded as revenues of the receiving fund and expenditures/expenses of the disbursing fund.

Transactions between funds that are representative of non-current lending/borrowing arrangements outstanding, as of the end of the fiscal year, are reported as advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds.
NOTE 1  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A summary of interfund balances and interfund and intra-entity transfers is presented in NOTE 7.

R. 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 1996, are summarized as follows (amounts expressed in thousands).

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Balance/Retained Earnings as Previously Reported, June 30, 1996</th>
<th>Increase (Decrease) for Restatement</th>
<th>Fund Balance/Retained Earnings as Restated, July 1, 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$2,180,206</td>
<td>$(12,467)</td>
<td>$2,167,739</td>
</tr>
<tr>
<td><strong>Enterprise Funds:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers’ Compensation</td>
<td>$948,393</td>
<td>$2,315,488</td>
<td>$3,263,881</td>
</tr>
<tr>
<td>Office of Auditor of State</td>
<td>—</td>
<td>17,054</td>
<td>17,054</td>
</tr>
<tr>
<td>All Other Enterprise Funds</td>
<td>242,035</td>
<td>—</td>
<td>242,035</td>
</tr>
<tr>
<td>Total Enterprise Fund</td>
<td>$1,190,428</td>
<td>$2,332,542</td>
<td>$3,522,970</td>
</tr>
<tr>
<td><strong>Component Units:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College and University Funds:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>$1,800,408</td>
<td>$10,772</td>
<td>$1,811,180</td>
</tr>
<tr>
<td>Central State University</td>
<td>83,986 (83,986)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clark State Community College</td>
<td>39,464</td>
<td>100</td>
<td>39,564</td>
</tr>
<tr>
<td>Edison State Community College</td>
<td>22,146</td>
<td>147</td>
<td>22,293</td>
</tr>
<tr>
<td>Washington State Community College</td>
<td>22,224 (185)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other College and University Funds</td>
<td>7,161,721</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total College and University Funds</td>
<td>$9,129,949</td>
<td>$(73,152)</td>
<td>$9,056,797</td>
</tr>
</tbody>
</table>

The General Fund’s fund balance is restated by a $12.5 million reduction to reflect a change in the reporting of the Office of the Auditor of State’s operations from the General Fund to the Enterprise Fund.

For the Enterprise Fund, the $2.32 billion increase in the Workers’ Compensation Fund’s retained earnings is due to 1.) a change in the Fund’s fiscal year-end from December 31, 1995 to June 30, 1996, which resulted in an increase in retained earnings of $771.7 million and 2.) the Fund’s early implementation of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which resulted in an increase in retained earnings of approximately $1.54 billion. The $17 million increase in the Office of the Auditor of State’s Fund reflects a change in reporting this fund’s operations from the General Fund to the Enterprise Fund, as previously discussed.
NOTE 2  RESTATMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS  
(Continued)

For the College and University Funds, fund balance is restated for a $73.2 million net decrease to reflect:

- a change in the manner the University of Cincinnati Foundation, a non-for-profit organization and a component unit of the University of Cincinnati, recognizes revenue from pledges when the Foundation adopted the provisions of Financial Accounting Standards Board (FASB) Statement No. 116, Accounting for Contributions Received and Contributions Made, and FASB Statement No. 117, Financial Statements of Non-for-Profit Organizations. This change resulted in a $10.8 million increase in the University’s beginning fund balance.

- the exclusion of Central State University’s financial statements, for the fiscal year ended June 30, 1997. The University’s financial statements, which are immaterial to the College and University Funds, were not available in time for publication in this report because of a financial management emergency, and consequently, beginning fund balance was reduced by approximately $84 million.

- adjustments principally to the cash and cash equivalents, investments, fixed assets, and accrued liabilities balances for Clark State Community College, which collectively increased fund balance by $100 thousand.

- an adjustment to the opening fixed asset balance for Edison State Community College, which increased fund balance by $147 thousand.

- write-offs of accounts receivable at Washington State Community College, which decreased fund balance by $185 thousand.

Additionally, the July 1, 1996 beginning balance of long-term obligations reported in the General Long-Term Obligations Account Group reflects a net increase of approximately $63.2 million (See NOTE 15). The restatement includes:

- a $10.1 million increase in the balance of certificate of participation obligations for facility improvements at the Rickenbacker International Airport. The State issued the obligations in the previous fiscal year; however, the State had not reported the obligations in its financial statements, as of June 30, 1996.

- a $3.8 million decrease in the compensated absences balance due to the reclassification of the Office of the Auditor of State from a governmental to an enterprise operations, as previously discussed.

- a $56.9 million increase in the workers’ compensation obligation, which was corrected when the Bureau of Workers’ Compensation Enterprise Fund changed its fiscal year-end from December 31 to June 30.

B. Changes in Accounting Principle

For fiscal year 1997, the Ohio State University, a component unit fund, changed its method of calculating accrued sick leave under the provisions of GASB Statement No. 16, Accounting for Compensated Absences. Prior to fiscal year 1997, the University applied the vesting method for calculating the liability. For fiscal year 1997 reporting, the University elected to change its sick leave liability calculation to the termination payment method. University management considers the termination method preferable to the vesting method because it directly reflects the University’s historical experience of sick leave payments to terminated employees.
NOTE 2  RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS  
(Continued)

The cumulative effect on prior years of this change in accounting principle is recognized as a $9.3 million increase in the University’s net assets. The change also resulted in recognition of $1.2 million less expenditures for fiscal year 1997 than would have been recognized under the vesting method.

Additionally, Youngstown State University, a component unit fund, changed its fixed assets capitalization threshold policy in fiscal year 1997. As a result of the change, the University retroactively wrote-off fixed assets acquired in previous fiscal years that did not meet the University’s new capitalization policy. The cumulative effect of the change is recognized as a $4.2 million decrease in the University’s net assets.

C. Newly Issued Accounting Pronouncements

In March 1997, the Governmental Accounting Standards Board (GASB) issued Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Effective July 1, 1997, the State will adopt the Statement’s provisions, which will require the State to report its investments at fair value as of the balance sheet date and reflect the changes in the fair value of investments as revenue in the State’s operating statements. Also, the Statement will require the State to report its external investment pool, STAROhio, as an investment trust fund. The provisions of this statement, which are effective for fiscal years beginning after June 15, 1997, will be reflected in the State’s financial report for the year ended June 30, 1998. Management has not yet determined the impact that implementation of GASB Statement No. 31 will have on the State’s financial statements.

Effective July 1, 1996, the Bureau of Workers’ Compensation Enterprise Fund opted to early-implement GASB Statement No. 31’s provisions.

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, encumbrances are recognized as expenditures in the year encumbered, while on the modified accrual basis, expenditures are recognized 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 $262.2 million, $991.8 million, and $13.9 million increases in the budgets of the General, Special Revenue, and Debt Service funds, respectively.

A reconciliation of the fund balances recorded under the two bases for the General, Special Revenue, and Debt Service funds is presented in the following table.
### NOTE 3  GAAP vs. NON-GAAP BUDGETARY BASIS (Continued)

Reconciliation of GAAP Basis Fund Balances to Non-GAAP Budgetary Basis Fund Balances  
June 30, 1997  
(in thousands)

<table>
<thead>
<tr>
<th>General</th>
<th>Special Revenue</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,320,267</td>
<td>$2,457,314</td>
<td>$290,995</td>
</tr>
</tbody>
</table>

Less: Unbudgeted Fund Balances........................................ $ — | 81,543 | *181,846 |

Total Budgeted Fund Balances - GAAP Basis........................................ 2,320,267 | 2,375,771 | 109,149 |

<table>
<thead>
<tr>
<th>General</th>
<th>Special Revenue</th>
<th>Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,438,817</td>
<td>$2,514,873</td>
<td>$108,534</td>
</tr>
</tbody>
</table>

Less: Reserved Fund Balances........................................ 1,438,817 | $2,514,873 | $108,534 |

Less: Designated Fund Balances........................................ 685,900 |

Unreserved/Undesignated Fund Balances - GAAP Basis........................................ 195,450 | (139,102) | 615 |

### BASIS DIFFERENCES

#### Revenue Accruals/Adjustments:
- Taxes Receivable........................................ (787,434) | (190,463) | — |
- Intergovernmental Receivable........................................ (433,449) | (350,926) | — |
- Loans Receivable........................................ (9,939) | (299,935) | — |
- Other Receivables........................................ (21,690) | (29,806) | (461) |
- Due from Other Funds........................................ (13,359) | (27,737) | (127) |
- Inventories........................................ (2,807) | (33,197) | — |
- Other Assets........................................ (836) | (8,920) | — |
- Deferred Revenues........................................ 64,590 | 58,957 | — |

Total Revenue Accruals/Adjustments........................................ (1,204,924) | (882,027) | (588) |

#### Expenditure Accruals/Adjustments:
- Accounts Payable........................................ 74,144 | 235,114 | — |
- Medicaid Claims Payable........................................ 475,780 |
- Accrued Liabilities........................................ 104,594 | 53,324 | 498 |
- Intergovernmental Payable........................................ 231,824 | 371,239 | — |
- Due to Other Funds........................................ 35,913 | 10,863 | — |
- Refund and Other Liabilities........................................ 540,589 | 71,751 | 1,008 |

Total Expenditure Accruals/Adjustments........................................ 1,462,844 | 742,291 | 1,506 |

#### Other Adjustments:

- Fund Balance Reclassifications:
  - From Unreserved (Non-GAAP Budgetary Basis) to Reserved for:
    - Debt Service........................................ — | — | 108,534 |
    - Budget Stabilization........................................ 828,307 |
    - Noncurrent Portion of Loans Receivable........................................ 9,793 | 299,056 | — |
    - Other........................................ 146,394 | 172,707 | — |
  - From Undesignated (Non-GAAP Budgetary Basis) to Designated........................................ 685,900 |
  - Cash and Investments Held Outside of State Treasury........................................ (11,889) | (11,518) | (1,603) |
  - Other........................................ 1 | 2 | — |

Total Other Adjustments........................................ 1,658,506 | 460,247 | 106,931 |

### TIMING DIFFERENCES

- Encumbrances........................................ (148,473) | (397,384) | — |
- Unreserved/Undesignated and Designated
  Fund Balances (Deficits) — Non-GAAP Budgetary Basis........................................ $1,963,403 | $ (215,975) | $108,464 |

*This amount includes certain unbudgeted activities within the Community and Economic Development, Employment Services, and Student Aid Commission 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;
NOTE 4  DEPOSITS AND INVESTMENTS (Continued)

- 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 than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol 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. Deposits

1. Primary Government

As of June 30, 1997, the carrying amount of deposits was (in thousands) $1,094,400 and the bank balance was $1,082,461. Of the bank balance, $228,766 was fully insured or collateralized with securities held by the primary government or its agent in the primary government’s name (Category 1), $624,374 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 $229,321, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

2. Component Units

As of June 30, 1997, the carrying amount of deposits was (in thousands) $196,795 and the bank balance was $252,346. Of the bank balance, $42,650 was fully insured or collateralized with securities held by the respective component units or their agents in the component unit’s name (Category 1), $179,418 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 $30,278, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).
NOTE 4  DEPOSITS AND INVESTMENTS (Continued)

C. 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 deposits with the federal government and the deferred compensation plan. 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, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Primary Government</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Category 1</td>
<td>Category 2</td>
</tr>
<tr>
<td>U.S. government &amp; agency obligations</td>
<td>$35,374,651</td>
<td>$—</td>
</tr>
<tr>
<td>Common and preferred stock</td>
<td>—</td>
<td>187,288</td>
</tr>
<tr>
<td>Corporate bonds and notes</td>
<td>6,443,687</td>
<td>—</td>
</tr>
<tr>
<td>Foreign stocks and bonds</td>
<td>8,893,950</td>
<td>—</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>3,742,808</td>
<td>—</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>306,387</td>
<td>15</td>
</tr>
<tr>
<td>Bankers' acceptances</td>
<td>18,620</td>
<td>—</td>
</tr>
<tr>
<td>Municipal obligations</td>
<td>1,015</td>
<td>—</td>
</tr>
<tr>
<td>Securities lending collateral</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>U.S. government &amp; agency obligations</td>
<td>105,000</td>
<td>3,215,801</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>4,234,312</td>
<td>—</td>
</tr>
<tr>
<td>Common and preferred stock</td>
<td>—</td>
<td>712,156</td>
</tr>
<tr>
<td>Corporate bonds and notes</td>
<td>698,104</td>
<td>—</td>
</tr>
<tr>
<td>Commercial paper</td>
<td>29,959</td>
<td>—</td>
</tr>
<tr>
<td>Investments held by broker-dealers under securities loans with cash collateral:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. government &amp; agency obligations</td>
<td>8,630,473</td>
<td>8,553,141</td>
</tr>
<tr>
<td>Common and preferred stock</td>
<td>694,418</td>
<td>694,418</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>2,353,580</td>
<td>3,609,508</td>
</tr>
<tr>
<td>Real estate</td>
<td>7,086,018</td>
<td>7,363,322</td>
</tr>
<tr>
<td>Venture capital</td>
<td>111,835</td>
<td>125,132</td>
</tr>
<tr>
<td>Direct mortgage loans</td>
<td>38,432</td>
<td>38,432</td>
</tr>
<tr>
<td>Securities lending collateral — mutual funds</td>
<td>70,032</td>
<td>70,032</td>
</tr>
<tr>
<td>Deposit with federal government</td>
<td>1,818,503</td>
<td>1,818,503</td>
</tr>
<tr>
<td>Deposit with deferred compensation plan</td>
<td>852,788</td>
<td>852,788</td>
</tr>
<tr>
<td>Less: Component units' equity in the Treasurer of State investment pool</td>
<td>(222,300)</td>
<td>(222,300)</td>
</tr>
</tbody>
</table>

(STARTOhio)

Total Investments — Primary Government | $125,417,061 | $135,565,620 |

51
### NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

#### Component Units

<table>
<thead>
<tr>
<th>Carrying Amount</th>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. government &amp; agency obligations</strong></td>
<td>$307,624</td>
<td>$877,127</td>
<td>$144,245</td>
<td>$1,328,996</td>
</tr>
<tr>
<td><strong>Common and preferred stock</strong></td>
<td>184,312</td>
<td>511,328</td>
<td>3,257</td>
<td>698,897</td>
</tr>
<tr>
<td><strong>Corporate bonds and notes</strong></td>
<td>97,719</td>
<td>32,535</td>
<td>16,206</td>
<td>146,460</td>
</tr>
<tr>
<td><strong>Foreign stocks and bonds</strong></td>
<td>7,836</td>
<td>—</td>
<td>10,446</td>
<td>19,025</td>
</tr>
<tr>
<td><strong>Commercial paper</strong></td>
<td>—</td>
<td>8,579</td>
<td>10,446</td>
<td>19,025</td>
</tr>
<tr>
<td><strong>Repurchase agreements</strong></td>
<td>—</td>
<td>401,964</td>
<td>18,201</td>
<td>420,165</td>
</tr>
<tr>
<td><strong>Bankers’ acceptances</strong></td>
<td>—</td>
<td>—</td>
<td>3,465</td>
<td>3,465</td>
</tr>
<tr>
<td><strong>Municipal obligations</strong></td>
<td>265</td>
<td>—</td>
<td>48</td>
<td>313</td>
</tr>
<tr>
<td><strong>Other investments</strong></td>
<td>316</td>
<td>—</td>
<td>10,632</td>
<td>13,800</td>
</tr>
<tr>
<td><strong>Total Investments — Component Units</strong></td>
<td>598,072</td>
<td>1,831,533</td>
<td>206,184</td>
<td>2,635,789</td>
</tr>
</tbody>
</table>

- **Cash equity with Treasurer (unrestricted and restricted)**: $206,837 | $5,879,168 | $6,086,005
- **Cash and cash equivalents (unrestricted and restricted)**: 369,470 | 1,157,892 | 1,527,362
- **Investments** | 49,753 | 107,759,423 | 107,809,181
- **Collateral on Lent Securities (unrestricted and restricted)** | 386,145 | 9,065,364 | 9,451,509
- **Deposit with federal government** | — | 1,818,503 | 1,818,503
- **Deposit with deferred compensation plan** | — | 859,969 | 859,969
- **Restricted Assets**
  - Investments | — | 528,402 | 528,402
  - Dedicated investments | — | 1,564,216 | 1,564,216
- **Carrying amount per combined balance sheet** | 1,012,205 | 128,632,942 | 129,645,147
- **Outstanding warrants and other reconciling items** | 278,990 | (57,848) | 221,142
- **Total Reporting Entity** | $1,291,195 | $128,575,094 | $129,866,289

The total carrying amount of deposits and investments, as of June 30, 1997, reported for the primary government and its component units is (in thousands) $129,645,147. The total carrying amount of deposits and investments categorized and disclosed in this note is $129,866,289. A reconciliation of the difference follows (in thousands).

#### D. 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 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.
NOTE 4  DEPOSITS AND INVESTMENTS (Continued)

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 1997, 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

Taxes receivable, as of June 30, 1997, consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Special Revenue</th>
<th>Trust and Agency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>$325,091</td>
<td>$ 38,387</td>
<td>$</td>
<td>$363,478</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>462,343</td>
<td>24,393</td>
<td>$</td>
<td>486,736</td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td></td>
<td>115,854</td>
<td>$</td>
<td>115,854</td>
</tr>
<tr>
<td>Unemployment Taxes</td>
<td></td>
<td>$160,046</td>
<td>$</td>
<td>$160,046</td>
</tr>
<tr>
<td>Other Taxes</td>
<td></td>
<td>11,829</td>
<td>$</td>
<td>11,829</td>
</tr>
<tr>
<td><strong>Total Taxes Receivable</strong></td>
<td>$787,434</td>
<td>$190,463</td>
<td>$160,046</td>
<td>$1,137,943</td>
</tr>
</tbody>
</table>

As of June 30, 1997, refund liabilities for income and corporation franchise taxes, totaling $596.4 million, are reported as “Refunds and Other Liabilities,” of which $539.4 million is reported in the General Fund and $57 million is reported in the Special Revenue Fund.

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, 1997, consist of the following (in thousands):

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>General</th>
<th>Special Revenue</th>
<th>Debt Service</th>
<th>Capital Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbiana County Economic Stabilization...</td>
<td>$ 3,465</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 3,465</td>
</tr>
<tr>
<td>Community and Economic Development:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Minority Financial Incentives...</td>
<td>5,169</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>5,169</td>
</tr>
<tr>
<td>Office of Financial Incentives...</td>
<td></td>
<td>232,304</td>
<td>$</td>
<td>$</td>
<td>232,304</td>
</tr>
<tr>
<td>Ohio Housing Finance Agency...</td>
<td></td>
<td>94,381</td>
<td>$</td>
<td>$</td>
<td>94,381</td>
</tr>
<tr>
<td>Total Community and Economic Development</td>
<td>5,169</td>
<td>326,685</td>
<td>$</td>
<td>$</td>
<td>331,854</td>
</tr>
<tr>
<td>Primary, Secondary, and Other Education:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vocational Education...</td>
<td>1,305</td>
<td>369</td>
<td>$</td>
<td>$</td>
<td>1,674</td>
</tr>
<tr>
<td>Bankruptcy and Port Authority...</td>
<td></td>
<td>323</td>
<td>$</td>
<td>$</td>
<td>323</td>
</tr>
<tr>
<td>Public School Building...</td>
<td></td>
<td>17,192</td>
<td>$</td>
<td>$</td>
<td>17,192</td>
</tr>
<tr>
<td>Vocational School Assistance...</td>
<td></td>
<td>8,053</td>
<td>$</td>
<td>$</td>
<td>8,053</td>
</tr>
<tr>
<td>School Building...</td>
<td></td>
<td>10,600</td>
<td>$</td>
<td>$</td>
<td>10,600</td>
</tr>
<tr>
<td>Total Primary, Secondary and Other Education...</td>
<td>1,305</td>
<td>36,537</td>
<td>$</td>
<td>$</td>
<td>37,842</td>
</tr>
</tbody>
</table>
STATE OF OHIO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1997

NOTE 6  LOANS AND OTHER RECEIVABLES (Continued)

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>General</th>
<th>Special Revenue</th>
<th>Debt Service</th>
<th>Capital Projects</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education Research</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Loans</td>
<td></td>
<td></td>
<td>6,224</td>
<td></td>
<td>6,224</td>
</tr>
<tr>
<td>Natural Resources</td>
<td></td>
<td></td>
<td>162</td>
<td></td>
<td>162</td>
</tr>
<tr>
<td>Highway and Transit Infrastructure Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Butler Transportation Improvement District</td>
<td></td>
<td></td>
<td>35,000</td>
<td></td>
<td>35,000</td>
</tr>
<tr>
<td>Local Infrastructure Improvements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>109,664</td>
</tr>
<tr>
<td>Total Loans Receivable</td>
<td>9,939</td>
<td>398,384</td>
<td>6,224</td>
<td>109,664</td>
<td>524,211</td>
</tr>
</tbody>
</table>

**Component Units**

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Ohio Water Development Authority (12/31/96)</th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Kent State University</th>
<th>Other Component Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water and Wastewater</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treatment</td>
<td>1,608,445</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>1,608,445</td>
</tr>
<tr>
<td>Student</td>
<td>—</td>
<td>53,960</td>
<td>29,206</td>
<td>18,377</td>
<td>74,433</td>
<td>175,976</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
<td>650</td>
<td>—</td>
<td>615</td>
<td>1,265</td>
</tr>
<tr>
<td>Total Loans Receivable</td>
<td>1,608,445</td>
<td>53,960</td>
<td>29,856</td>
<td>18,377</td>
<td>75,048</td>
<td>1,785,686</td>
</tr>
</tbody>
</table>

B. Other Receivables

Other receivables for the primary government, as of June 30, 1997, consist of the following (in thousands):

<table>
<thead>
<tr>
<th>Unrestricted:</th>
<th>General</th>
<th>Special Revenue</th>
<th>Debt Service</th>
<th>Capital Projects</th>
<th>Enterprise</th>
<th>Internal Service</th>
<th>Trust and Agency</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>3,907</td>
<td>2,096</td>
<td>$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$234,247</td>
</tr>
<tr>
<td>Interest and Dividends Receivable</td>
<td>13,522</td>
<td>8,587</td>
<td>1,037</td>
<td>2,543</td>
<td>93,718</td>
<td>472</td>
<td>2,463</td>
<td>122,342</td>
</tr>
<tr>
<td>Women, Infants and Children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9,945</td>
</tr>
<tr>
<td>Program Rebate Receivable</td>
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<td></td>
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<td>9,945</td>
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<td>Nursing Facility Bed Assessments Receivable</td>
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<td>10,819</td>
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<td></td>
<td></td>
<td></td>
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<td>10,819</td>
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<tr>
<td>Leases Receivable</td>
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<td></td>
<td></td>
<td></td>
<td>39,669</td>
<td></td>
<td>39,669</td>
</tr>
<tr>
<td>Receivables from Lottery Sales Agents</td>
<td>—</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>—</td>
</tr>
<tr>
<td>Claims &amp; Settlements Receivable</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>—</td>
</tr>
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<td>Employer Interest and Penalties on Unemployment Taxes</td>
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<td>2,179</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,179</td>
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<tr>
<td>Refunds from Academic Grants and Scholarships Programs</td>
<td>4,261</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Miscellaneous Receivables</td>
<td>—</td>
<td>1,574</td>
<td></td>
<td></td>
<td>29</td>
<td>1,656</td>
<td>114</td>
<td>3,373</td>
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<tr>
<td>Total Unrestricted</td>
<td>21,690</td>
<td>35,200</td>
<td>1,037</td>
<td>2,543</td>
<td>359,041</td>
<td>45,745</td>
<td>24,633</td>
<td>489,889</td>
</tr>
</tbody>
</table>

| Restricted:                |         |                 |              |                  |            |                  |                  |       |
| Interest Receivable        |         |                 |              |                  |            |                  |                  | 19,171 |
| Total Unrestricted and Restricted | 21,690  | $35,200         | $1,037       | $2,543           | $378,212   | $45,745          | $24,633          | $509,060 |

Under long-term direct financing leases with local governments for office space, the Ohio Building Authority 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 (in thousands):

54
NOTE 6  LOANS AND OTHER RECEIVABLES (Continued)

Year Ending June 30, Leases Receivable

<table>
<thead>
<tr>
<th>Year</th>
<th>Leases Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$  7,752</td>
</tr>
<tr>
<td>1999</td>
<td>5,367</td>
</tr>
<tr>
<td>2000</td>
<td>5,369</td>
</tr>
<tr>
<td>2001</td>
<td>5,374</td>
</tr>
<tr>
<td>2002</td>
<td>5,382</td>
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<tr>
<td>Thereafter</td>
<td>33,097</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>62,341</td>
</tr>
<tr>
<td>Less: Amount representing interest</td>
<td>22,672</td>
</tr>
<tr>
<td>Present value of net minimum lease payments</td>
<td>$39,669</td>
</tr>
</tbody>
</table>

Other receivables for the State’s component units, as of June 30, 1997, consist of the following (in thousands):

<table>
<thead>
<tr>
<th>Component Units</th>
<th>Accounts Receivable</th>
<th>Interest Receivable</th>
<th>Pledges Receivable</th>
<th>Miscellaneous Receivables</th>
<th>Total Other Receivables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio State University</td>
<td>$179,561</td>
<td>$27,406</td>
<td>$ 6,093</td>
<td>$16,875</td>
<td>$190,135</td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>$  27,406</td>
<td>$  6,093</td>
<td>$16,875</td>
<td></td>
<td>$ 65,456</td>
</tr>
<tr>
<td>Bowling Green State University</td>
<td>11,568</td>
<td>790</td>
<td>3,731</td>
<td></td>
<td>$ 17,661</td>
</tr>
<tr>
<td>Medical College of Ohio</td>
<td>790</td>
<td>3,731</td>
<td>32,113</td>
<td></td>
<td>$ 17,665</td>
</tr>
<tr>
<td>Other Component Units</td>
<td>87,598</td>
<td>32,113</td>
<td>32,113</td>
<td>4,187</td>
<td>$ 95,516</td>
</tr>
<tr>
<td>Total</td>
<td>$317,533</td>
<td>$32,113</td>
<td>$32,113</td>
<td>$4,595</td>
<td>$386,433</td>
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NOTE 7  INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS

Interfund balances, as of June 30, 1997, and operating transfers among the primary government’s funds, for the year ended June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fund Type/Fund</th>
<th>Due from Other Funds</th>
<th>Due to Other Funds</th>
<th>Advances to Other Funds</th>
<th>Advances from Other Funds</th>
<th>Operating Transfers-in</th>
<th>Operating Transfers-out</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$ 13,359</td>
<td>$ 35,913</td>
<td>$ 85,076</td>
<td>$ 55,247</td>
<td>$ 142,605</td>
<td>$ 847,794</td>
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<td>Special Revenue:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>$ 2,969</td>
<td>520</td>
<td>—</td>
<td>145,529</td>
<td>2,800</td>
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<tr>
<td>Human Services</td>
<td>595</td>
<td>358</td>
<td>—</td>
<td>14,261</td>
<td>9,608</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>177</td>
<td>105</td>
<td>—</td>
<td>11,976</td>
<td>4,875</td>
<td></td>
</tr>
<tr>
<td>Mental Health and Retardation</td>
<td>887</td>
<td>801</td>
<td>—</td>
<td>7,037</td>
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<td></td>
</tr>
<tr>
<td>Employment Services</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3,000</td>
<td></td>
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<tr>
<td>Education</td>
<td>398</td>
<td>153</td>
<td>—</td>
<td>733,466</td>
<td>10,935</td>
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<tr>
<td>Student Aid Commission</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,730</td>
<td></td>
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<tr>
<td>Highway Safety</td>
<td>3,419</td>
<td>2,420</td>
<td>—</td>
<td>145,529</td>
<td>2,800</td>
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<tr>
<td>Highway Operating</td>
<td>4,015</td>
<td>6,467</td>
<td>—</td>
<td>641,311</td>
<td>184,777</td>
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<tr>
<td>Natural Resources</td>
<td>497</td>
<td>118</td>
<td>—</td>
<td>546</td>
<td>3,060</td>
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<tr>
<td>Wildlife and Waterway Safety</td>
<td>332</td>
<td>48</td>
<td>—</td>
<td>1,000</td>
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<tr>
<td>Revenue Distribution</td>
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<td>128</td>
<td>—</td>
<td>42,084</td>
<td>680,022</td>
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<tr>
<td>Local Transportation Improvements</td>
<td>4,773</td>
<td>2</td>
<td>—</td>
<td>58,247</td>
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<tr>
<td>Total Special Revenue Fund</td>
<td>$ 27,737</td>
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<td>—</td>
<td>85,076</td>
<td>$1,710,704</td>
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<td>Economic Development Bond Service</td>
<td>—</td>
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<tr>
<td>Coal Research/Development Bond Retirement</td>
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<td>—</td>
<td>9,026</td>
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<td>Development Bond Retirement</td>
<td>—</td>
<td>—</td>
<td>127</td>
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<tr>
<td>Highway Obligations Bond Retirement</td>
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<td>127</td>
<td>10,935</td>
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<td></td>
</tr>
<tr>
<td>Public Improvements Bond Retirement</td>
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<td>—</td>
<td>13</td>
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</tr>
<tr>
<td>Local Infrastructure Improvements</td>
<td>—</td>
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<td>—</td>
<td>—</td>
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<tr>
<td>Bond Retirement</td>
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<td>80,623</td>
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<td>444,603</td>
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<td>202,747</td>
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</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fund Type/Fund</th>
<th>Due from Other Funds</th>
<th>Due to Other Funds</th>
<th>Advances to Other Funds</th>
<th>Advances from Other Funds</th>
<th>Operating Transfers-in</th>
<th>Operating Transfers-out</th>
</tr>
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<tbody>
<tr>
<td><strong>Debt Service: (Continued)</strong></td>
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<tr>
<td>Enterprise Bond Retirement</td>
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</tr>
<tr>
<td>State Projects Bond Service</td>
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<tr>
<td>School Building Program Bond Service</td>
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<tr>
<td>Highway Capital Improvement Bond Service</td>
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<td>Total Debt Service Fund</td>
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<td>Arts Facilities Building Improvements</td>
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<td>Higher Education Improvements</td>
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<td>540</td>
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<td>Mental Health/Mental Retardation</td>
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<td>Facilities Improvements</td>
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<td>Parks and Recreation Improvements</td>
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<td>Administrative Services Building Improvements</td>
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<tr>
<td>Youth Services Building Improvements</td>
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<td>Transportation Building Improvements</td>
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<td>Adult Correctional Building Improvements</td>
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<td>Highway Safety Building Improvements</td>
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<td>Ohio Parks and Natural Resources</td>
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<td>Highway Capital Improvement</td>
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<td>Sports Facilities Building</td>
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<td>Liquor Control</td>
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<td>Ohio Lottery Commission</td>
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<td>748,520</td>
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<td>Workers' Compensation</td>
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<td>Total Enterprise Fund</td>
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<td><strong>Internal Service:</strong></td>
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<tr>
<td>Ohio Building Authority</td>
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<td>27,901</td>
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<td>Ohio Data Network</td>
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<td>Support Services</td>
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<td>Telecommunications</td>
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<td><strong>Expendable Trust:</strong></td>
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<td>Unclaimed Funds</td>
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<td>85,076</td>
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<td><strong>Pension Trust:</strong></td>
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<td>State Highway Patrol</td>
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<td><strong>Agency:</strong></td>
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<tr>
<td>Holding and Distribution</td>
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<td>Payroll Withholding and Fringe Benefits</td>
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<td>Deferred Compensation</td>
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<tr>
<td>Other</td>
<td>47</td>
<td></td>
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</tr>
<tr>
<td>Total Trust and Agency Funds</td>
<td>5,208</td>
<td>39,025</td>
<td>85,076</td>
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<tr>
<td><strong>Total per Financial Statements -</strong></td>
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<tr>
<td>Primary Government</td>
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<td>85,076</td>
<td>3,073,395</td>
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<tr>
<td>Reconciliation for Timing Differences for Funds with December 31, 1996 Year-Ends</td>
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<tr>
<td>Reconciled Total for the Primary Government</td>
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<tr>
<td><strong>Component Units:</strong></td>
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</tr>
<tr>
<td>University of Cincinnati</td>
<td>10,258</td>
<td>10,258</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Component Units</td>
<td>58,234</td>
<td>58,234</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total per Financial Statements - Component Units</td>
<td>343,486</td>
<td>343,486</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Reporting Entity</strong></td>
<td>$432,741</td>
<td>$432,741</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 7  INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS (Continued)

For the fiscal year ended June 30, 1997, the Capital Projects Fund reports approximately $5.7 million in residual equity transfers-out. The transfers represent contributions of capital to the Internal Service Fund, as discussed in more detail in NOTE 19.

Operating transfers between the primary government’s funds and its component units, for the year ended June 30, 1997, consist of the following (in thousands):

<table>
<thead>
<tr>
<th>Operating Transfers from Primary Government</th>
<th>Operating Transfers to Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ —</td>
</tr>
<tr>
<td><strong>Component Units:</strong></td>
<td></td>
</tr>
<tr>
<td>College and University Funds</td>
<td></td>
</tr>
<tr>
<td>Ohio State University</td>
<td>376,623</td>
</tr>
<tr>
<td>University of Cincinnati</td>
<td>175,615</td>
</tr>
<tr>
<td>Ohio University</td>
<td>122,117</td>
</tr>
<tr>
<td>Miami University</td>
<td>66,794</td>
</tr>
<tr>
<td>University of Akron</td>
<td>92,405</td>
</tr>
<tr>
<td>Bowling Green State University</td>
<td>73,365</td>
</tr>
<tr>
<td>Kent State University</td>
<td>99,964</td>
</tr>
<tr>
<td>University of Toledo</td>
<td>78,064</td>
</tr>
<tr>
<td>Cleveland State University</td>
<td>64,053</td>
</tr>
<tr>
<td>Youngstown State University</td>
<td>44,992</td>
</tr>
<tr>
<td>Wright State University</td>
<td>81,220</td>
</tr>
<tr>
<td>Shawnee State University</td>
<td>13,756</td>
</tr>
<tr>
<td>Medical College of Ohio</td>
<td>34,200</td>
</tr>
<tr>
<td>Terra State Community College</td>
<td>5,855</td>
</tr>
<tr>
<td>Columbus State Community College</td>
<td>27,251</td>
</tr>
<tr>
<td>Clark State Community College</td>
<td>5,875</td>
</tr>
<tr>
<td>Edison State Community College</td>
<td>4,398</td>
</tr>
<tr>
<td>Southern State Community College</td>
<td>3,378</td>
</tr>
<tr>
<td>Washington State Community College</td>
<td>3,863</td>
</tr>
<tr>
<td>Cincinnati State Community College</td>
<td>14,464</td>
</tr>
<tr>
<td>Northwest State Community College</td>
<td>3,099</td>
</tr>
<tr>
<td>Owens State Community College</td>
<td>19,316</td>
</tr>
<tr>
<td><strong>Total Reporting Entity</strong></td>
<td>$1,410,667</td>
</tr>
</tbody>
</table>

NOTE 8  FIXED ASSETS

A. Primary Government

Fixed assets by category, as of June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Enterprise</th>
<th>Internal Service</th>
<th>Pension Trust</th>
<th>General Fixed Assets</th>
<th>Total Primary Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$18,070</td>
<td>$ —</td>
<td>$ 370</td>
<td>$186,169</td>
<td>$204,609</td>
</tr>
<tr>
<td>Buildings</td>
<td>272,509</td>
<td>6,319</td>
<td>2,947</td>
<td>2,167,257</td>
<td>2,449,032</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>66</td>
<td>—</td>
<td>—</td>
<td>155,364</td>
<td>155,430</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>167,250</td>
<td>107,070</td>
<td>220</td>
<td>214,561</td>
<td>489,101</td>
</tr>
<tr>
<td>State Vehicles</td>
<td>1,492</td>
<td>810</td>
<td>16</td>
<td>225,095</td>
<td>227,413</td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>459,387</td>
<td>114,199</td>
<td>3,553</td>
<td>3,394,541</td>
<td>3,971,680</td>
</tr>
<tr>
<td><strong>Total Fixed Assets (at cost)</strong></td>
<td>$459,387</td>
<td>114,199</td>
<td>3,553</td>
<td>3,394,541</td>
<td>3,971,680</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>173,207</td>
<td>83,624</td>
<td>567</td>
<td>257,398</td>
<td>257,398</td>
</tr>
<tr>
<td><strong>Total Fixed Assets (net)</strong></td>
<td>$286,180</td>
<td>$30,575</td>
<td>$2,986</td>
<td>$3,394,541</td>
<td>$3,714,282</td>
</tr>
</tbody>
</table>
NO8  FIXED ASSETS (Continued)

No projects were under construction, for the year ended June 30, 1997, that resulted in capitalized interest for the proprietary and fiduciary fund types.

Changes in general fixed assets, for the year ended June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>178,597</td>
<td>135</td>
<td>7,902</td>
<td>(465)</td>
<td>186,169</td>
</tr>
<tr>
<td>Buildings</td>
<td>2,052,579</td>
<td>66,704</td>
<td>87,836</td>
<td>(39,862)</td>
<td>2,167,257</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>149,076</td>
<td>3,918</td>
<td>5,790</td>
<td>(3,420)</td>
<td>155,364</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>190,204</td>
<td>(2,808)</td>
<td>38,917</td>
<td>(11,752)</td>
<td>214,561</td>
</tr>
<tr>
<td>State Vehicles</td>
<td>217,554</td>
<td>(3,963)</td>
<td>27,803</td>
<td>(16,299)</td>
<td>225,095</td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>479,197</td>
<td>(18,731)</td>
<td>442,628</td>
<td>(456,999)</td>
<td>446,095</td>
</tr>
<tr>
<td><strong>Total General Fixed Assets</strong></td>
<td><strong>$3,267,207</strong></td>
<td><strong>$45,255</strong></td>
<td><strong>$610,876</strong></td>
<td><strong>$(528,797)</strong></td>
<td><strong>$3,394,541</strong></td>
</tr>
</tbody>
</table>

B. Component Units

Fixed assets by category for the State’s component units, as of June 30, 1997, are as follows (in thousands).

<table>
<thead>
<tr>
<th>Description</th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Ohio University</th>
<th>Miami University</th>
<th>University of Akron</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>30,762</td>
<td>15,389</td>
<td>9,898</td>
<td>2,143</td>
<td>16,968</td>
</tr>
<tr>
<td>Buildings</td>
<td>1,200,279</td>
<td>708,621</td>
<td>307,451</td>
<td>297,669</td>
<td>261,762</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>134,500</td>
<td>17,199</td>
<td>52,392</td>
<td>28,504</td>
<td>29,178</td>
</tr>
<tr>
<td>Machinery, Equipment, and Vehicles</td>
<td>605,765</td>
<td>107,049</td>
<td>117,166</td>
<td>86,166</td>
<td>91,080</td>
</tr>
<tr>
<td>Library Books and Publications</td>
<td>114,784</td>
<td>77,556</td>
<td>45,426</td>
<td>34,110</td>
<td>45,313</td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>152,865</td>
<td>59,566</td>
<td>11,999</td>
<td>39,236</td>
<td>16,152</td>
</tr>
<tr>
<td><strong>Total Fixed Assets (at cost)</strong></td>
<td><strong>2,238,955</strong></td>
<td><strong>985,380</strong></td>
<td><strong>544,332</strong></td>
<td><strong>487,828</strong></td>
<td><strong>460,453</strong></td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Fixed Assets (net)</strong></td>
<td><strong>$2,238,955</strong></td>
<td><strong>985,380</strong></td>
<td><strong>544,332</strong></td>
<td><strong>487,828</strong></td>
<td><strong>460,453</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Kent State University</th>
<th>University of Toledo</th>
<th>Cleveland State University</th>
<th>Other Component Units</th>
<th>Total Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>6,037</td>
<td>17,479</td>
<td>47,627</td>
<td>52,278</td>
<td>198,581</td>
</tr>
<tr>
<td>Buildings</td>
<td>235,961</td>
<td>261,291</td>
<td>244,047</td>
<td>1,057,347</td>
<td>4,574,428</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>26,860</td>
<td>17,199</td>
<td>25,955</td>
<td>73,194</td>
<td>395,945</td>
</tr>
<tr>
<td>Machinery, Equipment, and Vehicles</td>
<td>60,971</td>
<td>55,904</td>
<td>51,594</td>
<td>347,560</td>
<td>1,523,255</td>
</tr>
<tr>
<td>Library Books and Publications</td>
<td>45,129</td>
<td>17,052</td>
<td>42,391</td>
<td>87,294</td>
<td>509,055</td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>14,214</td>
<td>38,810</td>
<td>25,541</td>
<td>63,403</td>
<td>421,786</td>
</tr>
<tr>
<td><strong>Total Fixed Assets (at cost)</strong></td>
<td><strong>389,172</strong></td>
<td><strong>415,699</strong></td>
<td><strong>420,155</strong></td>
<td><strong>1,681,076</strong></td>
<td><strong>7,623,050</strong></td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td></td>
<td></td>
<td></td>
<td>444</td>
<td>444</td>
</tr>
<tr>
<td><strong>Total Fixed Assets (net)</strong></td>
<td><strong>$389,172</strong></td>
<td><strong>$415,699</strong></td>
<td><strong>$420,155</strong></td>
<td><strong>$1,680,632</strong></td>
<td><strong>$7,622,606</strong></td>
</tr>
</tbody>
</table>
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

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 1996 are as follows:

<table>
<thead>
<tr>
<th>Contribution Rates — Calendar Year 1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Share</td>
</tr>
<tr>
<td>Regular Employees</td>
</tr>
<tr>
<td>Law Enforcement Employees</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Primary Government</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the Year Ended</td>
<td>For the Year Ended</td>
</tr>
<tr>
<td></td>
<td>December 31,</td>
<td>June 30,</td>
</tr>
<tr>
<td></td>
<td>Employer's</td>
<td>Employer's</td>
</tr>
<tr>
<td></td>
<td>Contribution</td>
<td>Contribution</td>
</tr>
<tr>
<td></td>
<td>for Regular</td>
<td>for Law</td>
</tr>
<tr>
<td></td>
<td>Employees</td>
<td>Enforcement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees</td>
</tr>
<tr>
<td>1996</td>
<td>$196,501</td>
<td>$2,410</td>
</tr>
<tr>
<td>1995</td>
<td>188,913</td>
<td>2,480</td>
</tr>
<tr>
<td>1994</td>
<td>178,344</td>
<td>2,454</td>
</tr>
</tbody>
</table>

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. The portion of the employer rate that is used to fund healthcare is 5.89 percent of covered payroll for law enforcement employees, and 4.29 percent of covered payroll for regular employees for calendar year 1996. Employees do not fund any portion of healthcare costs.
NOTE 9  PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

PERS healthcare benefits are advance-funded on an actuarially determined basis. An entry-age normal actuarial cost method of valuation is used in determining the present value of benefit liabilities and normal cost. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. The investment assumption rate for 1995 was 7.75 percent, while healthcare costs were assumed to increase by 5.25 percent annually. An annual increase of 5.25 percent, compounded annually, is the base portion of the individual pay increase assumption. Additionally, annual pay increases over and above the base portion are assumed to range from zero to 5.1 percent.

With regard to asset valuation for the PERS healthcare plan, short-term securities consisting of commercial paper and U.S. Treasury obligations are carried at cost; equity securities, fixed income investments, and investments in real estate are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing plan participants for the multiple-employer plan was 62,332 for the primary government, as of June 30, 1997. Employer contribution requirements are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Actuarially Determined and Actual Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
</tr>
<tr>
<td>(for the year ended December 31, 1996)</td>
<td></td>
</tr>
<tr>
<td>Regular Employees</td>
<td>$93,458</td>
</tr>
<tr>
<td>Law Enforcement Employees</td>
<td>1,313</td>
</tr>
<tr>
<td>Total</td>
<td>$94,771</td>
</tr>
<tr>
<td><strong>Component Units:</strong></td>
<td></td>
</tr>
<tr>
<td>(for the year ended June 30, 1997)</td>
<td>$46,116</td>
</tr>
</tbody>
</table>

PERS had $7.2 billion in net assets available for healthcare benefits at December 31, 1995. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were $8.6 billion and $1.4 billion, respectively.

B. State Teachers Retirement System (STRS)

Pension Benefits

STRS is a cost-sharing, defined benefit multiple-employer public employee retirement system. For reporting STRS, the State has early implemented GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, for the year ended June 30, 1997.

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

Under the “formula benefit” calculation, the maximum annual retirement allowance is equal to 2.1 percent of an average of a member’s three highest years’ salary multiplied by the member’s number of years of credited service (up to 30 years and 2.5 percent a year for earned Ohio service over 30 years, up to a maximum 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. Contributions are made by the member and employer 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. Contribution rates for fiscal year 1997 were 14 percent for employers and 9.3 percent for employees. For STRS, 12 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 (in thousands):

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Primary Government</th>
<th>Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$5,051</td>
<td>$111,928</td>
</tr>
<tr>
<td>1996</td>
<td>4,780</td>
<td>112,449</td>
</tr>
<tr>
<td>1995</td>
<td>4,795</td>
<td>107,210</td>
</tr>
</tbody>
</table>

The pension liability, as calculated in accordance with GASB Statement No. 27, was zero before and after the transition.

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. Additional premiums are required to be paid by retirees 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 two percent of covered payroll are allocated to pay for healthcare benefits.

The employer contribution is advance-funded, but not on an actuarially determined basis. Net healthcare costs paid by the primary government and its component units, for the year ended June 30, 1997, totaled $842 thousand and $18.6 million, respectively. Eligible benefit recipients for the primary government, for the same period, totaled 1,020. Net assets available to fund future healthcare benefits was $1.6 billion, as of June 30, 1996.
C. State Highway Patrol Retirement System (SHPRS)

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

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

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

Through June 8, 1996, active members and the employer contributed 10.5 percent and 24.53 percent, respectively, of active member payroll, of which all of the employee’s contribution and 19.03 percent of the employer’s contribution were used to fund pension benefits. Effective June 9, 1996, active members and the employer began contributing 10 percent and 24 percent, respectively, of active member payroll, of which all of the employee’s contribution and 19.87 percent of the employer’s contribution were used to fund pension benefits. The difference in the total employer rates charged during 1996 and the employer rates applicable to the funding of pension benefits is applied to the funding of postemployment healthcare benefits.

SHPRS’s financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred and revenues are recorded when they are earned.

All investments are reported at fair value. Fair value is, “the amount that the plan can reasonably expect to receive for an investment in a current sale, between a willing buyer and a willing seller- that is, other than in a forced or liquidation sale.” Short-term investments are reported at cost, which approximates fair value. Corporate bonds are valued at the median price by the brokerage firms. Securities traded on a national exchange are valued at the last reported sales price at the current exchange rate. The fair value of real estate investments are based on the estimated current value and on independent appraisals.

Assets are valued with a method that amortizes each year’s investment gain or loss over a closed, four-year period.

Annual pension cost for the State totaled $11.9 million for the year, 100 percent of which was contributed during the year.

SHPRS used the entry-age normal actuarial cost method for the Schedule of Funding Progress for the actuarial valuation, dated December 31, 1996. 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 zero to 3.5 percent per year attributable to seniority and merit; and postretirement increases each year equal to the increase in the Consumer Price Index (not to exceed three percent).
NOTE 9  PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The unfunded actuarial accrued liability is being amortized using the level-percentage of projected payroll method over a closed period of 16 years.

In addition to retirement and healthcare benefits, SHPRS also provides for disability and survivors’ benefits. Qualified dependents of a deceased member are eligible for monthly survivors’ benefits.

The Schedule of Funding Progress for the last three years is as follows (in thousands):

<table>
<thead>
<tr>
<th>Valuation Year</th>
<th>(A) Actuarial Accrued Liability (AAL)</th>
<th>(B) Valuation Assets</th>
<th>(C) Unfunded Actuarial Accrued Liability (UAAL) (B) – (C)</th>
<th>(D) Ratio of Assets to AAL (C)/(B)</th>
<th>(E) Active Member Payroll</th>
<th>(F) UAAL as Percentage of Active Member Payroll (D)/(F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994 (a)</td>
<td>$374,007</td>
<td>$330,787</td>
<td>$43,220</td>
<td>88.4%</td>
<td>$58,117</td>
<td>74.4%</td>
</tr>
<tr>
<td>1995 (b)</td>
<td>402,450</td>
<td>370,425</td>
<td>32,025</td>
<td>92.0</td>
<td>59,825</td>
<td>53.5</td>
</tr>
<tr>
<td>1995 (a)/(b)</td>
<td>427,757</td>
<td>370,425</td>
<td>57,332</td>
<td>86.6</td>
<td>59,825</td>
<td>95.8</td>
</tr>
<tr>
<td>1996</td>
<td>454,514</td>
<td>411,316</td>
<td>43,198</td>
<td>90.5</td>
<td>59,239</td>
<td>72.9</td>
</tr>
</tbody>
</table>

(a) Revised actuarial assumptions or methods  
(b) Plan amended

Amounts reported in the schedule do not include assets or liabilities for postemployment healthcare benefits.

Other Postemployment Benefits

In addition to providing pension benefits, SHPRS pays health insurance claims on behalf of all persons receiving a monthly pension or survivor benefit and Medicare Part B basic premiums for those eligible benefit recipients upon proof of coverage. The number of active contributing plan participants, as of December 31, 1996, was 1,375. The cost of retiree healthcare benefits is recognized as claims are incurred and premiums are paid. The calendar year 1996 expense was $2 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, 1996 was $73.8 million, and include investments, which are carried at fair value, as described above.

As of December 31, 1996, 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 $61.6 million; the prefunded actuarial accrued liability for healthcare benefits at that date was $12.2 million.

Employer contributions are made in accordance with actuarially determined requirements. The employer contribution requirement was approximately $2.9 million or 4.8 percent of active member payroll for the period January 1 to December 31, 1996.
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 14 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 authorized 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, 1997, the General Assembly had authorized $1.2 billion of these bonds to be sold, of which approximately $1.08 billion had been issued and $944.3 million (net of unaccreted discount of $157.3 million on deep-discount bonds issued) was outstanding. In November 1995, voters approved another constitutional amendment to authorize 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, 1997, the General Assembly had authorized $120 million in Infrastructure Bonds to be issued under the provisions of the 1995 constitutional amendment.

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, 1997, for Highway Obligations, was $1.86 billion, of which $1.75 billion had been issued and $357.7 million was outstanding. Pursuant to a constitutional amendment voters approved in November 1995, the remaining $109.7 million in General Assembly authorizations for the issuance of Highway Obligations expired December 31, 1996.

Through approval of the November 1995 amendment, voters authorized the issuance of Highway Capital Improvements Bonds in amounts up to $220 million in any fiscal year (plus any prior fiscal years’ principal amounts not issued under the new authorization), with no more than $1.2 billion outstanding at any time. As of June 30, 1997, the General Assembly had authorized the issuance of $432.5 million in Highway Capital Improvements Bond, of which $175 million had been issued and $170 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, 1997, the General Assembly had authorized the issuance of $150 million in Coal Research and Development Bonds, of which $95 million had been issued and $32.4 million was outstanding. Legislative authorizations for the issuance of Parks and Natural Resources Bonds totaled $180 million, as of June 30, 1997, of which $100 million had been issued and $94.2 million was outstanding.

General obligation bonds outstanding and bonds authorized but unissued, as of June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Fiscal Years Issued</th>
<th>Average Net Interest Rates</th>
<th>Maturing Through Fiscal Year</th>
<th>Outstanding Balance</th>
<th>Authorized But Unissued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Improvements</td>
<td>1990-97</td>
<td>4.8%-8.2%</td>
<td>2017</td>
<td>$ 944,346</td>
<td>$240,000</td>
</tr>
<tr>
<td>Highway Obligations</td>
<td>1988-97</td>
<td>4.5%-6.5%</td>
<td>2005</td>
<td>357,700</td>
<td>—</td>
</tr>
<tr>
<td>Highway Capital Improvements</td>
<td>1997</td>
<td>4.7%-4.8%</td>
<td>2007</td>
<td>170,000</td>
<td>257,500</td>
</tr>
<tr>
<td>Coal Research and Development</td>
<td>1992-96</td>
<td>4.5%-5.6%</td>
<td>2005</td>
<td>32,350</td>
<td>55,000</td>
</tr>
<tr>
<td>Parks, Recreation, and Natural Resources</td>
<td>1995-97</td>
<td>4.5%-5.6%</td>
<td>2012</td>
<td>94,200</td>
<td>80,000</td>
</tr>
<tr>
<td>Total General Obligation Bonds</td>
<td></td>
<td></td>
<td></td>
<td>$1,598,596</td>
<td>$632,500</td>
</tr>
</tbody>
</table>
NOTE 10  GENERAL OBLIGATION BONDS (Continued)

For the year ended June 30, 1997, 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, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998 ................</td>
<td>$ 164,860</td>
<td>$ 66,169</td>
<td>$ 231,029</td>
</tr>
<tr>
<td>1999 ................</td>
<td>144,545</td>
<td>59,333</td>
<td>203,878</td>
</tr>
<tr>
<td>2000 ................</td>
<td>132,860</td>
<td>53,282</td>
<td>186,142</td>
</tr>
<tr>
<td>2001 ................</td>
<td>135,425</td>
<td>48,242</td>
<td>183,667</td>
</tr>
<tr>
<td>2002 ................</td>
<td>137,975</td>
<td>42,914</td>
<td>180,889</td>
</tr>
<tr>
<td>Thereafter ...........</td>
<td>1,040,190</td>
<td>210,219</td>
<td>1,250,409</td>
</tr>
<tr>
<td></td>
<td>1,755,855</td>
<td>480,159</td>
<td>2,236,014</td>
</tr>
</tbody>
</table>

Less: Unaccreted Discount........ 157,259 — 157,259

Total ................................ $1,598,596 $480,159 $2,078,755

NOTE 11  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 the state-supported institutions of higher education, mental hygiene and retardation, and parks and recreation. Elementary and Secondary Education Bonds issued by the Treasurer of State for the Department of Education finance the cost of capital facilities for local school districts.

OBA bonds issued for State agencies are reflected as special obligation bonds, and OBA bonds issued for related local government facilities are shown as revenue bonds (See NOTE 12).

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, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Organization</th>
<th>Fiscal Years Issued</th>
<th>Average Net Interest Rates</th>
<th>Maturing Through Fiscal Year</th>
<th>Outstanding Balance</th>
<th>Authorized But Unissued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Building Authority................</td>
<td>1986-97</td>
<td>4.6%-9.0%</td>
<td>2017</td>
<td>$1,988,987</td>
<td>$ 790,200</td>
</tr>
<tr>
<td>Ohio Public Facilities Commission ......</td>
<td>1986-97</td>
<td>4.5%-7.3%</td>
<td>2012</td>
<td>2,559,040</td>
<td>1,095,470</td>
</tr>
<tr>
<td>Elementary and Secondary Education.....</td>
<td>1995-97</td>
<td>5.1%-5.8%</td>
<td>2007</td>
<td>116,810</td>
<td>400,000</td>
</tr>
<tr>
<td>Total Special Obligation Bonds........</td>
<td></td>
<td></td>
<td></td>
<td>$4,664,837</td>
<td>$2,285,670</td>
</tr>
</tbody>
</table>
NOTE 11  SPECIAL OBLIGATION BONDS (Continued)

For the year ended June 30, 1997, NOTE 15 summarizes changes in special obligation bonds reported in the General Long-Term Obligations Account Group.

Future special obligation debt service requirements, as of June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$430,333</td>
<td>$243,664</td>
<td>$673,997</td>
</tr>
<tr>
<td>1999</td>
<td>408,188</td>
<td>225,111</td>
<td>633,299</td>
</tr>
<tr>
<td>2000</td>
<td>396,292</td>
<td>205,320</td>
<td>601,612</td>
</tr>
<tr>
<td>2001</td>
<td>387,143</td>
<td>181,285</td>
<td>568,428</td>
</tr>
<tr>
<td>2002</td>
<td>360,431</td>
<td>157,520</td>
<td>517,951</td>
</tr>
<tr>
<td>Thereafter</td>
<td>2,682,450</td>
<td>678,740</td>
<td>3,361,190</td>
</tr>
<tr>
<td>Total</td>
<td>$4,664,837</td>
<td>$1,691,640</td>
<td>$6,356,477</td>
</tr>
</tbody>
</table>

In August 1996, the OBA issued $70 million in special obligation bonds with an average interest rate of 4.8 percent to retire $69 million in bonds with an interest rate of 8.4 percent. In December 1996, the OBA issued $70 million in special obligation bonds with an average interest rate of 4.9 percent to retire $99 million in bonds with an interest rate of 6.2 percent. The net proceeds of the refunding bonds, plus an additional $1.9 million and $31.1 million from existing debt service moneys were placed with a trustee in August and December, respectively, to retire the bonds at the call date, and consequently, the liability associated with the refunded bonds has been removed from the General Long-Term Obligations Account Group.

The refunding transactions in August and December reduced the OBA’s total future debt service payments by about $16 million and $40 million and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately $10 million and $9 million, respectively.

In April 1997, the OPFC issued $132.4 million in special obligation bonds to advance refund $186.3 million in bonds. The net proceeds of approximately $133.1 million (after payment of approximately $625 thousand for underwriter’s discount), plus an additional $64.7 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. As a result, the advance refunded bonds are considered defeased under the appropriate trust agreement, and the liability for the advance refunded bonds has been removed from the General Long-Term Obligations Account Group.

The OPFC refunded the special obligation bonds to reduce its debt service over the next seven years by approximately $27.9 million to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of approximately $6.4 million.

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, 1997, $479.7 million and $129.1 million of OBA and OPFC bonds outstanding, respectively, are considered defeased.

NOTE 12  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 Treasurer of State for the Ohio Department of Development’s Office of Financial Incentives, and the Ohio Building Authority (OBA), which has issued revenue bonds on its own behalf and for the Ohio Bureau of Workers’ Compensation. 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 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 reserve under a trust agreement with a financial institution. As of June 30, 1997, approximately $167 million in economic development bonds payable from liquor profits were outstanding.

Additionally, taxable economic development bonds in the amount of $4.6 million, issued by the Treasurer of State in connection with the Ohio Enterprise Bond Program, were outstanding, as of June 30, 1997. 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 1997, $10 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.

Revenue bonds outstanding for the primary government, as of June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Organization</th>
<th>Fiscal Year Issued</th>
<th>Interest Rates</th>
<th>Maturing Through Fiscal Year</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enterprise:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohio Building Authority/</td>
<td>1994</td>
<td>3.3%-5.1%</td>
<td>2014</td>
<td>$202,109</td>
</tr>
<tr>
<td>Bureau of Workers’ Compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Internal Service:</strong></td>
<td>1986-97</td>
<td>4.5%-9.8%</td>
<td>2008</td>
<td>40,169</td>
</tr>
<tr>
<td>Ohio Building Authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General Long-Term Obligations:</strong></td>
<td>1997</td>
<td>5.7%-9.7%*</td>
<td>2022</td>
<td>171,595</td>
</tr>
<tr>
<td>Treasurer of State/Economic Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue Bonds:</strong></td>
<td></td>
<td></td>
<td></td>
<td>$413,873</td>
</tr>
</tbody>
</table>

*Average net interest rates
NOTE 12  REVENUE BONDS AND NOTES (Continued)

For the year ended June 30, 1997, 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, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Enterprise Fund</th>
<th>Internal Service Fund</th>
<th>General Long-Term Obligations Account Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
</tr>
<tr>
<td>1998</td>
<td>$ 5,000</td>
<td>$ 9,655</td>
<td>$ 14,655</td>
</tr>
<tr>
<td>1999</td>
<td>6,000</td>
<td>9,455</td>
<td>15,455</td>
</tr>
<tr>
<td>2000</td>
<td>7,000</td>
<td>9,209</td>
<td>16,209</td>
</tr>
<tr>
<td>2001</td>
<td>8,000</td>
<td>8,915</td>
<td>16,915</td>
</tr>
<tr>
<td>2002</td>
<td>9,000</td>
<td>8,517</td>
<td>17,517</td>
</tr>
<tr>
<td>Thereafter</td>
<td>170,255</td>
<td>57,225</td>
<td>227,480</td>
</tr>
<tr>
<td>Less: Unamortized Discount</td>
<td>205,255</td>
<td>102,976</td>
<td>308,231</td>
</tr>
<tr>
<td>Total</td>
<td>$202,109</td>
<td>$102,976</td>
<td>$305,085</td>
</tr>
</tbody>
</table>

On October 1, 1996, the Treasurer of State issued $66.8 million in taxable Series 1996 Development Assistance Bonds to advance refund $54.4 million of outstanding Series 1989 Liquor Profits Refunding Bonds. The net proceeds of $65.8 million (after payment of $944,532 in underwriting fees, insurance, and other issuance costs) 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 Series 1989 bonds. As a result, the Series 1989 bonds are considered to be defeased and the liability for those bonds has been removed from the General Long-Term Obligations Account Group.

The State advance refunded the Series 1989 bonds to reduce its total debt service payments over the next four years by approximately $11.6 million. The refunding resulted in an economic loss of $2.1 million. The economic loss is the difference between the present value of the debt service payments on the old and new debt.

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 have 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, 1996, approximately $376.8 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, 1996, are as follows (in thousands):
NOTE 12  REVENUE BONDS AND NOTES (Continued)

Year Ending December 31,  

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$ 13,150</td>
<td>$ 19,773</td>
<td>$ 32,923</td>
</tr>
<tr>
<td>1998</td>
<td>15,880</td>
<td>19,145</td>
<td>35,025</td>
</tr>
<tr>
<td>1999</td>
<td>16,900</td>
<td>18,392</td>
<td>35,292</td>
</tr>
<tr>
<td>2000</td>
<td>17,275</td>
<td>17,588</td>
<td>34,863</td>
</tr>
<tr>
<td>2001</td>
<td>17,820</td>
<td>16,709</td>
<td>34,529</td>
</tr>
<tr>
<td>Thereafter</td>
<td>293,070</td>
<td>115,378</td>
<td>408,448</td>
</tr>
<tr>
<td></td>
<td>374,095</td>
<td>206,985</td>
<td>581,080</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,677</td>
<td></td>
<td>2,677</td>
</tr>
<tr>
<td>Total</td>
<td>$376,772</td>
<td>$206,985</td>
<td>$583,757</td>
</tr>
</tbody>
</table>

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, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Water Development Authority</td>
<td>Ohio State University</td>
<td>University of Cincinnati</td>
<td></td>
</tr>
<tr>
<td>(12/31/96)</td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
</tr>
<tr>
<td>1997</td>
<td>$ 68,720</td>
<td>$ 67,792</td>
<td>$136,512</td>
</tr>
<tr>
<td>1998</td>
<td>81,315</td>
<td>64,311</td>
<td>145,626</td>
</tr>
<tr>
<td>1999</td>
<td>77,020</td>
<td>60,431</td>
<td>137,451</td>
</tr>
<tr>
<td>2000</td>
<td>79,390</td>
<td>56,497</td>
<td>135,887</td>
</tr>
<tr>
<td>2001</td>
<td>79,855</td>
<td>52,913</td>
<td>132,768</td>
</tr>
<tr>
<td>2002</td>
<td>109,045</td>
<td>339,488</td>
<td>1,248,828</td>
</tr>
<tr>
<td>Thereafter</td>
<td>909,340</td>
<td>339,488</td>
<td>1,248,828</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,216</td>
<td></td>
<td>30,216</td>
</tr>
<tr>
<td>Total</td>
<td>$1,265,554</td>
<td>$641,432</td>
<td>$1,906,986</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Toledo</td>
<td>Other Component Units</td>
<td>Total Component Units</td>
<td></td>
</tr>
<tr>
<td>(December 31 or June 30)</td>
<td>Principal</td>
<td>Interest</td>
<td>Total</td>
</tr>
<tr>
<td>1997</td>
<td>$ 3,220</td>
<td>$ 4,765</td>
<td>$ 7,985</td>
</tr>
<tr>
<td>1998</td>
<td>2,925</td>
<td>4,559</td>
<td>7,484</td>
</tr>
<tr>
<td>1999</td>
<td>3,080</td>
<td>4,409</td>
<td>7,489</td>
</tr>
<tr>
<td>2000</td>
<td>3,225</td>
<td>4,251</td>
<td>7,476</td>
</tr>
<tr>
<td>2001</td>
<td>3,230</td>
<td>4,082</td>
<td>7,312</td>
</tr>
<tr>
<td>2002</td>
<td>69,525</td>
<td>42,587</td>
<td>112,112</td>
</tr>
<tr>
<td>Thereafter</td>
<td>85,205</td>
<td>64,653</td>
<td>149,858</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30,216</td>
<td></td>
<td>30,216</td>
</tr>
<tr>
<td>Total</td>
<td>$85,205</td>
<td>$64,653</td>
<td>$149,858</td>
</tr>
</tbody>
</table>
NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 1997, approximately $26.6 million in certificate of participation obligations were reported in the General Long-Term Obligations Account Group. In fiscal year 1992, the Department of Transportation issued $8.7 million of certificates of participation obligations to finance the acquisition of the Panhandle Rail Line Project. During fiscal year 1996, the Department also sold $10 million in certificates of participation obligations to finance State assistance to the Greater Cleveland Regional Transit Authority for a share of the Cleveland Waterfront Transit Line Project’s construction cost, and $10.2 million in obligations to provide assistance to the Rickenbacker Port Authority for facility improvements at the Rickenbacker International Airport in Franklin and Pickaway counties.

Under the certificate of participation financing arrangements, the State is required to make payments from the Transportation Certificate 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, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Project</th>
<th>Fiscal Year Issued</th>
<th>Interest Rates</th>
<th>Maturing Through Fiscal Year</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Long-Term Obligations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Transportation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panhandle Rail Line Project</td>
<td>1992</td>
<td>5.6%-6.5%</td>
<td>2012</td>
<td>$ 7,475</td>
</tr>
<tr>
<td>Waterfront Transit Line Project</td>
<td>1996</td>
<td>4.5%-8.0%</td>
<td>2003</td>
<td>9,000</td>
</tr>
<tr>
<td>Rickenbacker Port Authority Improvements</td>
<td>1996</td>
<td>6.13%</td>
<td>2015</td>
<td>10,155</td>
</tr>
<tr>
<td>Total Certificates of Participation Obligations</td>
<td></td>
<td></td>
<td></td>
<td>$26,630</td>
</tr>
</tbody>
</table>

As of June 30, 1997, the primary government’s future commitments under the certificate of participation financing arrangements are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>General Long-Term Obligations Account Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
</tr>
<tr>
<td>1998</td>
<td>$ 1,570</td>
</tr>
<tr>
<td>1999</td>
<td>1,850</td>
</tr>
<tr>
<td>2000</td>
<td>2,175</td>
</tr>
<tr>
<td>2001</td>
<td>2,285</td>
</tr>
<tr>
<td>2002</td>
<td>2,405</td>
</tr>
<tr>
<td>Thereafter</td>
<td>16,345</td>
</tr>
<tr>
<td>Total</td>
<td>$26,630</td>
</tr>
</tbody>
</table>

For the year ended June 30, 1997, NOTE 15 summarizes changes in certificate of participation obligations reported in the General Long-Term Obligations Account Group.

For the State’s component units, approximately $86.8 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.
NOTE 13  CERTIFICATES OF PARTICIPATION (Continued)

As of June 30, 1997, future commitments under the certificate of participation financing arrangements for the State’s component units are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending December 31 or June 30,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$ 480</td>
<td>$163</td>
<td>$ 643</td>
<td>$ 320</td>
<td>$ 4,210</td>
<td>$ 4,530</td>
<td>$ 800</td>
<td>$ 4,373</td>
<td>$ 5,173</td>
</tr>
<tr>
<td>1999</td>
<td>490</td>
<td>146</td>
<td>636</td>
<td>250</td>
<td>4,196</td>
<td>4,446</td>
<td>740</td>
<td>4,342</td>
<td>5,082</td>
</tr>
<tr>
<td>2000</td>
<td>515</td>
<td>128</td>
<td>643</td>
<td>1,025</td>
<td>4,185</td>
<td>5,210</td>
<td>1,540</td>
<td>4,313</td>
<td>5,853</td>
</tr>
<tr>
<td>2001</td>
<td>530</td>
<td>109</td>
<td>639</td>
<td>1,705</td>
<td>4,142</td>
<td>5,847</td>
<td>2,235</td>
<td>4,251</td>
<td>6,486</td>
</tr>
<tr>
<td>2002</td>
<td>570</td>
<td>87</td>
<td>657</td>
<td>1,770</td>
<td>4,068</td>
<td>5,838</td>
<td>2,340</td>
<td>4,155</td>
<td>6,495</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,630</td>
<td>113</td>
<td>1,743</td>
<td>77,540</td>
<td>51,255</td>
<td>128,795</td>
<td>79,170</td>
<td>51,368</td>
<td>130,538</td>
</tr>
<tr>
<td>Total</td>
<td>$4,215</td>
<td>$746</td>
<td>$4,961</td>
<td>$82,610</td>
<td>$72,056</td>
<td>$154,666</td>
<td>$86,825</td>
<td>$72,802</td>
<td>$159,627</td>
</tr>
</tbody>
</table>

NOTE 14  OTHER LONG-TERM OBLIGATIONS

As of June 30, 1997, other general long-term obligations of the State reported in the General Long-Term Obligations Account Group are as follows (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensated Absences (A.)</td>
<td>$ 276,547</td>
</tr>
<tr>
<td>Lease Agreements (B.)</td>
<td>12,072</td>
</tr>
<tr>
<td>Judgments, Settlements, and Claims (C.)</td>
<td>122,438</td>
</tr>
<tr>
<td>Litigation Liabilities (C.)</td>
<td>37,310</td>
</tr>
<tr>
<td>Workers’ Compensation Obligation (D.)</td>
<td>561,900</td>
</tr>
<tr>
<td>Total Other General Long-Term Obligations</td>
<td>$1,010,267</td>
</tr>
</tbody>
</table>

For the year ended June 30, 1997, 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 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, 1997 was approximately $27.2 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, 1997, was $336.5 million, of which $35.6 million is allocable to the proprietary funds and $300.9 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the $27.2 million) compensated absence liability, as of June 30, 1997, was $309.3 million, of which $32.8 million is reported in the proprietary funds and $276.5 million is reported in the General Long-Term Obligations Account Group.
NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

For the State’s component units, the compensated absences liability, as of June 30, 1997, in the amount of $178.2 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 1997 were approximately $93.4 million. Future minimum lease commitments for operating leases and capital leases judged to be noncancelable, as of June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th>Operating Leases</th>
<th>Enterprise Fund</th>
<th>Internal Service Fund</th>
<th>General Long-Term Obligations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$7,074</td>
<td>$ 9,862</td>
<td>$20</td>
<td>$ 5,438</td>
<td>$15,320</td>
</tr>
<tr>
<td>1999</td>
<td>1,818</td>
<td>6,575</td>
<td>—</td>
<td>4,295</td>
<td>10,870</td>
</tr>
<tr>
<td>2000</td>
<td>87</td>
<td>—</td>
<td>—</td>
<td>1,956</td>
<td>1,956</td>
</tr>
<tr>
<td>2001</td>
<td>76</td>
<td>—</td>
<td>—</td>
<td>1,542</td>
<td>1,542</td>
</tr>
<tr>
<td>2002</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>349</td>
<td>349</td>
</tr>
<tr>
<td>Thereafter</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total Minimum Lease Payments</td>
<td>$9,057</td>
<td>16,437</td>
<td>20</td>
<td>13,580</td>
<td>30,037</td>
</tr>
</tbody>
</table>

Less: Amount Representing Interest

| Present Value of Net Minimum Lease Payments | $15,605 | $20 | $12,072 | $27,697 |

As of June 30, 1997, 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 (in thousands):
NOTE 14  OTHER LONG-TERM OBLIGATIONS (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Enterprise Fund</th>
<th>Internal Service Fund</th>
<th>General Fixed Assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$15,605</td>
<td>$32</td>
<td>$28,193</td>
<td>$43,830</td>
</tr>
<tr>
<td>Vehicles</td>
<td>—</td>
<td>—</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>$15,605</td>
<td>$32</td>
<td>$28,230</td>
<td>$43,867</td>
</tr>
</tbody>
</table>

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

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 the State, the courts decided that the State was responsible for sharing in all past and future desegregation costs. As of June 30, 1997, the State was responsible for an estimated $82.7 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 approximately $36.6 million for anticipated federal program disallowances, $2.8 million for legal costs, and $316 thousand for claims payable under the Disability Assistance Program that the Ohio Department of Human Services administers.

For information on the State’s loss contingencies arising from pending litigation, see NOTE 23.

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 $561.9 million.

E. Liabilities Payable from Restricted Assets

Deferred Prize Awards

Deferred prize awards payable in installments over future years totaling approximately $1.34 billion, as of June 30, 1997, 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 four 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.
NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

The present value of future payments of unpaid prize awards, as of June 30, 1997, is as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ending June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$ 158,033</td>
</tr>
<tr>
<td>1999</td>
<td>157,875</td>
</tr>
<tr>
<td>2000</td>
<td>157,742</td>
</tr>
<tr>
<td>2001</td>
<td>157,705</td>
</tr>
<tr>
<td>2002</td>
<td>157,634</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,532,901</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: Unamortized Discount</th>
<th>977,144</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Prize Liability</td>
<td>$1,344,746</td>
</tr>
</tbody>
</table>

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 $208.8 million, as of June 30, 1997, 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, 1997, in the amount of $12.86 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is reported as “Workers’ Compensation Benefits Payable.”
### NOTE 15  CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations, for the year ended June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>General Obligation Bonds (NOTE 10)</th>
<th>Special Obligation Bonds (NOTE 11)</th>
<th>Revenue Bonds (NOTE 12)</th>
<th>Certificates of Participation (NOTE 13)</th>
<th>Other General Long-Term Obligations (NOTE 14)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, as of July 1, 1996 (as restated)</td>
<td>$1,304,564</td>
<td>$4,448,836</td>
<td>$67,490</td>
<td>$27,895</td>
<td>$1,028,089</td>
<td>$6,876,874</td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Issues</td>
<td>445,000</td>
<td>1,034,391</td>
<td>168,740</td>
<td></td>
<td></td>
<td>1,648,131</td>
</tr>
<tr>
<td>Deep-Discount Accretions</td>
<td>14,872</td>
<td>2,885</td>
<td></td>
<td></td>
<td></td>
<td>17,757</td>
</tr>
<tr>
<td>Increase in Compensated Absences</td>
<td>4,868</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,868</td>
</tr>
<tr>
<td>Increase in Lease Obligations</td>
<td>3,970</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,970</td>
</tr>
<tr>
<td>Increase in Judgments, Settlements, and Claims</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>44,386</td>
<td>44,386</td>
</tr>
<tr>
<td>Increase in Litigation Liabilities</td>
<td></td>
<td></td>
<td></td>
<td>3,970</td>
<td></td>
<td>32,310</td>
</tr>
<tr>
<td>Total Additions</td>
<td>459,872</td>
<td>1,037,276</td>
<td>168,740</td>
<td>44,386</td>
<td>3,970</td>
<td>1,751,422</td>
</tr>
<tr>
<td>Deductions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Retirements, Terminations, and Defeasances</td>
<td>165,840</td>
<td>821,275</td>
<td>64,635</td>
<td>3,970</td>
<td></td>
<td>1,053,015</td>
</tr>
<tr>
<td>Decrease in Lease Obligations</td>
<td>2,885</td>
<td></td>
<td></td>
<td>4,940</td>
<td></td>
<td>4,940</td>
</tr>
<tr>
<td>Decrease in Judgments, Settlements, and Claims</td>
<td></td>
<td></td>
<td></td>
<td>59,841</td>
<td></td>
<td>59,841</td>
</tr>
<tr>
<td>Decrease in Litigation Liabilities</td>
<td></td>
<td></td>
<td></td>
<td>3,375</td>
<td></td>
<td>3,375</td>
</tr>
<tr>
<td>Decrease in Workers’ Compensation Obligation</td>
<td></td>
<td></td>
<td></td>
<td>35,200</td>
<td></td>
<td>35,200</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>165,840</td>
<td>821,275</td>
<td>64,635</td>
<td>3,970</td>
<td>35,200</td>
<td>1,156,371</td>
</tr>
<tr>
<td>Balance, as of June 30, 1997</td>
<td>$1,598,596</td>
<td>$4,664,837</td>
<td>$171,595</td>
<td>$26,630</td>
<td>$1,010,267</td>
<td>$7,471,925</td>
</tr>
</tbody>
</table>

Fiscal year 1997 additions to the general obligation bonds, special obligation bonds, and revenue bonds do not include discounts and bond issuance costs of approximately $600 thousand, $6.7 million, and $1.9 million, respectively, which are netted with bond proceeds reported on the operating statement.

### 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, 1997, revenue bonds and notes outstanding that represent “no commitment” debt for the State are as follows (in thousands):

<table>
<thead>
<tr>
<th>Organization</th>
<th>Outstanding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Department of Development:</td>
<td></td>
</tr>
<tr>
<td>Ohio Housing Finance Agency</td>
<td>$1,801,487</td>
</tr>
<tr>
<td>Ohio Enterprise Bond Program</td>
<td>120,165</td>
</tr>
<tr>
<td>Hospital Facilities Bonds</td>
<td>8,275</td>
</tr>
<tr>
<td>Total No Commitment Debt</td>
<td>$1,929,927</td>
</tr>
</tbody>
</table>
NOTE 17  DEFERRED COMPENSATION PLAN

The State of Ohio offers its employees and elected officials a deferred compensation plan created in accordance with Internal Revenue Code Section 457 that is reported in the Deferred Compensation Agency Fund. The plan, available to any public employee, permits participants to defer a portion of their salary and the related tax liability until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claim of the State’s general creditors. Participants’ rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. The Plan Agreement states that the State and the Ohio Public Employees Deferred Compensation Board, the plan administrator, have no liability for losses under the plan with exception of fraud or wrongful taking.

The State believes that it is unlikely that the assets will be used to satisfy the claims of general creditors in the future, and no assets have been used in the past to satisfy such claims.

The $852.8 million and $7.2 million asset balances reported for the primary government and its component units, respectively, on the Combined Balance Sheet — All Fund Types, Account Groups and Discretely Presented Component Units as “Deposit with Deferred Compensation Plan” represent the State of Ohio’s assets actually held by the plan administrator. Plan assets are carried at market value.

In October 1997, the Governmental Accounting Standards Board (GASB) 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. The statement also requires plan investments to be reported at fair value. Management has not yet determined the impact that GASB Statement No. 32 will have on the State’s financial statements.

NOTE 18  ENTERPRISE FUNDS

A. Segment Information

The State 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, 1997, is as follows (in thousands):

<table>
<thead>
<tr>
<th>Tuition Trust Authority</th>
<th>Liquor Control</th>
<th>Ohio Lottery Commission</th>
<th>Workers’ Compensation</th>
<th>Underground Parking Garage</th>
<th>Office of Auditor of State</th>
<th>Total Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues...... $ 15,201</td>
<td>$366,636</td>
<td>$2,463,261</td>
<td>$ 4,348,344</td>
<td>$ 2,323</td>
<td>$ 31,466</td>
<td>$ 7,227,231</td>
</tr>
<tr>
<td>Depreciation............... 57</td>
<td>587</td>
<td>6,622</td>
<td>11,575</td>
<td>408</td>
<td>1,874</td>
<td>21,123</td>
</tr>
<tr>
<td>Amortization of Premiums/ (Accretion of Discounts)... (350)</td>
<td>—</td>
<td>99,611</td>
<td>—</td>
<td>99,632</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)... 2,309</td>
<td>95,524</td>
<td>752,015</td>
<td>1,639,902</td>
<td>412</td>
<td>(27,095)</td>
<td>2,463,067</td>
</tr>
<tr>
<td>Operating Transfers-in...... —</td>
<td>75</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>28,143</td>
<td>28,218</td>
</tr>
<tr>
<td>Operating Transfers-out..... —</td>
<td>89,621</td>
<td>748,520</td>
<td>4,894</td>
<td>1,710</td>
<td>—</td>
<td>844,745</td>
</tr>
<tr>
<td>Net Income (Loss).......... 18,677</td>
<td>6,050</td>
<td>3,464</td>
<td>1,635,008</td>
<td>(1,231)</td>
<td>494</td>
<td>1,662,462</td>
</tr>
</tbody>
</table>

(Continued)
NOTE 18  ENTERPRISE FUNDS (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Tuition Trust Authority</th>
<th>Liquor Control Authority</th>
<th>Ohio Lottery Commission</th>
<th>Workers’ Compensation</th>
<th>Underground Parking Garage</th>
<th>Office of Auditor of State</th>
<th>Total Enterprise Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Asset Additions........</td>
<td>154</td>
<td>4,774</td>
<td>1,530</td>
<td>—</td>
<td>33</td>
<td>3,132</td>
<td>9,623</td>
</tr>
<tr>
<td>Fixed Asset Disposals………</td>
<td>25</td>
<td>330</td>
<td>8,856</td>
<td>56,900</td>
<td>2</td>
<td>2,092</td>
<td>68,205</td>
</tr>
<tr>
<td>Net Working Capital........</td>
<td>20,556</td>
<td>18,128</td>
<td>148,225</td>
<td>1,120,875</td>
<td>1,356</td>
<td>14,852</td>
<td>1,323,992</td>
</tr>
<tr>
<td>Increase (Decrease) in Cash &amp; Cash Equivalents</td>
<td>272</td>
<td>3,050</td>
<td>26,136</td>
<td>645,189</td>
<td>(816)</td>
<td>287</td>
<td>674,118</td>
</tr>
<tr>
<td>Total Assets................</td>
<td>247,316</td>
<td>42,414</td>
<td>2,679,686</td>
<td>24,355,719</td>
<td>10,004</td>
<td>25,899</td>
<td>27,361,038</td>
</tr>
</tbody>
</table>

B. Workers’ Compensation Fund

For the Workers’ Compensation Enterprise Fund, the reserve for compensation (see NOTE 14F.) consists of reserves for indemnity and medical claims resulting from work-related injuries and illnesses. 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 reserve for compensation adjustment expenses liability, which is included in “Refund and Other Liabilities” in the amount of $1.6 billion, is an estimate of future expenses to be incurred in the settlement of claims. The estimate for this liability is based on projected 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. For additional information, refer to the Fund’s separate audited financial report, for the fiscal year ended June 30, 1997.

NOTE 19  CHANGES IN CONTRIBUTED CAPITAL

For the fiscal year ended June 30, 1997, changes in contributed capital reported in the primary government’s Internal Service Funds are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Ohio Data Network</th>
<th>Ohio Penal Industries</th>
<th>Support Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed Capital Balance, July 1, 1996……………</td>
<td>$28,476</td>
<td>$1,497</td>
<td>$5,257</td>
<td>$35,230</td>
</tr>
<tr>
<td>Additions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Contributions from Other Funds (reported as Residual Equity Transfers-out):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Projects Funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Services Building Improvements……..</td>
<td>5,722</td>
<td>—</td>
<td>—</td>
<td>5,722</td>
</tr>
<tr>
<td>Adult Correctional Building Improvements……………</td>
<td>—</td>
<td>15</td>
<td>—</td>
<td>15</td>
</tr>
<tr>
<td>Total Additions……………</td>
<td>5,722</td>
<td>15</td>
<td>—</td>
<td>5,737</td>
</tr>
<tr>
<td>Contributed Capital Balance, June 30, 1997…………</td>
<td>$34,198</td>
<td>$1,512</td>
<td>$5,257</td>
<td>$40,967</td>
</tr>
</tbody>
</table>
NOTE 20  FUND EQUITY — OTHER RESERVES AND DESIGNATIONS

A. Primary Government

The “Reserved for Other” account reported for the governmental and expendable trust funds in the primary government’s combined balance sheet, as of June 30, 1997, consists of the following (in thousands):

<table>
<thead>
<tr>
<th>Reserved for Other:</th>
<th>General</th>
<th>Special Revenue</th>
<th>Capital Projects</th>
<th>Expendable Trust</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergovernmental Receivable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance Payments to Local Government</td>
<td>$ 21,322</td>
<td>$ 41,350</td>
<td>$ —</td>
<td>$ —</td>
<td>$ 62,672</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,807</td>
<td>33,873</td>
<td></td>
<td></td>
<td>36,680</td>
</tr>
<tr>
<td>Other Assets — Prepads</td>
<td></td>
<td>431</td>
<td></td>
<td></td>
<td>431</td>
</tr>
<tr>
<td>Human Services Stabilization</td>
<td>111,204</td>
<td></td>
<td></td>
<td></td>
<td>111,204</td>
</tr>
<tr>
<td>Loan Commitments</td>
<td></td>
<td>91,171</td>
<td>40,240</td>
<td></td>
<td>131,411</td>
</tr>
<tr>
<td>Health Care Benefits</td>
<td>8,905</td>
<td>6,558</td>
<td></td>
<td></td>
<td>15,466</td>
</tr>
<tr>
<td>Advances to Other Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office of Minority Financial Incentives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mini-Loan Deposits</td>
<td>2,156</td>
<td></td>
<td></td>
<td></td>
<td>2,156</td>
</tr>
<tr>
<td>Total</td>
<td>$146,394</td>
<td>$173,383</td>
<td>$40,243</td>
<td>$85,076</td>
<td>$445,096</td>
</tr>
</tbody>
</table>

Reserved retained earnings for the Enterprise Fund, as of June 30, 1997, are provided for future health care benefits funding from the Liquor Control Fund, the payment of deferred lottery prizes from the Ohio Lottery Commission, and insurance claims payable from the Workers’ Compensation Fund in the amounts of $64 thousand, $31 million, and $100.8 million, respectively.

Reserved retained earnings for the Internal Service Fund, as of June 30, 1997, are provided for the funding of future health care benefits in the amount of $319 thousand.

As of June 30, 1997, designations of the General Fund’s unreserved fund balance are as follows (in thousands):

<table>
<thead>
<tr>
<th>General Fund</th>
<th>Unreserved, Designated Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Tax Reduction Program</td>
<td>$262,900</td>
</tr>
<tr>
<td>Public School Building Program</td>
<td>250,000</td>
</tr>
<tr>
<td>SchoolNet Plus Program</td>
<td>94,400</td>
</tr>
<tr>
<td>Instructional Materials Education Program</td>
<td>35,000</td>
</tr>
<tr>
<td>Budget Stabilization</td>
<td>34,400</td>
</tr>
<tr>
<td>Distance Learning Program</td>
<td>9,200</td>
</tr>
<tr>
<td>Total Designations</td>
<td>$685,900</td>
</tr>
</tbody>
</table>

B. Component Units

Reservations of fund balances for the component unit funds, as of June 30, 1997, consist of the following (in thousands):

<table>
<thead>
<tr>
<th>Restricted for:</th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Other Component Units</th>
<th>Total Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operations (includes Auxiliary Enterprises)</td>
<td>$ 96,894</td>
<td>$ 73,281</td>
<td>$ 63,360</td>
<td>$ 233,535</td>
</tr>
<tr>
<td>Loan Programs</td>
<td>61,068</td>
<td>30,507</td>
<td>93,803</td>
<td>185,378</td>
</tr>
<tr>
<td>Endowment and Quasi-Endowment Activities</td>
<td>621,281</td>
<td>674,374</td>
<td>124,875</td>
<td>1,420,530</td>
</tr>
<tr>
<td>Plant Operations</td>
<td>11,338</td>
<td>13,759</td>
<td>11,788</td>
<td>36,885</td>
</tr>
<tr>
<td>Annuity and Life Income</td>
<td>3,542</td>
<td>3,870</td>
<td>—</td>
<td>7,412</td>
</tr>
<tr>
<td>University Foundations</td>
<td>—</td>
<td>60,327</td>
<td>—</td>
<td>60,327</td>
</tr>
<tr>
<td>Grants and Contracts</td>
<td>—</td>
<td>—</td>
<td>1,828</td>
<td>1,828</td>
</tr>
<tr>
<td>Student Organizations and Support Services</td>
<td>—</td>
<td>—</td>
<td>451</td>
<td>451</td>
</tr>
<tr>
<td>Total Reserved Balance</td>
<td>$794,123</td>
<td>$856,118</td>
<td>$296,105</td>
<td>$1,946,346</td>
</tr>
</tbody>
</table>
NOTE 20  FUND EQUITY — OTHER RESERVES AND DESIGNATIONS (Continued)

As of June 30, 1997, designations of unreserved fund balances reported in the component unit funds consist of the following (in thousands):

<table>
<thead>
<tr>
<th>Unreserved, Designated for:</th>
<th>Total Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational and General Programs</td>
<td>$173,723</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>13,603</td>
</tr>
<tr>
<td>Hospital Operations</td>
<td>317</td>
</tr>
<tr>
<td>Loan Programs</td>
<td>2,254</td>
</tr>
<tr>
<td>Endowment and Quasi-Endowment Activities</td>
<td>32,689</td>
</tr>
<tr>
<td>Plant Operations</td>
<td>61,522</td>
</tr>
<tr>
<td><strong>Total Designations</strong></td>
<td><strong>$284,108</strong></td>
</tr>
</tbody>
</table>

NOTE 21  COMPONENT UNIT FUNDS

Condensed financial statements for the component unit funds, as of and for the fiscal year ended June 30, 1997, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Ohio Water Development Authority (12/31/96)</th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Other Component Units</th>
<th>Total Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$ 107</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>6,892</td>
<td>31,074</td>
<td>3,922</td>
<td>75,834</td>
</tr>
<tr>
<td>Investments</td>
<td>725,798</td>
<td>1,160,521</td>
<td>42,094</td>
<td>774,189</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,612,223</td>
<td>250,691</td>
<td>95,312</td>
<td>247,796</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>344</td>
<td>274,994</td>
<td>10,258</td>
<td>57,890</td>
</tr>
<tr>
<td>Inventories</td>
<td>—</td>
<td>17,768</td>
<td>4,610</td>
<td>20,351</td>
</tr>
<tr>
<td>Deposit with Deferred Compensation Plan</td>
<td>739</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>—</td>
<td>26,667</td>
<td>486,825</td>
<td>13,831</td>
</tr>
<tr>
<td>Fixed Assets (net of accumulated depreciation)</td>
<td>277</td>
<td>2,238,955</td>
<td>985,380</td>
<td>4,397,994</td>
</tr>
<tr>
<td>Other Assets</td>
<td>16,216</td>
<td>19,019</td>
<td>539,814</td>
<td>29,529</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$2,362,596</strong></td>
<td><strong>$4,019,689</strong></td>
<td><strong>$2,168,215</strong></td>
<td><strong>$5,623,856</strong></td>
</tr>
</tbody>
</table>

| Liabilities                                  |                       |                          |                       |                       |
|----------------------------------------------|                       |                          |                       |                       |
| Accounts Payable                             | $ 29,658              | $ 67,866                 | $ 21,595              | $ 64,767              | $ 183,886             |
| Accrued Liabilities                          | 5,686                 | 183,910                  | 93,347                | 266,531               | 549,474               |
| Intergovernmental Payable                    | —                     | —                        | —                     | 309                   | 309                   |
| Due to Other Funds                           | 344                   | 274,994                  | 10,258                | 57,890                | 343,486               |
| Deferred Revenues                            | —                     | 63,372                   | 8,011                 | 84,536                | 156,709               |
| Refund and Other Liabilities                 | 4,855                 | 25,361                   | 63,143                | 42,612                | 135,971               |
| Liability for Deferred Compensation          | 739                   | —                        | —                     | 6,442                 | 7,181                 |
| Revenue Bonds and Notes                      | 1,265,554             | 176,174                  | 197,518               | 376,107               | 2,015,353             |
| Certificates of Participation                | —                     | 4,215                    | 82,610                | —                     | 86,825                |
| **Total Liabilities**                        | **1,306,836**         | **795,892**              | **477,272**           | **899,194**           | **3,479,194**         |

| Fund Equity and Other Credits                |                       |                          |                       |                       |
|---------------------------------------------|                       |                          |                       |                       |
| Investment in General Fixed Assets          | —                     | 2,057,201                | 826,534               | 4,042,241             | 6,925,976             |
| Total Unreserved Retained Earnings          | 1,055,760             | —                        | —                     | —                     | 1,055,760             |
| Total Fund Balance                          | —                     | 1,166,596                | 864,409               | 682,421               | 2,713,426             |
| Total Fund Equity and Other Credits         | 1,055,760             | 3,223,797                | 1,690,943             | 4,724,662             | 10,695,162             |
| **Total Liabilities, Fund Equity and Other Credits** | **$2,362,596** | **$4,019,689** | **$2,168,215** | **$5,623,856** | **$14,174,356** |
### NOTE 21 COMPONENT UNIT FUNDS (Continued)

#### Condensed Statement of Changes in Fund Balances — Colleges and Universities

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Other Colleges and Universities</th>
<th>Total College and University Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues and Other Additions</td>
<td>$1,642,461</td>
<td>$809,362</td>
<td>$2,204,388</td>
<td>$4,656,211</td>
</tr>
<tr>
<td>Total Expenditures and Other Deductions</td>
<td>(1,648,111)</td>
<td>(1,105,214)</td>
<td>(2,736,020)</td>
<td>(5,489,345)</td>
</tr>
<tr>
<td>Transfers from Primary Government</td>
<td>376,623</td>
<td>175,615</td>
<td>858,429</td>
<td>1,410,667</td>
</tr>
</tbody>
</table>

Net Increase (Decrease) for the Year Before

- Cumulative Effect of Change in Accounting Principle | 370,973 | (120,237) | 326,797 | 577,533 |
- Cumulative Effect of Change in Accounting Principle | 9,254 | — | (4,182) | 5,072 |

Net Increase (Decrease) for the Year | 380,227 | (120,237) | 322,615 | 582,605 |

Fund Balance and Other Credits, July 1 (as restated) | $2,843,570 | $1,811,180 | $4,402,047 | $9,056,797 |

Fund Balance and Other Credits, June 30 | $3,223,797 | $1,690,943 | $4,724,662 | $9,639,402 |

#### Condensed Statement of Current Funds Revenues, Expenditures and Other Changes — Colleges and Universities

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Other Colleges and Universities</th>
<th>Total College and University Component Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenues</td>
<td>$1,232,237</td>
<td>$414,124</td>
<td>$1,764,630</td>
<td>$3,410,991</td>
</tr>
</tbody>
</table>

Expenditures:

- Educational and General | 1,024,432 | 486,372 | 2,006,372 | 3,517,176 |
- Auxiliary Enterprises | 110,113 | 51,977 | 334,305 | 496,395 |
- Hospitals | 345,336 | — | 141,393 | 486,729 |

Total Expenditures | 1,479,881 | 538,349 | 2,482,070 | 4,500,300 |

Mandatory Transfers, Net | 28,732 | 20,622 | 44,002 | 93,356 |

Total Expenditures and Mandatory Transfers | 1,508,613 | 558,971 | 2,526,072 | 4,593,656 |

Other Transfers and Additions (Deductions):

- Operating Transfers from Primary Government | 373,287 | 171,932 | 857,455 | 1,402,674 |
- Nonmandatory Transfers, Net | (38,541) | (15,874) | (40,174) | (94,589) |
- Additions (Deductions) | (11,054) | 8,397 | 7,902 | 5,245 |

Total Other Transfers and Additions (Deductions) | 323,692 | 164,455 | 825,183 | 1,313,330 |

Net Increase (Decrease) for the Year Before

- Cumulative Effect of Change in Accounting Principle | 47,316 | 19,608 | 63,741 | 130,665 |
- Cumulative Effect of Change in Accounting Principle | 9,254 | — | — | 9,254 |

Net Increase in Fund Balances | $56,570 | $19,608 | $63,741 | $139,919 |

### NOTE 22 JOINT VENTURES AND RELATED ORGANIZATIONS

#### A. Joint Ventures

Great Lakes Protection Fund (GLPF)

The Great Lakes Protection Fund is an Illinois nonprofit 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
NOTE 22  JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

of incorporation, each state is required to make a financial contribution. Income earned on the contributions provides grants to projects that advance the goals of the Great Lakes Toxic Substances Control Agreement and the binational Great Lakes Quality Agreement.

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

Annually, one-third of the GLPF’s net earnings is allocated and paid to member states in proportion to their respective cash contributions to the GLPF. The allocation is based on the amount and period of time the states’ contributions were invested. GLPF earnings distributions are to be used by the states to finance projects that are compatible with the GLPF’s objectives. Ohio has applied its distribution (approximately $612 thousand for the year ended December 31, 1996) 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, 1996 (the GLPF’s year end), are as follows (in thousands):

<table>
<thead>
<tr>
<th>State</th>
<th>Contribution Required</th>
<th>Contribution Received</th>
<th>Contribution Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>$25,000</td>
<td>$25,000</td>
<td>32.6%</td>
</tr>
<tr>
<td>Indiana*</td>
<td>16,000</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Illinois</td>
<td>15,000</td>
<td>10,800</td>
<td>14.0</td>
</tr>
<tr>
<td>Ohio</td>
<td>14,000</td>
<td>14,000</td>
<td>18.2</td>
</tr>
<tr>
<td>New York</td>
<td>12,000</td>
<td>12,000</td>
<td>15.6</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>12,000</td>
<td>12,000</td>
<td>15.6</td>
</tr>
<tr>
<td>Minnesota</td>
<td>1,500</td>
<td>1,500</td>
<td>2.0</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>1,500</td>
<td>1,500</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$97,000</strong></td>
<td><strong>$76,800</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

*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, 1996, is as follows (in thousands):

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$103,397</td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,048</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$104,445</strong></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$3,282</td>
</tr>
<tr>
<td>Total Fund Equity</td>
<td>101,163</td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Equity</strong></td>
<td><strong>$104,445</strong></td>
</tr>
<tr>
<td>Total Revenues and Other Additions</td>
<td>$9,937</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>(6,926)</td>
</tr>
<tr>
<td>Change in Unrealized Gain on Investments</td>
<td>5,417</td>
</tr>
<tr>
<td>Cumulative Effect of Adoption of Financial Accounting</td>
<td></td>
</tr>
<tr>
<td>Standards Board Statement No. 24, Accounting for Certain Investments Held by Not for Profit Organizations</td>
<td>12,027</td>
</tr>
<tr>
<td><strong>Net Increase in Fund Equity</strong></td>
<td><strong>$20,455</strong></td>
</tr>
</tbody>
</table>
NOTE 22  JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

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; the remaining six members are appointed by county officials. The governing boards of the technical colleges consist of either seven or nine trustees, of which 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.

During fiscal year 1997, 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 (in thousands):

<table>
<thead>
<tr>
<th>College</th>
<th>Higher Education Support Expenditures</th>
<th>Capital Outlay Expenditures</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Community Colleges:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cuyahoga Community College</td>
<td>$ 36,637</td>
<td>$ 5,309</td>
<td>$ 41,946</td>
</tr>
<tr>
<td>Jefferson Community College</td>
<td>3,346</td>
<td>622</td>
<td>3,968</td>
</tr>
<tr>
<td>Lakeland Community College</td>
<td>12,390</td>
<td>3,204</td>
<td>15,594</td>
</tr>
<tr>
<td>Lorain County Community College</td>
<td>13,934</td>
<td>2,960</td>
<td>16,894</td>
</tr>
<tr>
<td>Rio Grande Community College</td>
<td>3,571</td>
<td>1,528</td>
<td>5,099</td>
</tr>
<tr>
<td>Sinclair Community College</td>
<td>30,454</td>
<td>4,425</td>
<td>34,879</td>
</tr>
<tr>
<td><strong>Total Local Community Colleges:</strong></td>
<td>100,332</td>
<td>18,048</td>
<td>118,380</td>
</tr>
<tr>
<td><strong>Technical Colleges:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belmont Technical College</td>
<td>4,230</td>
<td>720</td>
<td>4,950</td>
</tr>
<tr>
<td>Central Ohio Technical College</td>
<td>3,776</td>
<td>1,715</td>
<td>5,491</td>
</tr>
<tr>
<td>Hocking Technical College</td>
<td>15,052</td>
<td>1,788</td>
<td>16,840</td>
</tr>
<tr>
<td>Lima Technical College</td>
<td>5,888</td>
<td>3,078</td>
<td>8,966</td>
</tr>
<tr>
<td>Marion Technical College</td>
<td>3,117</td>
<td>155</td>
<td>3,272</td>
</tr>
<tr>
<td>Muskingum Technical College</td>
<td>4,883</td>
<td>68</td>
<td>4,951</td>
</tr>
<tr>
<td>North Central Technical College</td>
<td>6,235</td>
<td>249</td>
<td>6,484</td>
</tr>
<tr>
<td>Stark Technical College</td>
<td>7,867</td>
<td>168</td>
<td>8,035</td>
</tr>
<tr>
<td><strong>Total Technical Colleges:</strong></td>
<td>51,048</td>
<td>7,941</td>
<td>58,989</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$151,380</td>
<td>$25,989</td>
<td>$177,369</td>
</tr>
</tbody>
</table>

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.
NOTE 22 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

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 1997,

- The primary government distributed $2.4 million in motor vehicle fuel excise tax collections from the Special Revenue Fund to the Ohio Turnpike Commission.

- Three 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 processing for these organizations. The financial activities of the three 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 $576 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 1997, the Ohio Legal Assistance Foundation received approximately $580 thousand in state assistance from the Special Revenue Fund.

NOTE 23 CONTINGENCIES AND COMMITMENTS

A. Litigation

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

In instances when the unfavorable outcome of pending litigation has been assessed to be probable, liabilities are recorded in the financial statements. As of June 30, 1997, $37.3 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 questioning the constitutionality of Ohio’s system of school funding. The Ohio Supreme Court concluded in a decision released March 24, 1997 that major aspects of the system (including basic operating assistance and state loans) are unconstitutional. It ordered the State to provide for and fund sufficiently a system complying with the Ohio Constitution, staying its order for a year to permit time for responsive corrective actions by the Ohio General Assembly. In response to a State motion for reconsideration and clarification, the Court on April 25, 1997 indicated that property taxes may still play a role in, but “can no longer be the primary means” of, school funding. The Court also confirmed that contractual repayment provisions of certain debt obligations issued for school funding will remain valid after the stay terminates.
NOTE 23 CONTINGENCIES AND COMMITMENTS (Continued)

Other litigation pending in the U.S. Court of Appeals for the Sixth Circuit contests the Ohio Department of Human Services’ former Medicaid financial eligibility rules for married couples where 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. It is appealing a court order directing it to provide notice to persons potentially affected by the former rules from 1990 through 1995. It is not possible at this time to state whether this appeal will be successful or, should plaintiffs prevail, the period, beyond the current fiscal year, 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.

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 Financial Assistance

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

As a result of the 1996 State of Ohio Single Audit (completed in January 1997), approximately $28.9 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, 1997.

C. Construction Commitments

As of June 30, 1997, the Department of Transportation had contractual commitments of approximately $1.07 billion for highway construction projects. Funding for future expenditures is expected to be provided from federal, primary government, general obligation bonds, and local government sources in the amounts of $546.1 million, $265.4 million, $40.5 million, and $217.3 million, respectively.

As of June 30, 1997, construction (non-highway) commitments for the primary government’s budgeted capital projects funds are as follows (in thousands):

<table>
<thead>
<tr>
<th>Capital Projects Fund</th>
<th>$229,412</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Education Improvements</td>
<td>116,381</td>
</tr>
<tr>
<td>Adult Correctional Building Improvements</td>
<td>61,024</td>
</tr>
<tr>
<td>Arts Facilities Building Improvements</td>
<td>57,658</td>
</tr>
<tr>
<td>Administrative Services Building Improvements</td>
<td>36,120</td>
</tr>
<tr>
<td>Highway Safety Building Improvements</td>
<td>35,023</td>
</tr>
<tr>
<td>Ohio Parks and Natural Resources</td>
<td>33,655</td>
</tr>
<tr>
<td>Mental Health/Mental Retardation Facilities Improvements</td>
<td>18,625</td>
</tr>
<tr>
<td>Youth Services Building Improvements</td>
<td>11,255</td>
</tr>
<tr>
<td>Transportation Building Improvements</td>
<td>8,569</td>
</tr>
<tr>
<td>Parks and Recreation Improvements</td>
<td>5,800</td>
</tr>
<tr>
<td>Local Infrastructure Improvements</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>$613,537</td>
</tr>
</tbody>
</table>
NOTE 24  RISK FINANCING

A. OhioMed Health Plan

Employees of the primary government have the option of participating in the OhioMed Health Plan, which is a fully self-insured health benefits 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 (IBNR). 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, 1997, approximately $36.3 million in assets was available in the Agency Fund.

Changes in the balance of claims liabilities during the past two fiscal years are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1997</td>
</tr>
<tr>
<td>Claims Liabilities, as of July 1</td>
<td>$17,763</td>
</tr>
<tr>
<td>Add: Incurred Claims</td>
<td>69,475</td>
</tr>
<tr>
<td>Less: Claims Payments</td>
<td>(68,506)</td>
</tr>
<tr>
<td>Claims Liabilities, as of June 30</td>
<td>$18,732</td>
</tr>
</tbody>
</table>

As of June 30, 1997, resources on deposit in the Payroll Withholding and Fringe Benefits Agency Fund for the payment of claims exceeded the estimated claims liability amount by $17.6 million, 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.

B. Other Risk Financing Programs

The primary government has established programs to advance fund potential losses for vehicular liability and theft in office. The potential amount of loss arising from these risks, however, is not considered material in relation to the State’s financial position.
**NOTE 25  SUBSEQUENT EVENTS**

Subsequent to June 30, 1997 (December 31, 1996 for the Ohio Water Development Authority), the State issued the following major debt (in thousands):

<table>
<thead>
<tr>
<th>Organization/Issue</th>
<th>Delivery Date of Issue</th>
<th>Net Interest Cost</th>
<th>Amount</th>
<th>Type of Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Government:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ohio Public Facilities Commission:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher Education Capital Facilities Bonds, Series II - 1997B</td>
<td>October 1, 1997</td>
<td>4.7%</td>
<td>$236,500</td>
<td>Special Obligation</td>
</tr>
<tr>
<td><strong>Component Units:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ohio Water Development Authority:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997 Safe Water Series Refunding</td>
<td>February 6, 1997</td>
<td>4.8%</td>
<td>$74,340</td>
<td>Revenue</td>
</tr>
<tr>
<td>Water Pollution Control Loan Fund,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Quality Series 1997</td>
<td>October 15, 1997</td>
<td>5.2%</td>
<td>211,440</td>
<td>Revenue</td>
</tr>
<tr>
<td>Water Development, Community Assistance Series 1997</td>
<td>October 15, 1997</td>
<td>5.3%</td>
<td>51,830</td>
<td>Revenue</td>
</tr>
<tr>
<td><strong>Total Component Units</strong></td>
<td></td>
<td></td>
<td>$337,610</td>
<td></td>
</tr>
</tbody>
</table>
COMBINING
FINANCIAL
STATEMENTS
& SCHEDULES
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, 1997  
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>COMMUNITY AND ECONOMIC DEVELOPMENT</th>
<th>HUMAN SERVICES</th>
<th>HEALTH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$ 294,792</td>
<td>$ 202,199</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>9,248</td>
<td>80</td>
</tr>
<tr>
<td>Investments</td>
<td>77,546</td>
<td></td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>173,916</td>
<td>119,290</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>1,513</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>12,031</td>
<td>166,170</td>
</tr>
<tr>
<td>Loans, Net</td>
<td>326,685</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4,288</td>
<td>11,109</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>2,969</td>
<td>595</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Stamps</td>
<td></td>
<td>257,644</td>
</tr>
<tr>
<td>Other Assets</td>
<td>431</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 903,419</td>
<td>$ 757,087</td>
</tr>
</tbody>
</table>

<p>| <strong>LIABILITIES AND FUND BALANCES</strong>   |                |        |
| Liabilities:                       |                |        |
| Accounts Payable                   | $ 35,381       | $ 44,360 | $ 20,682 |
| Accrued Liabilities                | 6,268          | 5,133   | 2,762   |
| Obligations Under Securities Lending | 173,916       | 119,290 | 17,814  |
| Intergovernmental Payable          | 7,181          | 57,039  | 4,223   |
| Due to Other Funds                 | 520            | 358     | 105     |
| Deferred Revenues                  | 1,689          | 298,261 | 5,455   |
| Refund and Other Liabilities       | 630            | 13,936  |         |
| Advances from Other Funds          | 85,076         |         |         |
| <strong>Total Liabilities</strong>              | $ 310,661      | 538,377 | 51,041  |
| Fund Balances:                     |                |        |
| Reserved for:                      |                |        |
| Encumbrances                       | 238,608        | 266,487 | 22,820  |
| Noncurrent Portion of Loans Receivable | 232,304      |         |         |
| Other:                             |                |        |
| Inventories                        |                |         |
| Prepaids                           | 431            |         |         |
| Loan Commitments                   | 9,410          |         |         |
| Advance Payments to Local Government | 41,350        |         |         |
| Health Care Benefits               | 452            | 509     | 157     |
| Unreserved/Undesignated (Deficits) | 111,553        | (89,636)| 189     |
| <strong>Total Fund Balances</strong>            | $ 592,758      | 218,710 | 23,166  |
| <strong>TOTAL LIABILITIES AND FUND BALANCES</strong> | $ 903,419  | $ 757,087 | $ 74,207 |</p>
<table>
<thead>
<tr>
<th>MENTAL HEALTH AND RETARDATION</th>
<th>EMPLOYMENT SERVICES</th>
<th>EDUCATION</th>
<th>STUDENT AID COMMISSION</th>
<th>HIGHWAY SAFETY</th>
<th>HIGHWAY OPERATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>$57,370</td>
<td>$18,147</td>
<td>$305,799</td>
<td>$561</td>
<td>$110,428</td>
<td>$699,134</td>
</tr>
<tr>
<td></td>
<td>814</td>
<td>1,699</td>
<td>2,183</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5,980</td>
<td>361</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33,846</td>
<td>10,706</td>
<td>180,410</td>
<td>331</td>
<td>65,148</td>
<td>412,462</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>69,604</td>
<td>31,920</td>
<td>1,624</td>
<td></td>
<td>35,000</td>
<td>3,075</td>
</tr>
<tr>
<td></td>
<td>36,937</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>585</td>
<td>2,939</td>
<td>1,476</td>
<td></td>
<td>433</td>
<td>3,206</td>
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<tr>
<td>887</td>
<td>398</td>
<td></td>
<td></td>
<td>3,419</td>
<td>4,015</td>
</tr>
<tr>
<td></td>
<td>676</td>
<td></td>
<td></td>
<td></td>
<td>33,197</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,989</td>
<td></td>
<td></td>
<td></td>
<td>1,500</td>
</tr>
<tr>
<td><strong>$162,292</strong></td>
<td><strong>$39,262</strong></td>
<td><strong>$565,589</strong></td>
<td><strong>$3,075</strong></td>
<td><strong>$182,552</strong></td>
<td><strong>$1,273,507</strong></td>
</tr>
</tbody>
</table>

| $36,906                        | $5,084              | $2,503    | $24                    | $4,208         | $105,586         |
| 930                            | 6,384               | 1,402     | 299                    | 10,631         | 19,894           |
| 33,846                         | 10,706              | 180,410   | 331                    | 65,148         | 412,462          |
| 27,008                         | 31,441              | 1,624     |                        | 35,000         | 3,075            |
| 801                            | 153                 |           |                        | 3,419          | 4,015            |
|                                | 6,998               |           |                        |                | 33,197           |
|                                | 21                  | 143       | 71                     |                |                  |
|                                |                     |           |                        |                |                  |
| **99,491**                     | **22,195**          | **223,050** | **725**               | **85,846**     | **546,597**      |

| 191,522                        | 8,105               | 359,837   | 280                    | 17,678         | 918,210          |
|                                |                     | 35,820    |                        | 35,000         |                  |
|                                | 676                 |           |                        |                | 33,197           |
|                                | 81,761              |           |                        |                |                  |
|                                |                     |           |                        |                |                  |
| (129,605)                      | 8,286               | (134,867) | 2,070                  | 77,885         | (262,196)        |
|                                | 88                 |           |                        |                |                  |
| **62,801**                     | **17,067**          | **342,539** | **2,350**             | **96,706**     | **726,910**      |

| **$162,292**                   | **$39,262**         | **$565,589** | **$3,075**             | **$182,552**   | **$1,273,507**   |

(continued)
STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>NATURAL RESOURCES</th>
<th>WILDLIFE AND WATERWAY SAFETY</th>
<th>REVENUE DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$142,255</td>
<td>$42,802</td>
<td>$260,375</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>1,467</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>83,980</td>
<td>25,252</td>
<td>153,611</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>2,324</td>
<td>579</td>
<td>149,624</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>277</td>
<td>4,050</td>
<td></td>
</tr>
<tr>
<td>Loans, Net</td>
<td>162</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>282</td>
<td>168</td>
<td>264</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>497</td>
<td>332</td>
<td>9,675</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Stamps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$231,244</td>
<td>$73,183</td>
<td>$573,549</td>
</tr>
</tbody>
</table>

<p>| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | $3,521 | $877 | $— |
| Accrued Liabilities | 4,071 | 2,007 | | |
| Obligations Under Securities Lending | 83,980 | 25,252 | 153,611 |
| Intergovernmental Payable | 144 | | 238,576 |
| Due to Other Funds | 118 | 48 | 128 |
| Deferred Revenues | 766 | | 4,119 |
| Refund and Other Liabilities | | | 56,971 |
| Advances from Other Funds | | | |
| Total Liabilities | 92,600 | 28,184 | 453,405 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Encumbrances | 23,529 | 4,136 | | |
| Noncurrent Portion of Loans Receivable | | | |
| Other: | | | |
| Inventories | | | |
| Prepaid | | | |
| Loan Commitments | | | |
| Advance Payments to Local Government | | | |
| Health Care Benefits | 380 | 245 | | |
| Unreserved/Undesignated (Deficits) | 114,735 | 40,618 | 120,144 |
| Total Fund Balances | 138,644 | 44,999 | 120,144 |
| TOTAL LIABILITIES AND FUND BALANCES | $231,244 | $73,183 | $573,549 |</p>
<table>
<thead>
<tr>
<th>LOCAL TRANSPORTATION IMPROVEMENTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 68,410</td>
<td>$ 2,232,467</td>
</tr>
<tr>
<td>—</td>
<td>15,491</td>
</tr>
<tr>
<td>—</td>
<td>83,887</td>
</tr>
<tr>
<td>40,359</td>
<td>1,317,125</td>
</tr>
<tr>
<td>—</td>
<td>190,463</td>
</tr>
<tr>
<td>—</td>
<td>350,926</td>
</tr>
<tr>
<td>—</td>
<td>398,384</td>
</tr>
<tr>
<td>296</td>
<td>35,200</td>
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<tr>
<td>4,773</td>
<td>27,737</td>
</tr>
<tr>
<td>—</td>
<td>33,873</td>
</tr>
<tr>
<td>—</td>
<td>257,644</td>
</tr>
<tr>
<td>—</td>
<td>9,607</td>
</tr>
<tr>
<td>$ 113,838</td>
<td>$ 4,952,804</td>
</tr>
</tbody>
</table>

| $ 2,941 | $ 262,073 |
| 16 | 59,797 |
| 40,359 | 1,317,125 |
| — | 371,239 |
| 2 | 11,120 |
| — | 317,288 |
| — | 71,772 |
| — | 85,076 |
| $ 43,318 | $ 2,495,490 |

| 3 | 2,051,215 |
| — | 303,124 |
| — | 33,873 |
| — | 431 |
| — | 91,171 |
| — | 41,350 |
| 1 | 6,558 |
| 70,516 | (70,408) |
| 70,520 | $ 2,457,314 |
| $ 113,838 | $ 4,952,804 |
STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>COMMUNITY AND ECONOMIC DEVELOPMENT</th>
<th>HUMAN SERVICES</th>
<th>HEALTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>$4,392</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>14,711</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>396</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>1,207</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Taxes</td>
<td>17,400</td>
<td>4,102</td>
<td></td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>97,314</td>
<td>59,661</td>
<td>13,981</td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>15,992</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>242,636</td>
<td>2,004,521</td>
<td>308,920</td>
</tr>
<tr>
<td>Investment Income</td>
<td>20,864</td>
<td>10,070</td>
<td>205</td>
</tr>
<tr>
<td>Other</td>
<td>43,083</td>
<td>286,933</td>
<td>22,653</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>457,995</strong></td>
<td><strong>2,365,287</strong></td>
<td><strong>345,880</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES:</th>
<th>CURRENT:</th>
<th>INTERGOVERNMENTAL</th>
<th>CAPITAL OUTLAY</th>
<th>TOTAL EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary, Secondary and Other Education</td>
<td>256</td>
<td>254</td>
<td></td>
<td>439,528</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td>250</td>
<td>9,240</td>
<td>838</td>
<td>2,331,509</td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
<td></td>
<td>1,967,182</td>
<td>350,493</td>
<td></td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>94</td>
<td>337,955</td>
<td></td>
<td>352,134</td>
</tr>
<tr>
<td>Justice and Public Protection</td>
<td>112,150</td>
<td>16,040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental Protection and Natural Resources</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>6,115</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>96,949</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>223,474</td>
<td>1,641</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>439,528</strong></td>
<td><strong>2,331,509</strong></td>
<td><strong>352,134</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</th>
<th>18,467</th>
<th>33,778</th>
<th>(6,254)</th>
</tr>
</thead>
</table>

| OTHER FINANCING SOURCES (USES): | | | |
| Bond Proceeds | 100,102 | | |
| Capital Leases | | 29 | |
| Operating Transfers-in | 55,247 | 14,261 | 11,976 |
| Operating Transfers-out | (45,215) | (9,608) | (4,875) |
| **TOTAL OTHER FINANCING SOURCES (USES)** | **110,134** | **4,682** | **7,101** |

<table>
<thead>
<tr>
<th>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</th>
<th>128,601</th>
<th>38,460</th>
<th>847</th>
</tr>
</thead>
</table>

| FUND BALANCES, JULY 1 | 464,157 | 180,250 | 22,319 |
| Increase (Decrease) for Changes in Inventories | | | |

<p>| FUND BALANCES, JUNE 30 | $592,758 | $218,710 | $23,166 |</p>
<table>
<thead>
<tr>
<th>MENTAL HEALTH AND RETARDATION</th>
<th>EMPLOYMENT SERVICES</th>
<th>EDUCATION</th>
<th>STUDENT AID COMMISSION</th>
<th>HIGHWAY SAFETY</th>
<th>HIGHWAY OPERATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
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</tr>
<tr>
<td>$</td>
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</tr>
<tr>
<td>441,247</td>
<td>213,535</td>
<td>826,932</td>
<td>6,000</td>
<td>9,449</td>
<td>785,526</td>
</tr>
<tr>
<td>106</td>
<td>1,778</td>
<td>14,528</td>
<td>942</td>
<td>4,830</td>
<td>32,021</td>
</tr>
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<td>16,619</td>
<td>12,887</td>
<td>17,765</td>
<td>691</td>
<td>23,379</td>
<td>35,963</td>
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<td>228,200</td>
<td>859,716</td>
<td>7,633</td>
<td>149,775</td>
<td>1,181,619</td>
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<td>1,479,129</td>
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</tr>
<tr>
<td>7,873</td>
<td>71,109</td>
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<td></td>
</tr>
<tr>
<td>459,731</td>
<td>230,443</td>
<td>512</td>
<td>96</td>
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<tr>
<td>19,422</td>
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<tr>
<td>1,426,627</td>
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<tr>
<td>64,099</td>
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</tr>
<tr>
<td>460,032</td>
<td>230,443</td>
<td>1,571,035</td>
<td>71,109</td>
<td>264,959</td>
<td>1,426,627</td>
</tr>
<tr>
<td>(2,056)</td>
<td>(2,243)</td>
<td>(711,319)</td>
<td>(63,476)</td>
<td>(115,184)</td>
<td>(245,008)</td>
</tr>
<tr>
<td>7,037</td>
<td>2,834</td>
<td>733,466</td>
<td>145,529</td>
<td>641,311</td>
<td></td>
</tr>
<tr>
<td>(3,000)</td>
<td>(10,935)</td>
<td>(6,730)</td>
<td>(2,800)</td>
<td>(184,777)</td>
<td></td>
</tr>
<tr>
<td>7,037</td>
<td>(166)</td>
<td>792,648</td>
<td>(6,730)</td>
<td>142,729</td>
<td>456,534</td>
</tr>
<tr>
<td>4,981</td>
<td>(2,409)</td>
<td>81,329</td>
<td>(70,206)</td>
<td>27,545</td>
<td>211,526</td>
</tr>
<tr>
<td>57,820</td>
<td>19,665</td>
<td>261,210</td>
<td>72,556</td>
<td>69,161</td>
<td>511,957</td>
</tr>
<tr>
<td></td>
<td>(189)</td>
<td></td>
<td></td>
<td></td>
<td>3,427</td>
</tr>
<tr>
<td>$ 62,801</td>
<td>$ 17,067</td>
<td>$ 342,539</td>
<td>$ 2,350</td>
<td>$ 96,706</td>
<td>$ 726,910 (continued)</td>
</tr>
</tbody>
</table>
STATE OF OHIO  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1997  
(amounts expressed in thousands)  
(continued)

<table>
<thead>
<tr>
<th></th>
<th>NATURAL RESOURCES</th>
<th>WILDLIFE AND WATERWAY SAFETY</th>
<th>REVENUE DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Taxes</td>
<td>$617,229</td>
<td>$252,058</td>
<td></td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>$225,058</td>
<td>$617,229</td>
<td></td>
</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>11,180</td>
<td>$91,271</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$6,453</td>
<td>$976,705</td>
<td></td>
</tr>
<tr>
<td>Other Taxes</td>
<td>$9,263</td>
<td>$13,814</td>
<td></td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>$82,267</td>
<td>$314,143</td>
<td></td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>$1,960</td>
<td>$34,250</td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>$37,075</td>
<td>$15,101</td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>$1,784</td>
<td>$2,068</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>$25,336</td>
<td>$163</td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$168,865</td>
<td>$60,208</td>
<td>$2,267,451</td>
</tr>
</tbody>
</table>

| 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 | $146,235     | $50,945                      |                     |
| Transportation           | —                 | —                            |                     |
| General Government       | $4,927            | —                            |                     |
| Community and Economic Development | $5,500       | —                            |                     |
| INTERGOVERNMENTAL        | —                 | —                            | $1,627,811          |
| CAPITAL OUTLAY           | —                 | $6,495                       |                     |
| TOTAL EXPENDITURES       | $157,292          | $57,440                      | $1,627,811          |

| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | $11,573 | $2,768 | $639,640 |

| OTHER FINANCING SOURCES (USES):   |                   |                              |                     |
| Bond Proceeds                     | —                 | —                            |                     |
| Capital Leases                    | —                 | —                            |                     |
| Operating Transfers-in            | $546              | $42,084                      |                     |
| Operating Transfers-out           | $(3,060)          | $(680,022)                   |                     |
| TOTAL OTHER FINANCING SOURCES (USES)    | $(2,514)         | $1,000                       | $(637,938)         |

| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | $9,059 | $3,768 | $1,702 |

| FUND BALANCES, JULY 1 | $129,585 | $41,231 | $118,442 |
| Increase (Decrease) for Changes in Inventories | — | — | — |

<p>| FUND BALANCES, JUNE 30 | $138,644 | $44,999 | $120,144 |</p>
<table>
<thead>
<tr>
<th>LOCAL TRANSPORTATION IMPROVEMENTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ - $</td>
<td>621,621</td>
</tr>
<tr>
<td>-</td>
<td>266,769</td>
</tr>
<tr>
<td>-</td>
<td>102,847</td>
</tr>
<tr>
<td>-</td>
<td>1,290,215</td>
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<tr>
<td>-</td>
<td>44,579</td>
</tr>
<tr>
<td>-</td>
<td>718,232</td>
</tr>
<tr>
<td>-</td>
<td>37,020</td>
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<td>-</td>
<td>4,890,942</td>
</tr>
<tr>
<td>3,634</td>
<td>94,744</td>
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<tr>
<td>72</td>
<td>487,342</td>
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<td><strong>3,706</strong></td>
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<tr>
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<td>1,479,639</td>
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<td>-</td>
<td>88,472</td>
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<tr>
<td>-</td>
<td>1,967,483</td>
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<tr>
<td>-</td>
<td>1,379,324</td>
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<td>-</td>
<td>410,075</td>
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<td>-</td>
<td>197,420</td>
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<td>-</td>
<td>1,432,742</td>
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<tr>
<td>-</td>
<td>101,876</td>
</tr>
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<td>347</td>
<td>230,962</td>
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<tr>
<td>-</td>
<td>1,627,811</td>
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<td><strong>63,099</strong></td>
<td><strong>137,561</strong></td>
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<tr>
<td><strong>63,446</strong></td>
<td><strong>9,053,365</strong></td>
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<tr>
<td><strong>(59,740)</strong></td>
<td><strong>(499,054)</strong></td>
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<tr>
<td>-</td>
<td>170,219</td>
</tr>
<tr>
<td>-</td>
<td>2,863</td>
</tr>
<tr>
<td>58,247</td>
<td>1,710,704</td>
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<tr>
<td>-</td>
<td>(951,022)</td>
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<tr>
<td><strong>58,247</strong></td>
<td><strong>932,764</strong></td>
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<tr>
<td><strong>(1,493)</strong></td>
<td><strong>433,710</strong></td>
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<tr>
<td>72,013</td>
<td>2,020,366</td>
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<tr>
<td>-</td>
<td>3,238</td>
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<tr>
<td><strong>$ 70,520</strong></td>
<td><strong>$ 2,457,314</strong></td>
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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, 1997  
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>REVENUES:</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>$4,384</td>
<td>$4,384</td>
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<tr>
<td>Sales Taxes</td>
<td>14,451</td>
<td>14,451</td>
<td>—</td>
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<tr>
<td>Corporate and Public Utility Taxes</td>
<td>397</td>
<td>397</td>
<td>—</td>
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<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>1,207</td>
<td>1,207</td>
<td>—</td>
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<tr>
<td>Other Taxes</td>
<td>17,402</td>
<td>17,402</td>
<td>—</td>
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<tr>
<td>Licenses, Permits and Fees</td>
<td>96,867</td>
<td>96,867</td>
<td>—</td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>9,146</td>
<td>9,146</td>
<td>—</td>
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<tr>
<td>Federal Government</td>
<td>248,856</td>
<td>248,856</td>
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<tr>
<td>Investment Income</td>
<td>17,254</td>
<td>17,254</td>
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<tr>
<td>Other</td>
<td>92,149</td>
<td>92,149</td>
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<tr>
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<td>$502,113</td>
<td>$502,113</td>
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<table>
<thead>
<tr>
<th>COMMUNITY AND ECONOMIC DEVELOPMENT</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE (UNFAVORABLE)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>BUDGETARY EXPENDITURES:</th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>CURRENT:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary, Secondary and Other Education</td>
<td>500</td>
<td>500</td>
<td>—</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and Human Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Justice and Public Protection</td>
<td>175,019</td>
<td>127,777</td>
<td>47,242</td>
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<tr>
<td>Environmental Protection and Natural Resources</td>
<td>319</td>
<td>230</td>
<td>99</td>
</tr>
<tr>
<td>Transportation</td>
<td>10,680</td>
<td>9,250</td>
<td>1,430</td>
</tr>
<tr>
<td>General Government</td>
<td>121,075</td>
<td>105,906</td>
<td>15,169</td>
</tr>
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<td>Community and Economic Development</td>
<td>353,525</td>
<td>284,597</td>
<td>68,928</td>
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<tr>
<td>INTERGOVERNMENTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAPITAL OUTLAY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL BUDGETARY EXPENDITURES</td>
<td>$661,118</td>
<td>$528,260</td>
<td>$132,858</td>
</tr>
</tbody>
</table>

| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES | (159,005) | (26,147) | 132,858 |

<table>
<thead>
<tr>
<th>OTHER FINANCING SOURCES (USES):</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
<td>100,102</td>
<td>100,102</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>122,301</td>
<td>122,301</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td>(118,995)</td>
<td>(118,995)</td>
<td>—</td>
</tr>
<tr>
<td>Encumbrance Reversions</td>
<td>33,546</td>
<td>33,546</td>
<td>—</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>$136,954</td>
<td>$136,954</td>
<td>—</td>
</tr>
</tbody>
</table>

| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES | $ (22,051) | 110,807 | $ 132,858 |

| UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1 | (71,137) |

<p>| UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30 | $ 39,670 |</p>
<table>
<thead>
<tr>
<th>HUMAN SERVICES</th>
<th>VARIANCE</th>
<th>HEALTH</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FAVORABLE</td>
<td></td>
<td>FAVORABLE</td>
</tr>
<tr>
<td></td>
<td>(UNFAVORABLE)</td>
<td></td>
<td>(UNFAVORABLE)</td>
</tr>
<tr>
<td>BUDGET</td>
<td>ACTUAL</td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>4,102</td>
<td>4,102</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>60,919</td>
<td>60,919</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1,267,617</td>
<td>1,267,617</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>10,079</td>
<td>10,079</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>352,882</td>
<td>352,882</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1,695,606</td>
<td>1,695,606</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

| 250 | 246 | 4 | — | — | — |
| 24,257 | 12,839 | 11,418 | — | — | — |
| 1,768,409 | 1,439,361 | 329,048 | — | — | — |
| 432,624 | 379,829 | 52,795 | 447,411 | 404,210 | 43,201 |
| 15,715 | 14,804 | 911 | — | — | — |
| 2,841 | 1,172 | 1,669 | — | — | — |

| 2,244,096 | 1,848,251 | 395,845 | 450,429 | 406,533 | 43,896 |

| (548,490) | (152,645) | 395,845 | (59,556) | (15,660) | 43,896 |

| 3,015 | 3,015 | — | 4,747 | 4,747 | — |
| (5,229) | (5,229) | — | (3,416) | (3,416) | — |
| 87,261 | 87,261 | — | 10,691 | 10,691 | — |
| 85,047 | 85,047 | — | 12,022 | 12,022 | — |

| $ (463,443) | (67,598) | $ 395,845 | $ (47,534) | (3,638) | $ 43,896 |

| (86,981) | (11,767) | (continued) | $ (154,579) | $ (15,405) | (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, 1997
(amounts expressed in thousands)

MENTAL HEALTH AND RETARDATION

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>FAVORABLE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(UNFAVORABLE)</td>
</tr>
</tbody>
</table>

**REVENUES:**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Taxes</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>4</td>
<td>4</td>
<td>—</td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal Government</td>
<td>982,682</td>
<td>982,682</td>
<td>—</td>
</tr>
<tr>
<td>Investment Income</td>
<td>106</td>
<td>106</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>32,671</td>
<td>32,671</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>1,015,463</strong></td>
<td><strong>1,015,463</strong></td>
<td>—</td>
</tr>
</tbody>
</table>

**BUDGETARY EXPENDITURES:**

**CURRENT:**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary, Secondary and Other Education</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
<td>620,708</td>
<td>620,597</td>
<td>111</td>
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<td>Health and Human Services</td>
<td>600,079</td>
<td>520,985</td>
<td>79,094</td>
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<td>Justice and Public Protection</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Environmental Protection and Natural Resources</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Transportation</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>General Government</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>INTERGOVERNMENTAL</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>CAPITAL OUTLAY</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL BUDGETARY EXPENDITURES</strong></td>
<td><strong>1,220,787</strong></td>
<td><strong>1,141,582</strong></td>
<td><strong>79,205</strong></td>
</tr>
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</table>

**EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>—</th>
<th>—</th>
<th>—</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(205,324)</strong></td>
<td><strong>(126,119)</strong></td>
<td><strong>79,205</strong></td>
<td></td>
</tr>
</tbody>
</table>

**OTHER FINANCING SOURCES (USES):**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td>(20)</td>
<td>(20)</td>
<td>—</td>
</tr>
<tr>
<td>Encumbrance Reversions</td>
<td>126,752</td>
<td>126,752</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td><strong>126,732</strong></td>
<td><strong>126,732</strong></td>
<td>—</td>
</tr>
</tbody>
</table>

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES**

<table>
<thead>
<tr>
<th></th>
<th>$ (78,592)</th>
<th>613</th>
<th>$ 79,205</th>
</tr>
</thead>
</table>

**UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1**

<table>
<thead>
<tr>
<th></th>
<th>(173,110)</th>
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</thead>
</table>

**UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30**

<table>
<thead>
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<th></th>
<th>$ (172,497)</th>
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<tbody>
<tr>
<td>EMPLOYMENT SERVICES</td>
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<tr>
<td>---------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td></td>
<td>VARIANCE</td>
</tr>
<tr>
<td></td>
<td>FAVORABLE</td>
</tr>
<tr>
<td>BUDGET</td>
<td>ACTUAL</td>
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<tr>
<td>$ 207,461</td>
<td>$ 207,461</td>
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<td>2,268</td>
<td>2,268</td>
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<tr>
<td>16,329</td>
<td>16,329</td>
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<tr>
<td>226,082</td>
<td>226,082</td>
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<tr>
<td>302,933</td>
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<td>304,093</td>
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<tr>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>$ (76,911)</td>
<td>4,999</td>
</tr>
<tr>
<td>5,198</td>
<td>—</td>
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<tr>
<td>$ 10,197</td>
<td>—</td>
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</tbody>
</table>

(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, 1997**  
(amounts expressed in thousands)  
(continued)

#### STUDENT AID COMMISSION

<table>
<thead>
<tr>
<th></th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
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<td></td>
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</tr>
<tr>
<td>Income Taxes</td>
<td>—</td>
<td>—</td>
<td>$ —</td>
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<tr>
<td>Sales Taxes</td>
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<td>—</td>
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</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>—</td>
<td>—</td>
<td>$ —</td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>—</td>
<td>—</td>
<td>$ —</td>
</tr>
<tr>
<td>Other Taxes</td>
<td>—</td>
<td>—</td>
<td>$ —</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
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<tr>
<td>Sales, Services and Charges</td>
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</tr>
<tr>
<td>Federal Government</td>
<td>—</td>
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</tr>
<tr>
<td>Investment Income</td>
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<td>—</td>
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<tr>
<td>Other</td>
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<td><strong>TOTAL REVENUES</strong></td>
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</tbody>
</table>

**BUDGETARY EXPENDITURES:**  
**CURRENT:**
- Primary, Secondary and Other Education ...........................................  
- Higher Education Support ..........................................................  
- Public Assistance and Medicaid ..................................................  
- Health and Human Services .......................................................  
- Justice and Public Protection ....................................................  
- Environmental Protection and Natural Resources  
- Transportation .............................................................................  
- General Government .....................................................................  
- Community and Economic Development .........................................  
- **INTERGOVERNMENTAL**  
- **CAPITAL OUTLAY** .....................................................................  
- **DEBT SERVICE** ........................................................................  
| **TOTAL BUDGETARY EXPENDITURES** | 16,444  | 9,524  | 6,920 |

**EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES**  
(4,764)  
2,156  
6,920

**OTHER FINANCING SOURCES (USES):**
- Bond Proceeds .............................................................................  
- Operating Transfers-in .............................................................  
- Operating Transfers-out ............................................................  
- Encumbrance Reversions ............................................................  
| **TOTAL OTHER FINANCING SOURCES (USES)** | (2,069)  | (2,069)  | — |

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES**  
$ (6,464)  
456  
$ 6,920

**UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1**  
(271)

**UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30**  
$ 185
<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE FAVORABLE</th>
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<td>135</td>
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<tr>
<td>11,155</td>
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<td>6,080</td>
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<td>35,000</td>
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<td>16,062</td>
<td>15,024</td>
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<td>275,485</td>
<td>51,060</td>
<td>1,762,733</td>
<td>1,561,995</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td>200,738</td>
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<tr>
<td>(175,351)</td>
<td>(124,291)</td>
<td>51,060</td>
<td>(584,245)</td>
<td>(383,507)</td>
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<td></td>
<td></td>
<td></td>
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<td>639,796</td>
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<td>(21,478)</td>
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<td>(169,752)</td>
<td>(169,752)</td>
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<td>3,992</td>
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<tr>
<td>$ (26,346)</td>
<td>$ 24,714</td>
<td>$ 51,060</td>
<td>$ (1,230)</td>
<td>$ 199,508</td>
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(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, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th>NATURAL RESOURCES</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE FAVORABLE (UNFAVORABLE)</th>
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<td>REVENUES:</td>
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</tr>
<tr>
<td>Income Taxes</td>
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<td>$ —</td>
<td>$ —</td>
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<tr>
<td>Sales Taxes</td>
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<td>Corporate and Public Utility Taxes</td>
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<tr>
<td>Motor Vehicle Fuel Taxes</td>
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</tr>
<tr>
<td>Other Taxes</td>
<td>9,155</td>
<td>9,155</td>
<td></td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>81,908</td>
<td>81,908</td>
<td></td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>1,925</td>
<td>1,925</td>
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<tr>
<td>Federal Government</td>
<td>38,208</td>
<td>38,208</td>
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</tr>
<tr>
<td>Investment Income</td>
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<tr>
<td>Other</td>
<td>33,324</td>
<td>33,324</td>
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<tr>
<td>TOTAL REVENUES</td>
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<td>177,525</td>
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</tbody>
</table>

| BUDGETARY EXPENDITURES: |        |        |                                  |
| CURRENT:               |        |        |                                  |
| Primary, Secondary and Other Education |         |        |                                  |
| Higher Education Support |         |        |                                  |
| Public Assistance and Medicaid |         |        |                                  |
| Health and Human Services |         |        |                                  |
| Justice and Public Protection | 1,139  | 663    | 476                              |
| Environmental Protection and Natural Resources | 200,979| 162,430| 38,549                           |
| Transportation |         |        |                                  |
| General Government | 8,067  | 5,111  | 2,956                            |
| Community and Economic Development | 10,843 | 7,004  | 3,839                            |
| INTERGOVERNMENTAL     |         |        |                                  |
| CAPITAL OUTLAY        |         |        |                                  |
| DEBT SERVICE          |         |        |                                  |
| TOTAL BUDGETARY EXPENDITURES | 221,028| 175,208| 45,820                           |

| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES | (43,503) | 2,317 | 45,820 |

| OTHER FINANCING SOURCES (USES): |        |        |                                  |
| Bond Proceeds |         |        |                                  |
| Operating Transfers-in | 1,546  | 1,546 |                                  |
| Operating Transfers-out | (2,000) | (2,000) |                                  |
| Encumbrance Reversions | 4,844  | 4,844 |                                  |
| TOTAL OTHER FINANCING SOURCES (USES) | 4,390  | 4,390 |                                  |

| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES | $ (39,113) | 6,707 | $ 45,820 |

| UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1 | $ 109,577 |

<p>| UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30 | $ 116,284 |</p>
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<tr>
<th>WILDLIFE AND WATERWAY SAFETY</th>
<th>VARIANCE</th>
<th>REVENUE DISTRIBUTION</th>
<th>VARIANCE</th>
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<td>ACTUAL</td>
<td>(UNFAVORABLE)</td>
<td>BUDGET</td>
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<tr>
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<td>60,521</td>
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<td>2,495,433</td>
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<tr>
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<td>1,863,323</td>
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<td>—</td>
<td>42,084</td>
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<td>(668,044)</td>
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<tr>
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<tr>
<td>556</td>
<td>556</td>
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<td>(625,960)</td>
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<tr>
<td>$ (24,372)</td>
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<td>34,830</td>
<td>189,845</td>
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$ 38,074

(continued)
## LOCAL TRANSPORTATION IMPROVEMENTS

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<th>ACTUAL</th>
<th>VARIANCE FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Taxes</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Sales Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>Other Taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
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<td>—</td>
</tr>
<tr>
<td>Sales, Services and Charges</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Federal Government</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>Investment Income</td>
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<tr>
<td>Other</td>
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<td>73</td>
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<tr>
<td><strong>TOTAL REVENUES</strong></td>
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</thead>
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<tr>
<td><strong>CURRENT:</strong></td>
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<td></td>
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<tr>
<td>Primary, Secondary and Other Education</td>
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<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
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<td>Health and Human Services</td>
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<td>Justice and Public Protection</td>
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<td>—</td>
</tr>
<tr>
<td>Environmental Protection and Natural Resources</td>
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<td>—</td>
</tr>
<tr>
<td>Transportation</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>General Government</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Community and Economic Development</td>
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<td>354</td>
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<tr>
<td><strong>INTERGOVERNMENTAL:</strong></td>
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<td>73,016</td>
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<td><strong>TOTAL BUDGETARY EXPENDITURES</strong></td>
<td>142,286</td>
<td>69,231</td>
<td>73,055</td>
</tr>
</tbody>
</table>

| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES** | (138,475) | (65,420) | 73,055 |

<table>
<thead>
<tr>
<th><strong>OTHER FINANCING SOURCES (USES):</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>58,247</td>
<td>58,247</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
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<tr>
<td>Encumbrance Reversions</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>58,247</td>
<td>58,247</td>
<td>—</td>
</tr>
</tbody>
</table>

| **EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES** | (80,228) | (7,173) | $ 73,055 |

| **UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1** | 75,577  |

| **UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30** | $ 68,404 |
## TOTAL SPECIAL REVENUE

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<tr>
<th>Variance</th>
<th>Favorable</th>
<th>Unfavorable</th>
</tr>
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</tr>
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<td>$ 636,262</td>
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<tr>
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</tr>
<tr>
<td>1,359,987</td>
<td>1,359,987</td>
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<td>890,402</td>
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<td>32,185</td>
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<tr>
<td>4,620,774</td>
<td>4,620,774</td>
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</tr>
<tr>
<td>90,363</td>
<td>90,363</td>
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</tr>
<tr>
<td>704,589</td>
<td>704,589</td>
<td>—</td>
</tr>
<tr>
<td><strong>8,746,913</strong></td>
<td><strong>8,746,913</strong></td>
<td><strong>—</strong></td>
</tr>
</tbody>
</table>

| 1,700,708   | 1,634,619 | 66,089     |
| 48,605      | 27,064    | 21,541     |
| 2,389,117   | 2,059,958 | 329,159    |
| 1,783,937   | 1,527,632 | 256,305    |
| 537,637     | 431,976   | 105,661    |
| 255,278     | 213,608   | 41,670     |
| 1,714,526   | 1,521,221 | 193,305    |
| 129,142     | 111,017   | 18,125     |
| 367,779     | 294,278   | 73,501     |
| 1,863,323   | 1,799,943 | 64,380     |
| 345,215     | 123,271   | 221,944    |
| 20,878      | 18,885    | 1,993      |
| **11,156,145** | **9,762,472** | **1,393,673** |

| (2,409,232) | (1,015,559) | **1,393,673** |

| 170,219     | 170,219   | —           |
| 1,894,730   | 1,894,730 | —           |
| (1,121,995) | (1,121,995)| —           |
| 406,491     | 406,491   | —           |
| **1,349,445** | **1,349,445** | **—** |

| $ (1,059,787) | 333,886 | $ 1,393,673 |

| (549,861) |

| $ (215,975) |
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 the Arts 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.
STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>ECONOMIC DEVELOPMENT BOND SERVICE</th>
<th>TRANSPORTATION CERTIFICATE RETIREMENT</th>
<th>COAL RESEARCH/DEVELOPMENT BOND RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>5,239</td>
<td>887</td>
<td></td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Net</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$ 5,239</strong></td>
<td><strong>$ 887</strong></td>
<td><strong>$ 79</strong></td>
</tr>
</tbody>
</table>

LIABILITIES AND FUND BALANCES

Liabilities:

<table>
<thead>
<tr>
<th></th>
<th>ECONOMIC DEVELOPMENT BOND SERVICE</th>
<th>TRANSPORTATION CERTIFICATE RETIREMENT</th>
<th>COAL RESEARCH/DEVELOPMENT BOND RETIREMENT</th>
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</thead>
<tbody>
<tr>
<td>Accrued Liabilities</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Deferred Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retfund and Other Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
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Fund Balances:

<table>
<thead>
<tr>
<th>Reserved for:</th>
<th>TRANSPORTATION CERTIFICATE RETIREMENT</th>
<th>COAL RESEARCH/DEVELOPMENT BOND RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>5,239</td>
<td>887</td>
</tr>
<tr>
<td>Noncurrent Portion of Loans Receivable</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Unreserved/Undesignated</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>5,239</strong></td>
<td><strong>887</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th></th>
<th><strong>$ 5,239</strong></th>
<th><strong>$ 887</strong></th>
<th><strong>$ 79</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPROVEMENTS BOND RETIREMENT</td>
<td>HIGHWAY IMPROVEMENTS BOND RETIREMENT</td>
<td>DEVELOPMENT BOND RETIREMENT</td>
<td>HIGHWAY OBLIGATIONS BOND RETIREMENT</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------------------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>$ 212</td>
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<td>$ 45</td>
<td>$ 107,515</td>
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<td>450</td>
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</tr>
<tr>
<td>125</td>
<td>1</td>
<td>27</td>
<td>63,430</td>
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<td>—</td>
<td>459</td>
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<td>—</td>
<td>127</td>
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<tr>
<td>$ 531</td>
<td>$ 62</td>
<td>$ 552</td>
<td>$ 171,981</td>
</tr>
<tr>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>125</td>
<td>1</td>
<td>27</td>
<td>63,430</td>
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<td>108,351</td>
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<td>—</td>
<td>—</td>
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<tr>
<td>228</td>
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<td>195</td>
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</tr>
<tr>
<td>228</td>
<td>6</td>
<td>195</td>
<td>108,351</td>
</tr>
<tr>
<td>$ 531</td>
<td>$ 62</td>
<td>$ 552</td>
<td>$ 171,981</td>
</tr>
</tbody>
</table>

(continued)
STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer ........................ $ 272 $ — $ —</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents ........................— $ 174 $ 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments ....................................— $ 87,812 $ 58,440</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral on Lent Securities ........................ 161 — —</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Receivables: 
  Loans, Net ....................................— $ 6,224 — |
  Other ........................................ 1 — $ 505 |
| Due from Other Funds ................................— $ 1,115 — |
| **TOTAL ASSETS** ................................ $ 434 $ 95,325 $ 58,946 |

**LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th>Liabilities:</th>
</tr>
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<tbody>
<tr>
<td>Accrued Liabilities ........................... $ 254 $ — $ 442</td>
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<tr>
<td>Obligations Under Securities Lending ........... 161 — —</td>
</tr>
<tr>
<td>Deferred Revenues ................................— — $ 1,500</td>
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<tr>
<td>Refund and Other Liabilities ........................ — 125 —</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong> ............................. 415 125 1,942</td>
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<table>
<thead>
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<th>Fund Balances:</th>
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</thead>
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| Reserved for: 
  Debt Service ...................................... 19 88,976 57,004 |
  Noncurrent Portion of Loans Receivable ........................ — 6,224 — |
| Unreserved/Undesignated ................................— — — |
| **Total Fund Balances** ............................. 19 95,200 57,004 |

**TOTAL LIABILITIES AND FUND BALANCES** ........................ $ 434 $ 95,325 $ 58,946
<table>
<thead>
<tr>
<th>Enterprise Bond Retirement</th>
<th>State Projects Bond Service</th>
<th>School Building Program Bond Service</th>
<th>Highway Capital Improvement Bond Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>—</td>
<td>175</td>
<td>—</td>
<td>183</td>
<td>108,464</td>
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<td>—</td>
<td>—</td>
<td>104</td>
<td>—</td>
<td>1,920</td>
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<tr>
<td>23,669</td>
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<td>133</td>
<td>—</td>
<td>176,180</td>
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<tr>
<td>—</td>
<td>103</td>
<td>—</td>
<td>108</td>
<td>63,990</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,224</td>
</tr>
<tr>
<td>71</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,037</td>
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<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,242</td>
</tr>
<tr>
<td>$ 23,740</td>
<td>$ 278</td>
<td>$ 237</td>
<td>$ 291</td>
<td>$ 359,057</td>
</tr>
</tbody>
</table>

| $                          | $                           | $                                   | $                                        | $     |
| —                          | 72                          | —                                   | 172                                      | 940   |
| —                          | 103                         | —                                   | 108                                      | 63,990 |
| —                          | —                           | —                                   | —                                        | 1,500  |
| 464                       | —                           | —                                   | —                                        | 1,632  |
| 464                       | 175                         | —                                   | 280                                      | 68,062 |

| $                          | $                           | $                                   | $                                        | $     |
| 23,276                    | 103                         | 237                                 | 11                                       | 284,153 |
| —                          | —                           | —                                   | —                                        | 6,224  |
| —                          | —                           | —                                   | —                                        | 618   |
| 23,276                    | 103                         | 237                                 | 11                                       | 290,995 |
| $ 23,740                   | $ 278                       | $ 237                               | $ 291                                    | $ 359,057 |
## STATE OF OHIO
### DEBT SERVICE FUNDS
#### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
#### CHANGES IN FUND BALANCES
#### FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)

### REVENUES:
- Motor Vehicle Fuel Taxes
- Licenses, Permits and Fees
- Federal Government
- Investment Income
- Other

**TOTAL REVENUES**

### EXPENDITURES:
- DEBT SERVICE

**TOTAL EXPENDITURES**

### EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES

### OTHER FINANCING SOURCES (USES):
- Refunding Bond Proceeds
- Payment to Refunded Bond Escrow Agents
- Operating Transfers-in
- Operating Transfers-out

**TOTAL OTHER FINANCING SOURCES (USES)**

### EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES

### FUND BALANCES, JULY 1

### FUND BALANCES, JUNE 30

<table>
<thead>
<tr>
<th></th>
<th>ECONOMIC DEVELOPMENT</th>
<th>TRANSPORTATION CERTIFICATE RETIREMENT</th>
<th>COAL RESEARCH/DEVELOPMENT BOND RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Motor Vehicle Fuel</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Taxes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licenses, Permits</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>and Fees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>179</td>
<td>762</td>
<td>18</td>
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<tr>
<td><strong>Expenses:</strong></td>
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<tr>
<td>DEBT SERVICE</td>
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<td>760</td>
<td>9,010</td>
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<td><strong>TOTAL EXPENDITURES</strong></td>
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<td>760</td>
<td>9,010</td>
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<td><strong>Excess (Deficiency) of Revenues Over (Under) Expenses</strong></td>
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<td>(8,992)</td>
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<td><strong>Other Financing Sources (Uses):</strong></td>
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<td></td>
</tr>
<tr>
<td>Refunding Bond Proceeds</td>
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<tr>
<td>Payment to Refunded Bond Escrow Agents</td>
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<td>Operating Transfers-in</td>
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<td>9,026</td>
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<tr>
<td>Operating Transfers-out</td>
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<td>(6)</td>
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<td><strong>TOTAL OTHER FINANCING SOURCES (USES):</strong></td>
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<td><strong>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses:</strong></td>
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<td><strong>Fund Balances, July 1:</strong></td>
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<tr>
<td><strong>Fund Balances, June 30:</strong></td>
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<td>$ 50</td>
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<tr>
<td>IMPROVEMENTS BOND RETIREMENT</td>
<td>HIGHWAY IMPROVEMENTS BOND RETIREMENT</td>
<td>DEVELOPMENT BOND RETIREMENT</td>
<td>HIGHWAY OBLIGATIONS BOND RETIREMENT</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------</td>
<td>-------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>$</td>
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<td>$ 61,261</td>
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<td>11</td>
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<td>$</td>
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<td>$</td>
<td>121,957</td>
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<td></td>
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<tr>
<td>11</td>
<td></td>
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<td>(10,792)</td>
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<td>$</td>
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<td>$</td>
<td>(24)</td>
</tr>
<tr>
<td>$</td>
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<td>$</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>$</td>
<td>(24)</td>
</tr>
<tr>
<td>$</td>
<td></td>
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</tr>
<tr>
<td>217</td>
<td>6</td>
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<tr>
<td>$ 228</td>
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<td>$ 195</td>
<td>$ 108,351</td>
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(continued)
## REVENUES:

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>-</td>
<td>50</td>
<td>-</td>
</tr>
<tr>
<td>Federal Government</td>
<td>-</td>
<td>8,631</td>
<td>3,887</td>
</tr>
<tr>
<td>Investment Income</td>
<td>41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>44</strong></td>
<td><strong>8,681</strong></td>
<td><strong>3,887</strong></td>
</tr>
</tbody>
</table>

## EXPENDITURES:

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEBT SERVICE</td>
<td>81,198</td>
<td>559,815</td>
<td>220,023</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>81,198</strong></td>
<td><strong>559,815</strong></td>
<td><strong>220,023</strong></td>
</tr>
</tbody>
</table>

## EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td><strong>(81,154)</strong></td>
<td><strong>(551,134)</strong></td>
<td><strong>(216,136)</strong></td>
</tr>
</tbody>
</table>

## OTHER FINANCING SOURCES (USES):

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refunding Bond Proceeds</td>
<td>-</td>
<td>133,100</td>
<td>142,801</td>
</tr>
<tr>
<td>Payment to Refunded Bond Escrow Agents</td>
<td>-</td>
<td>(133,100)</td>
<td>(142,801)</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>80,623</td>
<td>444,603</td>
<td>202,747</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td>-</td>
<td>-</td>
<td>(862)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td><strong>80,623</strong></td>
<td><strong>444,603</strong></td>
<td><strong>201,885</strong></td>
</tr>
</tbody>
</table>

## EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</strong></td>
<td><strong>(531)</strong></td>
<td><strong>(106,531)</strong></td>
<td><strong>(14,251)</strong></td>
</tr>
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</table>

## FUND BALANCES, JULY 1

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td><strong>550</strong></td>
<td><strong>201,731</strong></td>
<td><strong>71,255</strong></td>
</tr>
</tbody>
</table>

## FUND BALANCES, JUNE 30

<table>
<thead>
<tr>
<th>Description</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</th>
<th>OHIO PUBLIC FACILITIES COMMISSION</th>
<th>OHIO BUILDING AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FUND BALANCES, JUNE 30</strong></td>
<td><strong>$ 19</strong></td>
<td><strong>$ 95,200</strong></td>
<td><strong>$ 57,004</strong></td>
</tr>
<tr>
<td>ENTERPRISE</td>
<td>STATE PROJECTS</td>
<td>SCHOOL BUILDING</td>
<td>HIGHWAY CAPITAL</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>BOND RETIREMENT</td>
<td>BOND SERVICE</td>
<td>PROGRAM BOND SERVICE</td>
<td>IMPROVEMENT BOND SERVICE</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>19</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>1,548</td>
<td>—</td>
<td>—</td>
<td>14</td>
</tr>
<tr>
<td>570</td>
<td>—</td>
<td>233</td>
<td>—</td>
</tr>
<tr>
<td>2,137</td>
<td>—</td>
<td>233</td>
<td>14</td>
</tr>
<tr>
<td>1,408</td>
<td>5,150</td>
<td>10,695</td>
<td>6,391</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>729</td>
<td>(5,150)</td>
<td>(10,462)</td>
<td>(6,377)</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>27,536</td>
<td>5,234</td>
<td>10,695</td>
<td>6,476</td>
</tr>
<tr>
<td>(32,815)</td>
<td>(25)</td>
<td>—</td>
<td>(88)</td>
</tr>
<tr>
<td>(5,279)</td>
<td>5,209</td>
<td>10,695</td>
<td>6,388</td>
</tr>
<tr>
<td>(4,550)</td>
<td>59</td>
<td>233</td>
<td>11</td>
</tr>
<tr>
<td>27,826</td>
<td>44</td>
<td>4</td>
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</tr>
<tr>
<td>$ 23,276</td>
<td>$ 103</td>
<td>$ 237</td>
<td>$ 11</td>
</tr>
</tbody>
</table>
### 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, 1997**

(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>COAL RESEARCH / DEVELOPMENT</th>
<th>BOND RETIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### REVENUES:

<table>
<thead>
<tr>
<th>Source</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$16</td>
<td>$16</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$9,027</td>
<td>$9,027</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>9,043</strong></td>
<td><strong>9,043</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### BUDGETARY EXPENDITURES:

<table>
<thead>
<tr>
<th>Type</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$11,304</td>
<td>$9,015</td>
<td>$2,289</td>
</tr>
<tr>
<td><strong>TOTAL BUDGETARY EXPENDITURES</strong></td>
<td><strong>11,304</strong></td>
<td><strong>9,015</strong></td>
<td><strong>2,289</strong></td>
</tr>
</tbody>
</table>

#### EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES

<table>
<thead>
<tr>
<th>Excess/Deficiency</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(2,261)</td>
<td>$28</td>
<td>$2,289</td>
<td></td>
</tr>
</tbody>
</table>

#### OTHER FINANCING SOURCES (USES):

<table>
<thead>
<tr>
<th>Source</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES

<table>
<thead>
<tr>
<th>Excess/Deficiency</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(2,261)</td>
<td>$28</td>
<td>$2,289</td>
<td></td>
</tr>
</tbody>
</table>

#### UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNRESERVED, UNDESIGNATED BUDGETARY</td>
<td>$22</td>
</tr>
</tbody>
</table>

#### UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNRESERVED, UNDESIGNATED BUDGETARY</td>
<td>$50</td>
</tr>
<tr>
<td></td>
<td>IMPROVEMENTS</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td></td>
<td>BOND RETIREMENT</td>
</tr>
<tr>
<td></td>
<td>VARIANCE</td>
</tr>
<tr>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
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<tr>
<td>—</td>
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<td>11</td>
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<td>11</td>
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<td>$</td>
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<tr>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>212</td>
<td>1</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
<th>Development Bond Retirement</th>
<th>Variance Favorable (Unfavorable)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$ —</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>$ —</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>49</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>50</td>
</tr>
</tbody>
</table>

| **BUDGETARY EXPENDITURES:** |                                 |
| Debt Service                | 24                              |
| **TOTAL BUDGETARY EXPENDITURES** | 24                              |

| **EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES** | 26                              |

| **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** | $ 26                             |

| **UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1** | 19                              |

<p>| <strong>UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30</strong> | $ 45                            |</p>
<table>
<thead>
<tr>
<th></th>
<th>HIGHWAY OBLIGATIONS</th>
<th></th>
<th>PUBLIC IMPROVEMENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BOND RETIREMENT</td>
<td>VARIANCE</td>
<td>BOND RETIREMENT</td>
<td>VARIANCE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FAVORABLE (UNFAVORABLE)</td>
<td></td>
<td>FAVORABLE (UNFAVORABLE)</td>
</tr>
<tr>
<td>BUDGET</td>
<td>ACTUAL</td>
<td></td>
<td>BUDGET</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>$ 65,420</td>
<td>$ 65,420</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>43,517</td>
<td>43,517</td>
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</tr>
<tr>
<td>6,512</td>
<td>6,512</td>
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<td>1</td>
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<tr>
<td></td>
<td></td>
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<td>1</td>
</tr>
<tr>
<td>115,449</td>
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<td>—</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>122,288</td>
<td>122,288</td>
<td>—</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>122,288</td>
<td>—</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>(6,839)</td>
<td>(6,839)</td>
<td>—</td>
<td>(12)</td>
<td>(12)</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>(12)</td>
<td>(12)</td>
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<tr>
<td>221</td>
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<tr>
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<td>221</td>
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<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>$ (6,618)</td>
<td>(6,618)</td>
<td>$ —</td>
<td>$ (12)</td>
<td>(12)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>114,133</td>
<td>23</td>
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<tr>
<td></td>
<td></td>
<td>$ 107,515</td>
<td>$ 11</td>
<td></td>
</tr>
</tbody>
</table>

(continued)
## LOCAL INFRASTRUCTURE IMPROVEMENTS

<table>
<thead>
<tr>
<th>BOND RETIREMENT</th>
<th>VARIANCE</th>
<th>FAVORABLE (UNFAVORABLE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Investment Income</td>
<td>46</td>
<td>46</td>
</tr>
<tr>
<td>Other</td>
<td>80,625</td>
<td>80,625</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>80,671</td>
<td>80,671</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUDGETARY EXPENDITURES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEBT SERVICE</td>
</tr>
<tr>
<td>TOTAL BUDGETARY EXPENDITURES</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>(8,361)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER FINANCING SOURCES (USES):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Proceeds</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (8,107)</td>
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</table>

<table>
<thead>
<tr>
<th>UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>895</td>
</tr>
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<table>
<thead>
<tr>
<th>UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 272</td>
</tr>
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</table>
## STATE PROJECTS

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE FAVORABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>$ 5,234</td>
<td>$ 5,234</td>
<td>—</td>
</tr>
</tbody>
</table>

## HIGHWAY CAPITAL IMPROVEMENT

<table>
<thead>
<tr>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE FAVORABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>$ 5,234</td>
<td>$ 5,234</td>
<td>—</td>
</tr>
</tbody>
</table>

---

(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, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th>TOTAL DEBT SERVICE</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUDGET</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>REVENUES:</td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$65,420</td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>43,517</td>
</tr>
<tr>
<td>Investment Income</td>
<td>6,600</td>
</tr>
<tr>
<td>Other</td>
<td>94,935</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>210,472</td>
</tr>
<tr>
<td>BUDGETARY EXPENDITURES:</td>
<td></td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td>237,759</td>
</tr>
<tr>
<td>TOTAL BUDGETARY EXPENDITURES</td>
<td>237,759</td>
</tr>
<tr>
<td>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES</td>
<td>(27,287)</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES):</td>
<td></td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>832</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>64,838</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td>(59,361)</td>
</tr>
<tr>
<td>TOTAL OTHER FINANCING SOURCES (USES)</td>
<td>7,309</td>
</tr>
<tr>
<td>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES</td>
<td>$ (19,978)</td>
</tr>
<tr>
<td>UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1</td>
<td>115,338</td>
</tr>
<tr>
<td>UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30</td>
<td>$ 108,464</td>
</tr>
</tbody>
</table>
[THIS PAGE LEFT BLANK INTENTIONALLY]
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, as defined in Section 3383.01(J), Ohio Revised Code, as Ohio sports facilities.
STATE OF OHIO  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1997  
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>ARTS FACILITIES IMPROVEMENTS</th>
<th>HIGHER EDUCATION IMPROVEMENTS</th>
<th>HIGHWAY OBLIGATIONS CONSTRUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$35,913</td>
<td>$85,970</td>
<td>$33,855</td>
</tr>
<tr>
<td>Investments</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>21,187</td>
<td>50,719</td>
<td>19,973</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Net</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>154</td>
<td>398</td>
<td>149</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>43</td>
<td>110</td>
<td>41</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$57,297</td>
<td>$137,197</td>
<td>$54,018</td>
</tr>
</tbody>
</table>

<p>| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | $859 | $35,590 | $1,484 |
| Accrued Liabilities | — | — | — |
| Obligations Under Securities Lending | 21,187 | 50,719 | 19,973 |
| Due to Other Funds | — | 1,121 | — |
| Total Liabilities | 22,046 | 87,430 | 21,457 |
| Fund Balances: | | | |
| Reserved for: | | | |
| Encumbrances | 60,167 | 199,484 | 31,311 |
| Noncurrent Portion of Loans Receivable | — | — | — |
| Other: | | | |
| Loan Commitments | — | 1,252 | — |
| Health Care Benefits | — | — | — |
| Unreserved/Undesignated (Deficits) | (24,916) | (150,969) | 1,250 |
| Total Fund Balances | 35,251 | 49,767 | 32,561 |
| TOTAL LIABILITIES AND FUND BALANCES | $57,297 | $137,197 | $54,018 |</p>
<table>
<thead>
<tr>
<th>MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS</th>
<th>PARKS AND RECREATION IMPROVEMENTS</th>
<th>LOCAL INFRASTRUCTURE IMPROVEMENTS</th>
<th>OHIO BUILDING AUTHORITY IMPROVEMENTS</th>
<th>ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS</th>
<th>YOUTH SERVICES BUILDING IMPROVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$20,056</td>
<td>$8,858</td>
<td>$80,743</td>
<td>$44,180</td>
<td>$20,492</td>
<td>$20,492</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>--</td>
<td>7,337</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>11,832</td>
<td>5,226</td>
<td>47,635</td>
<td>--</td>
<td>26,064</td>
<td>12,090</td>
</tr>
<tr>
<td>--</td>
<td>--</td>
<td>109,664</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>89</td>
<td>40</td>
<td>349</td>
<td>29</td>
<td>194</td>
<td>88</td>
</tr>
<tr>
<td>25</td>
<td>11</td>
<td>1,169</td>
<td>--</td>
<td>54</td>
<td>24</td>
</tr>
<tr>
<td>$32,002</td>
<td>$14,135</td>
<td>$239,560</td>
<td>$7,366</td>
<td>$70,492</td>
<td>$32,694</td>
</tr>
</tbody>
</table>

<p>| $3,472                                                  | $50                               | $5,439                           | $81                                   | $3,217                                      | $772                             |
| --                                                      | --                                | 39                               | --                                    | --                                          | --                               |</p>
<table>
<thead>
<tr>
<th>11,832</th>
<th>5,226</th>
<th>47,635</th>
<th>--</th>
<th>26,064</th>
<th>12,090</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,304</td>
<td>5,276</td>
<td>53,118</td>
<td>81</td>
<td>29,281</td>
<td>12,862</td>
</tr>
</tbody>
</table>

| 30,667                                                  | 8,520                             | 7                                | --                                    | 54,752                                      | 17,853                           |
| --                                                      | --                                | 108,554                          | --                                    | --                                          | --                               |
| --                                                      | --                                | 38,988                           | --                                    | --                                          | --                               |
| --                                                      | --                                | 3                                | --                                    | --                                          | --                               |
| (13,969)                                                | 339                               | 38,890                           | 7,285                                 | (13,541)                                    | 1,979                            |
| 16,698                                                  | 8,859                             | 186,442                          | 7,285                                 | 41,211                                      | 19,832                           |
| $32,002                                                 | $14,135                           | $239,560                         | $7,366                                | $70,492                                     | $32,694                          |

(continued)
### STATE OF OHIO

**CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 1997**

(amounts expressed in thousands)

(continued)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>TRANSPORTATION IMPROVEMENTS</th>
<th>ADULT CORRECTIONAL IMPROVEMENTS</th>
<th>HIGHWAY SAFETY IMPROVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$9,959</td>
<td>$96,466</td>
<td>$49,979</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>5,876</td>
<td>56,911</td>
<td>29,486</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Net</td>
<td>44</td>
<td>423</td>
<td>215</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>117</td>
<td>60</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>1</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$15,891</strong></td>
<td><strong>$153,917</strong></td>
<td><strong>$79,740</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
<th>TRANSPORTATION IMPROVEMENTS</th>
<th>ADULT CORRECTIONAL IMPROVEMENTS</th>
<th>HIGHWAY SAFETY IMPROVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$1,022</td>
<td>$11,293</td>
<td>$5,651</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>5,876</td>
<td>56,911</td>
<td>29,486</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>6,915</strong></td>
<td><strong>68,204</strong></td>
<td><strong>35,137</strong></td>
</tr>
</tbody>
</table>

Fund Balances:

Reserved for:

<table>
<thead>
<tr>
<th></th>
<th>TRANSPORTATION IMPROVEMENTS</th>
<th>ADULT CORRECTIONAL IMPROVEMENTS</th>
<th>HIGHWAY SAFETY IMPROVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encumbrances</td>
<td>10,240</td>
<td>108,155</td>
<td>30,468</td>
</tr>
<tr>
<td>Noncurrent Portion of Loans Receivable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Commitments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care Benefits</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unreserved/Undesignated (Deficits)</td>
<td>(1,264)</td>
<td>(22,442)</td>
<td>14,135</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>8,976</strong></td>
<td><strong>85,713</strong></td>
<td><strong>44,603</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th></th>
<th>TRANSPORTATION IMPROVEMENTS</th>
<th>ADULT CORRECTIONAL IMPROVEMENTS</th>
<th>HIGHWAY SAFETY IMPROVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$15,891</strong></td>
<td><strong>$153,917</strong></td>
<td><strong>$79,740</strong></td>
</tr>
<tr>
<td>OHIO PARKS AND NATURAL RESOURCES</td>
<td>HIGHWAY CAPITAL IMPROVEMENT</td>
<td>SPORTS FACILITIES BUILDING</td>
<td>TOTAL</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------</td>
<td>---------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>$ 53,910</td>
<td>$ 168,673</td>
<td>$ 37,404</td>
<td>$ 746,458</td>
</tr>
<tr>
<td></td>
<td>31,805</td>
<td>99,511</td>
<td>440,382</td>
</tr>
<tr>
<td></td>
<td>22</td>
<td>189</td>
<td>109,664</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>53</td>
<td>1,770</td>
</tr>
<tr>
<td>$ 85,743</td>
<td>$ 268,426</td>
<td>$ 59,676</td>
<td>$ 1,308,154</td>
</tr>
</tbody>
</table>

|                                                | $ 233                        | $ 8,667                   | $ 77,830 |
|                                                | 31,805                      | 99,511                    | 440,382 |
|                                                | 32,038                      | 108,178                   | 519,394 |

|                                                | 34,789                      | 177,292                   | 769,505 |
|                                                | 18,916                      | (17,044)                  | (129,542) |
|                                                | 53,705                      | 160,248                   | 788,760 |
| $ 85,743                        | $ 268,426                   | $ 59,676                  | $ 1,308,154 |
### STATE OF OHIO
### CAPITAL PROJECTS FUNDS
### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
### CHANGES IN FUND BALANCES
### FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)

#### REVENUES:

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td>Federal Government</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,105</td>
<td>5,357</td>
<td>2,804</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>70</td>
<td>38</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td><strong>1,105</strong></td>
<td><strong>5,427</strong></td>
<td><strong>2,842</strong></td>
</tr>
</tbody>
</table>

#### EXPENDITURES:

**CURRENT:**

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CAPITAL OUTLAY</strong></td>
<td>17,013</td>
<td>323,092</td>
<td>108,336</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td><strong>17,013</strong></td>
<td><strong>323,092</strong></td>
<td><strong>108,336</strong></td>
</tr>
</tbody>
</table>

**EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td></td>
<td>(15,908)</td>
<td>(317,665)</td>
<td>(105,494)</td>
</tr>
</tbody>
</table>

#### OTHER FINANCING SOURCES (USES):

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td></td>
<td>295,026</td>
<td>100,051</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>40,525</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td></td>
<td>(540)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td><strong>40,525</strong></td>
<td><strong>294,486</strong></td>
<td><strong>100,051</strong></td>
</tr>
</tbody>
</table>

**EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES**

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td></td>
<td>24,617</td>
<td>(23,179)</td>
<td>(5,443)</td>
</tr>
</tbody>
</table>

#### FUND BALANCES, JULY 1

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td>Residual Equity Transfers-out</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td><strong>10,634</strong></td>
<td><strong>72,946</strong></td>
<td><strong>38,004</strong></td>
</tr>
</tbody>
</table>

#### FUND BALANCES, JUNE 30

<table>
<thead>
<tr>
<th></th>
<th>ARTS FACILITIES</th>
<th>HIGHER EDUCATION</th>
<th>HIGHWAY OBLIGATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BUILDING IMPROVEMENTS</td>
<td>IMPROVEMENTS</td>
<td>CONSTRUCTION</td>
</tr>
<tr>
<td></td>
<td><strong>35,251</strong></td>
<td><strong>49,767</strong></td>
<td><strong>32,561</strong></td>
</tr>
<tr>
<td>MENTAL HEALTH/MENTAL RETARDATION FACILITIES IMPROVEMENTS</td>
<td>PARKS AND RECREATION IMPROVEMENTS</td>
<td>LOCAL INFRASTRUCTURE IMPROVEMENTS</td>
<td>OHIO BUILDING AUTHORITY</td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>1,356</td>
<td>554</td>
<td>3,404</td>
<td>814</td>
</tr>
<tr>
<td>822</td>
<td>328</td>
<td>933</td>
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</tr>
<tr>
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<td>882</td>
<td>4,337</td>
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<tr>
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<td>812</td>
<td>—</td>
</tr>
<tr>
<td>40,779</td>
<td>5,501</td>
<td>104,074</td>
<td>3,481</td>
</tr>
<tr>
<td>40,779</td>
<td>5,501</td>
<td>104,886</td>
<td>3,481</td>
</tr>
<tr>
<td>(38,601)</td>
<td>(4,619)</td>
<td>(100,549)</td>
<td>(2,667)</td>
</tr>
<tr>
<td>39,435</td>
<td>—</td>
<td>120,004</td>
<td>347,149</td>
</tr>
<tr>
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<tr>
<td>—</td>
<td>—</td>
<td>(46)</td>
<td>(368,143)</td>
</tr>
<tr>
<td>39,435</td>
<td>—</td>
<td>119,958</td>
<td>(20,994)</td>
</tr>
<tr>
<td>834</td>
<td>(4,619)</td>
<td>19,409</td>
<td>(23,661)</td>
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<td>13,478</td>
<td>167,033</td>
<td>30,946</td>
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<tr>
<td>$ 16,698</td>
<td>$ 8,859</td>
<td>$ 186,442</td>
<td>$ 7,285</td>
</tr>
</tbody>
</table>

(continued)
The document provides a combining statement of revenues, expenditures, and changes in fund balances for the fiscal year ended June 30, 1997, for the State of Ohio, Capital Projects Funds. The revenues and expenditures are categorized into different sections, including federal government, investment income, other revenues, current expenditures, and capital outlay. The document also includes other financing sources and uses, and calculates the excess (deficiency) of revenues over (under) expenditures, and the excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses. The fund balances at July 1 and June 30 are also presented for each category.
<table>
<thead>
<tr>
<th></th>
<th>OHIO PARKS AND NATURAL RESOURCES</th>
<th>HIGHWAY CAPITAL IMPROVEMENT</th>
<th>SPORTS FACILITIES BUILDING</th>
<th>TOTAL</th>
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<tr>
<td></td>
<td>$</td>
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<tr>
<td></td>
<td>1,000</td>
<td>1,537</td>
<td>931</td>
<td>26,182</td>
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<td>1</td>
<td>1</td>
<td>1</td>
<td>3,104</td>
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<tr>
<td>$</td>
<td>1,001</td>
<td>1,537</td>
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<td>29,767</td>
<td>16,398</td>
<td>878,320</td>
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</tr>
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<td></td>
<td>(28,766)</td>
<td>(14,861)</td>
<td>932</td>
<td>(848,199)</td>
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<tr>
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<td>175,109</td>
<td>1,126,036</td>
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<td></td>
<td></td>
<td>36,677</td>
<td>347,148</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(642)</td>
<td></td>
<td></td>
<td>(369,371)</td>
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<td></td>
<td>48,620</td>
<td>175,109</td>
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<tr>
<td></td>
<td>19,854</td>
<td>160,248</td>
<td>37,609</td>
<td>255,614</td>
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<tr>
<td></td>
<td>53,705</td>
<td>160,248</td>
<td>37,609</td>
<td>788,760</td>
</tr>
</tbody>
</table>


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 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, 1997
(amounts expressed in thousands)

ASSETS

**Current Assets:**
- Cash Equity with Treasurer: $174
- Cash and Cash Equivalents: 612
- Investments: 19,799
- Collateral on Lent Securities: 102
- Receivables:
  - Intergovernmental: —
  - Other: 181
- Due from Other Funds: —
- Inventories: —
- Other Assets: —
- Total Current Assets: 20,868

**Restricted Assets:**
- Cash Equity with Treasurer: —
- Cash and Cash Equivalents: 36
- Dedicated Investments: 225,346
- Collateral on Lent Securities: 834
- Other Receivables: 834
- Total Restricted Assets: 226,216

**Noncurrent Assets-Investments:**
- Fixed Assets (net of accumulated depreciation): 232

**Total Assets:** $247,316

**LIABILITIES AND FUND EQUITY**

**Current Liabilities:**
- Accounts Payable: 143
- Accrued Liabilities: 62
- Obligations Under Securities Lending: 102
- Intergovernmental Payable: —
- Due to Other Funds: —
- Deferred Revenues: 5
- Refund and Other Liabilities: —
- Revenue Bonds: —
- Total Current Liabilities: 312

**Liabilities Payable from Restricted Assets:**
- Deferred Prize Awards Payable: —
- Obligations Under Securities Lending: —
- Tuition Benefits Payable: 208,781
- Total Liabilities Payable from Restricted Assets: 208,781

**Noncurrent Liabilities:**
- Accrued Liabilities: 97
- Workers’ Compensation Benefits Payable: —
- Revenue Bonds: —
- Total Noncurrent Liabilities: 97

**Total Liabilities:** 209,190

**Fund Equity:**
- Retained Earnings:
  - Reserved for:
    - Deferred Lottery Prizes: 31,012
    - Insurance Claims Payable: —
    - Health Care Benefits: —
    - Unreserved: 38,126
  - Unreserved: 38,126
  - Total Fund Equity: 38,126

**TOTAL LIABILITIES AND FUND EQUITY:** $247,316
<table>
<thead>
<tr>
<th>WORKERS' COMPENSATION</th>
<th>UNDERGROUND PARKING GARAGE</th>
<th>OFFICE OF AUDITOR OF STATE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8,342</td>
<td>$1,438</td>
<td>$9,945</td>
<td>$154,621</td>
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<tr>
<td>1,136,235</td>
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<td></td>
<td>1,153,643</td>
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<td>4,024,254</td>
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<tr>
<td>315,973</td>
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<td>1,845</td>
<td>359,041</td>
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<tr>
<td>165,508</td>
<td></td>
<td></td>
<td>22,948</td>
</tr>
<tr>
<td>7,505,254</td>
<td>2,330</td>
<td>18,781</td>
<td>7,857,330</td>
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<td>36</td>
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<tr>
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<tr>
<td>2,603,418</td>
<td></td>
<td></td>
<td>2,603,418</td>
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<tr>
<td>16,614,110</td>
<td></td>
<td></td>
<td>16,614,110</td>
</tr>
<tr>
<td>236,355</td>
<td>7,674</td>
<td>7,118</td>
<td>286,180</td>
</tr>
<tr>
<td>$24,355,719</td>
<td>$10,004</td>
<td>$25,899</td>
<td>$27,361,038</td>
</tr>
</tbody>
</table>

| $163,564              | $65                          | $959                        | $183,074 |
| 3,932,878             | 848                         |                             | 4,024,254 |
| 443,299               | 3                           |                             | 445,593 |
| 1,839,638             |                             | 79                          | 1,861,968 |
| 5,000                 |                             |                             | 5,000 |
| 6,384,379             | 974                         | 3,929                       | 6,533,338 |
| 1,344,746             |                             |                             | 1,344,746 |
| 1,001,443             |                             |                             | 1,001,443 |
| 208,781               |                             |                             | 208,781 |
| 2,554,970             |                             |                             | 2,554,970 |
| 18,302                | 84                          | 4,422                       | 33,149 |
| 12,857,040            |                             |                             | 12,857,040 |
| 197,109               |                             |                             | 197,109 |
| 13,072,451            | 84                          | 4,422                       | 13,087,298 |
| 19,456,830            | 1,058                       | 8,351                       | 22,175,606 |

| $24,355,719           | $10,004                     | $25,899                     | $27,361,038 |
## STATE OF OHIO

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1997

(amounts expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>TUITION TRUST AUTHORITY</th>
<th>LIQUOR CONTROL</th>
<th>OHIO LOTTERY COMMISSION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Sales and Services</td>
<td>$ 5,950</td>
<td>$ 363,146</td>
<td>$ 2,299,998</td>
</tr>
<tr>
<td>Premium and Assessment Income</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Investment Income</td>
<td>9,250</td>
<td>—</td>
<td>158,091</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>3,490</td>
<td>5,172</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>15,201</strong></td>
<td><strong>366,636</strong></td>
<td><strong>2,463,261</strong></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of Sales and Services</td>
<td>—</td>
<td>225,771</td>
<td>—</td>
</tr>
<tr>
<td>Administration</td>
<td>2,279</td>
<td>44,415</td>
<td>86,048</td>
</tr>
<tr>
<td>Bonuses and Commissions</td>
<td>—</td>
<td>—</td>
<td>144,689</td>
</tr>
<tr>
<td>Prizes</td>
<td>10,556</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Benefits and Claims</td>
<td>57</td>
<td>587</td>
<td>6,622</td>
</tr>
<tr>
<td>Depreciation</td>
<td>—</td>
<td>339</td>
<td>161,667</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>12,892</strong></td>
<td><strong>271,112</strong></td>
<td><strong>1,711,246</strong></td>
</tr>
<tr>
<td><strong>OPERATING INCOME (LOSS)</strong></td>
<td><strong>2,309</strong></td>
<td><strong>95,524</strong></td>
<td><strong>752,015</strong></td>
</tr>
</tbody>
</table>

| **NONOPERATING REVENUES (EXPENSES):** |                         |                |                         |
| Investment Income         | 16,369                  | —              | —                       |
| Other                     | (1)                     | 72             | (31)                    |
| **TOTAL NONOPERATING REVENUES (EXPENSES)** | **16,368**            | **72**         | **(31)**                |
| **INCOME (LOSS) BEFORE OPERATING TRANSFERS:** | **18,677**             | **95,596**     | **751,984**             |

| **OPERATING TRANSFERS:** |                         |                |                         |
| Operating Transfers-in    | —                      | 75             | —                       |
| Operating Transfers-out   | —                      | (89,621)       | (748,520)               |
| **TOTAL OPERATING TRANSFERS** | **—**                | **(89,546)**   | **(748,520)**           |
| **NET INCOME (LOSS)**    | 18,677                  | 6,050          | 3,464                   |

| **RETAINED EARNINGS, JULY 1 (as restated)** | 19,449 | 13,754 | 198,655 |

<p>| <strong>RETAINED EARNINGS, JUNE 30</strong> | <strong>$ 38,126</strong> | <strong>$ 19,804</strong> | <strong>$ 202,119</strong> |</p>
<table>
<thead>
<tr>
<th>WORKERS’ COMPENSATION</th>
<th>UNDERGROUND PARKING GARAGE</th>
<th>OFFICE OF AUDITOR OF STATE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,605,143</td>
<td>$ 2,322</td>
<td>$ 31,444</td>
<td>$ 2,702,860</td>
</tr>
<tr>
<td>2,718,755</td>
<td>24,446</td>
<td>1</td>
<td>2,705,143</td>
</tr>
<tr>
<td>2,708,442</td>
<td>1,911</td>
<td>58,561</td>
<td>4,764,164</td>
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<tr>
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<td>412</td>
<td></td>
<td>2,463,067</td>
</tr>
<tr>
<td>(4,894)</td>
<td>(554)</td>
<td>(514)</td>
<td></td>
</tr>
<tr>
<td>(4,894)</td>
<td>(1,710)</td>
<td></td>
<td>(844,745)</td>
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<tr>
<td>1,635,008</td>
<td>1,231</td>
<td>494</td>
<td>1,662,462</td>
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<td>3,263,881</td>
<td>10,177</td>
<td>17,054</td>
<td>3,522,970</td>
</tr>
<tr>
<td>$ 4,898,889</td>
<td>$ 8,946</td>
<td>$ 17,548</td>
<td>$ 5,185,432</td>
</tr>
</tbody>
</table>
CASH FLOWS FROM OPERATING ACTIVITIES:

<table>
<thead>
<tr>
<th>TUTION TRUST</th>
<th>LIQUOR CONTROL</th>
<th>OHIO LOTTERY COMMISSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2,309</td>
<td>95,524</td>
<td>752,015</td>
</tr>
</tbody>
</table>

Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

- Investment Income: $(8,900)
- Depreciation: $57
- Provision for Uncollectible Accounts: $587
- Amortization of Premiums and Discounts: $(350)
- Interest on Bonds, Notes and Capital Leases: $158,091
- Decrease (Increase) in Intergovernmental Receivables: $183
- Decrease (Increase) in Premiums and Assessments Receivable: $63
- Decrease (Increase) in Other Receivables: $15,952
- Decrease (Increase) in Due from Other Funds: $24
- Decrease (Increase) in Inventories: $(1,397)
- Decrease (Increase) in Other Assets: $2,039

NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES: $39,515

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

- Operating Transfers-in: $75
- Operating Transfers-out: $(89,621)

NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES: $(89,546)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

- Principal Payments on Bonds: $(155)
- Acquisition and Construction of Capital Assets: $(3,640)
- Proceeds from Sales of Fixed Assets: $146
- Principal Payments on Capital Leases: $(8,643)

NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES: $(155)

CASH FLOWS FROM INVESTING ACTIVITIES:

- Proceeds from the Sales and Maturities of Investments: $531,285
- Purchase of Investments: $(595,992)
- Investment Income Received: $25,619
- Borrower Rebate and Agent Fees: $(60,626)

NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES: $(39,088)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: $272

CASH AND CASH EQUIVALENTS, JULY 1 (as restated): $550

CASH AND CASH EQUIVALENTS, JUNE 30: $822

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)
<table>
<thead>
<tr>
<th>WORKERS' COMPENSATION</th>
<th>UNDERGROUND PARKING GARAGE</th>
<th>OFFICE OF AUDITOR OF STATE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,639,902</td>
<td>$412</td>
<td>$(27,095)</td>
<td>$2,463,067</td>
</tr>
<tr>
<td>(2,718,755)</td>
<td></td>
<td>(2,885,746)</td>
<td></td>
</tr>
<tr>
<td>11,575</td>
<td>408</td>
<td>1,874</td>
<td>21,123</td>
</tr>
<tr>
<td>86,563</td>
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<td>86,563</td>
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</tr>
<tr>
<td>371</td>
<td></td>
<td></td>
<td>99,632</td>
</tr>
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<td>9,807</td>
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<td>9,807</td>
</tr>
<tr>
<td>(2,718,755)</td>
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<td>(417)</td>
<td>(417)</td>
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<td>341,046</td>
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<td>(34)</td>
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<td>14</td>
<td>665,206</td>
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<tr>
<td>(2,718,755)</td>
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</tr>
<tr>
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<td>859</td>
<td>(24,679)</td>
<td>768,489</td>
</tr>
<tr>
<td>(4,894)</td>
<td>(1,710)</td>
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<td>(844,745)</td>
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<tr>
<td>(4,894)</td>
<td>(1,710)</td>
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<td>(9,807)</td>
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<td>(9,807)</td>
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<tr>
<td>32,123</td>
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<tr>
<td>(2,718,755)</td>
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<td>(8,643)</td>
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<td>18,316</td>
<td>(32)</td>
<td>(3,047)</td>
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<td>(10,424,537)</td>
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<tr>
<td>(2,718,755)</td>
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<td></td>
<td>(60,626)</td>
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<td>650,159</td>
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<td>(816)</td>
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<td>674,118</td>
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<td>652,734</td>
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<td>$1,144,577</td>
<td>$1,438</td>
<td>$9,945</td>
<td>$1,326,852</td>
</tr>
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</table>
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 user State agencies and to local government.

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 user 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 user 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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Ohio Building Authority</th>
<th>Ohio Data Network</th>
<th>Ohio Penal Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$33,338</td>
<td>$10,968</td>
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<tr>
<td>Cash and Cash Equivalents</td>
<td>322</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Investments</td>
<td>1,597</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Collateral on Lent Securities</td>
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<td>6,471</td>
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<td>Receivables:</td>
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<td>Intergovernmental</td>
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<td>Other</td>
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<td>Total Current Assets</td>
<td>9,191</td>
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<td>54,796</td>
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<td>Restricted Assets:</td>
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<td></td>
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<tr>
<td>Cash and Cash Equivalents</td>
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<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Investments</td>
<td>42,154</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Total Restricted Assets</td>
<td>42,221</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Noncurrent Assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Receivables</td>
<td>34,611</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Total Noncurrent Assets</td>
<td>34,611</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fixed Assets (net of accumulated depreciation)</td>
<td>—</td>
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<td>4,055</td>
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<tr>
<td>TOTAL ASSETS</td>
<td>$86,023</td>
<td>$81,113</td>
<td>$58,851</td>
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LIABILITIES AND FUND EQUITY

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Ohio Building Authority</th>
<th>Ohio Data Network</th>
<th>Ohio Penal Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities:</td>
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</tr>
<tr>
<td>Accounts Payable</td>
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<td>2,166</td>
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<td>Obligations Under Securities Lending</td>
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<td>6,471</td>
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<td>Due to Other Funds</td>
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<td>56</td>
<td>1,860</td>
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<td>Deferred Revenues</td>
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<td>—</td>
<td>—</td>
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<td>Revenue Bonds</td>
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<td>—</td>
<td>—</td>
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<td>21,452</td>
<td>15,638</td>
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<td>Noncurrent Liabilities:</td>
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<td></td>
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</tr>
<tr>
<td>Accrued Liabilities</td>
<td>—</td>
<td>2,197</td>
<td>3,586</td>
</tr>
<tr>
<td>Revenue Bonds</td>
<td>37,230</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total Noncurrent Liabilities</td>
<td>37,230</td>
<td>2,197</td>
<td>3,586</td>
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<tr>
<td>Total Liabilities</td>
<td>53,583</td>
<td>23,649</td>
<td>19,224</td>
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<td>Fund Equity:</td>
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<tr>
<td>Contributed Capital</td>
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<td>1,512</td>
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<tr>
<td>Retained Earnings:</td>
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<tr>
<td>Reserved for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care Benefits</td>
<td>—</td>
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<tr>
<td>Unreserved</td>
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<td>23,215</td>
<td>37,869</td>
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<td>39,627</td>
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<td>TOTAL LIABILITIES AND FUND EQUITY</td>
<td>$86,023</td>
<td>$81,113</td>
<td>$58,851</td>
</tr>
<tr>
<td>SUPPORT SERVICES</td>
<td>TELE-COMMUNICATIONS</td>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>$420</td>
<td>$5,523</td>
<td>$50,249</td>
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<td></td>
<td>$322</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,597</td>
<td></td>
</tr>
<tr>
<td>248</td>
<td>3,259</td>
<td>29,646</td>
<td></td>
</tr>
<tr>
<td>929</td>
<td>83</td>
<td>1,376</td>
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<td></td>
<td>2,156</td>
<td>11,134</td>
<td></td>
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<tr>
<td>4,701</td>
<td>3,673</td>
<td>38,219</td>
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</tr>
<tr>
<td>8,321</td>
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<td>22,155</td>
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<tr>
<td></td>
<td></td>
<td>395</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>155,093</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>67</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>42,154</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>42,221</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>34,611</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>34,611</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3,914</td>
<td>30,575</td>
<td></td>
</tr>
<tr>
<td></td>
<td>14,619</td>
<td>155,093</td>
<td></td>
</tr>
<tr>
<td></td>
<td>14,694</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>18,533</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>17,980</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>262,500</td>
<td></td>
</tr>
</tbody>
</table>

| $2,112           | $2,097              | $22,081 |
| 318              | 154                 | 4,213   |
| 248              | 3,259               | 29,646  |
| 95               | 27                  | 2,038   |
| 9                |                     | 845     |
|                  |                     | 2,939   |
|                  | 2,782               | 61,762  |
|                  | 5,537               |       |
| 603              | 256                 | 6,642   |
|                  |                     | 37,230  |
| 603              | 256                 | 43,872  |
| 3,385            | 5,793               | 105,634 |
|                  | 5,257               | 40,967  |
|                  |                     | 12      |
|                  |                     | 10      |
| 9,879            | 12,177              | 115,580 |
| 15,148           | 12,187              | 156,866 |
|                  |                     | 18,533  |
|                  |                     | 17,980  |
|                  |                     | 262,500 |
### STATE OF OHIO
### INTERNAL SERVICE FUNDS
### COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
### FOR THE FISCAL YEAR ENDED JUNE 30, 1997

(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>OHIO BUILDING AUTHORITY</th>
<th>OHIO DATA NETWORK</th>
<th>OHIO PENAL INDUSTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Sales and Services</td>
<td>$23,254</td>
<td>$47,239</td>
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<tr>
<td>Other</td>
<td>2,872</td>
<td>2,198</td>
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<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>$26,126</td>
<td>$49,437</td>
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</table>

<table>
<thead>
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<th>OHIO BUILDING AUTHORITY</th>
<th>OHIO DATA NETWORK</th>
<th>OHIO PENAL INDUSTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING EXPENSES:</strong></td>
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<td></td>
</tr>
<tr>
<td>Costs of Sales and Services</td>
<td>22,661</td>
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<tr>
<td>Administration</td>
<td>2,884</td>
<td>33,785</td>
</tr>
<tr>
<td>Depreciation</td>
<td>—</td>
<td>7,295</td>
</tr>
<tr>
<td>Other</td>
<td>1,368</td>
<td>2,471</td>
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<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>$26,913</td>
<td>$43,551</td>
</tr>
<tr>
<td><strong>OPERATING INCOME (LOSS)</strong></td>
<td>(787)</td>
<td>5,886</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OHIO BUILDING AUTHORITY</th>
<th>OHIO DATA NETWORK</th>
<th>OHIO PENAL INDUSTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,803</td>
<td>—</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(3,396)</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>(2,410)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING REVENUES (EXPENSES)</strong></td>
<td>(1,593)</td>
<td>(2,410)</td>
</tr>
<tr>
<td><strong>INCOME (LOSS) BEFORE OPERATING TRANSFERS</strong></td>
<td>(2,380)</td>
<td>3,476</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OHIO BUILDING AUTHORITY</th>
<th>OHIO DATA NETWORK</th>
<th>OHIO PENAL INDUSTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING TRANSFERS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>27,901</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-out</td>
<td>(26,521)</td>
<td>—</td>
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<tr>
<td><strong>TOTAL OPERATING TRANSFERS</strong></td>
<td>1,380</td>
<td>—</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td>(1,000)</td>
<td>3,476</td>
</tr>
<tr>
<td><strong>RETAINED EARNINGS, JULY 1</strong></td>
<td>33,440</td>
<td>19,790</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>OHIO BUILDING AUTHORITY</th>
<th>OHIO DATA NETWORK</th>
<th>OHIO PENAL INDUSTRIES</th>
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</thead>
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<tr>
<td><strong>RETAINED EARNINGS, JUNE 30</strong></td>
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<td>$23,266</td>
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<tr>
<td>SUPPORT SERVICES</td>
<td>TELECOMMUNICATIONS</td>
<td>TOTAL</td>
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<td>--------------------</td>
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<tr>
<td>$ 71,720</td>
<td>$ 28,607</td>
<td>$ 282,024</td>
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<td>3</td>
<td>1,003</td>
<td>6,330</td>
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<td><strong>71,723</strong></td>
<td><strong>29,610</strong></td>
<td><strong>288,354</strong></td>
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<tr>
<td>63,081</td>
<td>19,006</td>
<td>124,829</td>
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<tr>
<td>7,837</td>
<td>5,983</td>
<td>150,995</td>
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<tr>
<td>523</td>
<td>1,416</td>
<td>10,227</td>
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<tr>
<td>251</td>
<td>1,685</td>
<td>7,718</td>
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<tr>
<td><strong>71,692</strong></td>
<td><strong>28,090</strong></td>
<td><strong>293,769</strong></td>
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<tr>
<td>31</td>
<td>1,520</td>
<td>(5,415)</td>
</tr>
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<td></td>
</tr>
<tr>
<td></td>
<td>1,803</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3,396)</td>
<td></td>
</tr>
<tr>
<td>(29)</td>
<td>(18)</td>
<td>(2,580)</td>
</tr>
<tr>
<td>(29)</td>
<td>(18)</td>
<td>(4,173)</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>1,502</strong></td>
<td><strong>(9,588)</strong></td>
</tr>
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<td></td>
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<tr>
<td></td>
<td>36,728</td>
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<td></td>
<td>(26,521)</td>
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</tr>
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<td></td>
<td>10,207</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>1,502</strong></td>
<td><strong>619</strong></td>
</tr>
<tr>
<td>9,889</td>
<td>10,685</td>
<td>115,280</td>
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<tr>
<td><strong>$ 9,891</strong></td>
<td><strong>$ 12,187</strong></td>
<td><strong>$ 115,899</strong></td>
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</table>
## STATE OF OHIO
### INTERNAL SERVICE FUNDS
### COMBINING STATEMENT OF CASH FLOWS
### FOR THE FISCAL YEAR ENDED JUNE 30, 1997

( amounts expressed in thousands )

### OHIO

<table>
<thead>
<tr>
<th>Building Authority</th>
<th>Data Network</th>
<th>Penal Industries</th>
</tr>
</thead>
</table>

### CASH FLOWS FROM OPERATING ACTIVITIES:

Operating Income (Loss)............................................................... $ (787) $ 5,886 $ (12,065)

Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Building Authority</th>
<th>Data Network</th>
<th>Penal Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>—</td>
<td>7,295</td>
<td>993</td>
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<tr>
<td>Decrease (Increase) in Assets:</td>
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<td>4</td>
</tr>
<tr>
<td>Intergovernmental Receivables</td>
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<td>84</td>
<td>596</td>
</tr>
<tr>
<td>Due from Other Funds</td>
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<td>40</td>
<td>583</td>
</tr>
<tr>
<td>Inventories</td>
<td>—</td>
<td>4</td>
<td>(854)</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>3</td>
<td>—</td>
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Increase (Decrease) in Liabilities:

<table>
<thead>
<tr>
<th>Description</th>
<th>Building Authority</th>
<th>Data Network</th>
<th>Penal Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>45</td>
<td>(561)</td>
<td>334</td>
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<tr>
<td>Accrued Liabilities</td>
<td>—</td>
<td>195</td>
<td>681</td>
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<tr>
<td>Due to Other Funds</td>
<td>—</td>
<td>(9)</td>
<td>135</td>
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<tr>
<td>Deferred Revenues</td>
<td>(44)</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

**NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:**

(711) 12,770 (10,641)

### CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Operating Transfers-in .............................................................. 27,901

Operating Transfers-out ...............................................................

**NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES:**

1,380

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal Payment on Bonds ...................................................... (3,480)

Principal Receipts on Capital Leases ........................................ 2,671

Acquisition and Construction of Capital Assets ........................

Proceeds from Sales of Fixed Assets ........................................ 131

Principal Payments on Capital Leases .......................................

**NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:**

(2,610) (614) (1,734)

### CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from the Sales and Maturities of Investments ............. 261

Investment Income Received ................................................... 1,802

**NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:**

2,063

### NET INCREASE (DECREASE)

**IN CASH AND CASH EQUIVALENTS**

122 12,156 (3,548)

CASH AND CASH EQUIVALENTS, JULY 1 ...........................................

267 21,182 14,516

CASH AND CASH EQUIVALENTS, JUNE 30 .....................................

$ 389 $ 33,338 $ 10,968

### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Building Authority</th>
<th>Data Network</th>
<th>Penal Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and Construction of Capital Assets</td>
<td>$ —</td>
<td>$ 5,722</td>
<td>$ 15</td>
</tr>
</tbody>
</table>

**INCREASE (DECREASE) IN CONTRIBUTED CAPITAL**

$ — $ 5,722 $ 15
<table>
<thead>
<tr>
<th>SUPPORT SERVICES</th>
<th>TELECOMMUNICATIONS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>$31</td>
<td>$1,520</td>
<td>$(5,415)</td>
</tr>
<tr>
<td>523</td>
<td>1,416</td>
<td>10,227</td>
</tr>
<tr>
<td>285</td>
<td>(7)</td>
<td>430</td>
</tr>
<tr>
<td>—</td>
<td>(458)</td>
<td>(1,066)</td>
</tr>
<tr>
<td>(566)</td>
<td>287</td>
<td>344</td>
</tr>
<tr>
<td>(1,201)</td>
<td>—</td>
<td>(2,051)</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td>(63)</td>
<td>162</td>
<td>(83)</td>
</tr>
<tr>
<td>72</td>
<td>(93)</td>
<td>865</td>
</tr>
<tr>
<td>13</td>
<td>(28)</td>
<td>111</td>
</tr>
<tr>
<td>(31)</td>
<td>—</td>
<td>(75)</td>
</tr>
<tr>
<td>(937)</td>
<td>2,809</td>
<td>3,290</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>36,728</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>(26,521)</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>10,207</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>(3,480)</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>(1,801)</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>2,671</td>
</tr>
<tr>
<td>(121)</td>
<td>(1,048)</td>
<td>(3,350)</td>
</tr>
<tr>
<td>3</td>
<td>—</td>
<td>134</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>(298)</td>
</tr>
<tr>
<td>(118)</td>
<td>(1,048)</td>
<td>(6,124)</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>261</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>1,802</td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>2,063</td>
</tr>
<tr>
<td>(1,055)</td>
<td>1,761</td>
<td>9,436</td>
</tr>
<tr>
<td>1,475</td>
<td>3,762</td>
<td>41,202</td>
</tr>
<tr>
<td>$420</td>
<td>$5,523</td>
<td>$50,638</td>
</tr>
</tbody>
</table>

$5,737
**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.

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

The **Star Ohio Fund** accounts for assets held for local government units that participate in the State Treasury Asset Reserve of Ohio (STAROhio), a pooled investment fund managed by the Treasurer of State.

The **Deferred Compensation Fund** accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

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.

The **Other Fund** accounts for assets held for others, which are not accounted for in another agency fund.
## STATE OF OHIO
### TRUST AND AGENCY FUNDS
#### COMBINING BALANCE SHEET
**JUNE 30, 1997**

(amounts expressed in thousands)

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>EXPENDABLE TRUST</th>
<th>PENSION TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$305</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$4,298</td>
<td>37,864</td>
</tr>
<tr>
<td>Investments</td>
<td>157,046</td>
<td>135,023</td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td></td>
<td>468,622</td>
</tr>
<tr>
<td>Deposit with Federal Government</td>
<td>1,818,503</td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>160,046</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>22,060</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td></td>
<td>1,736</td>
</tr>
<tr>
<td>Deposit with Deferred Compensation Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to Other Funds</td>
<td></td>
<td>85,076</td>
</tr>
<tr>
<td>Fixed Assets (net of accumulated depreciation)</td>
<td></td>
<td>2,986</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>Sureties</td>
<td>7,223</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$2,142,858</strong></td>
<td><strong>$247,199</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCES

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>EXPENDABLE TRUST</th>
<th>PENSION TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td></td>
<td>$428</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td></td>
<td>290</td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>49,047</td>
<td>39</td>
</tr>
<tr>
<td>Liability for Escheat Property</td>
<td></td>
<td>71,044</td>
</tr>
<tr>
<td>Liability for Deferred Compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>49,047</td>
<td>71,224</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>EXPENDABLE TRUST</th>
<th>PENSION TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved for:</td>
<td></td>
<td>512,072</td>
</tr>
<tr>
<td>Pension and Other Postemployment Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment Benefits</td>
<td>2,093,811</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to Other Funds</td>
<td></td>
<td>85,076</td>
</tr>
<tr>
<td>Unreserved/Undesignated</td>
<td>90,899</td>
<td></td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td>2,093,811</td>
<td>175,975</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND FUND BALANCES**

<table>
<thead>
<tr>
<th>EXPENDABLE TRUST</th>
<th>PENSION TRUST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$2,142,858</strong></td>
<td><strong>$247,199</strong></td>
</tr>
<tr>
<td>AGENCY FUNDS</td>
<td>TOTAL</td>
</tr>
<tr>
<td>--------------</td>
<td>-------</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 208,484</td>
<td>$ 208,789</td>
</tr>
<tr>
<td>143,035</td>
<td>185,197</td>
</tr>
<tr>
<td>87,442,978</td>
<td>88,203,669</td>
</tr>
<tr>
<td>1,054,606</td>
<td>1,054,786</td>
</tr>
<tr>
<td>—</td>
<td>1,818,503</td>
</tr>
<tr>
<td>—</td>
<td>160,046</td>
</tr>
<tr>
<td>—</td>
<td>40</td>
</tr>
<tr>
<td>837</td>
<td>24,633</td>
</tr>
<tr>
<td>3,362</td>
<td>5,208</td>
</tr>
<tr>
<td>852,788</td>
<td>852,788</td>
</tr>
<tr>
<td>—</td>
<td>85,076</td>
</tr>
<tr>
<td>—</td>
<td>2,986</td>
</tr>
<tr>
<td>—</td>
<td>32</td>
</tr>
<tr>
<td>384,179</td>
<td>391,402</td>
</tr>
<tr>
<td></td>
<td>$ 90,090,269</td>
</tr>
</tbody>
</table>

| $ —         | $ 428   |
| —           | 290     |
| 1,054,606   | 1,054,786 |
| 3,701,875   | 3,701,875 |
| 39,025      | 39,025   |
| 84,438,743  | 84,487,829 |
| —           | 71,044   |
| 856,020     | 856,020  |
| 90,090,269  | 90,211,297 |

|              |          |
| —            | 512,072  |
| —            | 2,093,811 |
| —            | 85,076   |
| —            | 90,899   |
| —            | 2,781,858 |
| $ 90,090,269 | $ 92,993,155 |
## STATE OF OHIO
### EXPENDABLE TRUST FUNDS
#### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
##### FOR THE FISCAL YEAR ENDED JUNE 30, 1997

(amounts expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>EMPLOYMENT SERVICES</th>
<th>UNCLAIMED FUNDS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment Taxes</td>
<td>$777,675</td>
<td>—</td>
<td>$777,675</td>
</tr>
<tr>
<td>Federal Government</td>
<td>13,155</td>
<td>—</td>
<td>13,155</td>
</tr>
<tr>
<td>Investment Income</td>
<td>123,784</td>
<td>6,541</td>
<td>130,325</td>
</tr>
<tr>
<td>Other</td>
<td>5,827</td>
<td>43,908</td>
<td>49,735</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$920,441</td>
<td>50,449</td>
<td>970,890</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>760,691</td>
<td>—</td>
<td>760,691</td>
</tr>
<tr>
<td>General Government</td>
<td>—</td>
<td>40,787</td>
<td>40,787</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>760,691</td>
<td>40,787</td>
<td>801,478</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>159,750</td>
<td>9,662</td>
<td>169,412</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td>1,934,061</td>
<td>166,313</td>
<td>2,100,374</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JUNE 30</strong></td>
<td><strong>$2,093,811</strong></td>
<td><strong>$175,975</strong></td>
<td><strong>$2,269,786</strong></td>
</tr>
</tbody>
</table>
# STATE OF OHIO
## STATEMENT OF PLAN NET ASSETS
### STATE HIGHWAY PATROL RETIREMENT SYSTEM
#### PENSION TRUST FUND
##### JUNE 30, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>Assets</th>
<th>PENSION</th>
<th>POST-EMPLOYMENT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$32,127</td>
<td>$5,737</td>
<td>$37,864</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employer’s Contributions</td>
<td>929</td>
<td>193</td>
<td>1,122</td>
</tr>
<tr>
<td>Employees’ Contributions</td>
<td>467</td>
<td>—</td>
<td>467</td>
</tr>
<tr>
<td>Interest</td>
<td>1,447</td>
<td>258</td>
<td>1,705</td>
</tr>
<tr>
<td>Other</td>
<td>26</td>
<td>5</td>
<td>31</td>
</tr>
<tr>
<td>Total Receivables</td>
<td>2,869</td>
<td>456</td>
<td>3,325</td>
</tr>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government and Corporate Bonds</td>
<td>116,734</td>
<td>20,845</td>
<td>137,579</td>
</tr>
<tr>
<td>Common Stock</td>
<td>204,579</td>
<td>36,530</td>
<td>241,109</td>
</tr>
<tr>
<td>Real Estate</td>
<td>20,268</td>
<td>3,619</td>
<td>23,887</td>
</tr>
<tr>
<td>Other Investments</td>
<td>56,040</td>
<td>10,007</td>
<td>66,047</td>
</tr>
<tr>
<td>Total Investments</td>
<td>397,621</td>
<td>71,001</td>
<td>468,622</td>
</tr>
<tr>
<td>Other Assets</td>
<td>27</td>
<td>5</td>
<td>32</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>432,644</td>
<td>77,199</td>
<td>509,843</td>
</tr>
<tr>
<td>Fixed Assets (net of accumulated depreciation)</td>
<td>2,534</td>
<td>452</td>
<td>2,986</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>435,178</td>
<td>77,651</td>
<td>512,829</td>
</tr>
</tbody>
</table>

| Liabilities | | | |
| Accounts Payable | 363 | 65 | 428 |
| Accrued Healthcare Benefits | — | 267 | 267 |
| Other Liabilities | 52 | 10 | 62 |
| TOTAL LIABILITIES | 415 | 342 | 757 |

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

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$434,763</td>
<td>$77,309</td>
<td>$512,072</td>
</tr>
</tbody>
</table>
## STATE OF OHIO
### AGENCY FUNDS
### COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
### FOR THE FISCAL YEAR ENDED JUNE 30, 1997

(amtums expressed in thousands)

### HOLDING AND DISTRIBUTION

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$18,145</td>
<td>$867,461</td>
<td>$855,822</td>
<td>$29,784</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>5,723</td>
<td>533,678</td>
<td>532,777</td>
<td>6,624</td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>11,239</td>
<td>17,571</td>
<td>11,239</td>
<td>17,571</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>586</td>
<td>347</td>
<td>832</td>
<td>101</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$35,693</td>
<td>$1,419,057</td>
<td>$1,400,670</td>
<td>$54,080</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>$11,239</td>
<td>17,571</td>
<td>11,239</td>
<td>17,571</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>1,278</td>
<td>8,742</td>
<td>7,591</td>
<td>2,429</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>14,093</td>
<td>806,687</td>
<td>803,346</td>
<td>17,434</td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>9,083</td>
<td>52,454</td>
<td>44,891</td>
<td>16,646</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$35,693</td>
<td>$885,454</td>
<td>$867,067</td>
<td>$54,080</td>
</tr>
</tbody>
</table>

### PAYROLL WITHHOLDING AND FRINGE BENEFITS

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$124,164</td>
<td>$1,632,152</td>
<td>$1,656,163</td>
<td>$100,153</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>6,346</td>
<td>128,078</td>
<td>79,606</td>
<td>54,818</td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>77,070</td>
<td>59,086</td>
<td>77,070</td>
<td>59,086</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>403</td>
<td>2,183</td>
<td>2,287</td>
<td>299</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>68</td>
<td>3,618</td>
<td>3,603</td>
<td>83</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$208,051</td>
<td>$1,825,117</td>
<td>$1,818,729</td>
<td>$214,439</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>$77,070</td>
<td>59,086</td>
<td>77,070</td>
<td>59,086</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>1,118</td>
<td>458,571</td>
<td>440,177</td>
<td>19,512</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>17,319</td>
<td>130,935</td>
<td>126,663</td>
<td>21,591</td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>112,544</td>
<td>1,085,015</td>
<td>1,083,309</td>
<td>114,250</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>$208,051</td>
<td>$1,733,607</td>
<td>$1,727,219</td>
<td>$214,439</td>
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</table>

### TAX REFUNDS

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$15,085</td>
<td>$1,022,588</td>
<td>$1,030,039</td>
<td>$7,634</td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>9,363</td>
<td>4,503</td>
<td>9,363</td>
<td>4,503</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$24,448</td>
<td>$1,027,091</td>
<td>$1,039,402</td>
<td>$12,137</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>$9,363</td>
<td>4,503</td>
<td>9,363</td>
<td>4,503</td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>15,085</td>
<td>1,022,588</td>
<td>1,030,039</td>
<td>7,634</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$24,448</td>
<td>$1,027,091</td>
<td>$1,039,402</td>
<td>$12,137</td>
</tr>
</tbody>
</table>

### OHIO BUILDING AUTHORITY

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>$12,955</td>
<td>$34,045</td>
<td>$33,742</td>
<td>$13,258</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>138</td>
<td>756</td>
<td>659</td>
<td>235</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$13,093</td>
<td>$34,801</td>
<td>$34,401</td>
<td>$13,493</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>$13,093</td>
<td>756</td>
<td>356</td>
<td>13,493</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$13,093</td>
<td>$756</td>
<td>$356</td>
<td>$13,493</td>
</tr>
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</table>
## BALANCE OF STAR OHIO ASSETS

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td>3,370,475</td>
<td>16,866,026</td>
<td>16,626,580</td>
<td>3,609,921</td>
</tr>
<tr>
<td><strong>COLLATERAL ON LENT SECURITIES</strong></td>
<td>564,485</td>
<td>931,610</td>
<td>564,485</td>
<td>931,610</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>3,934,960</td>
<td>17,797,636</td>
<td>17,191,065</td>
<td>4,541,531</td>
</tr>
</tbody>
</table>

## BALANCE OF STAR OHIO LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBLIGATIONS UNDER SECURITIES LENDING</strong></td>
<td>564,485</td>
<td>931,610</td>
<td>564,485</td>
<td>931,610</td>
</tr>
<tr>
<td><strong>INTERGOVERNMENTAL PAYABLE</strong></td>
<td>3,370,475</td>
<td>16,866,026</td>
<td>16,626,580</td>
<td>3,609,921</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>3,934,960</td>
<td>17,797,636</td>
<td>17,191,065</td>
<td>4,541,531</td>
</tr>
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</table>

## DEFERRED COMPENSATION ASSETS

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DUE FROM OTHER FUNDS</strong></td>
<td>20</td>
<td>86,911</td>
<td>83,699</td>
<td>3,232</td>
</tr>
<tr>
<td><strong>DEPOSIT WITH DEFERRED COMPENSATION PLAN</strong></td>
<td>714,129</td>
<td>179,762</td>
<td>41,103</td>
<td>852,788</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>714,149</td>
<td>266,673</td>
<td>124,802</td>
<td>856,020</td>
</tr>
</tbody>
</table>

## DEFERRED COMPENSATION LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>714,149</td>
<td>182,974</td>
<td>41,103</td>
<td>856,020</td>
</tr>
</tbody>
</table>

## RETIREMENT SYSTEMS ASSETS

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INVESTMENTS</strong></td>
<td>76,516,007</td>
<td>151,731,490</td>
<td>144,468,742</td>
<td>83,778,755</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>76,516,007</td>
<td>151,731,490</td>
<td>144,468,742</td>
<td>83,778,755</td>
</tr>
</tbody>
</table>

## RETIREMENT SYSTEMS LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PUBLIC EMPLOYEES RETIREMENT SYSTEM</strong></td>
<td>34,281,018</td>
<td>55,767,637</td>
<td>52,665,518</td>
<td>37,383,137</td>
</tr>
<tr>
<td><strong>POLICE AND FIREMEN'S DISABILITY AND PENSION FUND</strong></td>
<td>4,853,075</td>
<td>7,415,037</td>
<td>6,996,308</td>
<td>5,271,804</td>
</tr>
<tr>
<td><strong>SCHOOL EMPLOYEES RETIREMENT SYSTEM</strong></td>
<td>4,783,876</td>
<td>30,101,832</td>
<td>29,725,638</td>
<td>5,160,070</td>
</tr>
<tr>
<td><strong>STATE TEACHERS RETIREMENT SYSTEM</strong></td>
<td>32,598,038</td>
<td>58,446,984</td>
<td>55,081,278</td>
<td>35,963,744</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>76,516,007</td>
<td>151,731,490</td>
<td>144,468,742</td>
<td>83,778,755</td>
</tr>
</tbody>
</table>

## OTHER ASSETS

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH EQUITY WITH TREASURER</strong></td>
<td>61,003</td>
<td>1,291,780</td>
<td>1,281,870</td>
<td>70,913</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS</strong></td>
<td>66,758</td>
<td>147,796,549</td>
<td>147,781,714</td>
<td>81,593</td>
</tr>
<tr>
<td><strong>COLLATERAL ON LENT SECURITIES</strong></td>
<td>46,422</td>
<td>17,669</td>
<td>23,047</td>
<td>41,044</td>
</tr>
<tr>
<td><strong>OTHER RECEIVABLES</strong></td>
<td>223</td>
<td>1,492</td>
<td>1,513</td>
<td>202</td>
</tr>
<tr>
<td><strong>DUE FROM OTHER FUNDS</strong></td>
<td>31</td>
<td>1,105</td>
<td>1,089</td>
<td>47</td>
</tr>
<tr>
<td><strong>SURETIES</strong></td>
<td>367,803</td>
<td>78,298</td>
<td>61,922</td>
<td>384,179</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>580,097</td>
<td>149,228,729</td>
<td>149,189,012</td>
<td>619,814</td>
</tr>
</tbody>
</table>

## OTHER LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OBLIGATIONS UNDER SECURITIES LENDING</strong></td>
<td>37,857</td>
<td>41,836</td>
<td>37,857</td>
<td>41,836</td>
</tr>
<tr>
<td><strong>INTERGOVERNMENTAL PAYABLE</strong></td>
<td>60,365</td>
<td>1,290,452</td>
<td>1,280,804</td>
<td>70,013</td>
</tr>
<tr>
<td><strong>REFUND AND OTHER LIABILITIES</strong></td>
<td>481,875</td>
<td>147,851,790</td>
<td>147,825,700</td>
<td>507,965</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>580,097</td>
<td>149,184,078</td>
<td>149,144,361</td>
<td>619,814</td>
</tr>
</tbody>
</table>

(continued)
STATE OF OHIO
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th></th>
<th>BALANCE JULY 1, 1996</th>
<th>ADDITIONS</th>
<th>DEDUCTIONS</th>
<th>BALANCE JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AGENCY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$ 218,397</td>
<td>$ 4,813,981</td>
<td>$ 4,823,894</td>
<td>$ 208,484</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>78,827</td>
<td>148,458,305</td>
<td>148,394,097</td>
<td>143,035</td>
</tr>
<tr>
<td>Investments</td>
<td>79,945,859</td>
<td>168,649,230</td>
<td>161,152,111</td>
<td>87,442,978</td>
</tr>
<tr>
<td>Collateral on Lent Securities</td>
<td>700,014</td>
<td>1,054,606</td>
<td>700,014</td>
<td>1,054,606</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>1,350</td>
<td>4,778</td>
<td>5,291</td>
<td>837</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>119</td>
<td>91,634</td>
<td>88,391</td>
<td>3,362</td>
</tr>
<tr>
<td>Deposit with Deferred Compensation Plan</td>
<td>714,129</td>
<td>179,762</td>
<td>41,103</td>
<td>852,788</td>
</tr>
<tr>
<td>Sureties</td>
<td>367,803</td>
<td>78,298</td>
<td>61,922</td>
<td>384,179</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 82,026,498</td>
<td>$ 323,330,594</td>
<td>$ 315,266,823</td>
<td>$ 90,090,269</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Under Securities Lending</td>
<td>$ 700,014</td>
<td>$ 1,054,606</td>
<td>$ 700,014</td>
<td>$ 1,054,606</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>3,433,236</td>
<td>18,623,791</td>
<td>18,355,152</td>
<td>3,701,875</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>31,412</td>
<td>937,622</td>
<td>930,009</td>
<td>39,025</td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
<td>77,147,687</td>
<td>301,744,093</td>
<td>294,453,037</td>
<td>84,438,743</td>
</tr>
<tr>
<td>Liability for Deferred Compensation</td>
<td>714,149</td>
<td>182,974</td>
<td>41,103</td>
<td>856,020</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 82,026,498</td>
<td>$ 322,543,086</td>
<td>$ 314,479,315</td>
<td>$ 90,090,269</td>
</tr>
</tbody>
</table>
THE 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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>July 1, 1996</th>
<th>BALANCE</th>
<th>ADJUSTMENTS</th>
<th>ADDITIONS</th>
<th>NET TRANSFERS</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GENERAL FIXED ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>178,597</td>
<td></td>
<td>135</td>
<td>7,902</td>
<td>(465)</td>
<td>186,169</td>
</tr>
<tr>
<td>Buildings</td>
<td>2,052,579</td>
<td></td>
<td>66,704</td>
<td>87,836</td>
<td>(39,862)</td>
<td>2,167,257</td>
</tr>
<tr>
<td>Land Improvements</td>
<td>149,076</td>
<td></td>
<td>3,918</td>
<td>5,790</td>
<td>(3,420)</td>
<td>155,364</td>
</tr>
<tr>
<td>Machinery and Equipment</td>
<td>190,204</td>
<td></td>
<td>(2,808)</td>
<td>38,917</td>
<td>(11,752)</td>
<td>214,561</td>
</tr>
<tr>
<td>State Vehicles</td>
<td>217,554</td>
<td></td>
<td>(3,963)</td>
<td>27,803</td>
<td>(16,299)</td>
<td>225,095</td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>479,197</td>
<td></td>
<td>(18,731)</td>
<td>442,628</td>
<td>(456,999)</td>
<td>446,095</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL FIXED ASSETS</strong></td>
<td></td>
<td>$3,267,207</td>
<td>$45,255</td>
<td>$610,876</td>
<td>$(528,797)</td>
<td>$3,394,541</td>
</tr>
</tbody>
</table>

**INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:**

**ACQUIRED BEFORE JULY 1, 1987:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Balance</th>
<th>Adjustments</th>
<th>Additions</th>
<th>Net Transfers</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Revenues</td>
<td>1,118,285</td>
<td>7,349</td>
<td>—</td>
<td>$(44,639)</td>
<td>1,080,995</td>
</tr>
</tbody>
</table>

**ACQUIRED ON OR AFTER JULY 1, 1987:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Balance</th>
<th>Adjustments</th>
<th>Additions</th>
<th>Net Transfers</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Revenues</td>
<td>144,519</td>
<td>(18,748)</td>
<td>12,117</td>
<td>(7,538)</td>
<td>130,350</td>
</tr>
<tr>
<td>Special Revenue Fund Revenues</td>
<td>400,837</td>
<td>(5,829)</td>
<td>75,065</td>
<td>(24,704)</td>
<td>445,369</td>
</tr>
<tr>
<td>Capital Projects Funds:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Obligation Bonds</td>
<td>1,573,256</td>
<td>49,516</td>
<td>522,815</td>
<td>(451,575)</td>
<td>1,694,012</td>
</tr>
<tr>
<td>Certificates of Participation</td>
<td>4,044</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,044</td>
</tr>
<tr>
<td>Donations</td>
<td>26,266</td>
<td>12,967</td>
<td>879</td>
<td>(341)</td>
<td>39,771</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</strong></td>
<td>$3,267,207</td>
<td>$45,255</td>
<td>$610,876</td>
<td>$(528,797)</td>
<td>$3,394,541</td>
</tr>
</tbody>
</table>
STATE OF OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
( amounts expressed in thousands)

<table>
<thead>
<tr>
<th>REPORTING FUNCTION:</th>
<th>BALANCE JULY 1, 1996</th>
<th>BEGINNING BALANCE ADJUSTMENTS</th>
<th>ADDITIONS</th>
<th>DELETIONS/ NET TRANSFERS</th>
<th>BALANCE JUNE 30, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary, Secondary and Other Education</td>
<td>$ 75,549</td>
<td>$ 61,032</td>
<td>$ 494</td>
<td>$ (58)</td>
<td>$ 137,017</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td>7,076</td>
<td>—</td>
<td>171</td>
<td>(6,894)</td>
<td>353</td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
<td>3,817</td>
<td>—</td>
<td>—</td>
<td>(9)</td>
<td>3,808</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>592,672</td>
<td>11,281</td>
<td>30,857</td>
<td>(44,554)</td>
<td>590,256</td>
</tr>
<tr>
<td>Justice and Public Protection</td>
<td>853,944</td>
<td>12,996</td>
<td>60,240</td>
<td>(8,276)</td>
<td>918,904</td>
</tr>
<tr>
<td>Environmental Protection and Natural Resources</td>
<td>337,739</td>
<td>923</td>
<td>18,165</td>
<td>(2,485)</td>
<td>354,342</td>
</tr>
<tr>
<td>Transportation</td>
<td>394,819</td>
<td>(6,508)</td>
<td>32,995</td>
<td>(6,635)</td>
<td>414,671</td>
</tr>
<tr>
<td>General Government</td>
<td>462,688</td>
<td>(9,131)</td>
<td>15,620</td>
<td>(2,332)</td>
<td>466,845</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>59,706</td>
<td>(6,607)</td>
<td>9,706</td>
<td>(555)</td>
<td>62,250</td>
</tr>
<tr>
<td><strong>TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS</strong></td>
<td><strong>2,788,010</strong></td>
<td><strong>63,986</strong></td>
<td><strong>168,248</strong></td>
<td><strong>(71,798)</strong></td>
<td><strong>2,948,446</strong></td>
</tr>
<tr>
<td>Construction-in-Progress</td>
<td>479,197</td>
<td>(18,731)</td>
<td>442,628</td>
<td>(456,999)</td>
<td>446,095</td>
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<tr>
<td><strong>TOTAL GENERAL FIXED ASSETS</strong></td>
<td><strong>$ 3,267,207</strong></td>
<td><strong>$ 45,255</strong></td>
<td><strong>$ 610,876</strong></td>
<td><strong>$ (528,797)</strong></td>
<td><strong>$ 3,394,541</strong></td>
</tr>
</tbody>
</table>
STATE OF OHIO  
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION  
JUNE 30, 1997  
(amounts expressed in thousands)  

<table>
<thead>
<tr>
<th>REPORTING FUNCTION:</th>
<th>LAND</th>
<th>BUILDINGS</th>
<th>LAND IMPROVEMENTS</th>
<th>MACHINERY and EQUIPMENT</th>
<th>STATE VEHICLES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary, Secondary and Other Education</td>
<td>$ 14,001</td>
<td>$ 107,900</td>
<td>$ 2,857</td>
<td>$ 11,318</td>
<td>$ 941</td>
<td>$ 137,017</td>
</tr>
<tr>
<td>Higher Education Support</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>339</td>
<td>14</td>
</tr>
<tr>
<td>Public Assistance and Medicaid</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>3,794</td>
<td>14</td>
<td>3,808</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>6,587</td>
<td>467,713</td>
<td>55,023</td>
<td>51,922</td>
<td>9,011</td>
<td>590,256</td>
</tr>
<tr>
<td>Justice and Public Protection</td>
<td>8,646</td>
<td>794,934</td>
<td>41,781</td>
<td>26,683</td>
<td>46,860</td>
<td>919,904</td>
</tr>
<tr>
<td>Environmental Protection and Natural Resources ..........</td>
<td>122,640</td>
<td>150,538</td>
<td>35,303</td>
<td>16,691</td>
<td>29,170</td>
<td>354,342</td>
</tr>
<tr>
<td>Transportation</td>
<td>16,397</td>
<td>175,979</td>
<td>11,052</td>
<td>83,167</td>
<td>128,076</td>
<td>414,671</td>
</tr>
<tr>
<td>General Government</td>
<td>15,074</td>
<td>418,948</td>
<td>8,133</td>
<td>17,773</td>
<td>6,917</td>
<td>466,845</td>
</tr>
<tr>
<td>Community and Economic Development</td>
<td>2,824</td>
<td>51,245</td>
<td>1,215</td>
<td>2,874</td>
<td>4,092</td>
<td>62,250</td>
</tr>
</tbody>
</table>

TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS .......... $ 186,169  $ 2,167,257  $ 155,364  $ 214,561  $ 225,095  2,948,446

Construction-in-Progress                                  446,095

TOTAL GENERAL FIXED ASSETS                                  $ 3,394,541
[THIS PAGE LEFT BLANK INTENTIONALLY]
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 Development Center, the Ohio Supercomputer Center, the Ohio State University Research Foundation, the Ohio State University Student Loan Foundation, the Transportation Research Center of Ohio, Inc., Campus Partners for Community Urban Redevelopment, Inc., and the Hospital Helicopter Consortium of Central Ohio, Inc.

The University of Cincinnati Fund accounts for the operations of the University of Cincinnati and the University of Cincinnati Foundation.

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 **Central State University Fund** accounts for the operations of Central State University located in Wilberforce, Ohio. As further discussed in NOTE 2, the University’s financial statements for fiscal year 1997 were not available in time for publication in this report.

The **Shawnee State University Fund** accounts for the operations of Shawnee State University located in Portsmouth, 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.

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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>PROPRIETARY</th>
<th>OHIO WATER DEVELOPMENT AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td>$ 2,362,596</td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$ 107</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 6,892</td>
</tr>
<tr>
<td>Investments</td>
<td>$ 725,798</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 3,205</td>
</tr>
<tr>
<td>Other</td>
<td>$ 1,608,445</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>$ 344</td>
</tr>
<tr>
<td>Inventories</td>
<td>$ 739</td>
</tr>
<tr>
<td>Deposit with Deferred Compensation Plan</td>
<td>$ 739</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$ 277</td>
</tr>
<tr>
<td>Investments</td>
<td>$ 16,216</td>
</tr>
<tr>
<td>Fixed Assets (net of accumulated depreciation)</td>
<td>$ 277</td>
</tr>
<tr>
<td>Other Assets</td>
<td>$ 16,216</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 2,362,596</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES, FUND EQUITY AND OTHER CREDITS</th>
<th>$ 2,362,596</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 29,658</td>
</tr>
<tr>
<td>Intergovernmental Payable</td>
<td>$ 5,686</td>
</tr>
<tr>
<td>Due to Other Funds</td>
<td>$ 344</td>
</tr>
<tr>
<td>Refund and Other Liabilities</td>
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<tr>
<td>Liability for Deferred Compensation</td>
<td>$ 739</td>
</tr>
<tr>
<td>Revenue Bonds and Notes</td>
<td>$ 1,265,554</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 1,306,836</td>
</tr>
<tr>
<td>Fund Equity and Other Credits:</td>
<td></td>
</tr>
<tr>
<td>Investment in General Fixed Assets</td>
<td>$ 277</td>
</tr>
<tr>
<td>Retained Earnings:</td>
<td></td>
</tr>
<tr>
<td>Unreserved</td>
<td>$ 1,055,760</td>
</tr>
<tr>
<td>Total Fund Equity and Other Credits:</td>
<td>$ 1,055,760</td>
</tr>
</tbody>
</table>

TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS | $ 2,362,596 |
<table>
<thead>
<tr>
<th></th>
<th>Ohio State University</th>
<th>University of Cincinnati</th>
<th>Ohio University</th>
<th>Miami University</th>
<th>University of Akron</th>
<th>Bowling Green State University</th>
<th>Kent State University</th>
<th>University of Toledo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$31,074</td>
<td>$3,922</td>
<td>$5,681</td>
<td>$9,341</td>
<td>$491</td>
<td>$1,057</td>
<td>$11,452</td>
<td>$3,436</td>
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<tr>
<td></td>
<td>1,160,521</td>
<td>42,094</td>
<td>96,369</td>
<td>125,818</td>
<td>120,211</td>
<td>71,023</td>
<td>83,109</td>
<td>51,370</td>
</tr>
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<td>Expenses</td>
<td>6,596</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>455</td>
<td>101</td>
<td>814</td>
<td>395</td>
</tr>
<tr>
<td></td>
<td>53,960</td>
<td>29,856</td>
<td>8,390</td>
<td>8,366</td>
<td>9,366</td>
<td>8,589</td>
<td>18,377</td>
<td>11,498</td>
</tr>
<tr>
<td></td>
<td>190,135</td>
<td>65,456</td>
<td>17,212</td>
<td>10,512</td>
<td>10,519</td>
<td>17,661</td>
<td>11,772</td>
<td>9,865</td>
</tr>
<tr>
<td></td>
<td>274,994</td>
<td>10,258</td>
<td>4,432</td>
<td>6,334</td>
<td>658</td>
<td>10,458</td>
<td>8,662</td>
<td>1,875</td>
</tr>
<tr>
<td></td>
<td>17,768</td>
<td>4,610</td>
<td>2,510</td>
<td>2,641</td>
<td>1,294</td>
<td>2,521</td>
<td>4,331</td>
<td>162</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>31,349</td>
<td>455</td>
<td>101</td>
<td>814</td>
<td>395</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>26,667</td>
<td>455,476</td>
<td>544,332</td>
<td>487,828</td>
<td>460,453</td>
<td>364,762</td>
<td>389,172</td>
<td>415,699</td>
</tr>
<tr>
<td></td>
<td>19,019</td>
<td>539,814</td>
<td>5,236</td>
<td>484</td>
<td>5,045</td>
<td>29</td>
<td>4,388</td>
<td>5,756</td>
</tr>
</tbody>
</table>

|                     | $4,019,689             | $2,168,215               | $685,585       | $651,544        | $608,786           | $476,216                      | $532,953             | $500,429             |
|                     | 67,866                | 21,595                   | 8,681          | 7,808           | 8,681             | 5,636                         | 6,339                | 4,446                |
|                     | 183,910               | 93,347                   | 29,791         | 38,688          | 29,527             | 22,984                        | 27,450               | 22,894               |
|                     | 274,994               | 10,258                   | 4,432          | 6,334           | 658                | 10,458                        | 8,662                | 1,875                |
|                     | 63,372                | 8,801                    | 12,080         | 6,641           | 11,886             | 4,716                         | 10,514               | 8,912                |
|                     | 25,361                | 63,143                   | 3,020          | 3,211           | 2,062              | 232                           | 1,645                | 4,388                |
|                     | 176,174               | 197,518                  | 30,970         | 29,853          | 46,161             | 43,955                        | 54,705               | 85,205               |
|                     | 4,215                 | 82,610                   | 544,332        | 487,828         | 460,453            | 364,762                       | 389,172              | 415,699              |
|                     |                      |                          |                |                |                    |                               |                      |                      |
|                     | 795,893               | 477,275                  | 110,397        | 92,535          | 96,897             | 86,860                        | 110,039              | 127,630              |
|                     | 2,057,201             | 826,534                  | 492,388        | 437,856         | 435,907            | 320,807                       | 364,483              | 318,190              |
|                     |                      |                          |                |                |                    |                               |                      |                      |
|                     | 794,123               | 856,118                  | 36,116         | 62,313          | 40,270             | 46,656                        | 22,305               | 24,572               |
|                     | 372,473               | 8,291                    | 1,032          | 6,543           | 3,936              | 13,765                        | 6,907                |                      |
|                     | 3,223,797             | 1,690,943                | 575,188        | 559,009         | 511,899            | 389,356                       | 422,914              | 372,799              |
|                     | $4,019,689             | $2,168,215               | $685,585       | $651,544        | $608,786           | $476,216                      | $532,953             | $500,429             |

(continued)
## STATE OF OHIO
### DISCREETLY PRESENTED COMPONENT UNITS
#### COMBINING BALANCE SHEET
##### JUNE 30, 1997
(amounts expressed in thousands)

(continued)

<table>
<thead>
<tr>
<th></th>
<th>CLEVELAND STATE UNIVERSITY</th>
<th>YOUNGSTOWN STATE UNIVERSITY</th>
<th>WRIGHT STATE UNIVERSITY</th>
<th>SHAWNEE STATE UNIVERSITY</th>
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</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Equity with Treasurer</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>823</td>
<td>6,487</td>
<td>13,253</td>
<td>5,808</td>
</tr>
<tr>
<td>Investments</td>
<td>51,627</td>
<td>17,726</td>
<td>49,187</td>
<td>6,894</td>
</tr>
<tr>
<td>Receivables:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans, Net</td>
<td>8,371</td>
<td>2,310</td>
<td>11,381</td>
<td>71</td>
</tr>
<tr>
<td>Other</td>
<td>7,673</td>
<td>3,457</td>
<td>11,028</td>
<td>3</td>
</tr>
<tr>
<td>Due from Other Funds</td>
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<td>3,456</td>
<td>7,413</td>
<td>890</td>
</tr>
<tr>
<td>Inventories</td>
<td>160</td>
<td>1,491</td>
<td>547</td>
<td>393</td>
</tr>
<tr>
<td>Deposit with Deferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets (net of</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>accumulated depreciation)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Assets</td>
<td>1,660</td>
<td>555</td>
<td>4,284</td>
<td>462</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 490,540</td>
<td>$ 314,804</td>
<td>$ 401,413</td>
<td>$ 98,890</td>
</tr>
</tbody>
</table>

| **LIABILITIES, FUND EQUITY AND OTHER CREDITS** |                             |                             |                         |                          |
| Liabilities:                 |                             |                             |                         |                          |
| Accounts Payable             | $ 3,476                     | $ 2,113                      | $ 4,723                 | $ 103                    |
| Accrued Liabilities          | 14,434                      | 23,100                       | 16,842                  | 3,563                    |
| Intergovernmental Payable    |                             |                             |                         |                          |
| Due to Other Funds           | 71                          | 3,456                        | 7,413                   | 890                      |
| Deferred Revenues            | 6,891                       | 4,724                        | 7,520                   | 201                      |
| Refund and Other Liabilities | 4,764                       | 739                          | 8,561                   | 24                       |
| Liability for Deferred       |                             |                             |                         |                          |
| Compensation Plan            |                             |                             |                         |                          |
| Revenue Bonds and Notes      | 14,015                      | 16,729                       | 14,219                  | 4,395                    |
| Certificates of Participation|                             |                             |                         |                          |
| **Total Liabilities**        | $ 43,651                    | $ 50,861                     | $ 59,278                | $ 9,176                  |
| Fund Equity and Other Credits:|                             |                             |                         |                          |
| Investment in General Fixed | 406,155                     | 258,141                      | 287,536                 | 78,471                   |
| Assets                       |                             |                             |                         |                          |
| Retained Earnings:           |                             |                             |                         |                          |
| Unreserved                   |                             |                             |                         |                          |
| Fund Balances:               |                             |                             |                         |                          |
| Reserved for:               |                             |                             |                         |                          |
| Restricted Fund Balances     | 16,882                      | 10,936                       | 23,616                  | 705                      |
| Unreserved/Designated        | 23,066                      | 30,803                       | 5,095                   |                          |
| (Deficits)                  | 786                         | (5,134)                      |                          | 5,443                    |
| **Total Fund Equity**        | 446,889                     | 263,943                      | 342,135                 | 89,714                   |
| and Other Credits            |                             |                             |                         |                          |
| **TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS** | $ 490,540                   | $ 314,804                    | $ 401,413               | $ 98,890                 |
### Colleges and Universities

<table>
<thead>
<tr>
<th></th>
<th>Medical College of Ohio</th>
<th>Terra State Community College</th>
<th>Columbus State Community College</th>
<th>Clark State Community College</th>
<th>Edison State Community College</th>
<th>Southern State Community College</th>
<th>Washington State Community College</th>
<th>Cincinnati State Community College</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td>$ 17,744</td>
<td>$ 24,559</td>
<td>$ 66,997</td>
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</table>

(continued)
**STATE OF OHIO**

**DISCRETELY PRESENTED COMPONENT UNITS**

**COMBINING BALANCE SHEET**

**JUNE 30, 1997**

(amounts expressed in thousands)

(continued)

<table>
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<tr>
<th></th>
<th>NORTHWEST STATE COLLEGE</th>
<th>OWENS STATE COMMUNITY COLLEGE</th>
<th>TOTAL</th>
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<td>197</td>
<td>343,486</td>
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<td>7,622,606</td>
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<td>604,578</td>
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<td>$ 19,937</td>
<td>$ 93,177</td>
<td>$ 14,174,356</td>
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</tbody>
</table>

|                      |                         |                               |                        |
| **LIABILITIES, FUND EQUITY AND OTHER CREDITS** |                         |                               |                        |
| Liabilities:         |                         |                               |                        |
| Accounts Payable     | $ 196                   | $ 789                         | $ 183,886              |
| Intergovernmental Payable | —                     | 309                           | 309                    |
| Due to Other Funds   | 17                      | 197                           | 343,486                |
| Refund and Other Liabilities | 174                 | 1,178                         | 156,709                |
| Liability for Deferred Compensation | —                     | 3,956                         | 7,181                  |
| Revenue Bonds and Notes | —                     | —                             | 2,015,353              |
| Certificates of Participation | —                     | —                             | 86,825                 |
| **Total Liabilities** | 674                     | 9,841                         | 3,479,134              |
| Fund Equity and Other Credits: |                         |                               |                        |
| Investment in General Fixed Assets | 17,710              | 74,669                        | 6,925,976              |
| Retained Earnings:   |                         |                               |                        |
| Unreserved           | —                       | —                             | 1,055,760              |
| Fund Balances:       |                         |                               |                        |
| Reserved for:        |                         |                               |                        |
| Restricted Fund Balances | 196                   | 1,441                         | 1,946,346              |
| Unreserved/Designated| 903                     | 950                           | 264,108                |
| Unreserved/Undesignated (Deficits) | 454                | 6,276                         | 482,972                |
| **Total Fund Equity** | —                       | —                             |                        |
| and Other Credits    | 19,263                  | 83,336                        | 10,695,162             |
| **TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS** | $ 19,937                | $ 93,177                      | $ 14,174,356           |
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, 1997  
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th></th>
<th>STATE UNIVERSITY</th>
<th>UNIVERSITY OF CINCINNATI</th>
<th>OHIO UNIVERSITY</th>
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<td>Unrestricted Current Fund Revenues</td>
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<td>$ 305,978</td>
<td>$ 181,079</td>
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<td>Federal Grants and Contracts-Restricted</td>
<td>154,820</td>
<td>81,257</td>
<td>27,711</td>
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<td>State Grants and Contracts-Restricted</td>
<td>26,570</td>
<td>5,588</td>
<td>5,611</td>
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<td>Local Grants and Contracts-Restricted</td>
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<td>718</td>
<td>335</td>
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<td>39,851</td>
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<td>Investment Income-Restricted</td>
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<td>15,760</td>
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<td>Realized Gain on Investments-Restricted (net)</td>
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<td>Interest on Loans Receivable</td>
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<td>689</td>
<td>163</td>
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<td>Investment in Plant-Additions</td>
<td>222,139</td>
<td>159,512</td>
<td>39,328</td>
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<td>Other</td>
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(continued)
REVENUES AND OTHER ADDITIONS:

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<th>YOUNGSTOWN STATE UNIVERSITY</th>
<th>WRIGHT STATE UNIVERSITY</th>
<th>SHAWNEE STATE UNIVERSITY</th>
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</thead>
<tbody>
<tr>
<td>Unrestricted Current Fund Revenues</td>
<td>$ 53,953</td>
<td>$ 92,543</td>
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<td>Local Appropriations-Restricted</td>
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<tr>
<td>Federal Grants and Contracts-Restricted</td>
<td>6,660</td>
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<td>State Grants and Contracts-Restricted</td>
<td>1,876</td>
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<td>Local Grants and Contracts-Restricted</td>
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<td>613</td>
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<tr>
<td>Private Gifts, Grants and Contracts-Restricted</td>
<td>8,894</td>
<td>6,560</td>
<td>529</td>
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<td>Endowment Income-Restricted</td>
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<tr>
<td>Investment Income-Restricted</td>
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<td>762</td>
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<td>Realized Gain on Investments-Restricted (net)</td>
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<td>292</td>
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<tr>
<td>Interest on Loans Receivable</td>
<td>46</td>
<td>281</td>
<td>—</td>
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<tr>
<td>Investment in Plant-Additions</td>
<td>13,456</td>
<td>20,345</td>
<td>6,577</td>
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<tr>
<td>Other</td>
<td>452</td>
<td>112</td>
<td>188</td>
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<td><strong>TOTAL REVENUES AND OTHER ADDITIONS</strong></td>
<td><strong>85,894</strong></td>
<td><strong>146,407</strong></td>
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EXPENDITURES AND OTHER DEDUCTIONS:

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<td>Grant Refunds and Adjustments</td>
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<td>Loan Cancellations and Write-offs</td>
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<td>Expended for Plant Facilities</td>
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<td>Other</td>
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<td><strong>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</strong></td>
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TRANSFERS:

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<td>Operating Transfers from Primary Government</td>
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NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:

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<tr>
<td>Cumulative Effect of Change in Accounting Principle</td>
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NET INCREASE (DECREASE) FOR THE YEAR:

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<td><strong>NET INCREASE (DECREASE) FOR THE YEAR</strong></td>
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FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated):

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FUND BALANCE AND OTHER CREDITS, JUNE 30:

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<td><strong>FUND BALANCE AND OTHER CREDITS, JUNE 30</strong></td>
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<tr>
<td>19,914</td>
<td>1,346</td>
<td>13,554</td>
<td>2,196</td>
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<td>304,636</td>
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(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, 1997

(amounts expressed in thousands)

(continued)

<table>
<thead>
<tr>
<th></th>
<th>Washington State Community College</th>
<th>Cincinnati State Community College</th>
<th>Northwest State Community College</th>
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<tbody>
<tr>
<td><strong>REVENUES AND OTHER ADDITIONS:</strong></td>
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<tr>
<td>Unrestricted Current Fund Revenues</td>
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<td>Local Appropriations-Restricted</td>
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<td>Endowment Income-Restricted</td>
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<tr>
<td>Investment Income-Restricted</td>
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<td>Realized Gain on Investments-Restricted (net)</td>
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<tr>
<td>Interest on Loans Receivable</td>
<td>—</td>
<td>5</td>
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<tr>
<td>Investment in Plant-Additions</td>
<td>341</td>
<td>4,484</td>
<td>5,588</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>TOTAL REVENUES AND OTHER ADDITIONS</strong></td>
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<thead>
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<th>Northwest State Community College</th>
</tr>
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<tbody>
<tr>
<td><strong>EXPENDITURES AND OTHER DEDUCTIONS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational and General Expenditures</td>
<td>10,974</td>
<td>33,953</td>
<td>8,589</td>
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<td>Auxiliary Enterprises Expenditures</td>
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<td>638</td>
<td>962</td>
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<tr>
<td>Hospital Expenditures</td>
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<tr>
<td>Indirect Costs Recovered</td>
<td>—</td>
<td>48</td>
<td>—</td>
</tr>
<tr>
<td>Grant Refunds and Adjustments</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Loan Cancellations and Write-offs</td>
<td>—</td>
<td>68</td>
<td>—</td>
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<td>Administrative and Collection Costs</td>
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<td>Expended for Plant Facilities</td>
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<td>Retirement of Indebtedness</td>
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<tr>
<td>Interest on Indebtedness</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Investment in Plant-Deductions</td>
<td>60</td>
<td>2,265</td>
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<tr>
<td>Other</td>
<td>—</td>
<td>—</td>
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<td><strong>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</strong></td>
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<td>$ 39,063</td>
<td>$ 9,574</td>
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<th>Northwest State Community College</th>
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<tbody>
<tr>
<td><strong>TRANSFERS:</strong></td>
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<td></td>
</tr>
<tr>
<td>Operating Transfers from Primary Government</td>
<td>3,863</td>
<td>14,464</td>
<td>3,099</td>
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<th>Cincinnati State Community College</th>
<th>Northwest State Community College</th>
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<tbody>
<tr>
<td><strong>NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cumulative Effect of Change in Accounting Principle</td>
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<td>864</td>
<td>5,835</td>
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<th>Northwest State Community College</th>
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<tbody>
<tr>
<td><strong>NET INCREASE (DECREASE) FOR THE YEAR</strong></td>
<td></td>
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<tr>
<td>Cumulative Effect of Change in Accounting Principle</td>
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<table>
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<tr>
<th></th>
<th>Washington State Community College</th>
<th>Cincinnati State Community College</th>
<th>Northwest State Community College</th>
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</thead>
<tbody>
<tr>
<td><strong>FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Fund Balance and Other Credits, July 1 (as restated)</td>
<td>$ 22,039</td>
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<thead>
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<th>Cincinnati State Community College</th>
<th>Northwest State Community College</th>
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<tbody>
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<td><strong>FUND BALANCE AND OTHER CREDITS, JUNE 30</strong></td>
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<td>$ 20,153</td>
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<td>73,950</td>
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</tr>
<tr>
<td>$ 83,336</td>
<td>$ 9,639,402</td>
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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, 1997
(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>OHIO STATE UNIVERSITY</th>
<th>UNIVERSITY OF CINCINNATI</th>
<th>OHIO UNIVERSITY</th>
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<tr>
<td><strong>REVENUES:</strong></td>
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<td></td>
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<tr>
<td>Tuition, Fees and Other Student Charges</td>
<td>$ 285,408</td>
<td>$ 152,047</td>
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<td>---</td>
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<td>81,179</td>
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<tr>
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<td>21,973</td>
<td>24,010</td>
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<tr>
<td>Sales and Services</td>
<td>527,884</td>
<td>88,666</td>
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<tr>
<td>Temporary Investment Income</td>
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<td>Other Sources</td>
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<td>16,743</td>
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<td><strong>TOTAL REVENUES</strong></td>
<td>$1,232,237</td>
<td>$414,124</td>
</tr>
</tbody>
</table>

**EXPENDITURES AND MANDATORY TRANSFERS:**

| **EDUCATIONAL AND GENERAL:** | | |
| Instruction and Departmental Research | 430,411 | 188,983 | 127,979 |
| Separately Budgeted Research | 183,611 | 65,403 | 16,902 |
| Public Service | 81,779 | 37,723 | 8,442 |
| Academic Support | 89,610 | 46,174 | 31,843 |
| Student Services | 35,433 | 20,476 | 15,475 |
| Institutional Support | 76,949 | 35,967 | 29,309 |
| Operation and Maintenance of Plant | 57,318 | 36,922 | 22,035 |
| Scholarships and Fellowships | 69,321 | 54,724 | 30,855 |
| **TOTAL EDUCATIONAL AND GENERAL** | $1,024,432 | $486,372 | $282,840 |

| **AUXILIARY ENTERPRISES** | | |
| | 110,113 | 51,977 | 48,243 |

| **HOSPITALS** | | |
| | 345,336 | --- | --- |
| **TOTAL EXPENDITURES** | $1,479,881 | $538,349 | $331,083 |

| **MANDATORY TRANSFERS, NET:** | | |
| Principal and Interest | 28,711 | 20,490 | 3,132 |
| Renewals and Replacements | --- | --- | --- |
| **TOTAL MANDATORY TRANSFERS, NET** | $28,732 | $20,622 | $3,174 |

| **OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):** | | |
| Operating Transfers from Primary Government | 373,287 | 171,932 | 121,586 |

| **NONMANDATORY TRANSFERS, NET:** | | |
| Capital Improvements | (47,013) | (9,452) | (7,646) |
| Other | 8,472 | 6,422 | 179 |

| **ADDITIONS (DEDUCTIONS):** | | |
| Excess of Restricted Receipts over Transfers to Revenue | 24,762 | 28,664 | 5,266 |
| Indirect Costs Recovered | (35,811) | (18,949) | (3,525) |
| **TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)** | $323,692 | $164,455 | $115,537 |

| **NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE** | | |
| Cumulative Effect of Change in Accounting Principle | 47,316 | 19,608 | 3,373 |

<p>| <strong>NET INCREASE (DECREASE) IN FUND BALANCES</strong> | $56,570 | $19,608 | $3,373 |</p>
<table>
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<tr>
<th>MIAMI UNIVERSITY</th>
<th>UNIVERSITY OF AKRON</th>
<th>BOWLING GREEN STATE UNIVERSITY</th>
<th>KENT STATE UNIVERSITY</th>
<th>UNIVERSITY OF TOLEDO</th>
<th>CLEVELAND STATE UNIVERSITY</th>
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<td>2,551</td>
<td>10,587</td>
<td>6,713</td>
<td>8,810</td>
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<td>9,307</td>
<td>5,671</td>
<td>4,773</td>
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<td>22,128</td>
<td>21,704</td>
<td>14,482</td>
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<td>(27)</td>
<td>18</td>
<td>97</td>
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<td>(2,315)</td>
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<td>(1,680)</td>
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<td>5,475</td>
<td>(246)</td>
<td>4,495</td>
<td>4,206</td>
<td>5,946</td>
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<td>$8,473</td>
<td>$5,475</td>
<td>$(246)</td>
<td>$4,495</td>
<td>$4,206</td>
<td>$5,946</td>
</tr>
</tbody>
</table>

(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, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th></th>
<th>YOUNGSTOWN STATE UNIVERSITY</th>
<th>WRIGHT STATE UNIVERSITY</th>
<th>SHAWNEE STATE UNIVERSITY</th>
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<td><strong>REVENUES:</strong></td>
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<tr>
<td>Tuition, Fees and Other Student Charges</td>
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<td>—</td>
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<td>Sales and Services</td>
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<td>$20,506</td>
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</table>

| **EXPENDITURES AND MANDATORY TRANSFERS:** |                      |                        |                          |
| **EDUCATIONAL AND GENERAL:**             |                      |                        |                          |
| Instruction and Departmental Research | 41,985 | 73,448 | 10,206 |
| Separately Budgeted Research | 634 | 11,470 | — |
| Public Service | 3,585 | 8,175 | 2,590 |
| Academic Support | 7,884 | 27,880 | 1,872 |
| Student Services | 5,835 | 9,568 | 2,200 |
| Institutional Support | 9,381 | 15,888 | 3,035 |
| Operation and Maintenance of Plant | 7,444 | 10,660 | 2,745 |
| Scholarships and Fellowships | 11,565 | 13,871 | 5,537 |
| **TOTAL EDUCATIONAL AND GENERAL**        | 88,313 | 170,960 | 28,185 |
| **AUXILIARY ENTERPRISES**                |                      |                        |                          |
| **HOSPITALS**                           |                      |                        |                          |
| **TOTAL EXPENDITURES**                   | 103,414 | 185,691 | 31,103 |
| **MANDATORY TRANSFERS, NET:**           |                      |                        |                          |
| Principal and Interest | 1,218 | 1,827 | 538 |
| Renewals and Replacements                | — | — | — |
| Other                                   | — | 80 | — |
| **TOTAL MANDATORY TRANSFERS, NET**       | 1,218 | 1,907 | 538 |
| **TOTAL EXPENDITURES AND MANDATORY TRANSFERS** | 104,632 | 187,598 | 31,641 |

| **OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):** |                      |                        |                          |
| **OPERATING TRANSFERS FROM PRIMARY GOVERNMENT** | 44,992 | 81,220 | 13,210 |
| **NONMANDATORY TRANSFERS, NET:**               |                      |                        |                          |
| Capital Improvements                           | (899) | (702) | — |
| Other                                           | (1,237) | (2,795) | — |
| **ADDITIONS/(DEDUCTIONS):**                     |                      |                        |                          |
| Excess of Restricted Receipts over Transfers to Revenue | 976 | 6,531 | (204) |
| Indirect Costs Recovered                       | (45) | (3,179) | — |
| Other                                           | — | (39) | — |
| **TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)** | 43,787 | 81,036 | 13,006 |

<p>| <strong>NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT IN ACCOUNTING PRINCIPLE</strong> |                      |                        |                          |
| <strong>Cumulative Effect of Change in Accounting Principle</strong> | 6,247 | 11,614 | 1,871 |
| <strong>TOTAL NET INCREASE (DECREASE) IN FUND BALANCES</strong> | $6,247 | $11,614 | $1,871 |</p>
<table>
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<th>Terra State Community College</th>
<th>Columbus State Community College</th>
<th>Clark State Community College</th>
<th>Edison State Community College</th>
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<td>1,955</td>
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<td>652</td>
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<tr>
<td>233,000</td>
<td>12,193</td>
<td>65,482</td>
<td>15,174</td>
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<td>233,000</td>
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<td>5,840</td>
<td>27,251</td>
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<td>3,378</td>
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<td>(15,074)</td>
<td>—</td>
<td>—</td>
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<td>(290)</td>
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<td>—</td>
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<tr>
<td>5,263</td>
<td>235</td>
<td>5,402</td>
<td>(442)</td>
<td>61</td>
<td>686</td>
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<tr>
<td>$5,263</td>
<td>$235</td>
<td>$5,402</td>
<td>($442)</td>
<td>$61</td>
<td>$686</td>
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<tr>
<td>(continued)</td>
<td>(continued)</td>
<td>(continued)</td>
<td>(continued)</td>
<td>(continued)</td>
<td>(continued)</td>
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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, 1997
(amounts expressed in thousands)
(continued)

<table>
<thead>
<tr>
<th></th>
<th>WASHINGTON STATE COMMUNITY COLLEGE</th>
<th>CINCINNATI STATE COMMUNITY COLLEGE</th>
<th>NORTHWEST STATE COMMUNITY COLLEGE</th>
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<td><strong>REVENUES:</strong></td>
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<td>Tuition, Fees and Other Student Charges</td>
<td>$ 4,243</td>
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<tr>
<td>Private Gifts, Grants and Contracts</td>
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<td>25</td>
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<td>Endowment Income</td>
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<tr>
<td>Sales and Services</td>
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<td>2,338</td>
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<td>Temporary Investment Income</td>
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<td>289</td>
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<td>90</td>
<td>264</td>
<td>1,109</td>
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<td><strong>TOTAL REVENUES</strong></td>
<td>8,081</td>
<td>20,869</td>
<td>6,722</td>
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</tbody>
</table>

| **EXPENDITURES AND MANDATORY TRANSFERS:** |                                    |                                   |                                  |
| **EDUCATIONAL AND GENERAL:**            |                                    |                                   |                                  |
| Instruction and Departmental Research | 3,386                              | 14,029                            | 3,413                            |
| Separately Budgeted Research          |                                    |                                   |                                  |
| Public Service                        |                                    | 1,715                             | 649                              |
| Academic Support                      | 1,553                              | 3,936                             | 360                              |
| Student Services                      | 1,434                              | 2,440                             | 1,001                            |
| Institutional Support                 | 2,017                              | 5,932                             | 1,413                            |
| Operation and Maintenance of Plant    | 712                                 | 2,584                             | 540                              |
| Scholarships and Fellowships          | 1,872                              | 3,354                             | 1,213                            |
| **TOTAL EDUCATIONAL AND GENERAL**     | 10,974                             | 33,990                            | 8,589                            |
| **AUXILIARY ENTERPRISES**             |                                    |                                   |                                  |
|                                      | 629                                 | 638                               | 963                              |
| **HOSPITALS**                        |                                    |                                   |                                  |
| **TOTAL EXPENDITURES**               | 11,603                             | 34,628                            | 9,552                            |

| **MANDATORY TRANSFERS, NET:**         |                                    |                                   |                                  |
| Principal and Interest                |                                    |                                   |                                  |
| Renewals and Replacements            |                                    |                                   |                                  |
| Other                                |                                    | 13                                |                                  |
| **TOTAL MANDATORY TRANSFERS, NET**   |                                    | 13                                |                                  |
| **TOTAL EXPENDITURES AND MANDATORY TRANSFERS** | 11,603                     | 34,641                            | 9,552                            |

| **OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):** |                                    |                                   |                                  |
| Operating Transfers from Primary Government | 3,863                             | 14,464                            | 3,099                            |
| **NONMANDATORY TRANSFERS, NET:**           |                                    |                                   |                                  |
| Capital Improvements                  |                                    | (400)                             |                                  |
| Other                                 | (250)                              |                                   |                                  |
| **ADDITIONS (DEDUCTIONS):**             |                                    |                                   |                                  |
| Excess of Restricted Receipts over Transfers to Revenue |                                    |                                   |                                  |
| Indirect Costs Recovered              |                                    | 49                                |                                  |
| Other                                |                                    | 13                                |                                  |
| **TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)** | 3,613                          | 14,126                            | 3,099                            |

<p>| <strong>NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE</strong> |                                    |                                   |                                  |
|                                                                 | 91                                 | 354                               | 269                              |
| Cumulative Effect of Change in Accounting Principle                             |                                    |                                   |                                  |
| <strong>NET INCREASE (DECREASE) IN FUND BALANCES</strong>                                  | $ 91                              | $ 354                             | $ 269                            |</p>
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<thead>
<tr>
<th>OWENS STATE COMMUNITY COLLEGE</th>
<th>TOTAL</th>
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<td>$ 16,025</td>
<td>$ 1,312,515</td>
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<td>194,765</td>
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<tr>
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<td>339,260</td>
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<td>262,541</td>
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<td>6,819</td>
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<td><strong>42,466</strong></td>
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<td><strong>45,924</strong></td>
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<tr>
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<td><strong>17,850</strong></td>
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<td><strong>368</strong></td>
<td><strong>130,665</strong></td>
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<td></td>
<td>9,254</td>
</tr>
<tr>
<td><strong>$ 368</strong></td>
<td><strong>$ 139,919</strong></td>
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</tbody>
</table>
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STATISTICAL SECTION
# STATE OF OHIO

## REVENUE BY SOURCE

### ALL GENERAL GOVERNMENTAL FUND TYPES\(^{(a)}\)

**FOR THE LAST TEN FISCAL YEARS**

*(amounts expressed in thousands)*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Sales Taxes</td>
<td>$5,262,460</td>
<td>$5,003,024</td>
<td>$4,763,109</td>
<td>$4,475,796</td>
<td>$4,001,398</td>
<td>$3,739,576</td>
<td>$3,573,995</td>
<td>$3,603,922</td>
<td>$3,397,204</td>
<td>$3,225,852</td>
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<td>$1,831,300</td>
<td>$1,810,396</td>
<td>$1,585,557</td>
<td>$1,500,475</td>
<td>$1,393,528</td>
<td>$1,437,142</td>
<td>$1,492,646</td>
<td>$1,524,635</td>
<td>$1,419,351</td>
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<tr>
<td>Motor Vehicle Fuel Taxes</td>
<td>$1,351,476</td>
<td>$1,332,294</td>
<td>$1,293,038</td>
<td>$1,290,315</td>
<td>$1,189,184</td>
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<td>$1,052,504</td>
<td>$993,612</td>
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<td>$852,166</td>
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<td>$673,472</td>
<td>$724,942</td>
<td>$706,350</td>
<td>$706,746</td>
<td>$690,210</td>
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<td>Licenses, Permits and Fees</td>
<td>$849,279</td>
<td>$805,605</td>
<td>$771,501</td>
<td>$739,433</td>
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<td>$639,996</td>
<td>$679,447</td>
<td>$635,790</td>
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<td>$66,198</td>
<td>$57,831</td>
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<td>$46,873</td>
<td>$76,985</td>
<td>$67,612</td>
<td>$63,015</td>
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<tr>
<td>Federal Government (^{(c)})</td>
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<td>$8,435,891</td>
<td>$8,305,109</td>
<td>$7,314,031</td>
<td>$6,376,312</td>
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<td>$5,204,395</td>
<td>$4,553,955</td>
<td>$4,114,718</td>
<td>$3,850,251</td>
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<td>Investment Income (^{(d)})</td>
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<td>—</td>
<td>—</td>
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<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tr>
<tr>
<td>Other</td>
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<td>$773,037</td>
<td>$932,074</td>
<td>$649,360</td>
<td>$656,385</td>
<td>$676,419</td>
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<td><strong>Total Revenues by Source</strong></td>
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<td><strong>$24,127,993</strong></td>
<td><strong>$22,317,703</strong></td>
<td><strong>$19,880,907</strong></td>
<td><strong>$18,563,584</strong></td>
<td><strong>$17,637,200</strong></td>
<td><strong>$16,849,936</strong></td>
<td><strong>$15,704,545</strong></td>
<td><strong>$14,500,448</strong></td>
</tr>
</tbody>
</table>

**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 1997, 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 1988 through 1994, however, have not been restated for the effect of this change in accounting principle.

(d) For fiscal years 1988 through 1996, investment income has been included in “Other” revenue.
### STATE OF OHIO

**EXPENDITURES BY FUNCTION**

**ALL GENERAL GOVERNMENTAL FUND TYPES**

**FOR THE LAST TEN FISCAL YEARS**

(amounts expressed in thousands)

<table>
<thead>
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<tr>
<td>Current:</td>
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</tr>
<tr>
<td>Primary, Secondary and Other Education</td>
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<td>$5,251,805</td>
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<td>$4,497,568</td>
<td>$4,195,920</td>
<td>$4,158,997</td>
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<td>$1,502,610</td>
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<td>$4,191,661</td>
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<td>$1,854,715</td>
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<td>$1,648,319</td>
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<td>$872,236</td>
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<td>$19,334,015</td>
<td>$17,666,608</td>
<td>$16,253,253</td>
<td>$15,344,437</td>
</tr>
</tbody>
</table>

**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 1997, 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 1988 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**

**(amounts expressed in thousands)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate and Public Utility Taxes</td>
<td>1,794,592</td>
<td>1,731,956</td>
<td>1,708,674</td>
<td>1,497,948</td>
<td>1,419,293</td>
<td>1,304,142</td>
<td>1,351,791</td>
<td>1,409,040</td>
<td>1,341,358</td>
<td></td>
</tr>
<tr>
<td>Other Taxes</td>
<td>828,290</td>
<td>802,912</td>
<td>812,957</td>
<td>843,548</td>
<td>710,400</td>
<td>631,830</td>
<td>598,417</td>
<td>587,852</td>
<td>575,631</td>
<td></td>
</tr>
<tr>
<td>Licenses, Permits and Fees</td>
<td>3,563,004</td>
<td>3,672,610</td>
<td>3,451,126</td>
<td>3,533,853</td>
<td>3,276,727</td>
<td>3,083,886</td>
<td>2,718,754</td>
<td>2,299,581</td>
<td>1,963,912</td>
<td>1,857,073</td>
</tr>
<tr>
<td>Other</td>
<td>277,337</td>
<td>302,772</td>
<td>268,114</td>
<td>227,857</td>
<td>189,935</td>
<td>254,098</td>
<td>207,508</td>
<td>140,010</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>17,014,438</td>
<td>16,682,733</td>
<td>15,789,120</td>
<td>14,952,841</td>
<td>13,791,821</td>
<td>12,826,753</td>
<td>12,151,914</td>
<td>11,693,615</td>
<td>11,030,140</td>
<td>10,116,577</td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>13,678,474</td>
<td>13,170,207</td>
<td>12,416,565</td>
<td>11,983,625</td>
<td>11,369,030</td>
<td>12,010,762</td>
<td>11,520,077</td>
<td>10,606,492</td>
<td>9,591,782</td>
<td>9,288,206</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>942,690</td>
<td>898,190</td>
<td>814,803</td>
<td>782,014</td>
<td>741,099</td>
<td>703,853</td>
<td>661,452</td>
<td>622,351</td>
<td>613,826</td>
<td>539,869</td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>123,217</td>
<td>1,969</td>
<td>5,597</td>
<td>5,552</td>
<td>5,524</td>
<td>17,087</td>
<td>21,810</td>
<td>21,989</td>
<td>36,570</td>
<td>34,290</td>
</tr>
<tr>
<td>Debt Service</td>
<td>526</td>
<td>1,428</td>
<td>9,740</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>14,744,909</td>
<td>14,071,794</td>
<td>13,246,705</td>
<td>12,771,191</td>
<td>12,115,655</td>
<td>12,731,702</td>
<td>12,203,339</td>
<td>11,250,832</td>
<td>10,242,178</td>
<td>9,862,365</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>2,269,529</td>
<td>2,610,939</td>
<td>2,542,415</td>
<td>2,181,650</td>
<td>2,167,166</td>
<td>95,051</td>
<td>(51,425)</td>
<td>442,783</td>
<td>787,962</td>
<td>254,212</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>—</td>
<td>10,159</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>1,107</td>
<td>335</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Operating Transfers-in</td>
<td>142,605</td>
<td>93,457</td>
<td>144,114</td>
<td>88,284</td>
<td>89,228</td>
<td>92,392</td>
<td>94,113</td>
<td>67,866</td>
<td>292,588</td>
<td></td>
</tr>
<tr>
<td>Operating Transfers to Component Units</td>
<td>(1,410,667)</td>
<td>(1,359,487)</td>
<td>(1,276,925)</td>
<td>(1,175,190)</td>
<td>(1,113,491)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>(2,114,749)</td>
<td>(2,062,993)</td>
<td>(1,793,610)</td>
<td>(1,712,912)</td>
<td>(1,578,656)</td>
<td>(401,555)</td>
<td>(407,830)</td>
<td>(413,941)</td>
<td>(423,142)</td>
<td>(206,582)</td>
</tr>
<tr>
<td><strong>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</strong></td>
<td>154,780</td>
<td>547,946</td>
<td>748,805</td>
<td>468,738</td>
<td>97,510</td>
<td>(306,504)</td>
<td>(459,255)</td>
<td>28,842</td>
<td>364,820</td>
<td>47,630</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JULY 1</strong></td>
<td>2,167,739</td>
<td>1,665,135</td>
<td>908,212</td>
<td>426,200</td>
<td>327,261</td>
<td>696,642</td>
<td>1,154,780</td>
<td>1,124,614</td>
<td>759,817</td>
<td>712,187</td>
</tr>
<tr>
<td>Increase (Decrease)</td>
<td>(2,252)</td>
<td>(899)</td>
<td>(882)</td>
<td>1,265</td>
<td>1,429</td>
<td>185</td>
<td>1,117</td>
<td>1,324</td>
<td>—</td>
<td>(23)</td>
</tr>
<tr>
<td>for Changes in Inventories</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Residual Equity Transfers-out</td>
<td>—</td>
<td>(22,986)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>FUND BALANCES, JUNE 30</strong></td>
<td>$2,320,267</td>
<td>$2,180,206</td>
<td>$1,656,135</td>
<td>$896,203</td>
<td>$426,200</td>
<td>$390,323</td>
<td>$696,642</td>
<td>$1,154,780</td>
<td>$1,124,614</td>
<td>$759,817</td>
</tr>
</tbody>
</table>

(a) For fiscal years 1988 through 1996, investment income has been included in “Other” revenue.
## STATE OF OHIO

PERCENT OF ANNUAL DEBT SERVICE FOR GENERAL AND SPECIAL
BONDED DEBT\(\text{a}\) TO TOTAL ALL GENERAL GOVERNMENTAL FUND TYPES\(\text{b}\) REVENUES
AND EXPENDITURES
FOR THE LAST TEN FISCAL YEARS

(amounts expressed in thousands)

<table>
<thead>
<tr>
<th>For the Year Ended June 30</th>
<th>Total Debt Service Expenditures</th>
<th>Governmental Fund Revenues</th>
<th>Percent</th>
<th>Governmental Fund Expenditures</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$ 562,506</td>
<td>$ 14,500,448</td>
<td>3.88%</td>
<td>$ 5,344,437</td>
<td>3.67%</td>
</tr>
<tr>
<td>1989</td>
<td>562,195</td>
<td>15,704,545</td>
<td>3.58%</td>
<td>16,253,253</td>
<td>3.46%</td>
</tr>
<tr>
<td>1990</td>
<td>587,070</td>
<td>16,849,936</td>
<td>3.48%</td>
<td>17,666,608</td>
<td>3.32%</td>
</tr>
<tr>
<td>1991</td>
<td>632,230</td>
<td>17,637,200</td>
<td>3.58%</td>
<td>19,334,015</td>
<td>3.27%</td>
</tr>
<tr>
<td>1992(\text{c})</td>
<td>743,468</td>
<td>18,563,584</td>
<td>4.00%</td>
<td>19,196,333</td>
<td>3.87%</td>
</tr>
<tr>
<td>1993</td>
<td>658,945</td>
<td>19,880,907</td>
<td>3.31%</td>
<td>20,096,012</td>
<td>3.28%</td>
</tr>
<tr>
<td>1994</td>
<td>1,033,745</td>
<td>22,317,703</td>
<td>4.63%</td>
<td>22,407,949</td>
<td>4.61%</td>
</tr>
<tr>
<td>1995(\text{d})</td>
<td>780,482</td>
<td>24,127,993</td>
<td>3.23%</td>
<td>23,577,037</td>
<td>3.31%</td>
</tr>
<tr>
<td>1996(\text{d})</td>
<td>888,693</td>
<td>24,902,363</td>
<td>3.57%</td>
<td>24,095,572</td>
<td>3.69%</td>
</tr>
<tr>
<td>1997(\text{d})</td>
<td>1,014,767</td>
<td>25,726,002</td>
<td>3.95%</td>
<td>25,710,014</td>
<td>3.95%</td>
</tr>
</tbody>
</table>

### Notes:

(a) Includes general and special obligation bonds for which debt service payments are made from the General Fund and the following combining funds in the 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 Improvement Bond Service

(b) This table includes revenues and expenditures for the General, special revenue, debt service and capital project funds.

(c) 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.

(d) Revenue and expenditures for fiscal years 1995 through 1997 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 1988 through 1994, however, have not been restated for the effect of this change in accounting principle.
# Table 5

**STATE OF OHIO**

NET GENERAL AND SPECIAL BONDED DEBT\(^{(a)}\) PER CAPITA
FOR THE LAST TEN FISCAL YEARS

<table>
<thead>
<tr>
<th>For the Year Ended June 30</th>
<th>Population (in 000s)</th>
<th>Total Outstanding (in 000s)</th>
<th>Less Amount Reserved in the General and Debt Service Funds (in 000s)</th>
<th>Net Bonded Debt (in 000s)</th>
<th>Net Bonded Debt Per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>10,800</td>
<td>3,743,526</td>
<td>548,376</td>
<td>3,195,150</td>
<td>296</td>
</tr>
<tr>
<td>1989</td>
<td>10,830</td>
<td>4,009,894</td>
<td>625,526</td>
<td>3,384,368</td>
<td>312</td>
</tr>
<tr>
<td>1990</td>
<td>10,847</td>
<td>3,974,040</td>
<td>592,116</td>
<td>3,381,924</td>
<td>312</td>
</tr>
<tr>
<td>1991</td>
<td>10,941</td>
<td>4,045,661</td>
<td>624,807</td>
<td>3,420,854</td>
<td>313</td>
</tr>
<tr>
<td>1992</td>
<td>11,016</td>
<td>4,261,059</td>
<td>560,936</td>
<td>3,700,123</td>
<td>336</td>
</tr>
<tr>
<td>1993</td>
<td>11,091</td>
<td>4,658,431</td>
<td>552,339</td>
<td>4,106,092</td>
<td>370</td>
</tr>
<tr>
<td>1994</td>
<td>11,102</td>
<td>5,169,302</td>
<td>440,399</td>
<td>4,728,903</td>
<td>426</td>
</tr>
<tr>
<td>1995</td>
<td>11,150</td>
<td>5,538,663</td>
<td>425,553</td>
<td>5,113,110</td>
<td>459</td>
</tr>
<tr>
<td>1996</td>
<td>11,173(^{(b)})</td>
<td>5,753,400</td>
<td>386,059</td>
<td>5,367,341</td>
<td>480</td>
</tr>
<tr>
<td>1997</td>
<td>11,173(^{(b)})</td>
<td>6,263,433</td>
<td>254,751</td>
<td>6,008,682</td>
<td>538</td>
</tr>
</tbody>
</table>

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 General Fund and the following combining funds in the 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 Improvement Bond Service

\(^{(b)}\) An estimate for 1997 was not available; therefore, population data from the prior year was used.
Table 6

### STATE OF OHIO

**SCHEDULE OF REVENUE BOND COVERAGE**

**FOR THE LAST TEN FISCAL YEARS**

*(amounts expressed in thousands)*

#### Treasurer of State/
Office of Financial Incentives (Liquor Bonds)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gross Revenue(a)</th>
<th>Direct Operating Expenses(b)</th>
<th>Net Revenue Available For Debt Service</th>
<th>Debt Service Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>1988</td>
<td>$350,376</td>
<td>280,215</td>
<td>70,161</td>
<td>$2,130</td>
</tr>
<tr>
<td>1989</td>
<td>369,305</td>
<td>301,125</td>
<td>68,180</td>
<td>2,390</td>
</tr>
<tr>
<td>1990</td>
<td>347,551</td>
<td>274,771</td>
<td>72,780</td>
<td>12,030</td>
</tr>
<tr>
<td>1991</td>
<td>354,560</td>
<td>277,644</td>
<td>76,916</td>
<td>10,325</td>
</tr>
<tr>
<td>1992</td>
<td>355,201</td>
<td>281,236</td>
<td>73,965</td>
<td>11,015</td>
</tr>
<tr>
<td>1993</td>
<td>350,914</td>
<td>273,967</td>
<td>76,947</td>
<td>11,800</td>
</tr>
<tr>
<td>1994</td>
<td>341,674</td>
<td>267,368</td>
<td>74,306</td>
<td>12,645</td>
</tr>
<tr>
<td>1995</td>
<td>347,979</td>
<td>267,545</td>
<td>79,434</td>
<td>13,500</td>
</tr>
<tr>
<td>1996</td>
<td>350,744</td>
<td>265,820</td>
<td>84,924</td>
<td>14,410</td>
</tr>
<tr>
<td>1997</td>
<td>366,836</td>
<td>270,525</td>
<td>96,111</td>
<td>9,330</td>
</tr>
</tbody>
</table>

#### Treasurer of State/
Office of Financial Incentives (Ohio Enterprise Bonds)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Gross Revenue(c)</th>
<th>Direct Operating Expenses</th>
<th>Net Revenue Available For Debt Service</th>
<th>Debt Service Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>1989</td>
<td>$19,964</td>
<td>—</td>
<td>$19,964</td>
<td>$1,132</td>
</tr>
<tr>
<td>1990</td>
<td>2,444</td>
<td>—</td>
<td>475</td>
<td>947</td>
</tr>
<tr>
<td>1991</td>
<td>7,008</td>
<td>—</td>
<td>7,008</td>
<td>520</td>
</tr>
<tr>
<td>1992</td>
<td>25,892</td>
<td>—</td>
<td>25,892</td>
<td>570</td>
</tr>
<tr>
<td>1993</td>
<td>21,184</td>
<td>—</td>
<td>21,184</td>
<td>630</td>
</tr>
<tr>
<td>1994</td>
<td>22,436</td>
<td>—</td>
<td>22,436</td>
<td>690</td>
</tr>
<tr>
<td>1995</td>
<td>27,733</td>
<td>—</td>
<td>27,733</td>
<td>755</td>
</tr>
<tr>
<td>1996</td>
<td>26,298</td>
<td>—</td>
<td>26,298</td>
<td>830</td>
</tr>
<tr>
<td>1997</td>
<td>29,673</td>
<td>—</td>
<td>29,673</td>
<td>910</td>
</tr>
</tbody>
</table>

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.
### Ohio Building Authority Internal Service Fund

<table>
<thead>
<tr>
<th>Fiscal Year&lt;sup&gt;(a)&lt;/sup&gt;</th>
<th>Gross Revenue&lt;sup&gt;(d)&lt;/sup&gt;</th>
<th>Direct Operating Expenses&lt;sup&gt;(e)&lt;/sup&gt;</th>
<th>Net Revenue Available For Debt Service</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>$ 32,731</td>
<td>$ 11,922</td>
<td>$ 20,809</td>
<td>$ 1,543</td>
<td>$ 5,299</td>
<td>$ 6,842</td>
<td>3.04</td>
</tr>
<tr>
<td>1989</td>
<td>39,899</td>
<td>16,881</td>
<td>23,018</td>
<td>1,653</td>
<td>5,056</td>
<td>6,709</td>
<td>3.43</td>
</tr>
<tr>
<td>1990</td>
<td>25,879</td>
<td>19,426</td>
<td>6,453</td>
<td>1,761</td>
<td>4,626</td>
<td>6,387</td>
<td>1.01</td>
</tr>
<tr>
<td>1991</td>
<td>30,098</td>
<td>22,599</td>
<td>7,499</td>
<td>1,662</td>
<td>4,764</td>
<td>6,426</td>
<td>1.17</td>
</tr>
<tr>
<td>1992</td>
<td>35,924</td>
<td>22,345</td>
<td>13,579</td>
<td>1,982</td>
<td>4,200</td>
<td>6,182</td>
<td>2.20</td>
</tr>
<tr>
<td>1993</td>
<td>26,924</td>
<td>20,895</td>
<td>6,029</td>
<td>2,222</td>
<td>3,043</td>
<td>5,265</td>
<td>1.15</td>
</tr>
<tr>
<td>1994</td>
<td>33,700</td>
<td>25,763</td>
<td>7,937</td>
<td>2,349</td>
<td>3,881</td>
<td>6,230</td>
<td>1.27</td>
</tr>
<tr>
<td>1995</td>
<td>30,638</td>
<td>22,046</td>
<td>8,592</td>
<td>1,878</td>
<td>4,275</td>
<td>6,153</td>
<td>1.40</td>
</tr>
<tr>
<td>1996</td>
<td>28,251</td>
<td>22,473</td>
<td>5,778</td>
<td>2,602</td>
<td>3,279</td>
<td>5,881</td>
<td>0.99</td>
</tr>
<tr>
<td>1997</td>
<td>27,929</td>
<td>26,913</td>
<td>1,016</td>
<td>3,480</td>
<td>1,801</td>
<td>5,281</td>
<td>0.19</td>
</tr>
</tbody>
</table>

### Ohio Building Authority/ Bureau of Workers’ Compensation Enterprise Fund

<table>
<thead>
<tr>
<th>Calendar/Fiscal Year&lt;sup&gt;(f)&lt;/sup&gt;</th>
<th>Gross Revenue&lt;sup&gt;(g)&lt;/sup&gt;</th>
<th>Direct Operating Expenses&lt;sup&gt;(h)&lt;/sup&gt;</th>
<th>Net Revenue Available For Debt Service</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>$3,158,992</td>
<td>$2,375,518</td>
<td>$783,474</td>
<td>$ —</td>
<td>$ —</td>
<td>$ —</td>
<td>—</td>
</tr>
<tr>
<td>1994</td>
<td>3,161,387</td>
<td>665,854</td>
<td>2,495,533</td>
<td>2,000</td>
<td>9,947</td>
<td>11,947</td>
<td>208.88</td>
</tr>
<tr>
<td>1995</td>
<td>3,365,892</td>
<td>2,264,097</td>
<td>1,101,795</td>
<td>2,000</td>
<td>9,947</td>
<td>11,947</td>
<td>92.23</td>
</tr>
<tr>
<td>1997</td>
<td>4,348,344</td>
<td>2,696,867</td>
<td>1,651,477</td>
<td>4,000</td>
<td>9,807</td>
<td>13,807</td>
<td>119.61</td>
</tr>
</tbody>
</table>

### Notes:

(d) Includes only the revenues reported in the Ohio Building Authority Internal Service Fund.

(e) Includes only the expenses, exclusive of depreciation, reported in the Ohio Building Authority Internal Service Fund.

(f) Beginning in fiscal year 1997, the Bureau of Workers’ Compensation changed its accounting from calendar year to fiscal year. Please refer to Note 2 for further details.

(g) Includes only the revenues reported in the Bureau of Workers’ Compensation Enterprise Fund.

(h) 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

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Ohio’s Total Personal Income (in millions)</th>
<th>Percent Change</th>
<th>Per Capita Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>$157,837</td>
<td>5.9%</td>
<td>$14,667</td>
</tr>
<tr>
<td>1988</td>
<td>169,902</td>
<td>7.6%</td>
<td>15,732</td>
</tr>
<tr>
<td>1989</td>
<td>180,248</td>
<td>6.1%</td>
<td>16,644</td>
</tr>
<tr>
<td>1990</td>
<td>190,608</td>
<td>5.7%</td>
<td>17,547</td>
</tr>
<tr>
<td>1991</td>
<td>196,927</td>
<td>3.3%</td>
<td>18,001</td>
</tr>
<tr>
<td>1992</td>
<td>208,560</td>
<td>5.9%</td>
<td>18,923</td>
</tr>
<tr>
<td>1993</td>
<td>217,693</td>
<td>4.4%</td>
<td>19,627</td>
</tr>
<tr>
<td>1994</td>
<td>231,843</td>
<td>6.5%</td>
<td>20,883</td>
</tr>
<tr>
<td>1995</td>
<td>251,037</td>
<td>8.3%</td>
<td>22,514</td>
</tr>
<tr>
<td>1996</td>
<td>262,077</td>
<td>4.4%</td>
<td>23,457</td>
</tr>
</tbody>
</table>

Per Capita Personal Income:
- Ohio
- United States

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**

*(amounts expressed in millions)*

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>MANUFACTURING</th>
<th>SERVICES</th>
<th>GOVERNMENT</th>
<th>WHOLESALE &amp; RETAIL TRADE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Personal Income</td>
<td>Percent of Total Income</td>
<td>Personal Income</td>
<td>Percent of Total Income</td>
</tr>
<tr>
<td>1987</td>
<td>$35,646</td>
<td>22.7%</td>
<td>$25,734</td>
<td>16.1%</td>
</tr>
<tr>
<td>1988</td>
<td>37,871</td>
<td>22.4%</td>
<td>28,286</td>
<td>16.8%</td>
</tr>
<tr>
<td>1989</td>
<td>39,989</td>
<td>21.6%</td>
<td>30,690</td>
<td>17.0%</td>
</tr>
<tr>
<td>1990</td>
<td>39,723</td>
<td>20.8%</td>
<td>32,274</td>
<td>16.9%</td>
</tr>
<tr>
<td>1991</td>
<td>40,949</td>
<td>20.8%</td>
<td>33,232</td>
<td>16.9%</td>
</tr>
<tr>
<td>1992</td>
<td>43,433</td>
<td>20.8%</td>
<td>36,134</td>
<td>17.3%</td>
</tr>
<tr>
<td>1993</td>
<td>44,723</td>
<td>20.5%</td>
<td>38,197</td>
<td>17.6%</td>
</tr>
<tr>
<td>1994</td>
<td>47,770</td>
<td>20.6%</td>
<td>40,913</td>
<td>17.7%</td>
</tr>
<tr>
<td>1995</td>
<td>51,343</td>
<td>20.5%</td>
<td>43,703</td>
<td>17.4%</td>
</tr>
<tr>
<td>1996</td>
<td>51,493</td>
<td>19.6%</td>
<td>45,475</td>
<td>17.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>CONSTRUCTION</th>
<th>TRANSPORTATION &amp; PUBLIC UTILITIES</th>
<th>FINANCE, INSURANCE &amp; REAL ESTATE</th>
<th>OTHER(a)</th>
<th>Ohio's Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Personal Income</td>
<td>Percent of Total Income</td>
<td>Personal Income</td>
<td>Percent of Total Income</td>
<td>Personal Income</td>
</tr>
<tr>
<td>1987</td>
<td>$5,955</td>
<td>3.8%</td>
<td>$6,987</td>
<td>4.4%</td>
<td>$6,540</td>
</tr>
<tr>
<td>1988</td>
<td>6,592</td>
<td>3.9%</td>
<td>7,373</td>
<td>4.4%</td>
<td>6,688</td>
</tr>
<tr>
<td>1989</td>
<td>6,919</td>
<td>3.8%</td>
<td>7,622</td>
<td>4.2%</td>
<td>6,822</td>
</tr>
<tr>
<td>1990</td>
<td>7,188</td>
<td>3.8%</td>
<td>7,921</td>
<td>4.2%</td>
<td>6,758</td>
</tr>
<tr>
<td>1991</td>
<td>6,896</td>
<td>3.5%</td>
<td>7,996</td>
<td>4.0%</td>
<td>7,856</td>
</tr>
<tr>
<td>1992</td>
<td>7,074</td>
<td>3.4%</td>
<td>8,390</td>
<td>4.0%</td>
<td>8,697</td>
</tr>
<tr>
<td>1993</td>
<td>7,333</td>
<td>3.5%</td>
<td>8,727</td>
<td>4.0%</td>
<td>9,270</td>
</tr>
<tr>
<td>1994</td>
<td>8,588</td>
<td>3.7%</td>
<td>9,365</td>
<td>4.0%</td>
<td>9,678</td>
</tr>
<tr>
<td>1995</td>
<td>9,433</td>
<td>3.8%</td>
<td>10,107</td>
<td>4.1%</td>
<td>10,409</td>
</tr>
<tr>
<td>1996</td>
<td>10,134</td>
<td>3.9%</td>
<td>10,509</td>
<td>4.0%</td>
<td>11,525</td>
</tr>
</tbody>
</table>

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 years 1987 through 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 194.
## STATE OF OHIO

### POPULATION BY AGE GROUP

*(amounts expressed in thousands)*

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1990 Actual</th>
<th>Percent</th>
<th>1996 Estimated(a)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 years</td>
<td>797</td>
<td>7.3%</td>
<td>759</td>
<td>6.8%</td>
</tr>
<tr>
<td>5 through 19 years</td>
<td>2,356</td>
<td>21.7%</td>
<td>2,402</td>
<td>21.5%</td>
</tr>
<tr>
<td>20 through 44 years</td>
<td>4,204</td>
<td>38.8%</td>
<td>4,194</td>
<td>37.5%</td>
</tr>
<tr>
<td>45 through 64 years</td>
<td>2,088</td>
<td>19.3%</td>
<td>2,321</td>
<td>20.8%</td>
</tr>
<tr>
<td>65 years and over</td>
<td>1,402</td>
<td>12.9%</td>
<td>1,497</td>
<td>13.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,847</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>11,173</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### UNITED STATES

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1990 Actual</th>
<th>Percent</th>
<th>1996 Estimated(a)</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 5 years</td>
<td>18,757</td>
<td>7.5%</td>
<td>19,286</td>
<td>7.3%</td>
</tr>
<tr>
<td>5 through 19 years</td>
<td>52,981</td>
<td>21.3%</td>
<td>57,085</td>
<td>21.5%</td>
</tr>
<tr>
<td>20 through 44 years</td>
<td>99,731</td>
<td>40.1%</td>
<td>101,321</td>
<td>38.2%</td>
</tr>
<tr>
<td>45 through 64 years</td>
<td>46,169</td>
<td>18.6%</td>
<td>53,731</td>
<td>20.2%</td>
</tr>
<tr>
<td>65 years and over</td>
<td>31,080</td>
<td>12.5%</td>
<td>33,861</td>
<td>12.8%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>248,718</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>265,284</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### OHIO’S TOTAL POPULATION AS A PERCENTAGE OF U.S. TOTAL POPULATION

<table>
<thead>
<tr>
<th>1990 Actual</th>
<th>Ohio</th>
<th>U.S.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,847</td>
<td></td>
<td>248,718</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1996 Estimated(a)</th>
<th>Ohio</th>
<th>U.S.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,173</td>
<td></td>
<td>265,284</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

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

**Notes:**

(a) The most recent information available.
## STATE OF OHIO

AVERAGE MONTHLY UNEMPLOYMENT RATES FOR THE LAST TEN CALENDAR YEARS AND THE FIRST HALF OF CALENDAR 1997

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Ohio</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>7.0%</td>
<td>6.2%</td>
</tr>
<tr>
<td>1988</td>
<td>6.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>1989</td>
<td>5.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>1990</td>
<td>5.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>1991</td>
<td>6.4%</td>
<td>6.7%</td>
</tr>
<tr>
<td>1992</td>
<td>7.2%</td>
<td>7.4%</td>
</tr>
<tr>
<td>1993</td>
<td>6.5%</td>
<td>6.8%</td>
</tr>
<tr>
<td>1994</td>
<td>5.5%</td>
<td>6.1%</td>
</tr>
<tr>
<td>1995</td>
<td>4.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>1996</td>
<td>4.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>1997 - First Half (a)</td>
<td>4.8%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Source: Ohio Bureau of Employment Services

**Notes:**

(a) Average subject to revision, seasonally adjusted
<table>
<thead>
<tr>
<th>Corporation Name</th>
<th>Headquarters Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power (Columbus)</td>
<td>Limited (Columbus)</td>
</tr>
<tr>
<td>American Financial Group (Cincinnati)</td>
<td>Mead Corporation (Dayton)</td>
</tr>
<tr>
<td>Banc One Corporation (Columbus)</td>
<td>Mercantile Stores (Fairfield)</td>
</tr>
<tr>
<td>Borden (Columbus)</td>
<td>National City Corporation (Cleveland)</td>
</tr>
<tr>
<td>Caliber Systems (Akron)</td>
<td>Nationwide Insurance Enterprise (Columbus)</td>
</tr>
<tr>
<td>Cardinal Health (Dublin)</td>
<td>OfficeMax (Shaker Heights)</td>
</tr>
<tr>
<td>Cinergy (Cincinnati)</td>
<td>Owens-Corning Fiberglas Corporation (Toledo)</td>
</tr>
<tr>
<td>Consolidated Stores (Columbus)</td>
<td>Owens-Illinois Incorporated (Toledo)</td>
</tr>
<tr>
<td>Dana Corporation (Toledo)</td>
<td>Parker-Hannifin Corporation (Cleveland)</td>
</tr>
<tr>
<td>Eaton Corporation (Cleveland)</td>
<td>Proctor &amp; Gamble Company (Cincinnati)</td>
</tr>
<tr>
<td>Federated Department Stores (Cincinnati)</td>
<td>Progressive (Mayfield Village)</td>
</tr>
<tr>
<td>Goodyear Tire &amp; Rubber (Akron)</td>
<td>Revco Drug Stores (Twinsburg)</td>
</tr>
<tr>
<td>KeyCorp (Cleveland)</td>
<td>Sherwin-Williams Company (Cleveland)</td>
</tr>
<tr>
<td>Kroger (Cincinnati)</td>
<td>TRW Incorporated (Cleveland)</td>
</tr>
<tr>
<td>LTV Corporation (Cleveland)</td>
<td></td>
</tr>
</tbody>
</table>

### STATE OF OHIO

**RETAIL SALES**
**FOR THE LAST TEN CALENDAR YEARS**

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Ohio's Total (in millions)</th>
<th>Percent Change</th>
<th>Retail Sales</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>$ 64,217</td>
<td>2.3%</td>
<td>$ 5,967</td>
<td>2.1%</td>
</tr>
<tr>
<td>1988</td>
<td>66,751</td>
<td>3.9%</td>
<td>6,181</td>
<td>3.6%</td>
</tr>
<tr>
<td>1989</td>
<td>70,491</td>
<td>5.6%</td>
<td>6,509</td>
<td>5.3%</td>
</tr>
<tr>
<td>1990</td>
<td>72,768</td>
<td>3.2%</td>
<td>6,709</td>
<td>3.1%</td>
</tr>
<tr>
<td>1991</td>
<td>73,275</td>
<td>.7%</td>
<td>6,699</td>
<td>(.1%)</td>
</tr>
<tr>
<td>1992</td>
<td>81,163</td>
<td>10.8%</td>
<td>7,318</td>
<td>9.2%</td>
</tr>
<tr>
<td>1993</td>
<td>92,428</td>
<td>13.9%</td>
<td>8,334</td>
<td>13.1%</td>
</tr>
<tr>
<td>1994</td>
<td>98,034</td>
<td>6.1%</td>
<td>8,830</td>
<td>6.0%</td>
</tr>
<tr>
<td>1995</td>
<td>104,357</td>
<td>6.5%</td>
<td>9,359</td>
<td>6.0%</td>
</tr>
<tr>
<td>1996</td>
<td>109,773</td>
<td>5.2%</td>
<td>9,825</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Source: Combined Annual and Revised Monthly Retail Trade, U.S. Bureau of Census
## STATE OF OHIO

CONSTRUCTION CONTRACTS AND RESIDENTIAL BUILDING ACTIVITY
FOR THE LAST TEN CALENDAR YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Construction Contracts (in millions)</th>
<th>Permits</th>
<th>Valuation (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>$ 9,218</td>
<td>45,153</td>
<td>$ 2,998,651</td>
</tr>
<tr>
<td>1988</td>
<td>9,607</td>
<td>45,105</td>
<td>3,075,962</td>
</tr>
<tr>
<td>1989</td>
<td>10,338</td>
<td>41,228</td>
<td>3,079,962</td>
</tr>
<tr>
<td>1990</td>
<td>9,902</td>
<td>38,491</td>
<td>3,039,007</td>
</tr>
<tr>
<td>1991</td>
<td>9,442</td>
<td>35,810</td>
<td>3,146,887</td>
</tr>
<tr>
<td>1992</td>
<td>10,757</td>
<td>42,610</td>
<td>3,926,554</td>
</tr>
<tr>
<td>1993</td>
<td>11,037</td>
<td>44,235</td>
<td>4,318,976</td>
</tr>
<tr>
<td>1994</td>
<td>11,935</td>
<td>47,152</td>
<td>4,799,052</td>
</tr>
<tr>
<td>1995</td>
<td>12,364(a)</td>
<td>44,812</td>
<td>4,375,036</td>
</tr>
<tr>
<td>1996</td>
<td>12,364(a)</td>
<td>49,280</td>
<td>5,000,781</td>
</tr>
</tbody>
</table>

Residential Activity - Current Construction Reports, U.S. Bureau of Census

Notes: (a) Data for 1996 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

*(amounts expressed in thousands)*

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Assessed Value&lt;sup&gt;(a)&lt;/sup&gt;</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>$78,908,191</td>
<td>$225,451,974</td>
</tr>
<tr>
<td>1988</td>
<td>83,770,581</td>
<td>239,344,517</td>
</tr>
<tr>
<td>1989</td>
<td>86,466,335</td>
<td>247,046,671</td>
</tr>
<tr>
<td>1990</td>
<td>93,677,819</td>
<td>267,650,911</td>
</tr>
<tr>
<td>1992</td>
<td>102,548,627</td>
<td>292,996,077</td>
</tr>
<tr>
<td>1993</td>
<td>110,319,626</td>
<td>315,198,931</td>
</tr>
<tr>
<td>1994</td>
<td>116,576,831</td>
<td>333,076,660</td>
</tr>
<tr>
<td>1995</td>
<td>121,046,340</td>
<td>345,846,686</td>
</tr>
<tr>
<td>1996</td>
<td>129,853,309</td>
<td>371,009,454</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of State Government</td>
<td>Executive, Legislative, Judicial</td>
</tr>
<tr>
<td>Number of Counties</td>
<td>88</td>
</tr>
<tr>
<td>Number of Incorporated Cities and Villages</td>
<td>943</td>
</tr>
<tr>
<td>Number of State Agencies, Boards, Commissions, and Elected Offices</td>
<td>112(^{(a)})</td>
</tr>
<tr>
<td>Number of State Employees</td>
<td>62,803</td>
</tr>
<tr>
<td>Number of State Representatives</td>
<td>99</td>
</tr>
<tr>
<td>Number of State Senators</td>
<td>33</td>
</tr>
</tbody>
</table>

### PARKS AND RECREATION:

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of State Parks</td>
<td>72</td>
</tr>
<tr>
<td>Area of State Parks, Natural and Wildlife Lands</td>
<td>279,711.19 acres</td>
</tr>
<tr>
<td>Area of State Forest Lands</td>
<td>182,172.99 acres</td>
</tr>
</tbody>
</table>

### EDUCATION:

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of State-Assisted Higher Education Institutions</td>
<td>40</td>
</tr>
<tr>
<td>1996-97 Student Enrollment at State-Assisted Higher Ed ucation Institutions</td>
<td>410,745</td>
</tr>
<tr>
<td>Number of Public School Districts</td>
<td>612</td>
</tr>
<tr>
<td>Number of Joint Vocational School Districts</td>
<td>49</td>
</tr>
</tbody>
</table>

### MISCELLANEOUS:

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Capital</td>
<td>Columbus</td>
</tr>
<tr>
<td>Date of Statehood</td>
<td>March 1, 1803</td>
</tr>
<tr>
<td>State Motto</td>
<td>With God, All Things are Possible</td>
</tr>
<tr>
<td>Total Land Acreage</td>
<td>26.4 million acres</td>
</tr>
<tr>
<td>Total Farm Acreage</td>
<td>14.2 million acres</td>
</tr>
<tr>
<td>Ohio’s Three Largest Metropolitan Areas</td>
<td>Cleveland, Cincinnati, Columbus</td>
</tr>
<tr>
<td>Largest Source of Federal Financial Support</td>
<td>U.S. Department of Health and Human Services</td>
</tr>
</tbody>
</table>

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.