

**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, 1996

ACKNOWLEDGMENTS

Report prepared by the Office of Budget and Management, State Accounting, Financial Reporting Section:

Timothy I. Murphy, CPA

Deputy Director

Jane A. Snipes, CPA

Financial Reporting Manager

Bradley J. Beaver

Kimberly C. Blake

Andrea E. Joffe, CPA

Ratneswary Manoranjan, CPA

Anita McGuire

Penny Mohler

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George V. Voinovich
Governor

R. Gregory Browning
Director
Office of Budget
and Management

Timothy I. Murphy
Deputy Director
Division of
State Accounting

Prepared by Division of
State Accounting



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INTRODUCTORY SECTION



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

November 18, 1996

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

It is my privilege to issue the Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Ohio for the fiscal year ended June 30, 1996. 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 several "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 auditor's report. Such an opinion indicates there was no limitation on the scope of the auditor's examination and the financial statements were prepared 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 financial statements 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 1996, 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 1996, 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 \$294 million compared with \$198.8 million in fiscal year 1995, a 47.9 percent increase. This increase is due to greater cash resources available for investment during fiscal year 1996.

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, 1996, and the amount and percentage increases and decreases in relation to prior-year's revenues (in thousands).

<i>Revenues</i>	<i>FY 1996 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) from FY 1995</i>	<i>Percentage Increase/(Decrease) from FY 1995</i>
<i>Income Taxes</i>	\$ 5,890,587	23.7%	\$434,570	8.0%
<i>Sales Taxes</i>	5,003,024	20.1	239,915	5.0
<i>Corporate and Public Utility Taxes.....</i>	1,831,300	7.4	20,904	1.2
<i>Motor Vehicle Fuel Taxes</i>	1,332,294	5.3	39,256	3.0
<i>Other Taxes</i>	842,688	3.4	(9,478)	(1.1)
<i>Licenses, Permits and Fees</i>	805,605	3.2	34,104	4.4
<i>Sales, Services and Charges</i>	106,517	.4	2,897	2.8
<i>Federal Government.....</i>	8,435,891	33.9	130,782	1.6
<i>Other.....</i>	654,457	2.6	(118,580)	(15.3)
<i>Total.....</i>	<u>\$24,902,363</u>	<u>100.0%</u>	<u>\$774,370</u>	3.2

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

- The \$434.6 million or 8 percent increase in income taxes is mainly attributable to increased collections from quarterly estimated payments and annual returns, indicating a stronger economy and low unemployment.
- Sales tax revenues rose more than \$239.9 million or 5 percent because of increases in consumer spending and growth in Ohio's retail sales.

- The \$118.6 million or 15.3 percent decrease in other revenue results mostly from decreased collections of hospital assessments, which fund, in part, the Ohio Department of Human Services' Hospital Care Assurance Program. This federally funded program that provides financial relief to Ohio hospitals for the delivery of uncompensated services to Ohio's indigent population experienced a loss of more than \$200 million during fiscal year 1996. This loss, however, was partly offset with an increase of approximately \$80 million in investment earnings.

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 1996, 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).

Expenditures	FY 1996 Amount	Percent of Total	Increase (Decrease) from FY 1995	Percentage Increase/(Decrease) from FY 1995
Current:				
Primary, Secondary and Other Education.....	\$ 5,251,805	21.8%	\$401,055	8.3%
Higher Education Support	423,473	1.8	15,634	3.8
Public Assistance and Medicaid.....	7,936,578	32.9	(370,108)	(4.5)
Health and Human Services.....	2,333,583	9.7	135,851	6.2
Justice and Public Protection	1,588,026	6.6	184,849	13.2
Environmental Protection and Natural Resources	286,987	1.2	13,849	5.1
Transportation	1,319,120	5.5	(141,892)	(9.7)
General Government.....	371,996	1.5	16,842	4.7
Community and Economic Development.....	323,277	1.3	(11,882)	(3.5)
Intergovernmental	2,467,137	10.2	154,977	6.7
Capital Outlay	884,456	3.7	12,220	1.4
Debt Service	909,134	3.8	107,140	13.4
Total	<u>\$24,095,572</u>	<u>100.0%</u>	<u>\$518,535</u>	2.2

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

- Spending at the Ohio Department of Education greatly contributed to the \$401 million or 8.3 percent increase in primary, secondary and other education expenditures. Expenditures increased significantly for the School Foundation, SchoolNet Plus, Disadvantaged Pupil Impact Aid, and Supplemental School Assistance programs.
- Public assistance and Medicaid expenditures decreased by \$370.1 million or 4.5 percent. The decline primarily resulted from spending decreases 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 \$184.8 million or 13.2 percent increase in justice and public protection expenditures.
- Transportation expenditures during fiscal year 1996 were lower by \$141.9 million or 9.7 percent over last year's due to less spending on highway projects.
- Intergovernmental expenditures rose by \$155 million or 6.7 percent because of increased local government support and property tax allocations.
- Debt service expenditures grew \$107.1 million or 13.4 percent primarily because of higher principal and interest payment requirements during 1996 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 1996 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):

	<i>Balance as of June 30, 1996</i>	<i>Increase (Decrease) from FY 1995</i>	<i>Percentage Increase/(Decrease) from FY 1995</i>
<i>Unreserved/Undesignated Fund Balance</i>	<i>301,033</i>	<i>\$168,143</i>	<i>126.5%</i>
<i>Total Fund Balance.....</i>	<i>2,180,206</i>	<i>524,071</i>	<i>31.6</i>
<i>Total Revenues</i>	<i>16,682,733</i>	<i>893,613</i>	<i>5.7</i>
<i>Total Expenditures.....</i>	<i>14,071,794</i>	<i>825,089</i>	<i>6.2</i>

The 31.6 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 increased by 126.5 percent due mainly to fewer year-end designations by the State's management. As of June 30, 1996, the State's primary government designated \$530.8 million for the purposes described in NOTE 20 and reserved close to \$1.35 billion in fund balance for a total designated and reserved fund balance of \$1.88 billion for the General Fund. This is compared to a total designated and reserved fund balance of approximately \$1.52 billion, as of June 30, 1995.

PROPRIETARY AND FIDUCIARY FUNDS

The State's enterprise funds reported retained earnings of \$1.2 billion, as of June 30, 1996, as compared to \$68.9 million in retained earnings, as of June 30, 1995. These results were caused primarily by the Workers' Compensation Enterprise Fund, which reported a retained earnings balance of \$948.4 million, as of June 30, 1996, as compared to a \$129.2 million deficit, as of June 30, 1995, an 834.2 percent improvement. Operating revenues for the enterprise funds increased to \$6.2 billion in fiscal year 1996 from \$5.79 billion in fiscal year 1995; operating expenses increased to \$4.27 billion in fiscal year 1996 from \$2.52 billion in fiscal year 1995. Management at the Bureau of Workers' Compensation attributed the improvement in that enterprise fund's financial condition to recent legislative reforms and cost savings initiatives.

The State's internal service funds reported retained earnings of approximately \$115.3 million, as of June 30, 1996, as compared to \$99 million, as of June 30, 1995, a 16.4 percent increase. Operating revenues for the internal service funds increased to \$297.9 million in fiscal year 1996 from \$265.3 million in fiscal year 1995 while operating expenses decreased to \$285.8 million in fiscal year 1996 from \$293.6 million in fiscal year 1995.

The fund balance of the expendable trust funds grew approximately 18.1 percent to \$2.1 billion, as of June 30, 1996, from \$1.78 billion, as of June 30, 1995. Revenues for the expendable trust funds dropped to \$1.13 billion in fiscal year 1996 from \$1.19 billion in fiscal year 1995; expenditures rose to \$806 million in fiscal year 1996 from \$737.5 million in fiscal year 1995.

The fund balance of the pension trust fund was approximately \$447.7 million, as of June 30, 1996, as compared to \$364.2 million, as of June 30, 1995, a 22.9 percent increase. Total additions to plan net assets for the pension trust fund grew to \$103.4 million in fiscal year 1996 from \$81.9 million (as restated) in fiscal year 1995, while total deductions to plan net assets also increased to \$17.7 million in fiscal year 1996 from \$15.7 million (as restated) in fiscal year 1995.

DEBT ADMINISTRATION

Recently, Ohio's credit ratings were upgraded by Moody's Investors Service, Inc. (Moody's) and Standard & Poor's Corporation (S&P) for certain State general obligation bonds. Moody's revised the State's rating from Aa to Aa1, while S&P changed the rating from AA to AA+. S&P rates the State's Highway Obligations AAA.

Fitch Investors Service, L.P. (Fitch), in its initial rating, has rated the State's general obligation bonds as AA+.

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 A1. S&P generally rates unenhanced debt of the two state authorities as AA-, an upgrade from the previous A+ rating.

As of June 30, 1996, the State's primary government reported a total of \$6.8 billion in outstanding liabilities in its General Long-Term Obligations Account Group as follows (in thousands):

<i>Type of Obligation</i>	<i>Outstanding Balance</i>	<i>Percentage Increase/(Decrease) Since June 30, 1995</i>
<i>General Obligation Bonds</i>	\$1,304,564	7.3%
<i>Revenue Bonds and Notes</i>	67,490	(18.4)
<i>Special Obligation Bonds</i>	4,448,836	2.9
<i>Certificates of Participation.....</i>	17,740	121.9
<i>Other General Long-Term Obligations.....</i>	974,962	(5.7)
<i>Total.....</i>	<u>\$6,813,592</u>	2.3

For the proprietary funds, Ohio's primary government also reported \$249.8 million (net of unamortized discounts of approximately \$6 million) in revenue bonds, as of June 30, 1996.

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. Economic indicators remain ambivalent sending conflicting signals of a slowdown and an acceleration. The recovery that began in the Spring of 1991 is soon approaching the six year mark, well in excess of the post-war average expansion of four years. The risk of an economic slowdown increases as the recovery becomes more mature. Adding to the confusion about the direction of the economy is the Conference Board's Consumer Confidence Index, which essentially remains at a big six-year high. Such a robust level of consumer confidence is somewhat surprising given the fact that retail activity is not looking particularly good. While it is true that the economy seems to be defying expectations of slower growth in the second half of 1996, the majority of economists believe that the seeds of slower growth for 1997 have been sown.

The consensus forecast for the next two-to-three years calls for economic growth to continue at the long-term trend rate of 2 to 2.5 percent. The picture emerging from the latest reports reveals an economy that is likely to grow more rapidly in 1996 and then retreat in 1997 and 1998, avoiding the prospects of a recession. Preliminary reports show that the U.S. economy grew at an annualized rate of 2.2 percent in the third quarter of 1996, well below its sizzling second quarter rate of 4.1 percent.

Inflation remains modest, in large part due to the slowdown in the growth of fringe benefit costs. Wage gains are the main concern, but so far they have not been robust enough to cause an increase in general inflation. Stronger productivity gains offset the higher compensation growth, causing growth unit labor costs to remain weak. The consensus view expects inflation to remain under control with the Consumer Price Index increasing in the range of 2.5 to 3 percent for the next three years, 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 \$828.3 million.

MAJOR INITIATIVES AND PROJECTS

- Slated for the 1996 tax year is a one-time 6.5 percent state income tax reduction. The reduction is the result of an operating budget that ended fiscal year 1996 with higher revenues and lower expenditures than originally expected.

For the General Fund, budgetary underspending for fiscal year 1996 amounted to approximately \$400 million, with the largest savings coming from human service programs. Total budgetary revenues exceeded projections by approximately \$241 million, with the largest gains coming from personal income and corporate franchise taxes. As of June 30, 1996, the State designated \$400.8 million in the General Fund to offset the effects of the income tax reduction.

In spite of the \$400.8 million tax reduction, the fund balance for the General Fund reported reserves of fund balance for budget stabilization and human services stabilization purposes of \$828.3 million and \$105.5 million, respectively, as of June 30, 1996.

- In April 1996, the Bureau of Workers’ Compensation (BWC) announced a six percent decrease in the overall Workers’ Compensation premium rates for private employers, which took effect July 1, 1996. According to the Bureau, this rate reduction, when combined with other BWC savings initiatives implemented in the past year, is expected to save Ohio employers \$643 million.
- The Ohio SchoolNet and SchoolNet Plus are state-funded partnerships that encourage and support local school improvement efforts. These initiatives seek to facilitate the installation and use of networking technology in Ohio’s public schools. State funding for SchoolNet and SchoolNet Plus will provide for the acquisition of computer hardware, software, equipment, training and services, and two-way audio or video communication. An initial goal of SchoolNet Plus is to provide at least one interactive computer workstation for every five Ohio public school students who attend kindergarten through grade four. As of early November 1996, 560 Ohio public schools have received over \$132.4 million worth of equipment and wiring through SchoolNet and SchoolNet Plus.

During fiscal year 1996, \$125 million in funding was transferred from the General Fund to the SchoolNet Plus Program. For fiscal year 1997, the State designated \$100 million in the General Fund for transfer to the SchoolNet Plus Program. In early fiscal year 1997, the State also transferred \$25 million for this program from the Ohio Lottery Commission Enterprise Fund, and plans to transfer an additional \$25 million from the Enterprise Fund in fiscal year 1998.

In the State’s capital appropriations bill for fiscal years 1997-98, the General Assembly stated its intention to provide an additional \$125 million for the SchoolNet Plus Program in future appropriations measures. An initial \$95 million appropriation was provided for the SchoolNet Program in the State’s capital appropriations for fiscal years 1995-96.

- In addition to the \$70 million appropriated for the 1995-96 capital biennium, the General Assembly has appropriated \$120 million for the School Building Assistance Program in the 1997-98 capital budget bill. Historically, capital improvements for Ohio’s primary and secondary schools have been funded through local property taxes; however, this program will provide a major increase in the State’s share of funding for school construction and renovation.

Approximately 12 to 15 school districts are expected to receive school building assistance funds from these appropriations. State funding in the amount of \$20 million will be allocated to districts that had previously received conditional approval for projects from the State Board of Education under the State’s prior allocation process. Ohio’s lowest wealth school districts will receive \$100 million under a new financing formula that requires a State and local partnership. The formula takes school district wealth into account so that relatively higher wealth districts contribute a larger local share than relatively lower wealth districts. The formula also

considers a number of other criteria including the relative wealth of the district, the condition of existing facilities, the determination of project cost, the level of outstanding debt, and the passage of a local levy.

- In April 1996, the U.S. Department of Transportation selected Ohio as one of eight pilot states to participate in the new State Infrastructure Bank (SIB) Program. Under this program, the Ohio Department of Transportation can apply federal surface transportation funds toward a new revolving loan fund. The SIB will offer low-interest loans to local communities for transportation infrastructure projects such as interchanges, rail enhancements, airport expansions and highway projects. In early fiscal year 1997, the State transferred \$30 million from the General Fund to this program. The SIB expects to receive an additional \$70 million in federal transportation funds for its initial funding, and the State is authorized to issue state revenue bonds for the financing of SIB projects. In August 1996, Ohio became the first state to receive formal approval for the SIB's establishment from the U.S. Department of Transportation.
- In late fiscal year 1996, the State completed the Capitol Square Renovation Project, a six-year, \$112.7 million undertaking. The renovation restored the historic and aesthetic qualities reminiscent of the mid-1800s to the Ohio Statehouse, while it also provided improvements for the building's modernization.
- For streamlining the invoice payment process, the Ohio Payment Card Program is an integral part of the State's new electronic commerce model. Payment cards issued to state personnel allow immediate purchases, costing \$1,000 or less, to be transacted. Recently, more than 2,500 cards have been issued to 11 state agencies, and it is expected that more than 4,000 cards will be in use upon full implementation of the program, which uses electronic media to reduce processing costs and to provide accurate vendor invoices.

For the electronic invoicing and payment of large dollar purchases, the Electronic Data Interchange Program, the other component of the State's electronic commerce model, began in fiscal year 1996. Designed to reduce paperwork and processing costs, this program features electronic vendor invoicing and payment.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1995. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government report.

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 six years (fiscal years 1990-1995). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ADDITIONAL INFORMATION

The Ohio Office of Budget and Management provides access to the 1996 *Ohio Comprehensive Annual Financial Report* and the 1996 *Ohio Budgetary Financial Report* on the World Wide Web (<http://www.state.oh.us/obm>).

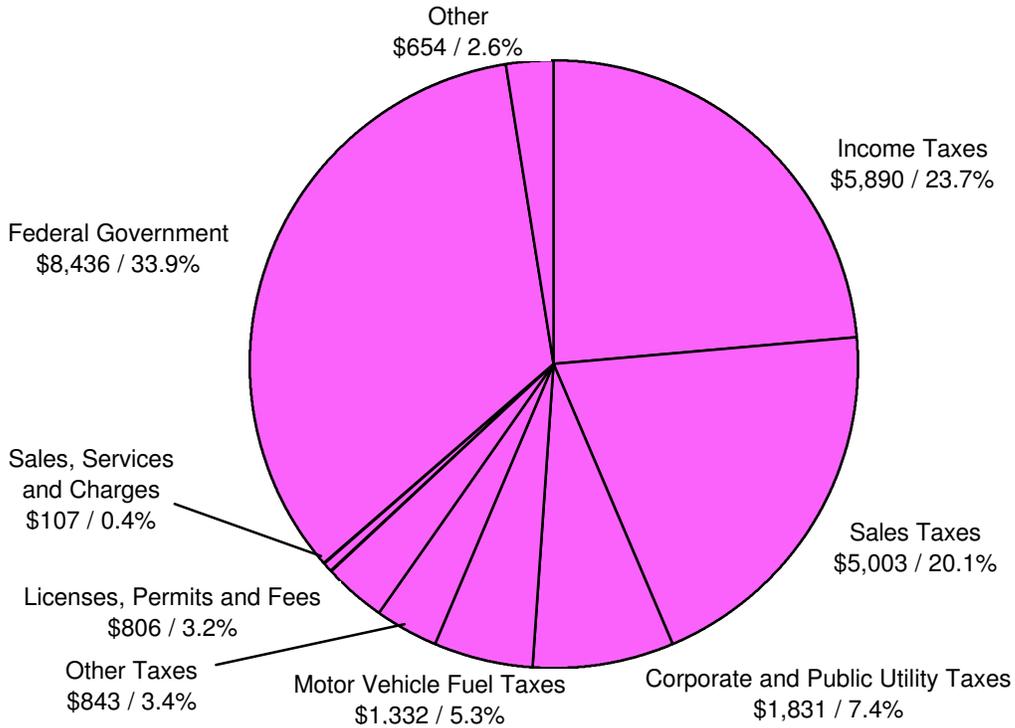
ACKNOWLEDGMENTS

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

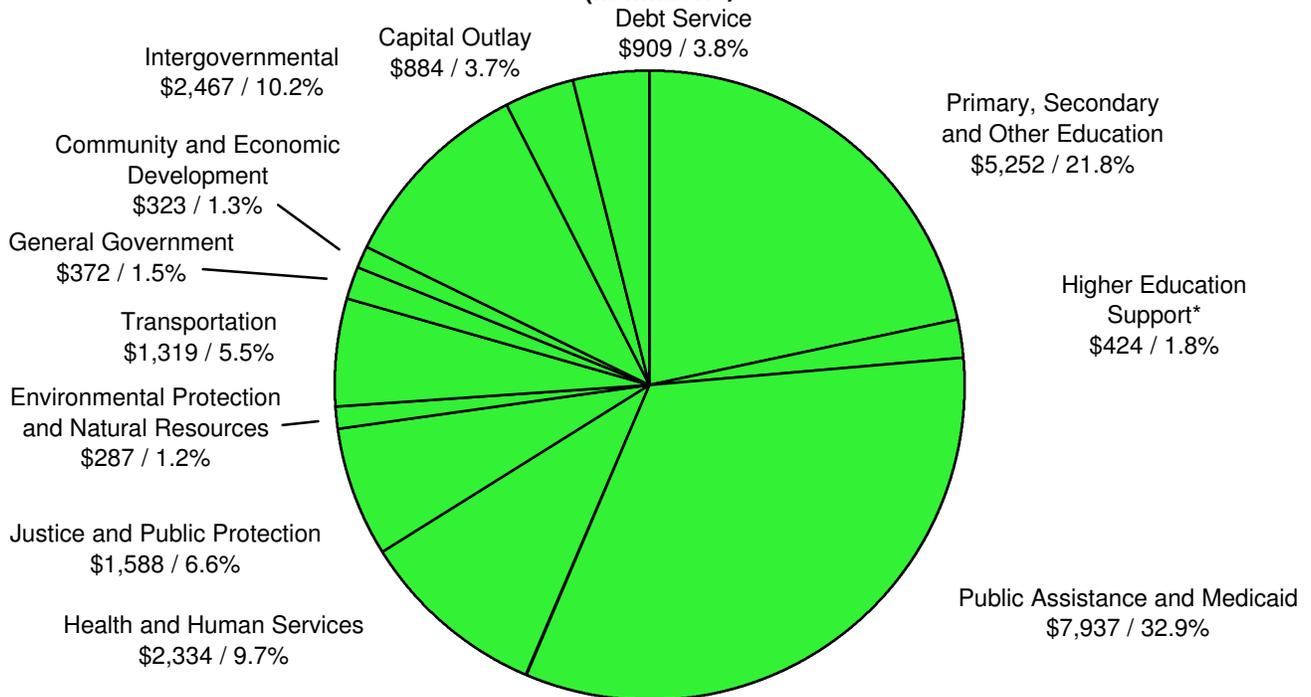
Sincerely,

R. GREGORY BROWNING
Director

**Revenues for All Governmental Funds
Fiscal Year 1996
(in millions)**



**Expenditures for All Governmental Funds
Fiscal Year 1996
(in millions)**



* In the governmental funds, budgetary expenditures for Higher Education Support totaling \$1.36 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, 1995

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.



Arthur R. Lynch
President

Jeffrey L. Esser
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

Stanley J. Aronoff
President of the Senate

Jo Ann Davidson
Speaker of the House

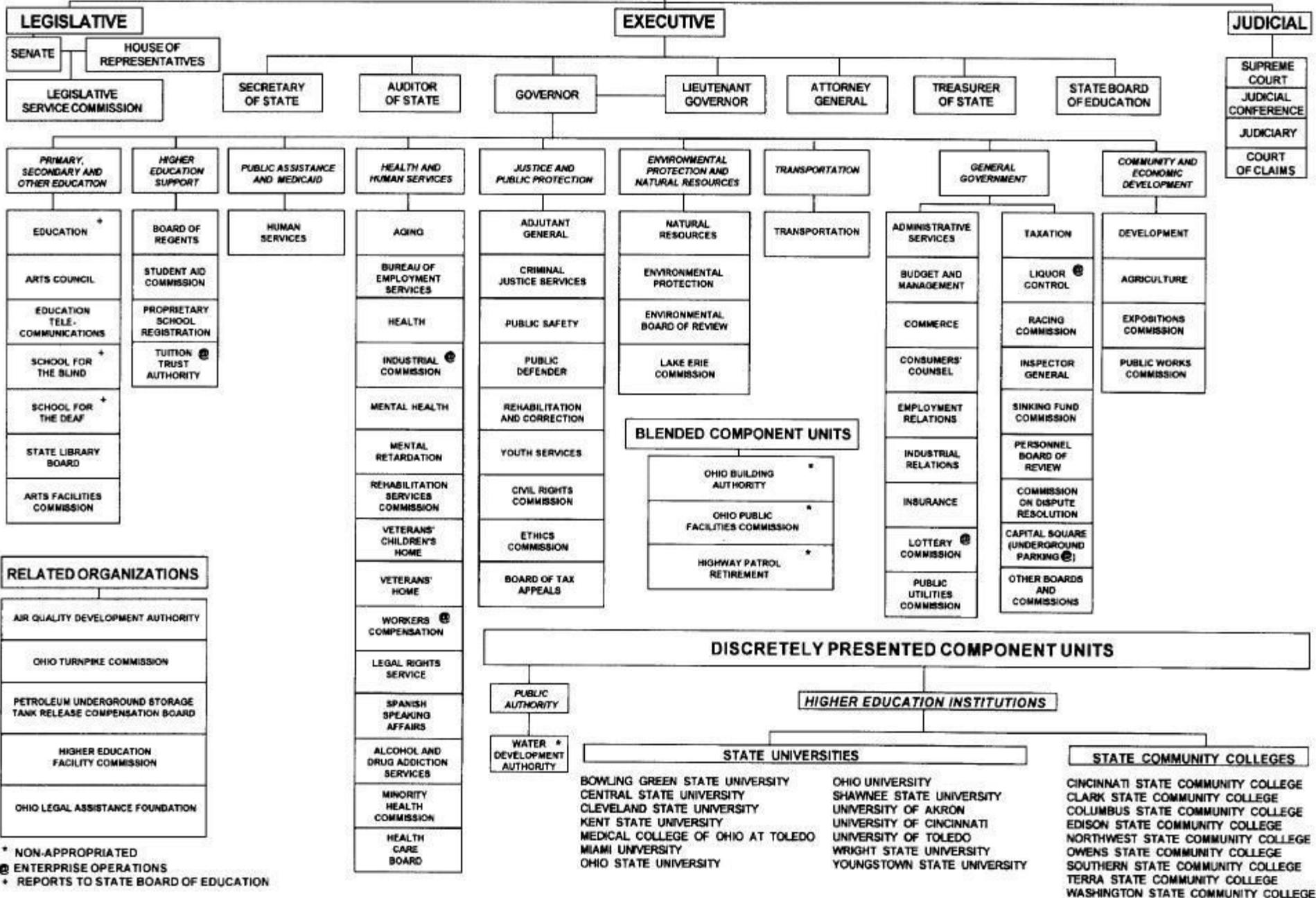
JUDICIAL

Thomas J. Moyer
Chief Justice
Supreme Court

STATE OF OHIO ORGANIZATION CHART

THE CITIZENS OF OHIO

PRIMARY GOVERNMENT



* NON-APPROPRIATED
 @ ENTERPRISE OPERATIONS
 + REPORTS TO STATE BOARD OF EDUCATION

FINANCIAL SECTION



State of Ohio
Office of the Auditor
 Jim Petro, Auditor of State

35 East Gay St.
 Columbus, Ohio 43216

Telephone 614-466-3402
 800-443-9275

Facsimile 614-728-7199

INDEPENDENT AUDITORS' 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, 1996, 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 | Ohio Building Authority |
| Economic Development Financing Division | Ohio Bureau of Workers' Compensation
and Industrial Commission of Ohio |
| Ohio Public Facilities Commission | State Highway Patrol Retirement System |
| Underground Parking Garage | |

Also, we did not audit the following discretely presented component units:

- | | |
|----------------------------------|-----------------------------------|
| Ohio Water Development Authority | University of Akron |
| Bowling Green State University | University of Cincinnati |
| Cleveland State University | University of Toledo |
| Kent State University | Wright State University |
| Miami University | Youngstown State University |
| Ohio State University | Medical College of Ohio at Toledo |
| Ohio University | |

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 statements reflect the following percent of total assets or liabilities and revenues of the indicated fund type, account groups and discretely presented component units:

	Percent of Total Assets/(Liabilities)	Percent of Total Revenues
Special Revenue Fund Type	13%	0%
Debt Service Fund Type	71%	13%
Capital Projects Fund Type	5%	27%
Enterprise Fund Type	91%	54%
Internal Service Fund Type	39%	9%
Trust and Agency Fund Type	48%	8%
General Fixed Assets Account Group	12%	—
General Long-Term Obligations Account Group	(73%)	—
Discretely Presented Component Units	95%	95%

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 general purpose 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, 1996, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 9 to the general-purpose financial statements, the State Highway Patrol Retirement System has implemented Statements 25 and 26 of the Government Accounting Standards Board, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plan and Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*, for their fiscal year ended December 31, 1995; and the State of Ohio has implemented Statement 27 of the Government Accounting Standards Board, *Accounting for Pensions by State and Local Governmental Employees* for the fiscal year ended June 30, 1996.

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

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

JIM PETRO
Auditor of State

November 15, 1996

**GENERAL
PURPOSE
FINANCIAL
STATEMENTS**

STATE OF OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS JUNE 30, 1996

(amounts expressed in thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash Equity with Treasurer	\$ 2,277,694	\$ 1,707,596	\$ 115,338	\$ 483,339
Cash and Cash Equivalents	8,137	13,738	2,207	—
Investments	—	129,498	294,249	30,873
Deposit with Federal Government	—	—	—	—
Receivables:				
Taxes	759,104	259,075	4,159	—
Intergovernmental	354,897	281,011	—	—
Premiums and Assessments	—	—	—	—
Loans, Net	12,833	352,983	6,799	93,741
Other	23,574	58,902	1,518	2,783
Due from Other Funds	12,159	20,176	103	453
Inventories	5,059	30,634	—	—
Food Stamps	—	302,460	—	—
Deposit with Deferred Compensation Plan	—	—	—	—
Advances to Other Funds	—	—	—	—
Restricted Assets:				
Cash Equity with Treasurer	—	—	—	—
Cash and Cash Equivalents	2,995	—	—	—
Investments	—	—	—	—
Dedicated Investments	—	—	—	—
Other Receivables	—	—	—	—
Fixed Assets (net of accumulated depreciation)	—	—	—	—
Other Assets	991	6,552	—	—
Sureties	—	—	—	—
Amount Available in Debt Service Fund	—	—	—	—
Amount to be Provided for the Retirement of General Long-Term Obligations	—	—	—	—
TOTAL ASSETS AND OTHER DEBITS	\$ 3,457,443	\$ 3,162,625	\$ 424,373	\$ 611,189
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 87,426	\$ 212,633	\$ —	\$ 72,192
Medicaid Claims Payable	454,599	—	—	—
Accrued Liabilities	96,224	56,120	677	28
Intergovernmental Payable	178,649	403,957	—	—
Due to Other Funds	33,366	7,158	—	86
Deferred Revenues	158	326,528	111	—
Workers' Compensation Benefits Payable	—	—	—	—
Refund and Other Liabilities	426,815	63,615	1,297	—
Liability for Escheat Property	—	—	—	—
Liability for Deferred Compensation	—	—	—	—
Liabilities Payable from Restricted Assets	—	—	—	—
Advances from Other Funds	—	72,248	—	—
General Obligation Bonds	—	—	—	—
Revenue Bonds and Notes	—	—	—	—
Special Obligation Bonds	—	—	—	—
Certificates of Participation	—	—	—	—
Other General Long-Term Obligations	—	—	—	—
Total Liabilities	1,277,237	1,142,259	2,085	72,306
Fund Equity and Other Credits:				
Investment in General Fixed Assets	—	—	—	—
Contributed Capital	—	—	—	—
Net Unrealized Losses on Investments	—	—	—	—
Retained Earnings:				
Reserved	—	—	—	—
Unreserved	—	—	—	—
Fund Balances:				
Reserved for:				
Debt Service	—	—	414,846	—
Encumbrances	349,083	1,847,681	—	684,651
Budget Stabilization	828,307	—	—	—
Noncurrent Portion of Loans Receivable	12,688	286,646	6,799	93,007
Pension and Other Postemployment Benefits	—	—	—	—
Unemployment Benefits	—	—	—	—
Restricted Fund Balances	—	—	—	—
Other	158,295	192,803	—	40,866
Unreserved/Designated	530,800	—	—	—
Unreserved/Undesignated (Deficits)	301,033	(306,764)	643	(279,641)
Total Fund Equity and Other Credits	2,180,206	2,020,366	422,288	538,883
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 3,457,443	\$ 3,162,625	\$ 424,373	\$ 611,189

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

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (memorandum only)	COMPONENT UNITS	TOTAL REPORTING ENTITY (memorandum only)
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS			
\$ 124,873	\$ 40,935	\$ 297,834	\$ —	\$ —	\$ 5,047,609	\$ 808	\$ 5,048,417
244,974	266	105,605	—	—	374,927	112,651	487,578
14,472,219	1,705	80,493,295	—	—	95,421,839	2,471,836	97,893,675
—	—	1,688,357	—	—	1,688,357	—	1,688,357
—	—	200,155	—	—	1,222,493	—	1,222,493
—	1,805	17	—	—	637,730	30,413	668,143
2,310,699	—	—	—	—	2,310,699	—	2,310,699
—	—	—	—	—	466,356	1,646,229	2,112,585
342,960	46,806	25,894	—	—	502,437	354,348	856,785
399	38,563	4,787	—	—	76,640	346,177	422,817
21,551	20,104	—	—	—	77,348	41,067	118,415
—	—	—	—	—	302,460	—	302,460
—	—	714,129	—	—	714,129	5,664	719,793
—	—	72,248	—	—	72,248	—	72,248
7,311	—	—	—	—	7,311	—	7,311
36	1	—	—	—	3,032	62,853	65,885
—	42,307	—	—	—	42,307	637,233	679,540
1,460,437	—	—	—	—	1,460,437	—	1,460,437
15,681	—	—	—	—	15,681	—	15,681
368,891	34,430	2,917	3,267,207	—	3,673,445	7,608,610	11,282,055
30,432	398	67	—	—	38,440	433,917	472,357
—	—	374,295	—	—	374,295	—	374,295
—	—	—	—	414,846	414,846	—	414,846
—	—	—	—	6,398,746	6,398,746	—	6,398,746
\$ 19,400,463	\$ 227,320	\$ 83,979,600	\$ 3,267,207	\$ 6,813,592	\$ 121,343,812	\$ 13,751,806	\$ 135,095,618
\$ 71,370	\$ 22,165	\$ 333	\$ —	\$ —	\$ 466,119	\$ 164,241	\$ 630,360
46,059	10,458	269	—	—	454,599	—	454,599
357	—	3,433,236	—	—	209,835	567,014	776,849
50	1,927	41,667	—	—	4,016,199	—	4,016,199
447,014	920	—	—	—	84,254	346,177	430,431
12,836,888	—	—	—	—	774,731	159,203	933,934
1,207,588	—	77,182,751	—	—	12,836,888	—	12,836,888
—	—	59,146	—	—	78,882,066	294,919	79,176,985
—	—	714,149	—	—	59,146	—	59,146
1,439,242	—	—	—	—	714,149	5,664	719,813
—	—	—	—	—	1,439,242	—	1,439,242
—	—	—	—	—	72,248	—	72,248
208,428	41,340	—	—	1,304,564	1,304,564	—	1,304,564
—	—	—	—	67,490	317,258	2,157,776	2,475,034
—	—	—	—	4,448,836	4,448,836	—	4,448,836
—	—	—	—	17,740	17,740	17,030	34,770
—	—	—	—	974,962	974,962	—	974,962
16,256,996	76,810	81,431,551	—	6,813,592	107,072,836	3,712,024	110,784,860
—	—	—	3,267,207	—	3,267,207	6,774,372	10,041,579
—	35,230	—	—	—	35,230	—	35,230
1,953,039	—	—	—	—	1,953,039	—	1,953,039
130,188	294	—	—	—	130,482	—	130,482
1,060,240	114,986	—	—	—	1,175,226	909,833	2,085,059
—	—	—	—	—	414,846	—	414,846
—	—	—	—	—	2,881,415	—	2,881,415
—	—	—	—	—	828,307	—	828,307
—	—	—	—	—	399,140	—	399,140
—	—	447,675	—	—	447,675	—	447,675
—	—	1,934,061	—	—	1,934,061	—	1,934,061
—	—	—	—	—	—	1,513,000	1,513,000
—	—	72,248	—	—	464,212	—	464,212
—	—	—	—	—	530,800	767,263	1,298,063
—	—	94,065	—	—	(190,664)	75,314	(115,350)
3,143,467	150,510	2,548,049	3,267,207	—	14,270,976	10,039,782	24,310,758
\$ 19,400,463	\$ 227,320	\$ 83,979,600	\$ 3,267,207	\$ 6,813,592	\$ 121,343,812	\$ 13,751,806	\$ 135,095,618

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, 1996

(amounts expressed in thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Income Taxes	\$ 5,268,111	\$ 622,476	\$ —
Sales Taxes	4,750,430	252,594	—
Corporate and Public Utility Taxes	1,731,956	99,344	—
Motor Vehicle Fuel Taxes	—	1,259,659	72,635
Unemployment Taxes	—	—	—
Other Taxes	802,912	39,776	—
Licenses, Permits and Fees	89,249	670,211	46,145
Sales, Services and Charges	64,693	41,824	—
Federal Government	3,672,610	4,762,877	404
Other	302,772	284,014	26,805
TOTAL REVENUES	16,682,733	8,032,775	145,989
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	3,835,016	1,416,789	—
Higher Education Support	304,752	118,721	—
Public Assistance and Medicaid	6,393,001	1,543,577	—
Health and Human Services	908,717	1,424,866	—
Justice and Public Protection	1,211,139	376,887	—
Environmental Protection and Natural Resources	98,571	188,416	—
Transportation	35,303	1,283,817	—
General Government	281,664	90,332	—
Community and Economic Development	102,044	220,432	—
INTERGOVERNMENTAL	898,190	1,568,947	—
CAPITAL OUTLAY	1,969	87,057	—
DEBT SERVICE	1,428	—	907,706
TOTAL EXPENDITURES	14,071,794	8,319,841	907,706
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,610,939	(287,066)	(761,717)
OTHER FINANCING SOURCES (USES):			
Bond and Certificates of Participation Proceeds	10,159	15,000	—
Current Refunding Bond Proceeds	—	—	10,994
Payment to Refunded Bond Escrow Agents	—	—	(10,994)
Capital Leases	335	1,890	—
Operating Transfers-in	93,457	1,686,192	761,098
Operating Transfers-out	(807,457)	(885,832)	(29,558)
Operating Transfers to Component Units	(1,359,487)	(1,961)	—
TOTAL OTHER FINANCING SOURCES (USES)	(2,062,993)	815,289	731,540
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	547,946	528,223	(30,177)
FUND BALANCES, JULY 1	1,656,135	1,499,754	452,465
Decrease for Changes in Inventories	(889)	(7,611)	—
Residual Equity Transfers-out	(22,986)	—	—
FUND BALANCES, JUNE 30	\$ 2,180,206	\$ 2,020,366	\$ 422,288

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

<u>CAPITAL PROJECTS</u>	<u>FIDUCIARY FUND TYPE</u> <u>EXPENDABLE TRUST</u>	<u>TOTAL (memorandum only)</u>
\$ —	\$ —	\$ 5,890,587
—	—	5,003,024
—	—	1,831,300
—	—	1,332,294
—	943,083	943,083
—	—	842,688
—	—	805,605
—	—	106,517
—	12,924	8,448,815
40,866	171,431	825,888
<u>40,866</u>	<u>1,127,438</u>	<u>26,029,801</u>
—	—	5,251,805
—	—	423,473
—	—	7,936,578
—	787,838	3,121,421
—	—	1,588,026
—	—	286,987
—	—	1,319,120
—	18,166	390,162
801	—	323,277
—	—	2,467,137
795,430	—	884,456
—	—	909,134
<u>796,231</u>	<u>806,004</u>	<u>24,901,576</u>
<u>(755,365)</u>	<u>321,434</u>	<u>1,128,225</u>
765,345	—	790,504
—	—	10,994
—	—	(10,994)
—	—	2,225
199,713	—	2,740,460
(209,614)	—	(1,932,461)
—	—	(1,361,448)
<u>755,444</u>	<u>—</u>	<u>239,280</u>
79	321,434	1,367,505
545,064	1,778,940	5,932,358
—	—	(8,500)
(6,260)	—	(29,246)
<u>\$ 538,883</u>	<u>\$ 2,100,374</u>	<u>\$ 7,262,117</u>

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, 1996

(amounts expressed in thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ 5,185,603	\$ 5,262,838	\$ 77,235
Sales Taxes	4,709,901	4,739,476	29,575
Corporate and Public Utility Taxes	1,687,302	1,735,622	48,320
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	783,306	802,913	19,607
Licenses, Permits and Fees	96,437	96,490	53
Sales, Services and Charges	54,156	56,096	1,940
Federal Government	3,700,832	3,703,936	3,104
Other	417,443	442,147	24,704
TOTAL REVENUES	16,634,980	16,839,518	204,538
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	3,927,243	3,913,217	14,026
Higher Education Support	1,680,974	1,671,144	9,830
Public Assistance and Medicaid	6,624,249	6,443,795	180,454
Health and Human Services	949,380	930,150	19,230
Justice and Public Protection	1,218,694	1,193,236	25,458
Environmental Protection and Natural Resources	119,380	114,360	5,020
Transportation	35,827	35,723	104
General Government	418,116	368,555	49,561
Community and Economic Development	126,402	121,780	4,622
INTERGOVERNMENTAL	890,752	884,645	6,107
CAPITAL OUTLAY	10,763	881	9,882
DEBT SERVICE	739,928	688,806	51,122
TOTAL BUDGETARY EXPENDITURES	16,741,708	16,366,292	375,416
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(106,728)	473,226	579,954
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	51,400	99,349	47,949
Operating Transfers-out	(54,055)	(119,473)	(65,418)
Encumbrance Reversions	—	71,858	71,858
TOTAL OTHER FINANCING SOURCES (USES)	(2,655)	51,734	54,389
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	(109,383)	524,960	634,343
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1			
Increase in Budgetary Designations	177,773	177,773	—
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	(253,187)	381,156	634,343
Budgetary Designations, June 30	1,472,688	1,472,688	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	\$ 1,219,501	\$ 1,853,844	\$ 634,343

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

SPECIAL REVENUE FUNDS

DEBT SERVICE FUNDS

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 621,896	\$ 621,896	\$ —	\$ —	\$ —	\$ —
251,888	251,888	—	—	—	—
99,528	99,528	—	—	—	—
1,183,904	1,183,904	—	69,720	69,720	—
40,140	40,140	—	—	—	—
835,308	835,308	—	46,742	46,742	—
29,073	29,073	—	—	—	—
4,187,841	4,187,841	—	—	—	—
452,495	452,495	—	102,876	102,876	—
7,702,073	7,702,073	—	219,338	219,338	—
1,600,373	1,581,836	18,537	—	—	—
44,294	41,602	2,692	—	—	—
2,076,008	1,327,948	748,060	—	—	—
1,759,396	1,558,994	200,402	—	—	—
460,397	398,898	61,499	—	—	—
245,759	200,087	45,672	—	—	—
1,636,928	1,455,655	181,273	—	—	—
109,679	95,265	14,414	—	—	—
416,638	329,067	87,571	—	—	—
1,793,859	1,737,888	55,971	—	—	—
250,546	131,055	119,491	—	—	—
20,199	13,435	6,764	221,859	215,429	6,430
10,414,076	8,871,730	1,542,346	221,859	215,429	6,430
(2,712,003)	(1,169,657)	1,542,346	(2,521)	3,909	6,430
15,000	15,000	—	609	609	—
1,752,636	1,752,636	—	71,402	71,402	—
(940,796)	(940,796)	—	(74,902)	(74,902)	—
267,119	267,119	—	—	—	—
1,093,959	1,093,959	—	(2,891)	(2,891)	—
\$ (1,618,044)	(75,698)	\$ 1,542,346	\$ (5,412)	1,018	\$ 6,430
	(474,163)			114,320	
	—			—	
	(549,861)			115,338	
	—			—	
	\$ (549,861)			\$ 115,338	

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (memorandum only)
	ENTERPRISE	INTERNAL SERVICE	
OPERATING REVENUES:			
Charges for Sales and Services	\$ 2,736,060	\$ 291,551	\$ 3,027,611
Premium and Assessment Income	2,300,888	—	2,300,888
Investment Income	1,128,877	—	1,128,877
Other	36,844	6,329	43,173
TOTAL OPERATING REVENUES	6,202,669	297,880	6,500,549
OPERATING EXPENSES:			
Costs of Sales and Services	216,852	158,409	375,261
Administration	202,453	97,225	299,678
Bonuses and Commissions	145,592	—	145,592
Prizes	1,363,071	—	1,363,071
Benefits and Claims	2,142,083	—	2,142,083
Depreciation	33,641	20,484	54,125
Other	165,441	9,633	175,074
TOTAL OPERATING EXPENSES	4,269,133	285,751	4,554,884
OPERATING INCOME	1,933,536	12,129	1,945,665
NONOPERATING REVENUES (EXPENSES):			
Investment Income	263	1,820	2,083
Interest Expense	—	(3,649)	(3,649)
Federal Grants	—	—	—
Other	(2,096)	(621)	(2,717)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,833)	(2,450)	(4,283)
INCOME BEFORE OPERATING TRANSFERS	1,931,703	9,679	1,941,382
OPERATING TRANSFERS:			
Operating Transfers-in	—	40,817	40,817
Operating Transfers-out	(810,223)	(34,213)	(844,436)
Operating Transfers from Primary Government	—	—	—
TOTAL OPERATING TRANSFERS	(810,223)	6,604	(803,619)
NET INCOME	1,121,480	16,283	1,137,763
RETAINED EARNINGS, JULY 1	68,948	98,997	167,945
RETAINED EARNINGS, JUNE 30	\$ 1,190,428	\$ 115,280	\$ 1,305,708

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

<u>COMPONENT UNIT</u>	<u>TOTAL REPORTING ENTITY (memorandum only)</u>
<u>OHIO WATER DEVELOPMENT AUTHORITY</u>	
\$ 91,717	\$ 3,119,328
—	2,300,888
32,503	1,161,380
1,451	44,624
<u>125,671</u>	<u>6,626,220</u>
65,775	441,036
5,372	305,050
—	145,592
—	1,363,071
—	2,142,083
82	54,207
—	175,074
<u>71,229</u>	<u>4,626,113</u>
<u>54,442</u>	<u>2,000,107</u>
—	2,083
—	(3,649)
155,681	155,681
581	(2,136)
<u>156,262</u>	<u>151,979</u>
<u>210,704</u>	<u>2,152,086</u>
—	40,817
—	(844,436)
1,961	1,961
<u>1,961</u>	<u>(801,658)</u>
<u>212,665</u>	<u>1,350,428</u>
<u>697,168</u>	<u>865,113</u>
<u>\$ 909,833</u>	<u>\$ 2,215,541</u>

STATE OF OHIO

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	ENTERPRISE	INTERNAL SERVICE	TOTAL PRIMARY GOVERNMENT (memorandum only)	COMPONENT UNIT OHIO WATER DEVELOPMENT AUTHORITY	TOTAL REPORTING ENTITY (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating Income	\$ 1,933,536	\$ 12,129	\$ 1,945,665	\$ 54,442	\$ 2,000,107
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Investment Income	(1,128,877)	—	(1,128,877)	(32,503)	(1,161,380)
Depreciation	33,641	20,484	54,125	82	54,207
Provision for Uncollectible Accounts	43,602	—	43,602	—	43,602
Amortization of Premiums and Discounts	(7,658)	—	(7,658)	887	(6,771)
Interest on Bonds, Notes and Capital Leases	9,947	—	9,947	64,888	74,835
Other	—	—	—	1,341	1,341
Decrease (Increase) in Assets:					
Intergovernmental Receivables	—	(125)	(125)	—	(125)
Premiums and Assessments Receivable	110,441	—	110,441	—	110,441
Loans, Net	—	—	—	(204,892)	(204,892)
Other Receivables	(82,188)	2,328	(79,860)	172	(79,688)
Due from Other Funds	130	(13,638)	(13,508)	(203)	(13,711)
Inventories	489	694	1,183	—	1,183
Other Assets	1,049	(58)	991	—	991
Increase (Decrease) in Liabilities:					
Accounts Payable	(22,618)	(6,404)	(29,022)	9,236	(19,786)
Accrued Liabilities	(2,384)	140	(2,244)	—	(2,244)
Intergovernmental Payable	(28)	(1,800)	(1,828)	—	(1,828)
Due to Other Funds	(407)	283	(124)	203	79
Deferred Revenues	(135)	(38)	(173)	—	(173)
Workers' Compensation Benefits Payable	219,212	—	219,212	—	219,212
Refund and Other Liabilities	63,415	—	63,415	(674)	62,741
Liabilities Payable from Restricted Assets	(25,479)	—	(25,479)	—	(25,479)
NET CASH FLOWS PROVIDED (USED) BY					
OPERATING ACTIVITIES	1,145,688	13,995	1,159,683	(107,021)	1,052,662

CASH FLOWS FROM NONCAPITAL**FINANCING ACTIVITIES:**

Operating Transfers-in	—	40,817	40,817	—	40,817
Operating Transfers-out	(810,223)	(34,213)	(844,436)	—	(844,436)
Operating Transfers from the Primary Government	—	—	—	366	366
Bond Proceeds	—	—	—	432,382	432,382
Federal Grants	—	—	—	156,265	156,265
Retirement of Revenue Bond Principal	—	—	—	(65,940)	(65,940)
Interest Paid	—	—	—	(58,202)	(58,202)
Other	—	—	—	(4,876)	(4,876)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(810,223)	6,604	(803,619)	459,995	(343,624)

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

Principal Payment on Bonds	(2,000)	(2,602)	(4,602)	—	(4,602)
Interest Paid	(9,947)	(3,279)	(13,226)	—	(13,226)
Principal Receipts on Capital Leases	—	2,547	2,547	—	2,547
Acquisition and Construction of Capital Assets	(22,393)	(3,303)	(25,696)	(150)	(25,846)
Proceeds from Sales of Fixed Assets	62	6	68	—	68
Principal Payments on Capital Leases	(8,141)	(964)	(9,105)	—	(9,105)
NET CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(42,419)	(7,595)	(50,014)	(150)	(50,164)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from the Sales and Maturities of Investments	8,270,381	—	8,270,381	7,318,021	15,588,402
Purchase of Investments	(9,773,740)	(748)	(9,774,488)	(7,701,115)	(17,475,603)
Investment Income Received	1,135,857	1,806	1,137,663	30,676	1,168,339
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	(367,502)	1,058	(366,444)	(352,418)	(718,862)

NET INCREASE (DECREASE)

IN CASH AND CASH EQUIVALENTS	(74,456)	14,062	(60,394)	406	(59,988)
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CASH AND CASH EQUIVALENTS, JULY 1	451,650	27,140	478,790	1,360	480,150
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CASH AND CASH EQUIVALENTS, JUNE 30	\$ 377,194	\$ 41,202	\$ 418,396	\$ 1,766 ^(a)	\$ 420,162
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(a) Cash and cash equivalents (included in the \$176,312 reported for discretely presented component units) \$1,766

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Acquisition and Construction of Capital Assets	\$ —	\$ 6,260	\$ 6,260	\$ —	\$ 6,260
Forgiveness of Interfund Advances	—	22,986	22,986	—	22,986
INCREASE IN CONTRIBUTED CAPITAL	\$ —	\$ 29,246	\$ 29,246	\$ —	\$ 29,246

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

STATE OF OHIO
STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1996
(amounts expressed in thousands)

STATE HIGHWAY PATROL RETIREMENT SYSTEM

	<u>PENSION</u>	<u>POST- EMPLOYMENT</u>	<u>TOTAL</u>
ADDITIONS:			
<i>Contributions:</i>			
Employer	\$ 10,775	\$ 3,114	\$ 13,889
Employees	7,304	—	7,304
Other Contributions	198	8	206
Total Contributions	18,277	3,122	21,399
<i>Investment Income:</i>			
Net Appreciation in Fair Value of Investments	55,373	9,733	65,106
Interest	10,787	1,896	12,683
Dividends	3,093	544	3,637
Other Investment Income	447	78	525
Total Investment Income	69,700	12,251	81,951
Other Income	20	3	23
TOTAL ADDITIONS	87,997	15,376	103,373
DEDUCTIONS:			
Benefits and Claims	13,607	1,959	15,566
Refunds of Employee Contributions	208	—	208
Administrative Expenses	1,657	291	1,948
TOTAL DEDUCTIONS	15,472	2,250	17,722
NET INCREASE	72,525	13,126	85,651
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS			
JULY 1 (as restated)	307,428	54,596	362,024
JUNE 30	\$ 379,953	\$ 67,722	\$ 447,675

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, 1996

(amounts expressed in thousands)

	<u>TOTAL COMPONENT UNITS</u>
REVENUES AND OTHER ADDITIONS:	
Unrestricted Current Fund Revenues	\$ 2,603,319
Local Appropriations-Restricted	50,470
Federal Grants and Contracts-Restricted	416,608
State Grants and Contracts-Restricted	82,275
Local Grants and Contracts-Restricted	4,612
Private Gifts, Grants and Contracts-Restricted	305,456
Endowment Income-Restricted	21,447
Investment Income-Restricted	25,525
Realized Gain on Investments-Restricted (net)	91,530
Interest on Loans Receivable	4,475
Investment in Plant-Additions	542,355
Matured Annuity & Life Income Restricted to Endowment	2,230
Other	61,500
TOTAL REVENUES AND OTHER ADDITIONS	<u>4,211,802</u>
EXPENDITURES AND OTHER DEDUCTIONS:	
Educational and General Expenditures	3,466,648
Auxiliary Enterprises Expenditures	467,934
Hospital Expenditures	505,105
Indirect Costs Recovered	66,274
Grant Refunds and Adjustments	2,542
Loan Cancellations and Write-offs	2,992
Administrative and Collection Costs	2,824
Expended for Plant Facilities	128,007
Retirement of Indebtedness	63,440
Interest on Indebtedness	42,862
Investment in Plant-Deductions	90,676
Matured Annuity & Life Income Restricted to Endowment	2,247
Other	10,270
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	<u>4,851,821</u>
TRANSFERS:	
Operating Transfers from Primary Government	1,362,787
NET INCREASE FOR THE YEAR	<u>722,768</u>
FUND BALANCE AND OTHER CREDITS, JULY 1	<u>8,407,181</u>
FUND BALANCE AND OTHER CREDITS, JUNE 30	<u>\$ 9,129,949</u>

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

STATE OF OHIO

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	<u>TOTAL COMPONENT UNITS</u>
REVENUES:	
Tuition, Fees and Other Student Charges	\$ 1,261,652
Local Appropriations	49,993
Federal Grants and Contracts	413,625
State Grants and Contracts	81,679
Local Grants and Contracts	6,198
Private Gifts, Grants and Contracts	217,756
Endowment Income	46,844
Sales and Services	1,082,208
Temporary Investment Income	48,722
Other Sources	113,614
TOTAL REVENUES	<u>3,322,291</u>
EXPENDITURES AND MANDATORY TRANSFERS:	
EDUCATIONAL AND GENERAL:	
Instruction and Departmental Research	1,482,442
Separately Budgeted Research	321,741
Public Service	219,221
Academic Support	324,401
Student Services	188,640
Institutional Support	328,373
Operation and Maintenance of Plant	264,711
Scholarships and Fellowships	321,974
Other Educational and General	12,340
TOTAL EDUCATIONAL AND GENERAL	3,463,843
AUXILIARY ENTERPRISES	467,978
HOSPITALS	504,761
TOTAL EXPENDITURES	<u>4,436,582</u>
MANDATORY TRANSFERS, NET:	
Principal and Interest	89,876
Renewals and Replacements	4,336
Student Loan Matching Grants	1,086
Other	1
TOTAL MANDATORY TRANSFERS, NET	<u>95,299</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>4,531,881</u>
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):	
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	1,357,675
NONMANDATORY TRANSFERS, NET:	
Capital Improvements	(71,615)
Other	13,980
ADDITIONS/(DEDUCTIONS):	
Excess of Restricted Receipts over Transfers to Revenue	93,004
Indirect Costs Recovered	(66,226)
Other	13,686
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	<u>1,340,504</u>
NET INCREASE IN FUND BALANCE	<u>\$ 130,914</u>

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



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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, 1996, 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.

Proprietary:	Ohio State University	State Community Colleges:
Ohio Water	Ohio University	Cincinnati State Community College
Development Authority	Shawnee State University	Clark State Community College
	University of Akron	Columbus State Community College
Colleges and Universities:	University of Cincinnati	Edison State Community College
	University of Toledo	Northwest State Community College
State Universities:	Wright State University	Owens State Community College
Bowling Green State University	Youngstown State University	Southern State Community College
Central State University		Terra State Community College
Cleveland State University	Medical Colleges:	Washington State Community College
Kent State University	Medical College	
Miami University	of Ohio at Toledo	



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. The enterprise funds include the Ohio Bureau of Workers' Compensation for its fiscal year ended December 31, 1995.

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, 1995.

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, 1995.

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, 1995.

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 follow:

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

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, investment earnings, 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
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 is provided in the separately published annual *Ohio Budgetary Financial Report*, which is available from the Ohio Office of Budget and Management upon request, and the "Detailed Appropriation Summary by Fund" report, which is available for public inspection.

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



NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financial statements. In addition, budgetary expenditures include cash disbursements against fiscal year 1996 appropriations and outstanding encumbrances, as of June 30, 1996, that were committed during fiscal year 1996. 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, including the cash float, 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 Bureau of Workers' Compensation Enterprise Fund and Deferred Compensation Agency Fund, which are reported at market and those of the 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:

Buildings	20-45 years
Machinery and Equipment	5-20 years
State Vehicles	5 years

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

For the calendar year ended December 31, 1995, the State Highway Patrol Retirement System Pension Trust Fund adopted Governmental Accounting Standard Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*.

GASB Statements Nos. 25 and 26 call for changes in the Pension Trust Fund’s financial statement format. Specifically, these reporting standards require that a Statement of Plan Net Assets and a Statement of Changes in Plan Net Assets be presented for pension plans (GASB No. 25) and postemployment healthcare plans (GASB No. 26). GASB Statement No. 25 also requires the Pension Trust Fund to report its investments at fair value.

Accordingly, the July 1, 1995, fund balance for the Pension Trust Fund was decreased by approximately \$2.2 million to reflect the cumulative effect of the accounting changes implemented to conform with the new reporting standards.

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.

Budgetary 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 \$294.2 million and \$814.6 million increases in the budgets of the General and Special Revenue funds, respectively. Supplemental and amended budgetary appropriations for the Debt Service Fund were not considered material.

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, 1996
(in thousands)

	General	Special Revenue	Debt Service
Total Fund Balances - GAAP Basis	\$2,180,206	\$2,020,366	\$422,288
Less: Unbudgeted Fund Balances	—	152,092 *	301,777
Total Budgeted Fund Balances - GAAP Basis	2,180,206	1,868,274	120,511
Less: Reserved Fund Balances.....	1,348,373	2,258,212	119,868
Less: Designated Fund Balances.....	530,800	—	—
Unreserved/Undesignated Fund Balances - GAAP Basis	301,033	(389,938)	643
BASIS DIFFERENCES			
Revenue Accruals/Adjustments:			
Taxes Receivable	(759,104)	(259,075)	(4,159)
Intergovernmental Receivable.....	(354,897)	(272,564)	—
Loans Receivable	(12,833)	(223,814)	—
Other Receivables	(23,574)	(34,645)	(614)
Due from Other Funds.....	(12,159)	(20,176)	(103)
Inventories.....	(5,059)	(29,770)	—
Food Stamps.....	—	(302,460)	—
Other Assets	(991)	(115)	—
Deferred Revenues	158	326,528	—
Subtotal.....	(1,168,459)	(816,091)	(4,876)
Expenditure Accruals/Adjustments:			
Accounts Payable.....	87,426	191,928	—
Medicaid Claims Payable.....	454,599	—	—
Accrued Liabilities	96,224	50,282	351
Intergovernmental Payable	178,649	356,504	—
Due to Other Funds.....	33,366	5,811	—
Refund and Other Liabilities.....	426,815	57,003	1,160
Subtotal.....	1,277,079	661,528	1,511
Other Adjustments:			
Fund Balance Reclassifications:			
From Unreserved (Non-GAAP Budgetary Basis)			
to Reserved for:			
Debt Service	—	—	119,868
Budget Stabilization	828,307	—	—
Noncurrent Portion of Loans Receivable.....	12,688	223,045	—
Other (See NOTE 20).....	158,295	191,939	—
From Undesignated (Non-GAAP Budgetary Basis)			
to Designated			
	530,800	—	—
Cash and Investments Held Outside of State Treasury.....	(11,132)	(11,454)	(1,808)
Other.....	—	(1)	—
Subtotal.....	1,518,958	403,529	118,060
Total Basis Differences	1,627,578	248,966	114,695
TIMING DIFFERENCES			
Encumbrances	(74,767)	(408,889)	—
Unreserved/Undesignated and Designated Fund Balances (Deficits) — Non-GAAP Budgetary Basis.....	\$1,853,844	\$ (549,861)	\$115,338

*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;



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

- Commercial paper, rated in one of the two highest rating categories by two nationally recognized rating agencies and not exceeding five percent of the investment portfolio;
- Bankers' acceptances maturing in 270 days or less and not exceeding 10 percent of the investment portfolio;
- Debt of domestic corporations and foreign nations diplomatically recognized by the United States, rated investment grade by nationally recognized rating agencies and, in the aggregate, not exceeding five percent of the investment portfolio; and
- No-load money market funds consisting of U.S. government and agency obligations and repurchase agreements secured by such obligations.

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

In some cases, deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other 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 state universities 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, 1996 (or December 31, 1995, for those entities/funds identified in NOTE 1) the carrying amount of deposits was (in thousands) \$532,794 and the bank balance was \$551,162. Of the bank balance, \$40,650 was fully insured or collateralized with securities held by the primary government or its agent in the primary government's name (Category 1), \$452,427 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 \$58,085, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

2. Component Units

As of June 30, 1996 (or December 31, 1995, for those component units identified in NOTE 1) the carrying amount of deposits was (in thousands) \$114,363 and the bank balance was \$187,839. Of the bank balance, \$47,276 was fully insured or collateralized with securities held by the respective component units or their agents in the component unit's name (Category 1), \$108,953 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 \$31,610, 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, securities on loan, and the deposits with the federal government and the deferred compensation plan.

The following summaries identify the level of credit risk assumed by the primary government and its component units and the total carrying amount and market value of investments, as of June 30, 1996 (or December 31, 1995, for those entities/funds/component units identified in NOTE 1) (in thousands):

	Primary Government			Total	Market Value
	Carrying Amount				
	Category 1	Category 2	Category 3		
U.S. government & agency obligations	\$28,521,347	\$ 6,030,991	\$473,775	\$ 35,026,113	\$ 36,226,013
Common and preferred stock.....	23,109,602	5,228,117	—	28,337,719	31,879,641
Corporate bonds and notes....	5,524,806	2,108,456	—	7,633,262	7,712,609
Foreign stocks and bonds.....	4,540,769	—	—	4,540,769	4,821,784
Commercial paper	4,082,151	238,070	2,231	4,322,452	4,323,296
Repurchase agreements	221,553	115	1,873	223,541	223,541
Bankers' acceptances	16,470	—	—	16,470	16,543
Municipal obligations	1,217	—	—	1,217	1,289
Total	\$66,017,915	\$13,605,749	\$477,879	80,101,543	85,204,716
Securities on loan contracts				13,854,741	14,369,441
Mutual funds				2,305,026	3,128,933
Real estate.....				5,756,847	5,832,045
Venture capital.....				114,613	123,044
Direct mortgage loans.....				38,459	38,459
Deposit with federal government				1,688,357	1,688,357
Deposit with deferred compensation plan				714,129	714,129
Total				\$104,573,715	\$111,099,124

The Treasurer of State, the Bureau of Workers' Compensation, and the retirement systems participate in securities lending programs for securities included in the "Cash Equity with Treasurer" and "Investments" accounts, the STAROhio program, and the retirement systems' assets. 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 equal to no less than 102 percent of the market value of the lent securities. Participants in securities lending activities have minimized the State's exposure to credit risk due to borrower default by requiring the custodial agent bank to determine daily that collateral requirements are met. During fiscal year 1996, the Treasurer, the Bureau of Workers' Compensation, and the retirement systems had not experienced any losses due to credit or market risk on securities lending activity. Securities on loan contracts are not required to be categorized according to their level of credit risk.



NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

	Component Units				Market Value
	Carrying Amount				
	Category 1	Category 2	Category 3	Total	
U.S. government & agency obligations	\$651,725	\$ 700,273	\$111,854	\$1,463,852	\$1,469,103
Common and preferred stock.....	160,990	377,358	3,124	541,472	726,656
Corporate bonds and notes.....	150,384	23,387	7,131	180,902	178,323
Foreign stocks and bonds.....	25,060	—	—	25,060	28,883
Commercial paper	—	13,352	27,678	41,030	41,171
Repurchase agreements	—	429,732	23,342	453,074	453,074
Negotiable Certificates of Deposit	173	—	6,543	6,716	6,716
Bankers Acceptances	—	498	1,002	1,500	1,488
Municipal obligations	382	569	25	976	972
Other Investments	169	—	2,364	2,533	2,934
Total	\$988,883	\$1,545,169	\$183,063	2,717,115	2,909,320
Mutual funds				277,113	287,107
Investment in Treasurer of State Investment Pool (STAROhio).....				120,830	120,830
Real estate.....				40,390	70,666
Life Insurance				7,064	7,064
Limited partnerships.....				2,257	2,802
Other Investments.....				205	205
Deposit with deferred compensation plan				5,664	5,664
Total				\$3,170,638	\$3,403,658

The total carrying amount of deposits and investments, as of June 30, 1996, reported for the primary government and its component units is \$108.05 billion. The total carrying amount of deposits and investments categorized and disclosed in this note is \$108.39 billion. A reconciliation of the difference follows (in thousands):

	Deposits	Investments	Total
Cash equity with Treasurer (unrestricted and restricted)	\$191,189	\$ 4,864,539	\$ 5,055,728
Cash and cash equivalents (unrestricted and restricted)	231,741	321,722	553,463
Investments	1,307	97,892,368	97,893,675
Deposit with federal government	—	1,688,357	1,688,357
Deposit with deferred compensation plan	—	719,793	719,793
Restricted Assets:			
Investments	—	679,540	679,540
Dedicated investments	—	1,460,437	1,460,437
Carrying amount per combined balance sheet.....	424,237	107,626,756	108,050,993
Outstanding warrants and other reconciling items	222,920	117,597	340,517
Total Reporting Entity.....	\$647,157	\$107,744,353	\$108,391,510

NOTE 5 TAXES

Taxes receivable, as of June 30, 1996, consisted of the following (in thousands):

	General	Special Revenue	Debt Service	Trust and Agency	Total
Income Taxes	\$332,250	\$ 39,220	\$ —	\$ —	\$ 371,470
Sales Taxes	426,854	22,430	—	—	449,284
Motor Vehicle Fuel Taxes	—	194,551	4,159	—	198,710
Unemployment Taxes	—	—	—	200,155	200,155
Other Taxes	—	2,874	—	—	2,874
Total	\$759,104	\$259,075	\$4,159	\$200,155	\$1,222,493



NOTE 5 TAXES (Continued)

As of June 30, 1996, refund liabilities for income and corporation franchise taxes, totaling \$469.2 million, were reported as "Refunds and Other Liabilities," of which \$425.8 million was recorded in the General Fund and \$43.4 million was recorded 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, 1996, consisted of the following (in thousands):

Loan Type	Primary Government				
	General	Special Revenue	Debt Service	Capital Projects	Total
Columbiana County Economic Stabilization	\$ 3,714	\$ —	\$ —	\$ —	\$ 3,714
Community and Economic Development:					
Office of Minority Business Incentives	6,209	—	—	—	6,209
Office of Financial Incentives	—	197,960	—	—	197,960
Ohio Housing Finance Agency	—	78,539	—	—	78,539
Subtotal	6,209	276,499	—	—	282,708
Primary, Secondary, and Other Education:					
Vocational Education	1,410	398	—	—	1,808
Bankruptcy and Port Authority	—	646	—	—	646
Public School Building	—	16,484	—	—	16,484
Vocational School Assistance	—	8,534	—	—	8,534
School Building	—	4,652	—	—	4,652
Subtotal	1,410	30,714	—	—	32,124
Higher Education:					
Central State University	1,500	—	—	—	1,500
Student Loans	—	45,551	—	—	45,551
Higher Education Research Investment Loans	—	—	6,799	—	6,799
Subtotal	1,500	45,551	6,799	—	53,850
Natural Resources	—	219	—	—	219
Local Infrastructure Improvements	—	—	—	93,741	93,741
Total	\$12,833	\$352,983	\$6,799	\$93,741	\$466,356

Loan Type	Component Units					Total
	Ohio Water Development Authority (12/31/95)	Ohio State University	University of Cincinnati	Kent State University	Other Component Units	
Water and Wastewater Treatment	\$1,472,777	\$ —	\$ —	\$ —	\$ —	\$1,472,777
Student	—	54,896	27,985	16,968	71,862	171,711
Other	—	21	805	—	915	1,741
Total	\$1,472,777	\$54,917	\$28,790	\$16,968	\$72,777	\$1,646,229



NOTE 6 LOANS AND OTHER RECEIVABLES (Continued)

B. Other Receivables

Other receivables for the primary government and its component units, as of June 30, 1996 (or December 31, 1995 for those entities/funds identified in NOTE 1), consisted of the following detail (in thousands):

Primary Government								
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total
Unrestricted:								
Accounts Receivable	\$ 2,912	\$ 1,736	\$ —	\$ —	\$182,391	\$ 2,866	\$ 8	\$189,913
Interest Receivable.....	20,662	13,006	1,518	2,783	103,547	416	2,321	144,253
Women, Infants and Children Program Rebate Receivable	—	13,712	—	—	—	—	—	13,712
Nursing Facility Bed Assessments Receivable	—	12,080	—	—	—	—	—	12,080
Student Loan Collection Surcharges Receivable.....	—	9,125	—	—	—	—	—	9,125
Leases Receivable	—	—	—	—	—	41,796	—	41,796
Receivables from Lottery Sales Agents.....	—	—	—	—	56,949	—	—	56,949
Claims & Settlements Receivable ...	—	—	—	—	—	—	22,970	22,970
Employer Interest and Penalties on Unemployment Taxes	—	7,825	—	—	—	—	—	7,825
Miscellaneous Receivables	—	1,418	—	—	73	1,728	595	3,814
Total Unrestricted	23,574	58,902	1,518	2,783	342,960	46,806	25,894	502,437
Restricted:								
Interest Receivable.....	—	—	—	—	15,681	—	—	15,681
Total Unrestricted and Restricted ...	<u>\$23,574</u>	<u>\$58,902</u>	<u>\$1,518</u>	<u>\$2,783</u>	<u>\$358,641</u>	<u>\$46,806</u>	<u>\$25,894</u>	<u>\$518,118</u>

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. A schedule of future lease amounts due the Ohio Building Authority Internal Service Fund, net of executory costs, is as follows (in thousands):

Year Ending June 30,	Leases Receivable
1997	\$ 5,844
1998	5,838
1999	5,846
2000	5,841
2001	5,843
Thereafter	43,904
Total minimum amounts due	73,116
Less: Amount representing interest.....	31,320
Present value of minimum lease amounts due.....	<u>\$41,796</u>

Component Units

	Ohio State University	University of Cincinnati	Bowling Green State University	Medical College of Ohio	Other Component Units	Total
Accounts Receivable	\$152,198	\$35,873	\$ 8,212	\$19,490	\$72,236	\$288,009
Interest Receivable.....	11,742	—	12,281	707	4,195	28,925
Pledges Receivable.....	—	27,515	—	—	—	27,515
Miscellaneous Receivables.....	—	5,289	134	—	4,476	9,899
Total	<u>\$163,940</u>	<u>\$68,677</u>	<u>\$20,627</u>	<u>\$20,197</u>	<u>\$80,907</u>	<u>\$354,348</u>



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

JUNE 30, 1996

NOTE 7 INTERFUND BALANCES AND TRANSFERS

Interfund balances, as of June 30, 1996 (or December 31, 1995, for those entities/funds identified in NOTE 1), and operating transfers among the primary government's funds, for the year ended June 30, 1996, are summarized as follows (in thousands):

Fund Type/Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds	Operating Transfers-in	Operating Transfers-out
General	\$ 12,159	\$ 33,366	\$ —	\$ —	\$ 93,457	\$ 807,457
Special Revenue:						
Community and Economic Development	2,786	1,586	—	72,248	38,286	32,770
Human Services.....	552	263	—	—	14,332	5,943
Health.....	204	427	—	—	11,820	266
Mental Health and Retardation.....	898	123	—	—	5,150	—
Employment Services	—	—	—	—	3,949	—
Education.....	266	31	—	—	796,803	10,000
Student Aid Commission	—	—	—	—	5,634	—
Highway Safety	2,337	3,471	—	—	128,968	5,085
Highway Operating.....	4,378	352	—	—	610,102	153,744
Natural Resources	554	243	—	—	307	2,926
Wildlife and Waterway Safety	267	7	—	—	1,000	—
Revenue Distribution.....	7,863	86	—	—	12,000	675,098
Local Transportation Improvements.....	71	569	—	—	57,841	—
Subtotal.....	20,176	7,158	—	72,248	1,686,192	885,832
Debt Service:						
Economic Development Bond Service	—	—	—	—	18,200	—
Coal Research/Development Bond Retirement.....	—	—	—	—	12,062	30
Highway Improvements Bond Retirement	—	—	—	—	—	3,502
Development Bond Retirement	—	—	—	—	4,271	40
Highway Obligations Bond Retirement.....	102	—	—	—	—	200
Public Improvements Bond Retirement.....	—	—	—	—	—	21
Vietnam Conflict Compensation Bond Retirement.....	—	—	—	—	—	1
Local Infrastructure Improvements						
Bond Retirement.....	1	—	—	—	73,994	—
Ohio Public Facilities Commission.....	—	—	—	—	436,549	—
Ohio Building Authority	—	—	—	—	176,825	6,654
Enterprise Bond Retirement.....	—	—	—	—	24,350	19,079
State Projects Bond Service	—	—	—	—	4,848	31
School Building Program Bond Service	—	—	—	—	9,999	—
Subtotal.....	103	—	—	—	761,098	29,558
Capital Projects:						
Arts Facilities Building Improvements	12	—	—	—	9,899	—
Higher Education Improvements	103	—	—	—	—	7,773
Highway Obligations Construction	42	—	—	—	—	—
Mental Health/Mental Retardation						
Facilities Improvements	20	—	—	—	—	—
Parks and Recreation Improvements	13	—	—	—	—	—
Local Infrastructure Improvements.....	76	72	—	—	—	307
Ohio Building Authority	—	—	—	—	—	200,863
Administrative Services Building Improvements.....	25	—	—	—	60,189	—
Youth Services Building Improvements.....	22	—	—	—	—	—
Transportation Building Improvements.....	23	14	—	—	26,802	—
Adult Correctional Building Improvements	65	—	—	—	84,742	—
Highway Safety Building Improvements.....	21	—	—	—	18,081	—
Ohio Parks and Natural Resources	31	—	—	—	—	671
Subtotal.....	453	86	—	—	199,713	209,614
Enterprise:						
Liquor Control	112	50	—	—	—	81,587
Ohio Lottery Commission.....	—	—	—	—	—	726,548
Workers' Compensation	287	—	—	—	—	—
Underground Parking Garage.....	—	—	—	—	—	2,088
Subtotal.....	399	50	—	—	—	810,223

(Continued)



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

JUNE 30, 1996

NOTE 7 INTERFUND BALANCES AND TRANSFERS (Continued)

Fund Type/Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds	Operating Transfers-in	Operating Transfers-out
Internal Service:						
Ohio Building Authority	—	—	—	—	32,166	34,213
Ohio Data Network.....	7,526	65	—	—	—	—
Ohio Penal Industries.....	22,942	1,725	—	—	8,651	—
Support Services.....	4,135	82	—	—	—	—
Telecommunications.....	3,960	55	—	—	—	—
Subtotal.....	38,563	1,927	—	—	40,817	34,213
Expendable Trust:						
Unclaimed Funds.....	1,347	—	72,248	—	—	—
Pension Trust:						
State Highway Patrol.....	3,321	—	—	—	—	—
Agency:						
Holding and Distribution.....	—	14,093	—	—	—	—
Payroll Withholding and Fringe Benefits.....	68	27,574	—	—	—	—
Deferred Compensation.....	20	—	—	—	—	—
Other.....	31	—	—	—	—	—
Subtotal — Trust and Agency.....	4,787	41,667	72,248	—	—	—
Total per Financial Statements - Primary Government.....	76,640	84,254	72,248	72,248	2,781,277	2,776,897
Reconciliation for Timing Differences for Funds with December 31, 1995 Year-Ends.....	8,348	734	—	—	—	4,380
Reconciled Total for the Primary Government.....	84,988	84,988	\$72,248	\$72,248	\$2,781,277	\$2,781,277
Component Units:						
Ohio State University	277,078	277,078	—	—	—	—
University of Cincinnati	11,204	11,204	—	—	—	—
Other Component Units.....	57,895	57,895	—	—	—	—
Total per Financial Statements - Component Units.....	346,177	346,177	—	—	—	—
Total Reporting Entity	\$431,165	\$431,165	—	—	—	—

For the fiscal year ended June 30, 1996, approximately \$23 million and \$6.3 million in residual equity transfers-out are reported for the General and Capital Projects funds, respectively. 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, 1996, are summarized as follows (in thousands):

	Operating Transfers from Primary Government	Operating Transfers to Component Units
Primary Government:		
General Fund.....	\$ —	\$1,359,487
Special Revenue Fund Natural Resources	—	1,961
Component Units:		
Proprietary Ohio Water Development Authority	1,961	—
College and University Ohio State University	358,391	—
University of Cincinnati.....	167,719	—



NOTE 7 INTERFUND BALANCES AND TRANSFERS (Continued)

	Operating Transfers from Primary Government	Operating Transfers to Component Units
<i>Colleges and University (Continued)</i>		
Ohio University	114,669	—
Miami University	63,690	—
University of Akron.....	90,164	—
Bowling Green State University	69,843	—
Kent State University.....	94,335	—
University of Toledo	75,710	—
Cleveland State University.....	62,035	—
Youngstown State University.....	43,682	—
Wright State University	76,344	—
Central State University.....	17,102	—
Shawnee State University.....	13,697	—
Medical College of Ohio	32,152	—
Columbus State Community College.....	25,394	—
Clark State Community College.....	5,666	—
Edison State Community College	4,249	—
Southern State Community College.....	3,302	—
Washington State Community College	4,144	—
Cincinnati State Community College	13,960	—
Northwest State Community College	2,909	—
Owens State Community College	17,966	—
Terra State Community College	5,664	—
Total per Financial Statements	1,364,748	1,361,448
Reconciliation for Component Unit Fund with June 30, 1995 Year-End (See NOTE 21)	(3,300)	—
Total Reporting Entity.....	\$1,361,448	\$1,361,448

NOTE 8 FIXED ASSETS

A. Primary Government

A summary of fixed assets by category, as of June 30, 1996 (or December 31, 1995, for those entities/funds identified in NOTE 1), follows (in thousands):

	Enterprise	Internal Service	Pension Trust	General Fixed Assets	Total Primary Government
Land.....	\$ 22,360	\$ —	\$ 370	\$ 178,597	\$ 201,327
Buildings	337,535	6,324	2,743	2,052,579	2,399,181
Land Improvements.....	—	—	—	149,076	149,076
Machinery and Equipment	171,143	127,985	205	190,204	489,537
State Vehicles	2,812	728	16	217,554	221,110
Construction-in-Progress	—	137	—	479,197	479,334
Subtotal.....	533,850	135,174	3,334	3,267,207	3,939,565
Less: Accumulated Depreciation	164,959	100,744	417	—	266,120
Total.....	<u>\$368,891</u>	<u>\$ 34,430</u>	<u>\$2,917</u>	<u>\$3,267,207</u>	<u>\$3,673,445</u>

No projects were under construction, for the year ended June 30, 1996, that resulted in capitalized interest for the proprietary and fiduciary fund types.



NOTE 8 FIXED ASSETS (Continued)

Changes in general fixed assets for the year ended June 30, 1996 were as follows (in thousands):

	Balance July 1, 1995	Beginning Balance Adjustments	Additions	Deletions/ Net Transfers	Balance June 30, 1996
Land.....	\$ 156,333	\$12,208	\$10,075	\$ (19)	\$ 178,597
Buildings	1,999,485	13,182	53,247	(13,335)	2,052,579
Land Improvements.....	144,071	353	5,030	(378)	149,076
Machinery and Equipment	166,947	11,244	20,074	(8,061)	190,204
State Vehicles	202,267	2,414	29,085	(16,212)	217,554
Construction-in-Progress	341,712	(21,265)	469,259	(310,509)	479,197
Total.....	<u>\$3,010,815</u>	<u>\$18,136</u>	<u>\$586,770</u>	<u>\$(348,514)</u>	<u>\$3,267,207</u>

B. Component Units

A summary of fixed assets by category for the State's component units, as of June 30, 1996 (or December 31, 1995, for those component units identified in NOTE 1), follows (in thousands):

	Ohio State University	University of Cincinnati	Ohio University	Miami University	University of Akron
Land.....	\$ 30,514	\$ 14,822	\$ 9,493	\$ 2,143	\$ 16,968
Buildings	1,159,112	812,391	298,319	286,986	256,034
Land Improvements.....	128,813	17,201	51,657	27,741	27,878
Machinery, Equipment, and Vehicles.....	546,751	283,677	107,002	81,323	86,892
Library Books and Publications.....	107,195	78,866	41,620	31,207	42,384
Construction-in-Progress	89,668	105,287	2,420	24,574	11,133
Subtotal.....	2,062,053	1,312,244	510,511	453,974	441,289
Less: Accumulated Depreciation.....	—	—	—	—	—
Total.....	<u>\$2,062,053</u>	<u>\$1,312,244</u>	<u>\$510,511</u>	<u>\$453,974</u>	<u>\$441,289</u>

	Kent State University	University of Toledo	Cleveland State University	Other Component Units	Total Component Units
Land.....	\$ 6,037	\$ 17,448	\$ 46,460	\$ 50,855	\$ 194,740
Buildings	214,345	257,136	237,861	1,073,654	4,595,838
Land Improvements.....	23,955	23,546	4,933	64,984	370,708
Machinery, Equipment, and Vehicles.....	85,008	55,389	48,390	348,642	1,643,074
Library Books and Publications.....	42,350	15,790	40,294	79,622	479,328
Construction-in-Progress	16,136	11,130	6,397	58,523	325,268
Subtotal.....	387,831	380,439	384,335	1,676,280	7,608,956
Less: Accumulated Depreciation.....	—	—	—	346	346
Total.....	<u>\$387,831</u>	<u>\$380,439</u>	<u>\$384,335</u>	<u>\$1,675,934</u>	<u>\$7,608,610</u>



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

A. Public Employees Retirement System (PERS)

Pension Benefits

PERS is a cost-sharing, multiple-employer public employee retirement system. PERS early-implemented Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*, for the fiscal year ended December 31, 1994. The State early-implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, for the year ended June 30, 1996.

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 1995 were as follows:

	Contribution Rates — Calendar Year 1995	
	Employee Share	Employer Share
Regular Employees	8.50%	13.31%
Law Enforcement Employees	9.00%	16.70%

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

Primary Government			Component Units	
For the Year Ended December 31,	Employer's Contribution for Regular Employees	Employer's Contribution for Law Enforcement Employees	For the Year Ended June 30,	Employer's Contribution for Regular Employees
1995	\$188,913	\$2,480	1996	\$98,615
1994	178,344	2,454	1995	94,465
1993	165,926	2,322	1994	90,233



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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 1995. Employees do not fund any portion of healthcare costs.

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 1994 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 61 thousand for the primary government, as of June 30, 1996. The employer contribution requirement is summarized below (in thousands):

	Actuarially Determined and Actual Contributions
Primary Government:	
(for the year ended December 31, 1995)	
Regular Employees	\$89,849
Law Enforcement Employees	1,351
Total	\$91,200
Component Units:	
(for the year ended June 30, 1996)	\$46,902

PERS had \$6.8 billion in net assets available for healthcare benefits at December 31, 1994. The actuarial accrued liability and the unfunded actuarial accrued liability based on the actuarial cost method used were \$7.9 billion and \$1.1 billion, respectively.

B. State Teachers Retirement System (STRS)

Pension Benefits

STRS is a cost-sharing, multiple-employer public employee retirement system. STRS has not early-implemented GASB Statement Nos. 25 or 26, for the fiscal year ended June 30, 1995.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 three percent if the cost of living, as measured by the Consumer Price Index, increases at least three percent on a cumulative basis since the latest adjustment.

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.

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 1996 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.

For the primary government, the payroll for its employees covered under STRS, for the year ended June 30, 1996, was \$39.8 million; total payroll for this period was \$2.3 billion. For the State's component units, covered and total payroll, for the same period, was \$937 million and \$2 billion, respectively.

The contribution requirement for the STRS pension obligation, for the year ended June 30, 1996 is summarized below (in thousands):

	Actuarially Determined and Actual Contributions			
	Employer		Employee	
	Dollar Amount	Percent of Active Member Payroll	Dollar Amount	Percent of Active Member Payroll
Primary Government	<u>\$4,780</u>	12%	<u>\$3,704</u>	9.3%
Component Units	<u>\$112,449</u>	12%	<u>\$87,148</u>	9.3%



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to assist financial statement users in assessing a pension plan's funding status on a going-concern basis and progress made in accumulating sufficient assets to pay benefits when due and in making comparisons among public employee retirement systems and employers. The STRS does not make a separate measurement of assets and pension benefit obligation for individual employers.

Therefore, the pension benefit obligation determined through the most recent actuarial valuation, the net assets available for benefits, and the unfunded pension benefit obligation for STRS, as a whole, are presented below (in thousands):

	STRS, as of July 1, 1995
Pension benefit obligation	\$36,112,351
Less: Net assets available for benefits (valued at cost)	<u>28,108,592</u>
Unfunded pension benefit obligation*	<u>\$ 8,003,759</u>

*Excludes healthcare benefits

The market value of net assets available for pension benefits for STRS at July 1, 1995 was \$30.9 billion. Actuarial valuations are calculated annually by the retirement system's actuary.

During the year ended June 30, 1995, the State paid \$3 million to STRS for benefit increases. Funding for benefit increases is on a pay-as-you-go basis by the State.

Information from STRS to determine the State's actuarially determined contribution requirement as a percentage of total STRS actuarially determined contribution requirements of all participating entities for its fiscal year ended June 30, 1996 was not available at the time of publication of this report; during fiscal year 1995, the State's required contribution to STRS represented less than one percent of total STRS contributions of all participating entities while the component units' required contributions to STRS, in the aggregate for fiscal year 1995, represented 12.1 percent of total STRS contributions of all participating entities.

Ten-year historical trend information for STRS is presented in the STRS Comprehensive Annual Financial Report, as of June 30, 1995, the most recent data available.

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, 1996, totaled \$797 thousand and \$18.7 million, respectively. Eligible benefit recipients for the primary government, for the same period, totaled 929. Net assets available to fund future healthcare benefits was \$1.5 billion, as of June 30, 1995.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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. SHPRS early-implemented GASB Statement Nos. 25 and 26 for the fiscal year ended December 31, 1995, and the State early-implemented GASB Statement No. 27 for the fiscal year ended June 30, 1996.

The plan issues a stand-alone financial report that includes financial statements and required supplementary information, and the plan is also reported as a pension trust fund by the State. 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. Active members and the Ohio State Highway Patrol are required to contribute 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 are used to fund pension benefits. The remainder is used to fund 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.

The assets were 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 \$11.8 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, 1995. 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 of three percent each year that the consumer price index increases by at least three percent.

The unfunded actuarial accrued liability is being amortized using the level-percentage of projected payroll method over a closed period of 23 years.



NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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 year ended December 31, 1995, follows (in thousands):

(A) Valuation Year	(B) Actuarial Accrued Liability (AAL)	(C) Valuation Assets	(D) Unfunded Actuarial Accrued Liability (UAAL) (B) – (C)	(E) Ratio of Assets to AAL (C)/(B)	(F) Active Member Payroll	(G) UAAL as Percentage of Active Member Payroll (D)/(F)
1993 ^(a)	\$351,456	\$297,051	\$54,405	84.5%	\$55,782	97.5%
1994 ^(b)	374,007	330,787	43,220	88.4	58,117	74.4
1995	402,450	370,425	32,025	92.0	59,825	53.5
1995 ^(a)	427,757	370,425	57,332	86.6	59,825	95.8
1995 ^{(a)&(b)}	424,351	370,425	53,926	87.3	59,825	90.1

^(a) Plan amended

^(b) Revised actuarial assumptions or methods

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, 1995, was 1,455. The cost of retiree healthcare benefits is recognized as claims are incurred and premiums are paid. The calendar year 1995 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, 1995 was \$67.7 million, and include investments, which are carried at fair value, as described above.

As of December 31, 1995, 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 \$68.6 million; the unfunded actuarial accrued liability for healthcare benefits at that date was \$900 thousand.

Employer contributions are made in accordance with actuarially determined requirements. The employer contribution requirement was approximately \$3.4 million or 5.5 percent of active member payroll for the period January 1 to December 31, 1995.



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 State facilities, highways, research and development of coal technology, parks, recreation, and natural resources, and local infrastructure improvements. In practice, general obligation bonds are retired over periods of 10 to 35 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 year. As of June 30, 1996, the General Assembly had authorized \$960 million of these bonds to be sold, of which approximately \$960 million had been issued and \$858.5 million (net of unaccreted discount of \$172.1 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 one year. As of June 30, 1996, the General Assembly had not authorized any Infrastructure Bonds to be issued under the provisions of the recent constitutional amendment.

A constitutional amendment approved by voters in 1968 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, 1996, for Highway Obligations, was \$1.85 billion, of which \$1.65 billion had been issued and \$359.3 million was outstanding. In November 1995, voters approved another constitutional amendment to authorize the issuance of Highway Obligations 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, 1996, the General Assembly had not authorized any Highway Obligations to be issued under the provisions of the recent constitutional amendment.

Coal Research and Development Bonds and Parks 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, 1996, the General Assembly had authorized the issuance of \$150 million in Coal Research and Development Bonds, of which \$95 million had been issued and \$39.6 million was outstanding. Legislative authorizations for the issuance of Parks and Natural Resources Bonds totaled \$100 million, as of June 30, 1996, of which \$50 million had been issued and \$47.2 million was outstanding.

General obligation bonds outstanding, and bonds authorized but unissued, as of June 30, 1996, were as follows (in thousands):

Purpose	Fiscal Years Issued	Average Net Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Infrastructure Improvements.....	1990-96	4.8%-8.2%	2016	\$ 858,504	\$ —
Highway Obligations.....	1988-96	4.5%-6.5%	2005	359,260	209,695
Coal Research and Development.....	1987-96	4.5%-6.2%	2005	39,600	55,000
Parks, Recreation, and Natural Resources	1995	4.5%-5.6%	2009	47,200	50,000
Total.....				<u>\$1,304,564</u>	<u>\$314,695</u>

Changes in general obligation bonds during the year ended June 30, 1996 are summarized in NOTE 15.



NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Future general obligation debt service requirements, as of June 30, 1996, were as follows (in thousands):

Year Ending June 30,	Principal	Interest	Total
1997.....	\$ 148,340	\$ 53,922	\$ 202,262
1998.....	130,470	46,500	176,970
1999.....	108,210	40,511	148,721
2000.....	96,275	36,084	132,359
2001.....	98,475	32,686	131,161
Thereafter	894,925	169,768	1,064,693
Subtotal	1,476,695	379,471	1,856,166
Less: Unaccrued Discount	172,131	—	172,131
Total	<u>\$1,304,564</u>	<u>\$379,471</u>	<u>\$1,684,035</u>

In fiscal year 1993, the Treasurer of State defeased the Infrastructure Improvement Bonds, Series 1988 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 1996, \$78.7 million of the Infrastructure Bonds outstanding are considered defeased.

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).

OBA, OPFC, and the Elementary and Secondary Education bonds are secured by 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.

Special obligation bonds outstanding, and bonds authorized but unissued, as of June 30, 1996, were as follows (in thousands):

Organization	Fiscal Years Issued	Average Net Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Ohio Building Authority.....	1985-96	4.6%-9.6%	2016	\$1,762,396	\$ 582,075
Ohio Public Facilities Commission.....	1974-96	4.5%-8.1%	2011	2,632,615	635,170
Elementary and Secondary Education	1995	5.8%	2003	53,825	70,000
Total.....				<u>\$4,448,836</u>	<u>\$1,287,245</u>



NOTE 11 SPECIAL OBLIGATION BONDS (Continued)

Changes in special obligation bonds during the year ended June 30, 1996 are summarized in NOTE 15.

Future special obligation debt service requirements, as of June 30, 1996, were as follows (in thousands):

Year Ending June 30,	Principal	Interest	Total
1997	\$ 407,825	\$ 236,241	\$ 644,066
1998	405,885	218,384	624,269
1999	383,241	201,295	584,536
2000	367,472	181,642	549,114
2001	349,086	158,077	507,163
Thereafter	2,535,327	673,059	3,208,386
Total.....	<u>\$4,448,836</u>	<u>\$1,668,698</u>	<u>\$6,117,534</u>

On October 1, 1995, the OPFC issued \$11.1 million of special obligation current refunding bonds to defease \$13.6 million of special obligation bonds. The net proceeds of approximately \$11 million from the current refunding issue, plus an additional \$2.8 million of 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 through the December 1, 1995 call date. Consequently, the refunded bonds are no longer considered to be outstanding, and the corresponding principal amounts have 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 five years by approximately \$4.1 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 \$1.2 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, 1996, \$586.2 million and \$128.3 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.



NOTE 12 REVENUE BONDS AND NOTES (Continued)

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, 1996, approximately \$62 million in economic development bonds payable from liquor profits were outstanding.

Additionally, taxable economic development bonds in the amount of \$5.5 million, issued by the Treasurer of State in connection with the Ohio Enterprise Bond Program, were outstanding, as of June 30, 1996. 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 1996, \$7.8 million of Ohio Enterprise Bonds were issued under the authority of Section 166.09, Ohio Revised Code, to provide private entities with capital financing for economic development projects. The Ohio Enterprise Bonds, which are reported as "no commitment" debt in NOTE 16, are primarily secured by the property financed, and payments by the borrowing entities are used to retire the debt and to service interest payments.

Revenue bonds outstanding for the primary government, as of June 30, 1996 (December 31, 1995 for the Bureau of Workers' Compensation), were as follows (in thousands):

Organization	Fiscal Year Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Enterprise:				
Ohio Building Authority/ Bureau of Workers' Compensation.....	1994	3.3%-5.1%	2014	\$208,428
Internal Service:				
Ohio Building Authority	1986	5.5%-9.8%	2008	41,340
General Long-Term Obligations:				
Treasurer of State/Economic Development	1988-89	7.5%-9.7%*	2001	67,490
Total.....				<u>\$317,258</u>

*Average net interest rates

Changes in revenue bonds reported in the General Long-Term Obligations Account Group, for the year ended June 30, 1996, are summarized in NOTE 15.

Future bond service requirements for revenue bonds of the primary government, as of June 30, 1996 (December 31, 1995 for the Bureau of Workers' Compensation), were as follows (in thousands):



NOTE 12 REVENUE BONDS AND NOTES (Continued)

Year Ending December 31 or June 30,	Enterprise Fund			Internal Service Fund			General Long-Term Obligations Account Group		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1996	\$ 3,000	\$ 9,861	\$12,861						
1997	4,000	9,731	13,731	\$2,540,	\$ 3,300	\$ 5,840	\$14,817	\$ 4,835	\$19,652
1998	5,000	9,555	14,555	2,512	3,330	5,842	13,869	5,769	19,638
1999	6,000	9,332	15,332	2,735	3,110	5,845	14,256	5,364	19,620
2000	7,000	9,062	16,062	2,975	2,868	5,843	14,731	4,877	19,608
2001				3,243	2,601	5,844	9,817	2,248	12,065
Thereafter	187,255	70,254	257,509	29,474	11,507	40,981	—	—	—
Subtotal	212,255	117,795	330,050	43,479	26,716	70,195	67,490	23,093	90,583
Less: Unamortized Discount	3,827	—	3,827	2,139	—	2,139	—	—	—
Total	\$208,428	\$117,795	\$326,223	\$41,340	\$26,716	\$68,056	\$67,490	\$23,093	\$90,583

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, 1995, approximately \$386.2 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, 1995, were as follows (in thousands):

Year Ending December 31,	Principal	Interest	Total
1996	\$ 9,385	\$ 22,158	\$ 31,543
1997	13,150	19,773	32,923
1998	15,880	19,145	35,025
1999	16,900	18,392	35,292
2000	17,275	17,588	34,863
Thereafter	310,890	132,087	442,977
Subtotal	383,480	229,143	612,623
Add: Unamortized Premium	2,810	—	2,810
Total	\$386,290	\$229,143	\$615,433

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.



NOTE 12 REVENUE BONDS AND NOTES (Continued)

Future bond service requirements for revenue bonds and notes reported in the component unit funds, as of June 30, 1996 (December 31, 1995 for OWDA), were as follows (in thousands):

Year Ending December 31 or June 30,	Ohio Water Development Authority			Ohio State University			University of Cincinnati		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1996	\$ 63,205	\$ 73,102	\$ 136,307						
1997	69,650	67,599	137,249	\$ 21,483	\$ 9,298	\$ 30,781	\$ 111,316	\$ 16,947	\$ 128,263
1998	74,570	64,154	138,724	18,173	8,330	26,503	15,337	12,439	27,776
1999	77,020	60,431	137,451	18,633	7,470	26,103	13,671	11,667	25,338
2000	71,045	56,497	127,542	17,042	6,637	23,679	12,873	10,944	23,817
2001				15,942	5,856	21,798	12,344	10,243	22,587
Thereafter.....	997,670	392,401	1,390,071	105,877	25,171	131,048	159,806	59,705	219,511
Subtotal	1,353,160	714,184	2,067,344	197,150	62,762	259,912	325,347	121,945	447,292
Less: Unamortized Discount	33,201	—	33,201	—	—	—	—	—	—
Total.....	\$1,319,959	\$714,184	\$2,034,143	\$197,150	\$62,762	\$259,912	\$325,347	\$121,945	\$447,292

Year Ending December 31 or June 30,	University of Toledo			Other Component Units			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
1996				\$ 198	\$ 217	\$ 415	\$ 63,403	\$ 73,319	\$ 136,722
1997	\$ 3,390	\$ 4,955	\$ 8,345	15,346	11,574	26,920	221,185	110,373	331,558
1998	3,220	4,765	7,985	13,463	10,884	24,347	124,763	100,572	225,335
1999	2,925	4,559	7,484	13,717	10,259	23,976	125,966	94,386	220,352
2000	3,080	4,409	7,489	13,554	9,424	22,978	117,594	87,911	205,505
2001	3,225	4,251	7,476	13,262	8,791	22,053	44,773	29,141	73,914
Thereafter.....	72,755	46,669	119,424	157,185	64,324	221,509	1,493,293	588,270	2,081,563
Subtotal.....	88,595	69,608	158,203	226,725	115,473	342,198	2,190,977	1,083,972	3,274,949
Less: Unamortized Discount	—	—	—	—	—	—	33,201	—	33,201
Total.....	\$88,595	\$69,608	\$158,203	\$226,725	\$115,473	\$342,198	\$2,157,776	\$1,083,972	\$3,241,748

NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 1996, approximately \$17.7 million in certificate of participation obligations were reported in the General Long-Term Obligations Account Group. In fiscal year 1992, \$8.7 million of certificates of participation obligations were issued to finance the Ohio Department of Transportation's acquisition of the Panhandle Rail Line Project. During fiscal year 1996, an additional \$10 million in obligations were sold to finance State assistance to the Greater Cleveland Regional Transit Authority for a share of the Cleveland Waterfront Transit Line Project's construction costs.

Under a certificate of participation financing arrangement, the State is required to make payments from the General Fund and the Transportation Certificate Debt Service 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, 1996, were as follows (in thousands):



NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)

Project	Fiscal Year Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
General Long-Term Obligations:				
Department of Transportation:				
Panhandle Rail Line Project.....	1992	5.4%-6.7%	2012	\$ 7,740
Waterfront Transit Line Project.....	1996	4.8%-9.1%	2003	10,000
Total.....				<u>\$17,740</u>

As of June 30, 1996, the primary government's future commitments under the certificate of participation financing arrangements were as follows (in thousands):

Year Ending June 30,	General Long-Term Obligations Account Group		
	Principal	Interest	Total
1997	\$1,265	\$ 1,022	\$ 2,287
1998	1,570	921	2,491
1999	1,670	809	2,479
2000	1,795	703	2,498
2001	1,880	616	2,496
Thereafter	9,560	3,066	12,626
Total	<u>\$17,740</u>	<u>\$7,137</u>	<u>\$24,877</u>

Changes in certificate of participation obligations reported in the General Long-Term Obligations Account Group, for the year ended June 30, 1996, are summarized in NOTE 15.

For the State's component units, approximately \$17 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, University of Cincinnati, and University of Akron.

As of June 30, 1996, future commitments under the certificate of participation financing arrangements for the State's component units were as follows (in thousands):

Year Ending June 30,	Ohio State University			University of Cincinnati		
	Principal	Interest	Total	Principal	Interest	Total
1997.....	\$ 455	\$179	\$ 634	\$ 565	\$146	\$ 711
1998.....	480	163	643	320	123	443
1999.....	490	146	636	250	109	359
2000.....	515	128	643	250	98	348
2001.....	530	109	639	250	87	337
Thereafter	2,200	200	2,400	1,430	422	1,852
Total	<u>\$4,670</u>	<u>\$925</u>	<u>\$5,595</u>	<u>\$3,065</u>	<u>\$985</u>	<u>\$4,050</u>

Year Ending June 30,	University of Akron			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total
1997.....	\$ 360	\$ 524	\$ 884	\$ 1,380	\$ 849	\$ 2,229
1998.....	380	507	887	1,180	793	1,973
1999.....	390	488	878	1,130	743	1,873
2000.....	415	468	883	1,180	694	1,874
2001.....	440	445	885	1,220	641	1,861
Thereafter	7,310	2,841	10,151	10,940	3,463	14,403
Total	<u>\$9,295</u>	<u>\$5,273</u>	<u>\$14,568</u>	<u>\$17,030</u>	<u>\$7,183</u>	<u>\$24,213</u>



NOTE 14 OTHER LONG-TERM OBLIGATIONS

As of June 30, 1996, other general long-term obligations of the State reported in the General Long-Term Obligations Account Group were as follows (in thousands):

Compensated Absences (A.)	\$275,452
Lease Agreements (B.)	13,042
Judgments, Settlements, and Claims (C.)	137,893
Litigation Liabilities (C.)	8,375
Workers' Compensation Obligation (D.)	540,200

Total Other General Long-Term Obligations	\$974,962

Changes in other general long-term obligations reported in the General Long-Term Obligations Account Group, for the year ended June 30, 1996, are summarized in NOTE 15.

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, 1996 was approximately \$30.5 million. These and related assets are reported as part of the Payroll Withholding and Fringe Benefits Agency Fund.

The compensated absence liability for the primary government's proprietary funds is reported net of the funds' portion of accrued leave funding and is reflected 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, 1996, was \$332.2 million, of which \$28.8 million is allocable to the proprietary funds and \$303.4 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the \$30.5 million) compensated absence liability, as of June 30, 1996, was \$301.7 million, of which \$26.2 million is reported in the proprietary funds and \$275.5 million is reported in the General Long-Term Obligations Account Group.

For the State's component units, the compensated absences liability, as of June 30, 1996, in the amount of \$183.7 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 types 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



NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

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 1996 were approximately \$88.2 million. Future minimum lease commitments for operating leases and capital leases judged to be noncancelable, as of June 30, 1996, were as follows (in thousands):

Year Ending June 30,	CAPITAL LEASES				
	Operating Leases	Enterprise Funds	Internal Service Funds	General Long-Term Obligations	Total
1997	\$8,152	\$ 9,863	\$299	\$ 6,203	\$16,365
1998	171	9,862	27	4,406	14,295
1999	139	6,575	—	3,127	9,702
2000	14	—	—	517	517
2001	—	—	—	222	222
Thereafter.....	—	—	—	—	—
Total Minimum Lease Payments	<u>\$8,476</u>	26,300	326	14,475	41,101
Less: Amount Representing Interest		2,052	8	1,433	3,493
Present Value of Net Minimum Lease Payments.....		<u>\$24,248</u>	<u>\$318</u>	<u>\$13,042</u>	<u>\$37,608</u>

As of June 30, 1996, 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):

	Enterprise Fund	Internal Service Fund	General Fixed Assets	Total
Equipment.....	\$32,388	\$479	\$24,855	\$57,722
Vehicles	—	—	37	37
Total.....	<u>\$32,388</u>	<u>\$479</u>	<u>\$24,892</u>	<u>\$57,759</u>

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, 1996, the State was responsible for an estimated \$137.6 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 \$223 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.



NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

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 \$540.2 million.

E. Liabilities Payable from Restricted Assets

Deferred Prize Awards

Deferred prize awards payable in installments over future years totaling approximately \$1.27 billion, as of June 30, 1996, 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.

The present value of future payments of unpaid prize awards, as of June 30, 1996, is summarized as follows (in thousands):

Year Ending June 30,	
1997.....	\$ 148,177
1998.....	148,131
1999.....	147,821
2000.....	147,671
2001.....	147,634
Thereafter.....	<u>1,480,837</u>
Subtotal.....	2,220,271
Less: Unamortized Discount	<u>943,730</u>
Net Prize Liability.....	<u><u>\$1,276,541</u></u>

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

Tuition Benefits

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund totaling \$162.7 million, as of June 30, 1996, 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: 8.1 percent rate of return, compounded annually, on the investment of current and future assets; projected tuition increases at 6.7 percent, compounded annually; and a 4.0 percent Consumer Price Index inflation rate.



NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

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 December 31, 1995, in the amount of \$12.84 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, 1996, are summarized as follows (in thousands):

	General Obligation Bonds (NOTE 10)	Special Obligation Bonds (NOTE 11)	Revenue Bonds (NOTE 12)	Certificates of Participation (NOTE 13)	Other General Long-Term Obligations (NOTE 14)	Total
Balance, as of July 1, 1995	\$1,216,196	\$4,322,467	\$82,730	\$ 7,995	\$1,034,018	\$6,663,406
Additions:						
Debt Issues	234,999	561,100	—	10,000	—	806,099
Deep-Discount Accretions.....	14,049	4,377	—	—	—	18,426
Reclassification of Revenue Bonds from the Internal Service Fund.....	—	2,790	—	—	—	2,790
Increase in Compensated Absences	—	—	—	—	11,910	11,910
Increase in Lease Obligations.....	—	—	—	—	5,036	5,036
Increase in Judgments, Settlements, and Claims.....	—	—	—	—	10,727	10,727
Increase in Workers' Compensation Obligation	—	—	—	—	7,300	7,300
Increase in Contingent Liabilities.....	—	—	—	—	4,225	4,225
Total Additions.....	249,048	568,267	—	10,000	39,198	866,513
Deductions:						
Debt Retirements, Terminations, and Defeasances	160,680	441,898	15,240	255	—	618,073
Decrease in Lease Obligations.....	—	—	—	—	7,236	7,236
Decrease in Judgments, Settlements, and Claims	—	—	—	—	74,643	74,643
Decrease in Contingent Liabilities	—	—	—	—	16,375	16,375
Total Deductions.....	160,680	441,898	15,240	255	98,254	716,327
Balance, as of June 30, 1996.....	\$1,304,564	\$4,448,836	\$67,490	\$17,740	\$974,962	\$6,813,592

Fiscal year 1996 additions to the general obligation bonds, special obligation bonds, and certificates of participation do not include discounts and bond issuance costs of approximately \$7 thousand, \$4.8 million, and \$159 thousand, 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



NOTE 16 NO COMMITMENT DEBT (Continued)

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, 1996, revenue bonds and notes outstanding that represent “no commitment” debt for the State were as follows (in thousands):

Organization	Outstanding Amount
Ohio Department of Development:	
Ohio Housing Finance Agency.....	\$1,734,581
Ohio Enterprise Bond Program.....	133,925
Hospital Facilities Bonds	4,170
Total.....	<u>\$1,872,676</u>

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 \$714.1 million and \$5.7 million asset balances reported for the primary government and its component units, respectively, on the Combined Balance Sheet — All Fund Types and Account Groups and Discretely Presented Component Units as “Deposit with Deferred Compensation Plan” represents the State of Ohio's assets actually held by the plan administrator. Plan assets are carried at market value.

NOTE 18 ENTERPRISE FUNDS

A. Segment Information

The State has five enterprise funds, which provide for the tuition guarantee program, liquor sales, lottery sales, workers' compensation insurance services, and underground state parking facilities.



NOTE 18 ENTERPRISE FUNDS (Continued)

Segment information, for the fiscal year ended June 30, 1996, was as follows (in thousands):

	Tuition Trust Authority	Liquor Control	Ohio Lottery Commission	Workers' Compensation (12/31/95)	Underground Parking Garage	Total Enterprise Funds
Operating Revenues	\$ 12,557	\$350,744	\$2,471,124	\$ 3,365,892	\$ 2,352	\$ 6,202,669
Depreciation	58	536	8,417	24,224	406	33,641
Amortization of Premiums/ (Accretion of Discounts)	(639)	—	96,313	(103,332)	—	(7,658)
Operating Income	(1,278)	84,388	772,222	1,077,571	633	1,933,536
Operating Transfers-out	—	81,587	726,548	—	2,088	810,223
Net Income (Loss)	(1,162)	1,953	44,426	1,077,571	(1,308)	1,121,480
Fixed Asset Additions	42	358	1,264	20,866	—	22,530
Fixed Asset Disposals	—	1,918	2,584	9,302	—	13,804
Net Working Capital	14,875	14,911	140,083	1,189,840	2,200	1,361,909
Increase (Decrease) in Cash & Cash Equivalents	(5,891)	(929)	31,781	(98,567)	(850)	(74,456)
Total Assets	182,321	31,399	1,540,129	17,636,282	10,332	19,400,463
Bonds and Other Non- current Liabilities Payable from Operating Revenues	81	1,916	17,316	13,059,129	74	13,078,516
Total Equity (Deficits)	19,449	13,754	198,655	2,901,432	10,177	3,143,467

B. Workers' Compensation Fund

For the Workers' Compensation Enterprise Fund, the reserve for compensation (see NOTE 14F.) 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, which is included in "Refund and Other Liabilities" in the amount of \$949.3 million, is based, in part, on the reserve for compensation. The management of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio believes that the liability recorded is adequate; however, the ultimate liability may vary from amounts provided. The assumptions used in estimating and establishing the reserves are reviewed and updated quarterly based upon current circumstances, and any adjustments resulting therefrom are reflected in operations in the current period. For additional information, refer to the Fund's separate audited financial report, for the fiscal year ended December 31, 1995.

NOTE 19 CHANGES IN CONTRIBUTED CAPITAL

For the fiscal year ended June 30, 1996, changes in contributed capital reported in the primary government's Internal Service Funds were as follows (in thousands):

	Internal Service Funds			
	Ohio Data Network	Ohio Penal Industries	Support Services	Total
Contributed Capital Balance, July 1, 1995	\$ —	\$1,015	\$4,969	\$ 5,984
Additions:				
Capital Contributions from Other Funds (reported as Residual Equity Transfers-out):				
General Fund	22,986	—	—	22,986
Capital Projects Funds:				
Administrative Services Building Improvements	5,490	—	—	5,490
Adult Correctional Building Improvements	—	482	—	482
Mental Health/Mental Retardation Facilities Improvements	—	—	288	288
Total Additions	28,476	482	288	29,246
Contributed Capital Balance, June 30, 1996	\$28,476	\$1,497	\$5,257	\$35,230



NOTE 20 FUND EQUITY — OTHER RESERVES AND DESIGNATIONS

A. Primary Government

Details of 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, 1996, follow (in thousands):

<u>Reserved for Other:</u>	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>Total</u>
Intergovernmental Receivable:					
Advance Payments to Local Government.....	\$ 6,882	\$ —	\$ —	\$ —	\$ 6,882
Inventories	5,059	30,634	—	—	35,693
Other Assets — Prepays	991	42	—	—	1,033
Human Services Stabilization	105,510	—	—	—	105,510
SchoolNet Plus Program	22,838	—	—	—	22,838
Ohio Public Library Information Network.....	6,654	—	—	—	6,654
Local School District Reimbursements:					
1987 Reimbursement	1,198	—	—	—	1,198
Stored Gas Reimbursement.....	850	—	—	—	850
Minority Contractors' Bonding Program	—	2,017	—	—	2,017
Loan Commitments.....	—	153,407	40,863	—	194,270
Health Care Benefits.....	8,313	6,703	3	—	15,019
Advances to Other Funds	—	—	—	72,248	72,248
Total.....	<u>\$158,295</u>	<u>\$192,803</u>	<u>\$40,866</u>	<u>\$72,248</u>	<u>\$464,212</u>

Reserved retained earnings for the Enterprise Fund, as of June 30, 1996 (December 31, 1995 for the Bureau of Workers' Compensation), 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 \$76 thousand, \$39.7 million, and \$90.4 million, respectively.

Reserved retained earnings for the Internal Service Fund, as of June 30, 1996, are provided for the funding of future health care benefits in the amount of \$294 thousand.

As of June 30, 1996, the General Fund’s unreserved fund balance was designated as follows (in thousands):

<u>General Fund</u>	<u>Unreserved, Designated Fund Balance</u>
Income Tax Reduction Program	\$400,800
SchoolNet Plus Program	100,000
State Infrastructure Bank Program	30,000
Total.....	<u>\$530,800</u>

B. Component Units

Detail on reserved fund balance for the component unit funds, as of June 30, 1996, is as follows (in thousands):

<u>Restricted for:</u>	<u>Ohio State University</u>	<u>University of Cincinnati</u>	<u>Other Component Units</u>	<u>Total Component Units</u>
General Operations.....	\$ 92,760	\$ 69,927	\$ 57,484	\$ 220,171
Loan Programs	59,977	29,339	75,919	165,235
Endowment and Quasi-Endowment Activities.....	479,899	451,953	115,250	1,047,102
Plant Operations	11,280	6,966	20,884	39,130
Annuity and Life Income.....	3,784	3,444	—	7,228
University Foundations.....	—	34,134	—	34,134
Total	<u>\$647,700</u>	<u>\$595,763</u>	<u>\$269,537</u>	<u>\$1,513,000</u>



NOTE 20 FUND EQUITY — OTHER RESERVES AND DESIGNATIONS (Continued)

As of June 30, 1996, unreserved fund balance reported in the component unit funds was designated as follows (in thousands):

	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
Unreserved, Designated for:				
Educational and General Programs	\$ 63,513	\$ —	\$127,879	\$191,392
Auxiliary Enterprises	5,552	—	11,894	17,446
Hospital Operations	89,512	151,957	173	241,642
Loan Programs	1,987	2,758	18,032	22,777
Endowment and Quasi-Endowment Activities	30,883	—	29,872	60,755
Plant Operations	145,225	20,327	65,132	230,684
University Foundations	—	2,567	—	2,567
Total	<u>\$336,672</u>	<u>\$177,609</u>	<u>\$252,982</u>	<u>\$767,263</u>

NOTE 21 COMPONENT UNIT FUNDS

A. Condensed Financial Statements

Condensed financial statements for the component unit funds, for the fiscal year ended June 30, 1996, are as follows (in thousands):

Condensed Balance Sheet — Component Units

	Ohio Water Development Authority (12/31/95)	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
Assets					
Cash Equity with Treasurer	\$ 808	\$ —	\$ —	\$ —	\$ 808
Cash and Cash Equivalents	958	19,963	769	90,961	112,651
Investments	770,985	1,020,048	47,340	633,463	2,471,836
Receivables	1,476,069	224,659	97,467	232,795	2,030,990
Due from Other Funds	930	277,078	11,204	56,965	346,177
Inventories	—	16,126	4,183	20,758	41,067
Deposit with Deferred Compensation Plan	636	—	—	5,028	5,664
Restricted Assets	—	11,652	669,250	19,184	700,086
Fixed Assets (net of accumulated depreciation)	289	2,062,053	1,312,244	4,234,024	7,608,610
Other Assets	17,089	18,242	374,016	24,570	433,917
Total Assets	<u>\$2,267,764</u>	<u>\$3,649,821</u>	<u>\$2,516,473</u>	<u>\$5,317,748</u>	<u>\$13,751,806</u>
Liabilities					
Accounts Payable	\$ 26,324	\$ 44,760	\$ 35,270	\$ 57,887	\$ 164,241
Accrued Liabilities	7,889	202,167	91,319	265,639	567,014
Due to Other Funds	930	277,078	11,204	56,965	346,177
Deferred Revenues	—	55,720	22,815	80,668	159,203
Refund and Other Liabilities	2,193	24,706	227,045	40,975	294,919
Liability for Deferred Compensation ..	636	—	—	5,028	5,664
Revenue Bonds and Notes	1,319,959	197,150	325,347	315,320	2,157,776
Certificates of Participation	—	4,670	3,065	9,295	17,030
Total Liabilities	<u>1,357,931</u>	<u>806,251</u>	<u>716,065</u>	<u>831,777</u>	<u>3,712,024</u>
Fund Equity and Other Credits					
Investment in General Fixed Assets ..	—	1,859,198	1,027,036	3,888,138	6,774,372
Total Unreserved Retained Earnings ..	909,833	—	—	—	909,833
Total Fund Balance	—	984,372	773,372	597,833	2,355,577
Total Fund Equity and Other Credits ..	<u>909,833</u>	<u>2,843,570</u>	<u>1,800,408</u>	<u>4,485,971</u>	<u>10,039,782</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$2,267,764</u>	<u>\$3,649,821</u>	<u>\$2,516,473</u>	<u>\$5,317,748</u>	<u>\$13,751,806</u>



NOTE 21 COMPONENT UNIT FUNDS (Continued)

Condensed Statement of Changes in Fund Balances — Colleges and Universities

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues and Other Additions.....	\$1,496,909	\$ 612,213	\$2,102,680	\$4,211,802
Total Expenditures and Other Deductions	1,577,167	638,523	2,636,131	4,851,821
Transfers from Primary Government	358,391	167,719	836,677	1,362,787
Net Increase for the Year.....	278,133	141,409	303,226	722,768
Fund Balance and Other Credits, July 1.....	2,565,437	1,658,999	4,182,745	8,407,181
Fund Balance and Other Credits, June 30.....	\$2,843,570	\$1,800,408	\$4,485,971	\$9,129,949

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

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues	\$1,188,095	\$431,258	\$1,702,938	\$3,322,291
Expenditures:				
Educational and General	968,793	509,677	1,985,373	3,463,843
Auxiliary Enterprises.....	102,892	50,458	314,628	467,978
Hospitals	368,922	—	135,839	504,761
Total Expenditures	1,440,607	560,135	2,435,840	4,436,582
Mandatory Transfers, Net	28,197	29,442	37,660	95,299
Total Expenditures and Mandatory Transfers.....	1,468,804	589,577	2,473,500	4,531,881
Other Transfers and Additions (Deductions):				
Operating Transfers from Primary Government.....	351,269	168,757	837,649	1,357,675
Nonmandatory Transfers, Net.....	(20,068)	(6,318)	(31,249)	(57,635)
Additions (Deductions).....	15,316	27,844	(2,696)	40,464
Total Other Transfers and Additions (Deductions)	346,517	190,283	803,704	1,340,504
Net Increase in Fund Balances	\$ 65,808	\$ 31,964	\$ 33,142	\$ 130,914

Financial statements for Central State University are presented for the fiscal year ended June 30, 1995. The University's financial statements, for the fiscal year ended June 30, 1996, were not available in time for publication in this report. For fiscal year 1995, Central State University's revenues and other additions, expenditures and other deductions, and operating transfers from the primary government represented .77 percent, 1.04 percent, and 1.34 percent, respectively, of the aggregate financial activity for the college and university component unit funds.

B. Fund Balance Deficits

A fund balance deficit of approximately \$1.7 million is reported for the Youngstown State University Fund, as of June 30, 1996. The deficit resulted when the University recorded expenses for employees who elected to participate in early retirement incentive plans offered by the Public Employees and State Teachers retirement systems. The University elected to fund the related \$13.8 million liability, which is included in "Accrued



NOTE 21 COMPONENT UNIT FUNDS (Continued)

Liabilities," in installments over the number of years purchased for each employee, plus annual interest ranging from 7.5 to 7.8 percent on the outstanding principal.

As of June 30, 1995, a fund balance deficit of approximately \$9 million is reported for the Central State University Fund. In January 1996, the University's Board of Trustees declared a state of financial emergency at the University due to operating losses generated and the University's inability to meet short-term liabilities when due.

Furthermore, the University has experienced cash flow difficulties and has been unable to make timely payments to its vendors. Subsequent to June 30, 1995, the University established payment plans with the majority of its vendors with significant outstanding accounts payable balances, as of June 30, 1995. The payment terms vary between being current by August 1996 to the fall of 1999.

As disclosed in the University's financial report, dated September 2, 1996, which covers its financial statements for the fiscal year ended June 30, 1995, the University's management is developing and implementing new plans, systems, and policies to address and resolve its financial management, regulatory compliance, and facilities needs. Additionally, the University's Board of Trustees and management seek to obtain necessary financial support and other assistance from the State to ensure the University's continued existence, according to the report.

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 the eight states that border on the Great Lakes comprise the GLPF's membership. Under the GLPF's articles of incorporation, each state is required to make a financial contribution. Income earned on the contributions provides grants to projects that advance the goals of the Great Lakes Toxic Substances Control Agreement and the binational Great Lakes Quality Agreement.

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

Annually, one-third of the GLPF's net earnings is allocated and paid to member states in proportion to their respective cash contributions to the GLPF. The allocation is based on the amount and period of time the states' contributions were invested. GLPF earnings distributions are to be used by the states to finance projects that are compatible with the GLPF's objectives. Ohio has applied its distribution (approximately \$199 thousand for the fiscal year ended December 31, 1995) to the establishment of its own protection program, known as the Lake Erie Protection Program, which is modeled after the GLPF.



NOTE 22 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

Required contributions and contributions received from the eight member states, which border the Great Lakes, as of December 31, 1995 (the GLPF's year end), are as follows (in thousands):

	Contribution Required	Contribution Received	Contribution Percentage
Michigan	\$25,000	\$25,000	32.6%
Indiana	16,000	—	—
Illinois	15,000	10,800	14.0
Ohio	14,000	14,000	18.2
New York	12,000	12,000	15.6
Wisconsin	12,000	12,000	15.6
Minnesota	1,500	1,500	2.0
Pennsylvania.....	1,500	1,500	2.0
Total.....	<u>\$97,000</u>	<u>\$76,800</u>	<u>100.0%</u>

Summary financial information for the GLPF for the fiscal year ended December 31, 1995 is as follows (in thousands):

Cash and Investments	\$81,338
Other Assets.....	989
Total Assets.....	<u>\$82,327</u>
Total Liabilities	\$ 1,619
Total Fund Equity	80,708
Total Liabilities and Fund Equity.....	<u>\$82,327</u>
Total Revenues and Other Additions	\$ 4,154
Total Expenditures.....	5,094
Net Decrease in Fund Equity.....	<u>\$ (940)</u>

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 five local community colleges and nine 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.



NOTE 22 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

During fiscal year 1996, expenditures were recorded in the General Fund and the Higher Education Improvements Capital Projects Fund in support of the local community and technical colleges as follows (in thousands):

	Higher Education Support Expenditures	Capital Outlay Expenditures	Total
Local Community Colleges:			
Cuyahoga Community College.....	\$ 35,506	\$ 6,938	\$ 42,444
Lakeland Community College	12,067	1,644	13,711
Lorain County Community College.....	14,084	1,810	15,894
Rio Grande Community College.....	3,414	2,777	6,191
Sinclair Community College.....	29,556	2,804	32,360
Subtotal.....	<u>94,627</u>	<u>15,973</u>	<u>110,600</u>
Technical Colleges:			
Belmont Technical College.....	4,086	294	4,380
Central Ohio Technical College.....	3,637	257	3,894
Hocking Technical College.....	14,245	4,337	18,582
Jefferson Technical College	3,285	1,466	4,751
Lima Technical College.....	5,675	—	5,675
Marion Technical College.....	2,923	497	3,420
Muskingum Technical College.....	4,685	1,057	5,742
North Central Technical College.....	6,054	528	6,582
Stark Technical College	7,759	141	7,900
Subtotal.....	<u>52,349</u>	<u>8,577</u>	<u>60,926</u>
Total.....	<u><u>\$146,976</u></u>	<u><u>\$24,550</u></u>	<u><u>\$171,526</u></u>

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

B. Related Organizations

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

During fiscal year 1996,

- The primary government distributed \$2.3 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.



NOTE 22 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

- The Public Defender's Office compensated the Ohio Legal Assistance Foundation approximately \$396 thousand from the Special Revenue Fund for administrative services performed under contract for the distribution of State funding to nonprofit legal aid societies.

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, 1996, \$8.4 million in liabilities ultimately payable from various governmental funds has been recorded in the General Long-Term Obligations Account Group for this purpose.

Litigation contesting the Ohio system of school funding is pending on appeal in the Ohio Supreme Court, with defendants being the State of Ohio and several state agencies and officials. Among other relief the plaintiffs sought was essentially a declaratory judgment that the State's statutory system of funding public elementary and secondary education violates various provisions of the Ohio Constitution, with a remedy requested being decrees as may be required to compel the State of Ohio and the General Assembly to devise and enact a constitutionally acceptable system of school funding. The trial court in July 1994 concluded that certain provisions of current law (including those relating to the Ohio School Foundation Program, and certain school district borrowing authorizations) violated provisions of the Ohio Constitution, and directed the State "forthwith to provide for and fund a system of funding public elementary and secondary education in compliance with the Ohio Constitution." The State appealed, and the trial court granted a stay of its findings and conclusions, and stay of its orders except for requirements that officials prepare and present to the General Assembly proposals for a school funding system complying with the court-specified criteria and except for periodic reports to the court on steps taken to eliminate wealth-based disparities among districts. In August 1995, a court of appeals reversed the trial court's findings for plaintiff districts.

In prior litigation, the Ohio Supreme Court in 1979 upheld what was essentially the then existing Foundation Program against similar claims that the school funding system violated provisions of the Ohio Constitution. Applying that 1979 decision to the present case, the court of appeals found no constitutional violation, and reversed the trial court's negative rulings and vacated its remedial orders.

It is not possible at this time to state whether the suit will ultimately be successful on appeal or, should plaintiffs prevail, the effect on the State's present school funding system, including the amount of and criteria for State basic aid allocations to the school districts. It cannot be predicted if the 1979 Supreme Court decision will be considered by the Supreme Court, as it was by the court of appeals, to be determinative of any or all of the issues raised in this current litigation.

Other litigation pending in federal district court 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,



NOTE 23 CONTINGENCIES AND COMMITMENTS (Continued)

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 any 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 1995 State of Ohio Single Audit (completed in February 1996), approximately \$6.5 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, 1996.

C. Construction Commitments

As of June 30, 1996, the Department of Transportation had contractual commitments of approximately \$1.05 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 \$665.5 million, \$129.9 million, \$223.4 million, and \$31.8 million, respectively.

As of June 30, 1996, construction (non-highway) commitments for the primary government's budgeted capital projects funds were as follows (in thousands):

Capital Projects Fund	
Arts Facilities Building Improvements.....	\$ 16,031
Higher Education Improvements	246,449
Mental Health/Mental Retardation Facilities Improvements.....	41,911
Parks and Recreation Improvements.....	7,788
Local Infrastructure Improvements.....	25
Administrative Services Building Improvements	48,716
Youth Services Building Improvements	13,516
Transportation Building Improvements.....	10,921
Adult Correctional Building Improvements.....	100,804
Highway Safety Building Improvements	6,152
Ohio Parks and Natural Resources	32,887
Total	\$525,200



NOTE 24 RISK FINANCING

A. OhioMed Health Plan

Employees of the primary government have the option of participating in the OhioMed Health Plan, which was established July 1, 1989 as a fully self-insured health benefits plan. The plan is administered by Blue Cross and Blue Shield of Ohio under a claims administration contract with the primary government.

Liabilities for the governmental and proprietary funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Estimated claims liabilities are calculated by the plan’s actuary based on prior claims data and employee enrollment figures. IBNR liabilities are also actuarially determined considering medical trends, enrollment, and experience.

Governmental and proprietary funds are charged 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. Amounts so charged are reported in the Payroll Withholding and Fringe Benefits Agency Fund until such time that the accumulated resources are paid to Blue Cross and Blue Shield for claims settlement.

For governmental funds, claims are recognized 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, 1996, the amount of resources available in the Agency Fund for the payment of claims was approximately \$34.9 million.

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

	Fiscal Year 1996	Fiscal Year 1995
	<u> </u>	<u> </u>
Claims Liabilities, as of July 1	\$13,944	\$17,600
Add: Incurred Claims	71,532	62,682
Less: Claims Payments	<u>(67,713)</u>	<u>(66,338)</u>
Claims Liabilities, as of June 30	<u>\$17,763</u>	<u>\$13,944</u>

As of June 30, 1996, resources on deposit in the Payroll Withholding and Fringe Benefits Agency Fund for the payment of claims exceeded the estimated claims liability amount by \$17.1 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

A. Bond Issuances

Subsequent to June 30, 1996, the State issued the following major debt (in thousands):

Organization/Issue	Delivery Date of Issue	Net Interest Cost	Amount	Type of Debt
Commissioners of the Sinking Fund:				
Highway Obligations Bonds, Series V.....	September 15, 1996	4.7%	\$100,000	General Obligation
Highway Capital Improvements Bonds, Series A.....	September 15, 1996	4.8%	50,000	General Obligation
Ohio Public Facilities Commission:				
Higher Education Capital Facilities Bonds, Series II - 1996B	October 1, 1996	5.1%	150,000	Special Obligation
Mental Health Capital Facilities Bonds, Series II -1996B	October 1, 1996	5.2%	40,000	Special Obligation
Treasurer of State:				
Taxable Development Assistance Bonds, Series 1996.....	October 1, 1996	7.7%	<u>168,740</u>	Revenue
Total.....			<u><u>\$508,740</u></u>	

On August 15, 1996, the Ohio Building Authority issued approximately \$70.4 million in refunding bonds with an average interest rate of 4.9 percent to defease approximately \$70 million in outstanding special obligation bonds, which had an average interest rate of 8.4 percent, as of June 30, 1996.

B. Dissolution of the Student Aid Commission

On July 29, 1996, the U.S. Department of Education (USDE) and the Ohio Student Aid Commission entered into an agreement, which describes the specific terms and conditions of the dissolution of the Commission's operations and guaranty activity. The USDE also directed the Commission to transfer its student loan portfolio to the Great Lakes Higher Education Corporation, which the USDE has designated as guaranty agency for the State of Ohio.

Previously, the Commission unanimously approved a resolution on October 19, 1995 for its dissolution because of declining student loan market share.

C. Workers' Compensation Premium Dividend Credit

Subsequent to the December 31, 1995 year-end for the Bureau of Workers' Compensation (BWC) Enterprise Fund, the BWC Oversight Commission approved a minimum 20 percent premium dividend credit for public taxing district and private employers, returning an estimated \$400 million to these employers. The credit is in effect for policy years beginning January 1, 1996 for public taxing district employers and July 1, 1996 for private employers.

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**COMBINING
FINANCIAL
STATEMENTS
& SCHEDULES**

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

The **Student Aid Commission Fund** accounts for the Federal Family Education Loan Program and other programs administered by the Ohio Student Aid Commission, which provides financial assistance to eligible individuals attending higher education institutions.

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.

SPECIAL REVENUE FUNDS (Continued)

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, 1996

(amounts expressed in thousands)

	<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>	<u>HUMAN SERVICES</u>	<u>HEALTH</u>
ASSETS			
Cash Equity with Treasurer	\$ 201,218	\$ 173,540	\$ 27,245
Cash and Cash Equivalents	10,935	75	—
Investments	72,198	—	—
Receivables:			
Taxes	1,341	—	—
Intergovernmental	13,275	106,223	24,548
Loans, Net.	276,499	—	—
Other	3,956	12,402	13,724
Due from Other Funds	2,786	552	204
Inventories	—	—	—
Food Stamps	—	302,460	—
Other Assets	73	—	—
TOTAL ASSETS	<u><u>\$ 582,281</u></u>	<u><u>\$ 595,252</u></u>	<u><u>\$ 65,721</u></u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 30,682	\$ 37,951	\$ 19,937
Accrued Liabilities	5,727	4,515	3,001
Intergovernmental Payable	5,674	52,080	8,232
Due to Other Funds	1,586	263	427
Deferred Revenues	1,636	307,436	11,805
Refund and Other Liabilities	571	12,757	—
Advances from Other Funds	72,248	—	—
Total Liabilities	<u>118,124</u>	<u>415,002</u>	<u>43,402</u>
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Encumbrances	227,836	188,692	13,270
Noncurrent Portion of Loans Receivable	197,960	—	—
<i>Other:</i>			
Inventories	—	—	—
Prepays	—	—	—
Minority Contractors' Bonding Program	2,017	—	—
Loan Commitments	18,145	—	—
Health Care Benefits	436	479	197
Unreserved/Undesignated (Deficits)	<u>17,763</u>	<u>(8,921)</u>	<u>8,852</u>
Total Fund Balances	<u>464,157</u>	<u>180,250</u>	<u>22,319</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 582,281</u></u>	<u><u>\$ 595,252</u></u>	<u><u>\$ 65,721</u></u>

<u>MENTAL HEALTH AND RETARDATION</u>	<u>EMPLOYMENT SERVICES</u>	<u>EDUCATION</u>	<u>STUDENT AID COMMISSION</u>	<u>HIGHWAY SAFETY</u>	<u>HIGHWAY OPERATING</u>
\$ 34,484	\$ 10,538	\$ 232,455	\$ 2,873	\$ 84,146	\$ 499,733
—	457	—	1,221	—	—
—	7,213	362	49,725	—	—
—	—	—	—	—	47,135
87,023	—	11,601	8,447	1,666	24,960
—	—	30,714	45,551	—	—
498	9,088	1,808	12,971	396	2,843
898	—	266	—	2,337	4,378
—	864	—	—	—	29,770
—	—	—	—	—	—
—	—	—	6,479	—	—
<u>\$ 122,903</u>	<u>\$ 28,160</u>	<u>\$ 277,206</u>	<u>\$ 127,267</u>	<u>\$ 88,545</u>	<u>\$ 608,819</u>

\$ 32,116	\$ 2,591	\$ 2,672	\$ 393	\$ 3,235	\$ 72,063
827	5,729	1,342	361	9,166	19,658
32,017	—	10,984	47,453	3,512	4,789
123	—	31	—	3,471	352
—	—	727	—	—	—
—	175	240	6,504	—	—
—	—	—	—	—	—
<u>65,083</u>	<u>8,495</u>	<u>15,996</u>	<u>54,711</u>	<u>19,384</u>	<u>96,862</u>

174,588	4,453	245,419	2,959	16,464	948,615
—	—	30,063	58,522	—	—
—	864	—	—	—	29,770
—	—	—	42	—	—
—	—	135,262	—	—	—
894	—	84	—	1,109	2,892
<u>(117,662)</u>	<u>14,348</u>	<u>(149,618)</u>	<u>11,033</u>	<u>51,588</u>	<u>(469,320)</u>
<u>57,820</u>	<u>19,665</u>	<u>261,210</u>	<u>72,556</u>	<u>69,161</u>	<u>511,957</u>
<u>\$ 122,903</u>	<u>\$ 28,160</u>	<u>\$ 277,206</u>	<u>\$ 127,267</u>	<u>\$ 88,545</u>	<u>\$ 608,819</u>

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

(amounts expressed in thousands)
(continued)

	<u>NATURAL RESOURCES</u>	<u>WILDLIFE AND WATERWAY SAFETY</u>	<u>REVENUE DISTRIBUTION</u>
ASSETS			
Cash Equity with Treasurer	\$ 136,077	\$ 39,857	\$ 189,845
Cash and Cash Equivalents	1,012	38	—
Investments	—	—	—
Receivables:			
Taxes	2,217	967	207,415
Intergovernmental	452	2,816	—
Loans, Net.	219	—	—
Other	292	187	324
Due from Other Funds	554	267	7,863
Inventories	—	—	—
Food Stamps	—	—	—
Other Assets	—	—	—
TOTAL ASSETS	<u><u>\$ 140,823</u></u>	<u><u>\$ 44,132</u></u>	<u><u>\$ 405,447</u></u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 6,374	\$ 1,151	\$ —
Accrued Liabilities	4,032	1,743	—
Intergovernmental Payable	203	—	239,013
Due to Other Funds	243	7	86
Deferred Revenues	386	—	4,538
Refund and Other Liabilities	—	—	43,368
Advances from Other Funds	—	—	—
Total Liabilities	<u>11,238</u>	<u>2,901</u>	<u>287,005</u>
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Encumbrances	21,089	4,294	—
Noncurrent Portion of Loans Receivable	101	—	—
<i>Other:</i>			
Inventories	—	—	—
Prepays	—	—	—
Minority Contractors' Bonding Program	—	—	—
Loan Commitments	—	—	—
Health Care Benefits	375	236	—
Unreserved/Undesignated (Deficits)	<u>108,020</u>	<u>36,701</u>	<u>118,442</u>
Total Fund Balances	<u>129,585</u>	<u>41,231</u>	<u>118,442</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 140,823</u></u>	<u><u>\$ 44,132</u></u>	<u><u>\$ 405,447</u></u>

**LOCAL
TRANSPORTATION
IMPROVEMENTS**

TOTAL

\$	75,585	\$	1,707,596
	—		13,738
	—		129,498
	—		259,075
	—		281,011
	—		352,983
	413		58,902
	71		20,176
	—		30,634
	—		302,460
	—		6,552
\$	76,069	\$	3,162,625

\$	3,468	\$	212,633
	19		56,120
	—		403,957
	569		7,158
	—		326,528
	—		63,615
	—		72,248
	<u>4,056</u>		<u>1,142,259</u>

	2		1,847,681
	—		286,646
	—		30,634
	—		42
	—		2,017
	—		153,407
	1		6,703
	<u>72,010</u>		<u>(306,764)</u>
	<u>72,013</u>		<u>2,020,366</u>
\$	76,069	\$	3,162,625

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996
(amounts expressed in thousands)

	<u>COMMUNITY AND ECONOMIC DEVELOPMENT</u>	<u>HUMAN SERVICES</u>	<u>HEALTH</u>
REVENUES:			
Income Taxes	\$ 4,039	\$ —	\$ —
Sales Taxes	12,925	—	—
Corporate and Public Utility Taxes	422	—	—
Motor Vehicle Fuel Taxes	1,216	—	—
Other Taxes	16,672	1,292	—
Licenses, Permits and Fees	84,674	60,189	14,898
Sales, Services and Charges	21,371	1	51
Federal Government	219,016	1,933,079	284,555
Other	60,134	17,522	18,080
TOTAL REVENUES	<u>420,469</u>	<u>2,012,083</u>	<u>317,584</u>
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	19	391	—
Higher Education Support	217	8,388	—
Public Assistance and Medicaid	—	1,543,527	—
Health and Human Services	74	348,929	325,093
Justice and Public Protection	87,876	12,776	—
Environmental Protection and Natural Resources	267	—	—
Transportation	2,335	—	—
General Government	84,721	—	—
Community and Economic Development	211,528	—	1,447
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	854	—
TOTAL EXPENDITURES	<u>387,037</u>	<u>1,914,865</u>	<u>326,540</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>33,432</u>	<u>97,218</u>	<u>(8,956)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	15,000	—	—
Capital Leases	1,509	65	279
Operating Transfers-in	38,286	14,332	11,820
Operating Transfers-out	(32,770)	(5,943)	(266)
Operating Transfers to Component Units	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>22,025</u>	<u>8,454</u>	<u>11,833</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>55,457</u>	<u>105,672</u>	<u>2,877</u>
FUND BALANCES, JULY 1	408,700	74,578	19,442
Decrease for Changes in Inventories	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 464,157</u>	<u>\$ 180,250</u>	<u>\$ 22,319</u>

MENTAL HEALTH AND RETARDATION	EMPLOYMENT SERVICES	EDUCATION	STUDENT AID COMMISSION	HIGHWAY SAFETY	HIGHWAY OPERATING
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	283,584
12	—	194	—	83,807	12,611
—	—	287	2,202	14,024	1,465
492,592	231,262	748,770	98,094	8,176	695,962
24,426	21,728	23,059	3,831	26,676	50,898
517,030	252,990	772,310	104,127	132,683	1,044,520
—	—	1,416,379	—	—	—
—	—	5,060	105,056	—	—
50	—	—	—	—	—
496,906	253,426	358	—	80	—
—	—	15,115	—	260,463	—
—	—	—	—	—	—
—	—	—	—	—	1,281,482
—	—	—	—	18	—
—	—	—	—	—	—
—	—	10,774	—	4,420	—
496,956	253,426	1,447,686	105,056	264,981	1,281,482
20,074	(436)	(675,376)	(929)	(132,298)	(236,962)
—	—	—	—	—	—
37	—	—	—	—	—
5,150	3,949	796,803	5,634	128,968	610,102
—	—	(10,000)	—	(5,085)	(153,744)
—	—	—	—	—	—
5,187	3,949	786,803	5,634	123,883	456,358
25,261	3,513	111,427	4,705	(8,415)	219,396
32,559	16,287	149,783	67,851	77,576	300,037
—	(135)	—	—	—	(7,476)
\$ 57,820	\$ 19,665	\$ 261,210	\$ 72,556	\$ 69,161	\$ 511,957

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)
(continued)

	<u>NATURAL RESOURCES</u>	<u>WILDLIFE AND WATERWAY SAFETY</u>	<u>REVENUE DISTRIBUTION</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ 618,437
Sales Taxes	—	—	239,669
Corporate and Public Utility Taxes	11,144	—	87,778
Motor Vehicle Fuel Taxes	—	6,400	968,459
Other Taxes	8,786	—	13,026
Licenses, Permits and Fees	70,030	34,640	309,156
Sales, Services and Charges	1,758	665	—
Federal Government	42,072	9,299	—
Other	26,480	3,895	2,961
TOTAL REVENUES	<u>160,270</u>	<u>54,899</u>	<u>2,239,486</u>
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	657	—	—
Environmental Protection and Natural Resources	141,183	46,966	—
Transportation	—	—	—
General Government	5,593	—	—
Community and Economic Development	7,163	—	—
INTERGOVERNMENTAL	—	—	1,568,947
CAPITAL OUTLAY	—	2,866	—
TOTAL EXPENDITURES	<u>154,596</u>	<u>49,832</u>	<u>1,568,947</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,674</u>	<u>5,067</u>	<u>670,539</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Capital Leases	—	—	—
Operating Transfers-in	307	1,000	12,000
Operating Transfers-out	(2,926)	—	(675,098)
Operating Transfers to Component Units	(1,961)	—	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,580)</u>	<u>1,000</u>	<u>(663,098)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>1,094</u>	<u>6,067</u>	<u>7,441</u>
FUND BALANCES, JULY 1	128,491	35,164	111,001
Decrease for Changes in Inventories	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 129,585</u>	<u>\$ 41,231</u>	<u>\$ 118,442</u>

**LOCAL
TRANSPORTATION
IMPROVEMENTS**

TOTAL

\$	—	\$	622,476
	—		252,594
	—		99,344
	—		1,259,659
	—		39,776
	—		670,211
	—		41,824
	—		4,762,877
	4,324		284,014
	4,324		8,032,775
	—		1,416,789
	—		118,721
	—		1,543,577
	—		1,424,866
	—		376,887
	—		188,416
	—		1,283,817
	—		90,332
	294		220,432
	—		1,568,947
	68,143		87,057
	68,437		8,319,841
	(64,113)		(287,066)
	—		15,000
	—		1,890
	57,841		1,686,192
	—		(885,832)
	—		(1,961)
	57,841		815,289
	(6,272)		528,223
	78,285		1,499,754
	—		(7,611)
\$	72,013	\$	2,020,366

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, 1996

(amounts expressed in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ 4,077	\$ 4,077	\$ —
Sales Taxes	12,771	12,771	—
Corporate and Public Utility Taxes	422	422	—
Motor Vehicle Fuel Taxes	1,217	1,217	—
Other Taxes	16,671	16,671	—
Licenses, Permits and Fees	86,246	86,246	—
Sales, Services and Charges	8,818	8,818	—
Federal Government	220,219	220,219	—
Other	79,265	79,265	—
TOTAL REVENUES	429,706	429,706	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	500	75	425
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	119,112	100,736	18,376
Environmental Protection and Natural Resources	302	217	85
Transportation	8,841	3,337	5,504
General Government	101,510	89,114	12,396
Community and Economic Development	402,310	319,437	82,873
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	632,575	512,916	119,659
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(202,869)	(83,210)	119,659
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	15,000	15,000	—
Operating Transfers-in	33,636	33,636	—
Operating Transfers-out	(21,250)	(21,250)	—
Encumbrance Reversions	28,448	28,448	—
TOTAL OTHER FINANCING SOURCES (USES)	55,834	55,834	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (147,035)	(27,376)	\$ 119,659
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(43,761)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ (71,137)	

HUMAN SERVICES			HEALTH		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,292	1,292	—	—	—	—
59,517	59,517	—	19,798	19,798	—
10	10	—	2,044	2,044	—
953,957	953,957	—	288,212	288,212	—
88,490	88,490	—	85,685	85,685	—
1,103,266	1,103,266	—	395,739	395,739	—
964	403	561	—	—	—
19,210	19,151	59	—	—	—
1,456,048	708,235	747,813	—	—	—
422,980	368,128	54,852	449,040	417,612	31,428
12,503	11,710	793	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	2,705	1,867	838
—	—	—	—	—	—
955	442	513	—	—	—
—	—	—	—	—	—
1,912,660	1,108,069	804,591	451,745	419,479	32,266
(809,394)	(4,803)	804,591	(56,006)	(23,740)	32,266
—	—	—	—	—	—
743	743	—	6,513	6,513	—
(1,819)	(1,819)	—	(2,840)	(2,840)	—
45,809	45,809	—	8,537	8,537	—
44,733	44,733	—	12,210	12,210	—
\$ (764,661)	39,930	\$ 804,591	\$ (43,796)	(11,530)	\$ 32,266
	(126,911)			(237)	
	\$ (86,981)			\$ (11,767)	

(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, 1996

(amounts expressed in thousands)

(continued)

MENTAL HEALTH AND RETARDATION			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	12	12	—
Sales, Services and Charges	—	—	—
Federal Government	996,070	996,070	—
Other	25,270	25,270	—
TOTAL REVENUES	1,021,352	1,021,352	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	619,960	619,713	247
Health and Human Services	580,701	525,340	55,361
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	1,200,661	1,145,053	55,608
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(179,309)	(123,701)	55,608
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	(11)	(11)	—
Encumbrance Reversions	17,766	17,766	—
TOTAL OTHER FINANCING SOURCES (USES)	17,755	17,755	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (161,554)	(105,946)	\$ 55,608
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		(67,164)	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ (173,110)	

EMPLOYMENT SERVICES			EDUCATION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
13	13	—	191	191	—
20	20	—	287	287	—
227,586	227,586	—	759,577	759,577	—
14,709	14,709	—	28,358	28,358	—
242,328	242,328	—	788,413	788,413	—
—	—	—	1,598,909	1,581,358	17,551
—	—	—	5,295	4,404	891
—	—	—	—	—	—
305,978	247,413	58,565	497	386	111
—	—	—	28,565	16,212	12,353
—	—	—	—	—	—
—	—	—	—	—	—
587	587	—	—	—	—
—	—	—	—	—	—
2,335	1,332	1,003	70,000	56,128	13,872
—	—	—	—	—	—
308,900	249,332	59,568	1,703,266	1,658,488	44,778
(66,572)	(7,004)	59,568	(914,853)	(870,075)	44,778
—	—	—	—	—	—
1,617	1,617	—	870,307	870,307	—
(46)	(46)	—	(73,705)	(73,705)	—
952	952	—	54,036	54,036	—
2,523	2,523	—	850,638	850,638	—
\$ (64,049)	(4,481)	\$ 59,568	\$ (64,215)	(19,437)	\$ 44,778
	9,679			(140,752)	
	\$ 5,198			\$ (160,189)	

(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, 1996

(amounts expressed in thousands)

(continued)

STUDENT AID COMMISSION			
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	12,620	12,620	—
Sales, Services and Charges	3	3	—
Federal Government	2,519	2,519	—
Other	535	535	—
TOTAL REVENUES	<u>15,677</u>	<u>15,677</u>	<u>—</u>
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	19,789	18,047	1,742
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	<u>19,789</u>	<u>18,047</u>	<u>1,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	<u>(4,112)</u>	<u>(2,370)</u>	<u>1,742</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	613	613	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	4,049	4,049	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,662</u>	<u>4,662</u>	<u>—</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	<u>\$ 550</u>	<u>2,292</u>	<u>\$ 1,742</u>
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>(2,563)</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ (271)</u>	

HIGHWAY SAFETY			HIGHWAY OPERATING		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	267,526	267,526	—
—	—	—	—	—	—
83,675	83,675	—	16,019	16,019	—
14,003	14,003	—	1,465	1,465	—
8,195	8,195	—	678,840	678,840	—
28,357	28,357	—	55,792	55,792	—
134,230	134,230	—	1,019,642	1,019,642	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
200	115	85	—	—	—
299,112	269,538	29,574	—	—	—
—	—	—	—	—	—
—	—	—	1,628,087	1,452,318	175,769
7	7	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
5,720	2,340	3,380	—	—	—
2,515	1,044	1,471	17,684	12,391	5,293
307,554	273,044	34,510	1,645,771	1,464,709	181,062
(173,324)	(138,814)	34,510	(626,129)	(445,067)	181,062
—	—	—	—	—	—
157,334	157,334	—	608,766	608,766	—
(32,475)	(32,475)	—	(141,608)	(141,608)	—
16,116	16,116	—	82,053	82,053	—
140,975	140,975	—	549,211	549,211	—
\$ (32,349)	2,161	\$ 34,510	\$ (76,918)	104,144	\$ 181,062
	59,229			(626,967)	
	\$ 61,390			\$ (522,823)	

(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, 1996

(amounts expressed in thousands)

(continued)

	NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	11,144	11,144	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	8,706	8,706	—
Licenses, Permits and Fees	70,506	70,506	—
Sales, Services and Charges	1,758	1,758	—
Federal Government	43,047	43,047	—
Other	34,081	34,081	—
TOTAL REVENUES	169,242	169,242	—
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	1,105	702	403
Environmental Protection and Natural Resources	193,766	154,140	39,626
Transportation	—	—	—
General Government	7,575	5,557	2,018
Community and Economic Development	11,242	7,470	3,772
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	213,688	167,869	45,819
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(44,446)	1,373	45,819
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	3,265	3,265	—
Operating Transfers-out	(4,065)	(4,065)	—
Encumbrance Reversions	8,405	8,405	—
TOTAL OTHER FINANCING SOURCES (USES)	7,605	7,605	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (36,841)	8,978	\$ 45,819
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		100,599	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		\$ 109,577	

WILDLIFE AND WATERWAY SAFETY

REVENUE DISTRIBUTION

WILDLIFE AND WATERWAY SAFETY			REVENUE DISTRIBUTION		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ 617,819	\$ 617,819	\$ —
—	—	—	239,117	239,117	—
—	—	—	87,962	87,962	—
6,008	6,008	—	909,153	909,153	—
—	—	—	13,471	13,471	—
34,631	34,631	—	452,080	452,080	—
665	665	—	—	—	—
9,619	9,619	—	—	—	—
4,900	4,900	—	2,855	2,855	—
55,823	55,823	—	2,322,457	2,322,457	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
51,691	45,730	5,961	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	1,793,859	1,737,888	55,971
20,724	1,894	18,830	—	—	—
—	—	—	—	—	—
72,415	47,624	24,791	1,793,859	1,737,888	55,971
(16,592)	8,199	24,791	528,598	584,569	55,971
—	—	—	—	—	—
—	—	—	12,000	12,000	—
—	—	—	(662,977)	(662,977)	—
948	948	—	—	—	—
948	948	—	(650,977)	(650,977)	—
\$ (15,644)	9,147	\$ 24,791	\$ (122,379)	(66,408)	\$ 55,971
	25,683			256,253	
	\$ 34,830			\$ 189,845	

(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, 1996

(amounts expressed in thousands)

(continued)

	LOCAL TRANSPORTATION IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	\$ —	\$ —	\$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Other	4,198	4,198	—
TOTAL REVENUES	4,198	4,198	—
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	381	293	88
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	150,812	68,919	81,893
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	151,193	69,212	81,981
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	(146,995)	(65,014)	81,981
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	57,842	57,842	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	57,842	57,842	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ (89,153)	(7,172)	\$ 81,981
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JULY 1		<u>82,749</u>	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES (DEFICITS), JUNE 30		<u>\$ 75,577</u>	

TOTAL SPECIAL REVENUE

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 621,896	\$ 621,896	\$ —
251,888	251,888	—
99,528	99,528	—
1,183,904	1,183,904	—
40,140	40,140	—
835,308	835,308	—
29,073	29,073	—
4,187,841	4,187,841	—
452,495	452,495	—
<u>7,702,073</u>	<u>7,702,073</u>	<u>—</u>
1,600,373	1,581,836	18,537
44,294	41,602	2,692
2,076,008	1,327,948	748,060
1,759,396	1,558,994	200,402
460,397	398,898	61,499
245,759	200,087	45,672
1,636,928	1,455,655	181,273
109,679	95,265	14,414
416,638	329,067	87,571
1,793,859	1,737,888	55,971
250,546	131,055	119,491
20,199	13,435	6,764
<u>10,414,076</u>	<u>8,871,730</u>	<u>1,542,346</u>
<u>(2,712,003)</u>	<u>(1,169,657)</u>	<u>1,542,346</u>
15,000	15,000	—
1,752,636	1,752,636	—
(940,796)	(940,796)	—
267,119	267,119	—
<u>1,093,959</u>	<u>1,093,959</u>	<u>—</u>
<u>\$ (1,618,044)</u>	<u>(75,698)</u>	<u>\$ 1,542,346</u>
	<u>(474,163)</u>	
	<u>\$ (549,861)</u>	

DEBT SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

DEBT SERVICE FUNDS (Continued)

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, and Natural Resources, 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.

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996
(amounts expressed in thousands)

	<u>ECONOMIC DEVELOPMENT BOND SERVICE</u>	<u>TRANSPORTATION CERTIFICATE RETIREMENT</u>	<u>COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT</u>
ASSETS			
Cash Equity with Treasurer	\$ —	\$ —	\$ 22
Cash and Cash Equivalents	—	—	—
Investments	76	885	—
Receivables:			
Taxes	—	—	—
Loans, Net	—	—	—
Other	—	—	—
Due from Other Funds	—	—	—
TOTAL ASSETS	<u>\$ 76</u>	<u>\$ 885</u>	<u>\$ 22</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	\$ —	\$ —	\$ —
Deferred Revenues	—	—	—
Refund and Other Liabilities	—	—	—
Total Liabilities	<u>—</u>	<u>—</u>	<u>—</u>
Fund Balances:			
Reserved for:			
Debt Service	76	885	22
Noncurrent Portion of Loans Receivable	—	—	—
Unreserved/Undesignated	—	—	—
Total Fund Balances	<u>76</u>	<u>885</u>	<u>22</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 76</u>	<u>\$ 885</u>	<u>\$ 22</u>

<u>IMPROVEMENTS BOND RETIREMENT</u>	<u>HIGHWAY IMPROVEMENTS BOND RETIREMENT</u>	<u>DEVELOPMENT BOND RETIREMENT</u>	<u>HIGHWAY OBLIGATIONS BOND RETIREMENT</u>	<u>PUBLIC IMPROVEMENTS BOND RETIREMENT</u>	<u>VIETNAM CONFLICT COMPENSATION BOND RETIREMENT</u>
\$ 201	\$ 1	\$ 19	\$ 114,133	\$ 23	\$ —
193	60	580	516	421	38
—	—	—	—	—	—
—	—	—	4,159	—	—
—	—	—	—	—	—
1	—	—	608	—	—
—	—	—	102	—	—
<u>\$ 395</u>	<u>\$ 61</u>	<u>\$ 599</u>	<u>\$ 119,518</u>	<u>\$ 444</u>	<u>\$ 38</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
<u>178</u>	<u>55</u>	<u>380</u>	<u>266</u>	<u>246</u>	<u>35</u>
<u>178</u>	<u>55</u>	<u>380</u>	<u>266</u>	<u>246</u>	<u>35</u>
—	—	—	119,252	—	—
—	—	—	—	—	—
<u>217</u>	<u>6</u>	<u>219</u>	<u>—</u>	<u>198</u>	<u>3</u>
<u>217</u>	<u>6</u>	<u>219</u>	<u>119,252</u>	<u>198</u>	<u>3</u>
<u>\$ 395</u>	<u>\$ 61</u>	<u>\$ 599</u>	<u>\$ 119,518</u>	<u>\$ 444</u>	<u>\$ 38</u>

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996
(amounts expressed in thousands)
(continued)

	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT</u>	<u>OHIO PUBLIC FACILITIES COMMISSION</u>	<u>OHIO BUILDING AUTHORITY</u>
ASSETS			
Cash Equity with Treasurer	\$ 895	\$ —	\$ —
Cash and Cash Equivalents	—	185	1
Investments	—	194,884	70,945
Receivables:			
Taxes	—	—	—
Loans, Net.	—	6,799	—
Other	5	—	746
Due from Other Funds	1	—	—
TOTAL ASSETS	<u>\$ 901</u>	<u>\$ 201,868</u>	<u>\$ 71,692</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accrued Liabilities	\$ 351	\$ —	\$ 326
Deferred Revenues	—	—	111
Refund and Other Liabilities	—	137	—
Total Liabilities	<u>351</u>	<u>137</u>	<u>437</u>
<i>Fund Balances:</i>			
<i>Reserved for:</i>			
Debt Service	550	194,932	71,255
Noncurrent Portion of Loans Receivable	—	6,799	—
Unreserved/Undesignated	—	—	—
Total Fund Balances	<u>550</u>	<u>201,731</u>	<u>71,255</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 901</u>	<u>\$ 201,868</u>	<u>\$ 71,692</u>

<u>ENTERPRISE BOND RETIREMENT</u>	<u>STATE PROJECTS BOND SERVICE</u>	<u>SCHOOL BUILDING PROGRAM BOND SERVICE</u>	<u>TOTAL</u>
\$ —	\$ 44	\$ —	\$ 115,338
209	—	4	2,207
27,459	—	—	294,249
—	—	—	4,159
—	—	—	6,799
158	—	—	1,518
—	—	—	103
<u>\$ 27,826</u>	<u>\$ 44</u>	<u>\$ 4</u>	<u>\$ 424,373</u>

\$ —	\$ —	\$ —	\$ 677
—	—	—	111
—	—	—	1,297
—	—	—	2,085

27,826	44	4	414,846
—	—	—	6,799
—	—	—	643
<u>27,826</u>	<u>44</u>	<u>4</u>	<u>422,288</u>
<u>\$ 27,826</u>	<u>\$ 44</u>	<u>\$ 4</u>	<u>\$ 424,373</u>

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	<u>ECONOMIC DEVELOPMENT BOND SERVICE</u>	<u>TRANSPORTATION CERTIFICATE RETIREMENT</u>	<u>COAL RESEARCH/ DEVELOPMENT BOND RETIREMENT</u>
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Federal Government	—	—	—
Other	76	762	6
TOTAL REVENUES	<u>76</u>	<u>762</u>	<u>6</u>
EXPENDITURES:			
DEBT SERVICE	18,261	764	12,035
TOTAL EXPENDITURES	<u>18,261</u>	<u>764</u>	<u>12,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,185)</u>	<u>(2)</u>	<u>(12,029)</u>
OTHER FINANCING SOURCES (USES):			
Current Refunding Bond Proceeds	—	—	—
Payment to Refunded Bond Escrow Agents	—	—	—
Operating Transfers-in	18,200	—	12,062
Operating Transfers-out	—	—	(30)
TOTAL OTHER FINANCING SOURCES (USES)	<u>18,200</u>	<u>—</u>	<u>12,032</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	15	(2)	3
FUND BALANCES, JULY 1	<u>61</u>	<u>887</u>	<u>19</u>
FUND BALANCES, JUNE 30	<u>\$ 76</u>	<u>\$ 885</u>	<u>\$ 22</u>

<u>IMPROVEMENTS BOND RETIREMENT</u>	<u>HIGHWAY IMPROVEMENTS BOND RETIREMENT</u>	<u>DEVELOPMENT BOND RETIREMENT</u>	<u>HIGHWAY OBLIGATIONS BOND RETIREMENT</u>	<u>PUBLIC IMPROVEMENTS BOND RETIREMENT</u>	<u>VIETNAM CONFLICT COMPENSATION BOND RETIREMENT</u>
\$ —	\$ —	\$ —	\$ 72,635	\$ —	\$ —
—	—	—	45,933	—	—
—	—	—	—	—	—
6	—	8	7,448	1	—
<u>6</u>	<u>—</u>	<u>8</u>	<u>126,016</u>	<u>1</u>	<u>—</u>
—	—	4,253	119,723	—	—
—	—	4,253	119,723	—	—
6	—	(4,245)	6,293	1	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	4,271	—	—	—
—	(3,502)	(40)	(200)	(21)	(1)
—	(3,502)	4,231	(200)	(21)	(1)
6	(3,502)	(14)	6,093	(20)	(1)
211	3,508	233	113,159	218	4
<u>\$ 217</u>	<u>\$ 6</u>	<u>\$ 219</u>	<u>\$ 119,252</u>	<u>\$ 198</u>	<u>\$ 3</u>

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS BOND RETIREMENT	OHIO PUBLIC FACILITIES COMMISSION	OHIO BUILDING AUTHORITY
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Federal Government	—	404	—
Other	86	12,633	4,030
TOTAL REVENUES	86	13,037	4,030
EXPENDITURES:			
DEBT SERVICE	73,568	489,718	173,164
TOTAL EXPENDITURES	73,568	489,718	173,164
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(73,482)	(476,681)	(169,134)
OTHER FINANCING SOURCES (USES):			
Current Refunding Bond Proceeds	—	10,994	—
Payment to Refunded Bond Escrow Agents	—	(10,994)	—
Operating Transfers-in	73,994	436,549	176,825
Operating Transfers-out	—	—	(6,654)
TOTAL OTHER FINANCING SOURCES (USES)	73,994	436,549	170,171
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	512	(40,132)	1,037
FUND BALANCES, JULY 1	38	241,863	70,218
FUND BALANCES, JUNE 30	\$ 550	\$ 201,731	\$ 71,255

<u>ENTERPRISE BOND RETIREMENT</u>	<u>STATE PROJECTS BOND SERVICE</u>	<u>SCHOOL BUILDING PROGRAM BOND SERVICE</u>	<u>TOTAL</u>
\$ —	\$ —	\$ —	\$ 72,635
212	—	—	46,145
—	—	—	404
1,736	—	13	26,805
<u>1,948</u>	<u>—</u>	<u>13</u>	<u>145,989</u>
1,416	4,796	10,008	907,706
<u>1,416</u>	<u>4,796</u>	<u>10,008</u>	<u>907,706</u>
<u>532</u>	<u>(4,796)</u>	<u>(9,995)</u>	<u>(761,717)</u>
—	—	—	10,994
—	—	—	(10,994)
24,350	4,848	9,999	761,098
(19,079)	(31)	—	(29,558)
<u>5,271</u>	<u>4,817</u>	<u>9,999</u>	<u>731,540</u>
5,803	21	4	(30,177)
<u>22,023</u>	<u>23</u>	<u>—</u>	<u>452,465</u>
<u>\$ 27,826</u>	<u>\$ 44</u>	<u>\$ 4</u>	<u>\$ 422,288</u>

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	COAL RESEARCH / DEVELOPMENT BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Other	12,069	12,069	—
TOTAL REVENUES	12,069	12,069	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	12,642	12,090	552
TOTAL BUDGETARY EXPENDITURES	12,642	12,090	552
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	(573)	(21)	552
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	24	24	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	24	24	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES			
	\$ (549)	3	\$ 552
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		19	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 22	

IMPROVEMENTS BOND RETIREMENT			HIGHWAY IMPROVEMENTS BOND RETIREMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
<u>190</u>	<u>190</u>	<u>—</u>	<u>257</u>	<u>257</u>	<u>—</u>
<u>190</u>	<u>190</u>	<u>—</u>	<u>257</u>	<u>257</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
<u>190</u>	<u>190</u>	<u>—</u>	<u>257</u>	<u>257</u>	<u>—</u>
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	<u>(3,500)</u>	<u>(3,500)</u>	<u>—</u>
—	—	—	<u>(3,500)</u>	<u>(3,500)</u>	<u>—</u>
<u>\$ 190</u>	<u>190</u>	<u>\$ —</u>	<u>\$ (3,243)</u>	<u>(3,243)</u>	<u>\$ —</u>
	<u>11</u>			<u>3,244</u>	
	<u>\$ 201</u>			<u>\$ 1</u>	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

(continued)

	DEVELOPMENT BOND RETIREMENT		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Other	4,304	4,304	—
TOTAL REVENUES	4,304	4,304	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	4,293	4,293	—
TOTAL BUDGETARY EXPENDITURES	4,293	4,293	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	11	11	—
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			
	\$ 11	11	\$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		8	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 19	

**HIGHWAY OBLIGATIONS
BOND RETIREMENT**

**PUBLIC IMPROVEMENTS
BOND RETIREMENT**

HIGHWAY OBLIGATIONS BOND RETIREMENT			PUBLIC IMPROVEMENTS BOND RETIREMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$ 69,720	\$ 69,720	\$ —	\$ —	\$ —	\$ —
46,742	46,742	—	—	—	—
7,103	7,103	—	27	27	—
<u>123,565</u>	<u>123,565</u>	<u>—</u>	<u>27</u>	<u>27</u>	<u>—</u>
120,083	120,083	—	21	21	—
<u>120,083</u>	<u>120,083</u>	<u>—</u>	<u>21</u>	<u>21</u>	<u>—</u>
<u>3,482</u>	<u>3,482</u>	<u>—</u>	<u>6</u>	<u>6</u>	<u>—</u>
160	160	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
<u>160</u>	<u>160</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>\$ 3,642</u>	<u>3,642</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>6</u>	<u>\$ —</u>
	<u>110,491</u>			<u>17</u>	
	<u>\$ 114,133</u>			<u>\$ 23</u>	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

(continued)

	VIETNAM CONFLICT COMPENSATION BOND RETIREMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ —	\$ —	\$ —
Licenses, Permits and Fees	—	—	—
Other	1	1	—
TOTAL REVENUES	1	1	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	1	1	—
TOTAL BUDGETARY EXPENDITURES	1	1	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	—	—	—
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			
	\$ —	—	\$ —
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		—	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ —	

**LOCAL INFRASTRUCTURE IMPROVEMENTS
BOND RETIREMENT**

**STATE PROJECTS
BOND SERVICE**

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
<u>74,077</u>	<u>74,077</u>	<u>—</u>	<u>4,848</u>	<u>4,848</u>	<u>—</u>
<u>74,077</u>	<u>74,077</u>	<u>—</u>	<u>4,848</u>	<u>4,848</u>	<u>—</u>
<u>77,066</u>	<u>74,040</u>	<u>3,026</u>	<u>7,753</u>	<u>4,901</u>	<u>2,852</u>
<u>77,066</u>	<u>74,040</u>	<u>3,026</u>	<u>7,753</u>	<u>4,901</u>	<u>2,852</u>
<u>(2,989)</u>	<u>37</u>	<u>3,026</u>	<u>(2,905)</u>	<u>(53)</u>	<u>2,852</u>
351	351	—	74	74	—
71,402	71,402	—	—	—	—
<u>(71,402)</u>	<u>(71,402)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>351</u>	<u>351</u>	<u>—</u>	<u>74</u>	<u>74</u>	<u>—</u>
<u>\$ (2,638)</u>	<u>388</u>	<u>\$ 3,026</u>	<u>\$ (2,831)</u>	<u>21</u>	<u>\$ 2,852</u>
	<u>507</u>			<u>23</u>	
	<u>\$ 895</u>			<u>\$ 44</u>	

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

(continued)

	TOTAL DEBT SERVICE		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	\$ 69,720	\$ 69,720	\$ —
Licenses, Permits and Fees	46,742	46,742	—
Other	102,876	102,876	—
TOTAL REVENUES	219,338	219,338	—
BUDGETARY EXPENDITURES:			
DEBT SERVICE	221,859	215,429	6,430
TOTAL BUDGETARY EXPENDITURES	221,859	215,429	6,430
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES			
	(2,521)	3,909	6,430
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	609	609	—
Operating Transfers-in	71,402	71,402	—
Operating Transfers-out	(74,902)	(74,902)	—
TOTAL OTHER FINANCING SOURCES (USES)	(2,891)	(2,891)	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES			
	\$ (5,412)	1,018	\$ 6,430
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JULY 1			
		114,320	
UNRESERVED, UNDESIGNATED BUDGETARY FUND BALANCES, JUNE 30			
		\$ 115,338	

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

(amounts expressed in thousands)

	<u>ARTS FACILITIES BUILDING IMPROVEMENTS</u>	<u>HIGHER EDUCATION IMPROVEMENTS</u>	<u>HIGHWAY OBLIGATIONS CONSTRUCTION</u>
ASSETS			
Cash Equity with Treasurer.....	\$ 12,800	\$ 109,139	\$ 44,681
Investments.....	—	—	—
Receivables:			
Loans, Net.....	—	—	—
Other.....	70	614	249
Due from Other Funds.....	<u>12</u>	<u>103</u>	<u>42</u>
TOTAL ASSETS.....	<u>\$ 12,882</u>	<u>\$ 109,856</u>	<u>\$ 44,972</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable.....	\$ 2,248	\$ 36,910	\$ 6,968
Accrued Liabilities.....	—	—	—
Due to Other Funds.....	—	—	—
Total Liabilities.....	<u>2,248</u>	<u>36,910</u>	<u>6,968</u>
Fund Balances:			
Reserved for:			
Encumbrances.....	14,118	209,948	216,409
Noncurrent Portion of Loans Receivable.....	—	—	—
Other:			
Loan Commitments.....	—	1,592	—
Health Care Benefits.....	—	—	—
Unreserved/Undesignated (Deficits).....	<u>(3,484)</u>	<u>(138,594)</u>	<u>(178,405)</u>
Total Fund Balances.....	<u>10,634</u>	<u>72,946</u>	<u>38,004</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 12,882</u>	<u>\$ 109,856</u>	<u>\$ 44,972</u>

<u>MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS</u>	<u>PARKS AND RECREATION IMPROVEMENTS</u>	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS</u>	<u>OHIO BUILDING AUTHORITY</u>	<u>ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS</u>	<u>YOUTH SERVICES BUILDING IMPROVEMENTS</u>
\$ 21,550	\$ 13,888	\$ 79,040	\$ —	\$ 26,326	\$ 24,461
—	—	—	30,873	—	—
—	—	93,741	—	—	—
116	75	431	115	147	133
20	13	76	—	25	22
<u>\$ 21,686</u>	<u>\$ 13,976</u>	<u>\$ 173,288</u>	<u>\$ 30,988</u>	<u>\$ 26,498</u>	<u>\$ 24,616</u>
\$ 5,822	\$ 498	\$ 6,155	\$ 42	\$ 2,999	\$ 593
—	—	28	—	—	—
—	—	72	—	—	—
<u>5,822</u>	<u>498</u>	<u>6,255</u>	<u>42</u>	<u>2,999</u>	<u>593</u>
36,672	7,291	11	—	45,720	12,944
—	—	93,007	—	—	—
—	—	39,271	—	—	—
—	—	3	—	—	—
<u>(20,808)</u>	<u>6,187</u>	<u>34,741</u>	<u>30,946</u>	<u>(22,221)</u>	<u>11,079</u>
<u>15,864</u>	<u>13,478</u>	<u>167,033</u>	<u>30,946</u>	<u>23,499</u>	<u>24,023</u>
<u>\$ 21,686</u>	<u>\$ 13,976</u>	<u>\$ 173,288</u>	<u>\$ 30,988</u>	<u>\$ 26,498</u>	<u>\$ 24,616</u>

(continued)

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

(amounts expressed in thousands)
(continued)

	<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>	<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>	<u>HIGHWAY SAFETY BUILDING IMPROVEMENTS</u>
ASSETS			
Cash Equity with Treasurer.....	\$ 24,337	\$ 70,023	\$ 23,084
Investments.....	—	—	—
Receivables:			
Loans, Net.....	—	—	—
Other.....	136	385	126
Due from Other Funds.....	<u>23</u>	<u>65</u>	<u>21</u>
TOTAL ASSETS.....	<u>\$ 24,496</u>	<u>\$ 70,473</u>	<u>\$ 23,231</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable.....	\$ 2,084	\$ 5,888	\$ 1,609
Accrued Liabilities.....	—	—	—
Due to Other Funds.....	<u>14</u>	<u>—</u>	<u>—</u>
Total Liabilities.....	<u>2,098</u>	<u>5,888</u>	<u>1,609</u>
Fund Balances:			
Reserved for:			
Encumbrances.....	8,823	94,916	5,288
Noncurrent Portion of Loans Receivable.....	—	—	—
Other:			
Loan Commitments.....	—	—	—
Health Care Benefits.....	—	—	—
Unreserved/Undesignated (Deficits).....	<u>13,575</u>	<u>(30,331)</u>	<u>16,334</u>
Total Fund Balances.....	<u>22,398</u>	<u>64,585</u>	<u>21,622</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 24,496</u>	<u>\$ 70,473</u>	<u>\$ 23,231</u>

<u>OHIO PARKS AND NATURAL RESOURCES</u>	<u>TOTAL</u>
\$ 34,010	\$ 483,339
—	30,873
—	93,741
186	2,783
31	453
<u>\$ 34,227</u>	<u>\$ 611,189</u>

\$ 376	\$ 72,192
—	28
—	86
<u>376</u>	<u>72,306</u>

32,511	684,651
—	93,007
—	40,863
—	3
<u>1,340</u>	<u>(279,641)</u>
<u>33,851</u>	<u>538,883</u>
<u>\$ 34,227</u>	<u>\$ 611,189</u>

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996
(amounts expressed in thousands)

	<u>ARTS FACILITIES BUILDING IMPROVEMENTS</u>	<u>HIGHER EDUCATION IMPROVEMENTS</u>	<u>HIGHWAY OBLIGATIONS CONSTRUCTION</u>
REVENUES:			
Other-Interest	\$ 557	\$ 6,822	\$ 3,985
TOTAL REVENUES	<u>557</u>	<u>6,822</u>	<u>3,985</u>
EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	<u>8,808</u>	<u>290,612</u>	<u>101,984</u>
TOTAL EXPENDITURES	<u>8,808</u>	<u>290,612</u>	<u>101,984</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(8,251)</u>	<u>(283,790)</u>	<u>(97,999)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	286,407	100,007
Operating Transfers-in	9,899	—	—
Operating Transfers-out	—	(7,773)	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,899</u>	<u>278,634</u>	<u>100,007</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>1,648</u>	<u>(5,156)</u>	<u>2,008</u>
FUND BALANCES, JULY 1	8,986	78,102	35,996
Residual Equity Transfers-out	—	—	—
FUND BALANCES, JUNE 30	<u>\$ 10,634</u>	<u>\$ 72,946</u>	<u>\$ 38,004</u>

<u>MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS</u>	<u>PARKS AND RECREATION IMPROVEMENTS</u>	<u>LOCAL INFRASTRUCTURE IMPROVEMENTS</u>	<u>OHIO BUILDING AUTHORITY</u>	<u>ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS</u>	<u>YOUTH SERVICES BUILDING IMPROVEMENTS</u>
<u>\$ 1,102</u>	<u>\$ 841</u>	<u>\$ 5,175</u>	<u>\$ 11,036</u>	<u>\$ 2,533</u>	<u>\$ 1,712</u>
<u>1,102</u>	<u>841</u>	<u>5,175</u>	<u>11,036</u>	<u>2,533</u>	<u>1,712</u>
<u>—</u>	<u>—</u>	<u>801</u>	<u>—</u>	<u>—</u>	<u>—</u>
<u>46,846</u>	<u>11,138</u>	<u>116,996</u>	<u>13,114</u>	<u>55,558</u>	<u>13,008</u>
<u>46,846</u>	<u>11,138</u>	<u>117,797</u>	<u>13,114</u>	<u>55,558</u>	<u>13,008</u>
<u>(45,744)</u>	<u>(10,297)</u>	<u>(112,622)</u>	<u>(2,078)</u>	<u>(53,025)</u>	<u>(11,296)</u>
<u>39,410</u>	<u>19,809</u>	<u>119,999</u>	<u>199,713</u>	<u>—</u>	<u>—</u>
<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>60,189</u>	<u>—</u>
<u>—</u>	<u>—</u>	<u>(307)</u>	<u>(200,863)</u>	<u>—</u>	<u>—</u>
<u>39,410</u>	<u>19,809</u>	<u>119,692</u>	<u>(1,150)</u>	<u>60,189</u>	<u>—</u>
<u>(6,334)</u>	<u>9,512</u>	<u>7,070</u>	<u>(3,228)</u>	<u>7,164</u>	<u>(11,296)</u>
<u>22,486</u>	<u>3,966</u>	<u>159,963</u>	<u>34,174</u>	<u>21,825</u>	<u>35,319</u>
<u>(288)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(5,490)</u>	<u>—</u>
<u>\$ 15,864</u>	<u>\$ 13,478</u>	<u>\$ 167,033</u>	<u>\$ 30,946</u>	<u>\$ 23,499</u>	<u>\$ 24,023</u>

(continued)

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996
(amounts expressed in thousands)
(continued)

	<u>TRANSPORTATION BUILDING IMPROVEMENTS</u>	<u>ADULT CORRECTIONAL BUILDING IMPROVEMENTS</u>	<u>HIGHWAY SAFETY BUILDING IMPROVEMENTS</u>
REVENUES:			
Other-Interest	\$ 927	\$ 2,998	\$ 628
TOTAL REVENUES	<u>927</u>	<u>2,998</u>	<u>628</u>
EXPENDITURES:			
CURRENT:			
Community and Economic Development	—	—	—
CAPITAL OUTLAY	<u>22,254</u>	<u>93,874</u>	<u>3,924</u>
TOTAL EXPENDITURES	<u>22,254</u>	<u>93,874</u>	<u>3,924</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,327)</u>	<u>(90,876)</u>	<u>(3,296)</u>
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	26,802	84,742	18,081
Operating Transfers-out	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	<u>26,802</u>	<u>84,742</u>	<u>18,081</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>5,475</u>	<u>(6,134)</u>	<u>14,785</u>
FUND BALANCES, JULY 1	16,923	71,201	6,837
Residual Equity Transfers-out	—	(482)	—
FUND BALANCES, JUNE 30	<u>\$ 22,398</u>	<u>\$ 64,585</u>	<u>\$ 21,622</u>

<u>OHIO PARKS AND NATURAL RESOURCES</u>	<u>TOTAL</u>
<u>\$ 2,550</u>	<u>\$ 40,866</u>
<u>2,550</u>	<u>40,866</u>
—	801
<u>17,314</u>	<u>795,430</u>
<u>17,314</u>	<u>796,231</u>
<u>(14,764)</u>	<u>(755,365)</u>
—	765,345
—	199,713
<u>(671)</u>	<u>(209,614)</u>
<u>(671)</u>	<u>755,444</u>
<u>(15,435)</u>	<u>79</u>
<u>49,286</u>	<u>545,064</u>
<u>—</u>	<u>(6,260)</u>
<u>\$ 33,851</u>	<u>\$ 538,883</u>

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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.

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996
(amounts expressed in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>LIQUOR CONTROL</u>	<u>OHIO LOTTERY COMMISSION</u>
ASSETS			
<i>Current Assets:</i>			
Cash Equity with Treasurer	\$ 32	\$ 2,896	\$ 113,279
Cash and Cash Equivalents	482	5,968	454
Investments	14,282	—	10,977
<i>Receivables:</i>			
Premiums and Assessments	—	—	—
Other	169	63	56,949
Due from Other Funds	—	112	—
Inventories	—	21,551	—
Other Assets	—	50	6,041
Total Current Assets	<u>14,965</u>	<u>30,640</u>	<u>187,700</u>
<i>Restricted Assets:</i>			
Cash Equity with Treasurer	—	—	7,311
Cash and Cash Equivalents	36	—	—
Dedicated Investments	166,156	—	1,294,281
Other Receivables	1,029	—	14,652
Total Restricted Assets	<u>167,221</u>	<u>—</u>	<u>1,316,244</u>
<i>Noncurrent Assets:</i>			
Investments	—	—	—
Total Noncurrent Assets	<u>—</u>	<u>—</u>	<u>—</u>
Fixed Assets (net of accumulated depreciation)	135	759	36,185
TOTAL ASSETS	<u>\$ 182,321</u>	<u>\$ 31,399</u>	<u>\$ 1,540,129</u>
LIABILITIES AND FUND EQUITY			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 44	\$ 10,886	\$ 7,471
Accrued Liabilities	46	1,109	8,643
Intergovernmental Payable	—	357	—
Due to Other Funds	—	50	—
Deferred Revenues	—	—	1,847
Refund and Other Liabilities	—	3,327	29,656
Revenue Bonds	—	—	—
Total Current Liabilities	<u>90</u>	<u>15,729</u>	<u>47,617</u>
<i>Liabilities Payable from Restricted Assets:</i>			
Deferred Prize Awards Payable	—	—	1,276,541
Tuition Benefits Payable	162,701	—	—
Total Liabilities Payable from Restricted Assets	<u>162,701</u>	<u>—</u>	<u>1,276,541</u>
<i>Noncurrent Liabilities:</i>			
Accrued Liabilities	81	1,916	17,316
Workers' Compensation Benefits Payable	—	—	—
Revenue Bonds	—	—	—
Total Noncurrent Liabilities	<u>81</u>	<u>1,916</u>	<u>17,316</u>
Total Liabilities	<u>162,872</u>	<u>17,645</u>	<u>1,341,474</u>
<i>Fund Equity:</i>			
Net Unrealized Losses on Investments	—	—	—
<i>Retained Earnings:</i>			
<i>Reserved for:</i>			
Deferred Lottery Prizes	—	—	39,703
Insurance Claims Payable	—	—	—
Health Care Benefits	—	76	—
Unreserved	19,449	13,678	158,952
Total Fund Equity	<u>19,449</u>	<u>13,754</u>	<u>198,655</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 182,321</u>	<u>\$ 31,399</u>	<u>\$ 1,540,129</u>

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>TOTAL</u>
\$ 6,412	\$ 2,254	\$ 124,873
238,070	—	244,974
—	—	25,259
2,310,699	—	2,310,699
285,752	27	342,960
287	—	399
—	—	21,551
24,341	—	30,432
<u>2,865,561</u>	<u>2,281</u>	<u>3,101,147</u>
—	—	7,311
—	—	36
—	—	1,460,437
—	—	15,681
<u>—</u>	<u>—</u>	<u>1,483,465</u>
14,446,960	—	14,446,960
<u>14,446,960</u>	<u>—</u>	<u>14,446,960</u>
323,761	8,051	368,891
<u>\$ 17,636,282</u>	<u>\$ 10,332</u>	<u>\$ 19,400,463</u>
\$ 52,957	\$ 12	\$ 71,370
—	61	9,859
—	—	357
—	—	50
445,159	8	447,014
1,174,605	—	1,207,588
3,000	—	3,000
<u>1,675,721</u>	<u>81</u>	<u>1,739,238</u>
—	—	1,276,541
—	—	162,701
<u>—</u>	<u>—</u>	<u>1,439,242</u>
16,813	74	36,200
12,836,888	—	12,836,888
205,428	—	205,428
<u>13,059,129</u>	<u>74</u>	<u>13,078,516</u>
<u>14,734,850</u>	<u>155</u>	<u>16,256,996</u>
1,953,039	—	1,953,039
—	—	39,703
90,409	—	90,409
—	—	76
857,984	10,177	1,060,240
<u>2,901,432</u>	<u>10,177</u>	<u>3,143,467</u>
<u>\$ 17,636,282</u>	<u>\$ 10,332</u>	<u>\$ 19,400,463</u>

STATE OF OHIO

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
OPERATING REVENUES:			
Charges for Sales and Services	\$ 3,836	\$ 349,671	\$ 2,380,207
Premium and Assessment Income	—	—	—
Investment Income	8,709	—	86,022
Other	12	1,073	4,895
TOTAL OPERATING REVENUES	<u>12,557</u>	<u>350,744</u>	<u>2,471,124</u>
OPERATING EXPENSES:			
Costs of Sales and Services	—	216,852	—
Administration	2,180	48,199	83,276
Bonuses and Commissions	—	—	145,592
Prizes	—	—	1,363,071
Benefits and Claims	11,590	—	—
Depreciation	58	536	8,417
Other	7	769	98,546
TOTAL OPERATING EXPENSES	<u>13,835</u>	<u>266,356</u>	<u>1,698,902</u>
OPERATING INCOME (LOSS)	<u>(1,278)</u>	<u>84,388</u>	<u>772,222</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	116	—	—
Other	—	(848)	(1,248)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>116</u>	<u>(848)</u>	<u>(1,248)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(1,162)</u>	<u>83,540</u>	<u>770,974</u>
OPERATING TRANSFERS:			
Operating Transfers-out	—	(81,587)	(726,548)
TOTAL OPERATING TRANSFERS	<u>—</u>	<u>(81,587)</u>	<u>(726,548)</u>
NET INCOME (LOSS)	<u>(1,162)</u>	<u>1,953</u>	<u>44,426</u>
RETAINED EARNINGS (DEFICITS), JULY 1	<u>20,611</u>	<u>11,801</u>	<u>154,229</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 19,449</u>	<u>\$ 13,754</u>	<u>\$ 198,655</u>

<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>TOTAL</u>
\$ —	\$ 2,346	\$ 2,736,060
2,300,888	—	2,300,888
1,034,146	—	1,128,877
30,858	6	36,844
<u>3,365,892</u>	<u>2,352</u>	<u>6,202,669</u>
—	—	216,852
67,485	1,313	202,453
—	—	145,592
—	—	1,363,071
2,130,493	—	2,142,083
24,224	406	33,641
66,119	—	165,441
<u>2,288,321</u>	<u>1,719</u>	<u>4,269,133</u>
<u>1,077,571</u>	<u>633</u>	<u>1,933,536</u>
—	147	263
—	—	(2,096)
—	<u>147</u>	<u>(1,833)</u>
<u>1,077,571</u>	<u>780</u>	<u>1,931,703</u>
—	(2,088)	(810,223)
—	<u>(2,088)</u>	<u>(810,223)</u>
1,077,571	(1,308)	1,121,480
(129,178)	11,485	68,948
<u>\$ 948,393</u>	<u>\$ 10,177</u>	<u>\$ 1,190,428</u>

STATE OF OHIO

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	<u>TUITION TRUST AUTHORITY</u>	<u>LIQUOR CONTROL</u>	<u>OHIO LOTTERY COMMISSION</u>	<u>WORKERS' COMPENSATION</u>	<u>UNDERGROUND PARKING GARAGE</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating Income (Loss).....	\$ (1,278)	\$ 84,388	\$ 772,222	\$ 1,077,571	\$ 633	\$ 1,933,536
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Investment Income	(8,709)	—	(86,022)	(1,034,146)	—	(1,128,877)
Depreciation	58	536	8,417	24,224	406	33,641
Provision for Uncollectible Accounts	—	—	—	43,602	—	43,602
Amortization of Premiums and Discounts	(639)	—	96,313	(103,332)	—	(7,658)
Interest on Bonds, Notes and Capital Leases	—	—	—	9,947	—	9,947
Decrease (Increase) in Assets:						
Premiums and Assessments Receivable	—	—	—	110,441	—	110,441
Other Receivables	134	(60)	(20,692)	(61,569)	(1)	(82,188)
Due from Other Funds	—	168	—	(43)	5	130
Inventories	—	489	—	—	—	489
Other Assets	—	119	1,100	(170)	—	1,049
Increase (Decrease) in Liabilities:						
Accounts Payable	(56)	(2,056)	(2,071)	(18,441)	6	(22,618)
Accrued Liabilities	25	(2,451)	7	—	35	(2,384)
Intergovernmental Payable	—	(28)	—	—	—	(28)
Due to Other Funds	—	18	—	(425)	—	(407)
Deferred Revenues	—	(5)	(3,501)	3,363	8	(135)
Workers' Compensation Benefits Payable	—	—	—	219,212	—	219,212
Refund and Other Liabilities	—	(164)	8,177	55,402	—	63,415
Liabilities Payable from Restricted Assets	30,701	—	(56,180)	—	—	(25,479)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES.....	20,236	80,954	717,770	325,636	1,092	1,145,688

CASH FLOWS FROM NONCAPITAL**FINANCING ACTIVITIES:**

Operating Transfers-out	—	(81,587)	(726,548)	—	(2,088)	(810,223)
NET CASH FLOWS USED BY						
NONCAPITAL FINANCING ACTIVITIES	—	(81,587)	(726,548)	—	(2,088)	(810,223)

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

Principal Payment on Bonds	—	—	—	(2,000)	—	(2,000)
Interest Paid	—	—	—	(9,947)	—	(9,947)
Acquisition and Construction of Capital Assets	(42)	(358)	(1,265)	(20,728)	—	(22,393)
Proceeds from Sales of Fixed Assets	—	62	—	—	—	62
Principal Payments on Capital Leases	—	—	(8,141)	—	—	(8,141)
NET CASH FLOWS USED BY						
CAPITAL AND RELATED FINANCING ACTIVITIES	(42)	(296)	(9,406)	(32,675)	—	(42,419)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from the Sales and Maturities of Investments	116	—	425,075	7,845,190	—	8,270,381
Purchase of Investments	(34,888)	—	(447,635)	(9,291,217)	—	(9,773,740)
Investment Income Received	8,687	—	72,525	1,054,499	146	1,135,857
NET CASH FLOWS PROVIDED (USED) BY						
INVESTING ACTIVITIES	(26,085)	—	49,965	(391,528)	146	(367,502)

NET INCREASE (DECREASE)

IN CASH AND CASH EQUIVALENTS	(5,891)	(929)	31,781	(98,567)	(850)	(74,456)
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CASH AND CASH EQUIVALENTS, JULY 1	6,441	9,793	89,263	343,049	3,104	451,650
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CASH AND CASH EQUIVALENTS, JUNE 30	\$ 550	\$ 8,864	\$ 121,044	\$ 244,482	\$ 2,254	\$ 377,194
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INTERNAL SERVICE FUNDS

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

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

The **Ohio Data Network Fund** accounts for the revenues and expenses associated with electronic data-processing of goods and services provided to 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 and agricultural commodities 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 tele-communications services provided to State agencies and to local government.

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996
(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES
ASSETS			
<i>Current Assets:</i>			
Cash Equity with Treasurer	\$ —	\$ 21,182	\$ 14,516
Cash and Cash Equivalents	266	—	—
Investments	1,705	—	—
<i>Receivables:</i>			
Intergovernmental	—	5	511
Other	4,560	1,039	383
Due from Other Funds	—	7,526	22,942
Inventories	—	180	12,804
Other Assets	398	—	—
Total Current Assets	6,929	29,932	51,156
<i>Restricted Assets:</i>			
Cash and Cash Equivalents	1	—	—
Investments	42,307	—	—
Total Restricted Assets	42,308	—	—
<i>Noncurrent Assets:</i>			
Other Receivables	39,126	—	—
Total Noncurrent Assets	39,126	—	—
Fixed Assets (net of accumulated depreciation)	—	22,988	3,420
TOTAL ASSETS	\$ 88,363	\$ 52,920	\$ 54,576
LIABILITIES AND FUND EQUITY			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 11,923	\$ 1,324	\$ 4,807
Accrued Liabilities	780	1,203	1,809
Due to Other Funds	—	65	1,725
Deferred Revenues	880	—	—
Revenue Bonds	2,539	—	—
Total Current Liabilities	16,122	2,592	8,341
<i>Noncurrent Liabilities:</i>			
Accrued Liabilities	—	2,062	3,262
Revenue Bonds	38,801	—	—
Total Noncurrent Liabilities	38,801	2,062	3,262
Total Liabilities	54,923	4,654	11,603
<i>Fund Equity:</i>			
Contributed Capital	—	28,476	1,497
<i>Retained Earnings:</i>			
Reserved for:			
Health Care Benefits	—	49	223
Unreserved	33,440	19,741	41,253
Total Fund Equity	33,440	48,266	42,973
TOTAL LIABILITIES AND FUND EQUITY	\$ 88,363	\$ 52,920	\$ 54,576

<u>SUPPORT SERVICES</u>	<u>TELE- COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 1,475	\$ 3,762	\$ 40,935
—	—	266
—	—	1,705
1,213	76	1,805
—	1,698	7,680
4,135	3,960	38,563
7,120	—	20,104
—	—	398
<u>13,943</u>	<u>9,496</u>	<u>111,456</u>
—	—	1
—	—	42,307
—	—	42,308
—	—	39,126
—	—	39,126
<u>4,349</u>	<u>3,673</u>	<u>34,430</u>
<u>\$ 18,292</u>	<u>\$ 13,169</u>	<u>\$ 227,320</u>

\$ 2,175	\$ 1,936	\$ 22,165
286	166	4,244
82	55	1,927
40	—	920
—	—	2,539
<u>2,583</u>	<u>2,157</u>	<u>31,795</u>
563	327	6,214
—	—	38,801
<u>563</u>	<u>327</u>	<u>45,015</u>
<u>3,146</u>	<u>2,484</u>	<u>76,810</u>
5,257	—	35,230
12	10	294
<u>9,877</u>	<u>10,675</u>	<u>114,986</u>
<u>15,146</u>	<u>10,685</u>	<u>150,510</u>
<u>\$ 18,292</u>	<u>\$ 13,169</u>	<u>\$ 227,320</u>

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 1996
(amounts expressed in thousands)

	<u>OHIO BUILDING AUTHORITY</u>	<u>OHIO DATA NETWORK</u>	<u>OHIO PENAL INDUSTRIES</u>
OPERATING REVENUES:			
Charges for Sales and Services	\$ 24,398	\$ 49,533	\$ 124,899
Other	<u>2,033</u>	<u>929</u>	<u>439</u>
TOTAL OPERATING REVENUES	<u>26,431</u>	<u>50,462</u>	<u>125,338</u>
OPERATING EXPENSES:			
Costs of Sales and Services	18,549	—	64,224
Administration	2,603	31,887	46,388
Depreciation	—	18,110	684
Other	<u>1,321</u>	<u>4,183</u>	<u>2,771</u>
TOTAL OPERATING EXPENSES	<u>22,473</u>	<u>54,180</u>	<u>114,067</u>
OPERATING INCOME (LOSS)	<u>3,958</u>	<u>(3,718)</u>	<u>11,271</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Income	1,820	—	—
Interest Expense	(3,649)	—	—
Other	—	(488)	(84)
TOTAL NONOPERATING EXPENSES	<u>(1,829)</u>	<u>(488)</u>	<u>(84)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>2,129</u>	<u>(4,206)</u>	<u>11,187</u>
OPERATING TRANSFERS:			
Operating Transfers-in	32,166	—	8,651
Operating Transfers-out	<u>(34,213)</u>	<u>—</u>	<u>—</u>
TOTAL OPERATING TRANSFERS	<u>(2,047)</u>	<u>—</u>	<u>8,651</u>
NET INCOME (LOSS)	82	(4,206)	19,838
RETAINED EARNINGS, JULY 1	<u>33,358</u>	<u>23,996</u>	<u>21,638</u>
RETAINED EARNINGS, JUNE 30	<u>\$ 33,440</u>	<u>\$ 19,790</u>	<u>\$ 41,476</u>

<u>SUPPORT SERVICES</u>	<u>TELE- COMMUNICATIONS</u>	<u>TOTAL</u>
\$ 62,913	\$ 29,808	\$ 291,551
2,914	14	6,329
<u>65,827</u>	<u>29,822</u>	<u>297,880</u>
55,252	20,384	158,409
9,455	6,892	97,225
606	1,084	20,484
—	1,358	9,633
<u>65,313</u>	<u>29,718</u>	<u>285,751</u>
<u>514</u>	<u>104</u>	<u>12,129</u>
—	—	1,820
—	—	(3,649)
(49)	—	(621)
<u>(49)</u>	<u>—</u>	<u>(2,450)</u>
<u>465</u>	<u>104</u>	<u>9,679</u>
—	—	40,817
—	—	(34,213)
—	—	<u>6,604</u>
<u>465</u>	<u>104</u>	<u>16,283</u>
<u>9,424</u>	<u>10,581</u>	<u>98,997</u>
<u>\$ 9,889</u>	<u>\$ 10,685</u>	<u>\$ 115,280</u>

STATE OF OHIO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	OHIO BUILDING AUTHORITY	OHIO DATA NETWORK	OHIO PENAL INDUSTRIES	SUPPORT SERVICES	TELE- COMMUNICATIONS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Operating Income (Loss).....	\$ 3,958	\$ (3,718)	\$ 11,271	\$ 514	\$ 104	\$ 12,129
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:						
Depreciation	—	18,110	684	606	1,084	20,484
Decrease (Increase) in Assets:						
Intergovernmental Receivables	—	3	(43)	(37)	(48)	(125)
Other Receivables	581	(44)	260	—	1,531	2,328
Due from Other Funds	—	5,796	(18,771)	73	(736)	(13,638)
Inventories	—	65	(93)	722	—	694
Other Assets	(58)	—	—	—	—	(58)
Increase (Decrease) in Liabilities:						
Accounts Payable	(5)	(2,186)	(1,560)	(657)	(1,996)	(6,404)
Accrued Liabilities	—	(235)	289	48	38	140
Intergovernmental Payable	—	(800)	—	—	(1,000)	(1,800)
Due to Other Funds	—	30	214	11	28	283
Deferred Revenues	(17)	—	—	(21)	—	(38)
NET CASH FLOWS PROVIDED (USED) BY						
OPERATING ACTIVITIES	4,459	17,021	(7,749)	1,259	(995)	13,995
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Operating Transfers-in	32,166	—	8,651	—	—	40,817
Operating Transfers-out	(34,213)	—	—	—	—	(34,213)
NET CASH FLOWS PROVIDED (USED) BY						
NONCAPITAL FINANCING ACTIVITIES	(2,047)	—	8,651	—	—	6,604

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal Payment on Bonds	(2,602)	—	—	—	—	(2,602)
Interest Paid	(3,279)	—	—	—	—	(3,279)
Principal Receipts on Capital Leases	2,547	—	—	—	—	2,547
Acquisition and Construction of Capital Assets	—	(1,212)	(357)	(373)	(1,361)	(3,303)
Proceeds from Sales of Fixed Assets	—	—	—	6	—	6
Principal Payments on Capital Leases	—	(964)	—	—	—	(964)
NET CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,334)	(2,176)	(357)	(367)	(1,361)	(7,595)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Investments	(748)	—	—	—	—	(748)
Investment Income Received	1,806	—	—	—	—	1,806
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	1,058	—	—	—	—	1,058

NET INCREASE (DECREASE)

IN CASH AND CASH EQUIVALENTS	136	14,845	545	892	(2,356)	14,062
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CASH AND CASH EQUIVALENTS, JULY 1	131	6,337	13,971	583	6,118	27,140
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CASH AND CASH EQUIVALENTS, JUNE 30	\$ 267	\$ 21,182	\$ 14,516	\$ 1,475	\$ 3,762	\$ 41,202
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NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Acquisition and Construction of Capital Assets	\$ —	\$ 5,490	\$ 482	\$ 288	\$ —	\$ 6,260
Forgiveness of Interfund Advances	—	22,986	—	—	—	22,986
INCREASE IN CONTRIBUTED CAPITAL	\$ —	\$ 28,476	\$ 482	\$ 288	\$ —	\$ 29,246

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TRUST AND AGENCY FUNDS

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

Expendable Trust

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

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

Pension Trust

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

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, 1996

(amounts expressed in thousands)

	<u>EXPENDABLE TRUST</u>		<u>PENSION TRUST</u>
	<u>EMPLOYMENT SERVICES</u>	<u>UNCLAIMED FUNDS</u>	<u>STATE HIGHWAY PATROL</u>
ASSETS			
Cash Equity with Treasurer	\$ 79,349	\$ 88	\$ —
Cash and Cash Equivalents	172	3,483	23,123
Investments	4,802	125,321	417,313
Deposit with Federal Government	1,688,357	—	—
Receivables:			
Taxes	200,155	—	—
Intergovernmental	17	—	—
Other	—	22,972	1,572
Due from Other Funds	—	1,347	3,321
Deposit with Deferred Compensation Plan	—	—	—
Advances to Other Funds	—	72,248	—
Fixed Assets (net of accumulated depreciation)	—	—	2,917
Other Assets	—	—	67
Sureties	6,492	—	—
TOTAL ASSETS	\$ 1,979,344	\$ 225,459	\$ 448,313
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ —	\$ —	\$ 333
Accrued Liabilities	—	—	269
Intergovernmental Payable	—	—	—
Due to Other Funds	—	—	—
Refund and Other Liabilities	45,283	—	36
Liability for Escheat Property	—	59,146	—
Liability for Deferred Compensation	—	—	—
Total Liabilities	45,283	59,146	638
Fund Balances:			
Reserved for:			
Pension and Other Postemployment Benefits	—	—	447,675
Unemployment Benefits	1,934,061	—	—
Other:			
Advances to Other funds	—	72,248	—
Unreserved/Undesignated	—	94,065	—
Total Fund Balances	1,934,061	166,313	447,675
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,979,344	\$ 225,459	\$ 448,313

<u>AGENCY FUNDS</u>	<u>TOTAL</u>
\$ 218,397	\$ 297,834
78,827	105,605
79,945,859	80,493,295
—	1,688,357
—	200,155
—	17
1,350	25,894
119	4,787
714,129	714,129
—	72,248
—	2,917
—	67
<u>367,803</u>	<u>374,295</u>
<u>\$ 81,326,484</u>	<u>\$ 83,979,600</u>

\$ —	\$ 333
—	269
3,433,236	3,433,236
41,667	41,667
77,137,432	77,182,751
—	59,146
<u>714,149</u>	<u>714,149</u>
<u>81,326,484</u>	<u>81,431,551</u>

—	447,675
—	1,934,061
—	72,248
—	94,065
<u>—</u>	<u>2,548,049</u>
<u>\$ 81,326,484</u>	<u>\$ 83,979,600</u>

STATE OF OHIO
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1996
(amounts expressed in thousands)

	<u>EMPLOYMENT SERVICES</u>	<u>UNCLAIMED FUNDS</u>	<u>TOTAL</u>
REVENUES:			
Unemployment Taxes.....	\$ 943,083	\$ —	\$ 943,083
Federal Government.....	12,924	—	12,924
Other.....	117,185	54,246	171,431
TOTAL REVENUES	<u>1,073,192</u>	<u>54,246</u>	<u>1,127,438</u>
EXPENDITURES:			
CURRENT:			
Health and Human Services.....	787,838	—	787,838
General Government.....	—	18,166	18,166
TOTAL EXPENDITURES	<u>787,838</u>	<u>18,166</u>	<u>806,004</u>
EXCESS OF REVENUES OVER EXPENDITURES	285,354	36,080	321,434
FUND BALANCES, JULY 1	<u>1,648,707</u>	<u>130,233</u>	<u>1,778,940</u>
FUND BALANCES, JUNE 30	<u>\$ 1,934,061</u>	<u>\$ 166,313</u>	<u>\$ 2,100,374</u>

STATE OF OHIO
STATEMENT OF PLAN NET ASSETS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
PENSION TRUST FUND
JUNE 30, 1996
(amounts expressed in thousands)

	<u>PENSION</u>	<u>POST- EMPLOYMENT</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 19,615	\$ 3,508	\$ 23,123
Receivables:			
Employer's Contributions	1,805	521	2,326
Employees' Contributions	995	—	995
Interest	1,306	234	1,540
Other	27	5	32
Total Receivables	<u>4,133</u>	<u>760</u>	<u>4,893</u>
Investments:			
Government and Corporate Bonds	141,538	25,311	166,849
Common Stock	161,777	28,930	190,707
Real Estate	16,327	2,920	19,247
Other Investments	34,365	6,145	40,510
Total Investments	<u>354,007</u>	<u>63,306</u>	<u>417,313</u>
Other Assets	57	10	67
Total Current Assets	<u>377,812</u>	<u>67,584</u>	<u>445,396</u>
Fixed Assets (net of accumulated depreciation)	2,474	443	2,917
TOTAL ASSETS	<u>380,286</u>	<u>68,027</u>	<u>448,313</u>
LIABILITIES			
Accounts Payable	282	51	333
Accrued Healthcare Benefits	—	245	245
Other Liabilities	51	9	60
TOTAL LIABILITIES	<u>333</u>	<u>305</u>	<u>638</u>
FUND BALANCE RESERVED FOR EMPLOYEES'			
PENSION AND POSTEMPLOYMENT			
HEALTHCARE BENEFITS	<u>\$ 379,953</u>	<u>\$ 67,722</u>	<u>\$ 447,675</u>

STATE OF OHIO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	BALANCE JULY 1, 1995	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1996
HOLDING AND DISTRIBUTION				
ASSETS				
Cash Equity with Treasurer	\$ 19,880	\$ 779,035	\$ 780,770	\$ 18,145
Cash and Cash Equivalents	6,525	513,068	513,870	5,723
Other Receivables	156	867	437	586
Total Assets	<u>\$ 26,561</u>	<u>\$ 1,292,970</u>	<u>\$ 1,295,077</u>	<u>\$ 24,454</u>
LIABILITIES				
Intergovernmental Payable	\$ 273	\$ 8,075	\$ 7,070	\$ 1,278
Due to Other Funds	17,690	738,089	741,686	14,093
Refund and Other Liabilities	8,598	31,680	31,195	9,083
Total Liabilities	<u>\$ 26,561</u>	<u>\$ 777,844</u>	<u>\$ 779,951</u>	<u>\$ 24,454</u>
PAYROLL WITHHOLDING AND FRINGE BENEFITS				
ASSETS				
Cash Equity with Treasurer	\$ 120,303	\$ 1,567,460	\$ 1,563,599	\$ 124,164
Cash and Cash Equivalents	1,457	85,005	80,116	6,346
Other Receivables	219	2,846	2,662	403
Due from Other Funds	88	4,314	4,334	68
Total Assets	<u>\$ 122,067</u>	<u>\$ 1,659,625</u>	<u>\$ 1,650,711</u>	<u>\$ 130,981</u>
LIABILITIES				
Intergovernmental Payable	\$ 1,535	\$ 351,770	\$ 352,187	\$ 1,118
Due to Other Funds	41,888	159,666	173,980	27,574
Refund and Other Liabilities	78,644	966,621	942,976	102,289
Total Liabilities	<u>\$ 122,067</u>	<u>\$ 1,478,057</u>	<u>\$ 1,469,143</u>	<u>\$ 130,981</u>
TAX REFUNDS				
ASSETS				
Cash Equity with Treasurer	\$ 12,287	\$ 775,735	\$ 772,937	\$ 15,085
Total Assets	<u>\$ 12,287</u>	<u>\$ 775,735</u>	<u>\$ 772,937</u>	<u>\$ 15,085</u>
LIABILITIES				
Refund and Other Liabilities	\$ 12,287	\$ 775,735	\$ 772,937	\$ 15,085
Total Liabilities	<u>\$ 12,287</u>	<u>\$ 775,735</u>	<u>\$ 772,937</u>	<u>\$ 15,085</u>
OHIO BUILDING AUTHORITY				
ASSETS				
Investments	\$ 12,305	\$ 19,803	\$ 19,153	\$ 12,955
Other Receivables	253	650	765	138
Total Assets	<u>\$ 12,558</u>	<u>\$ 20,453</u>	<u>\$ 19,918</u>	<u>\$ 13,093</u>
LIABILITIES				
Refund and Other Liabilities	\$ 12,558	\$ 650	\$ 115	\$ 13,093
Total Liabilities	<u>\$ 12,558</u>	<u>\$ 650</u>	<u>\$ 115</u>	<u>\$ 13,093</u>

	BALANCE JULY 1, 1995	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1996
STAR OHIO				
ASSETS				
Investments	\$ 2,974,172	\$ 17,127,353	\$ 16,731,050	\$ 3,370,475
Total Assets	<u>\$ 2,974,172</u>	<u>\$ 17,127,353</u>	<u>\$ 16,731,050</u>	<u>\$ 3,370,475</u>
LIABILITIES				
Intergovernmental Payable	\$ 2,974,172	\$ 17,127,353	\$ 16,731,050	\$ 3,370,475
Total Liabilities	<u>\$ 2,974,172</u>	<u>\$ 17,127,353</u>	<u>\$ 16,731,050</u>	<u>\$ 3,370,475</u>
DEFERRED COMPENSATION				
ASSETS				
Due from Other Funds	\$ 15	\$ 74,381	\$ 74,376	\$ 20
Deposit with Deferred Compensation Plan	609,473	140,719	36,063	714,129
Total Assets	<u>\$ 609,488</u>	<u>\$ 215,100</u>	<u>\$ 110,439</u>	<u>\$ 714,149</u>
LIABILITIES				
Liability for Deferred Compensation	\$ 609,488	\$ 140,724	\$ 36,063	\$ 714,149
Total Liabilities	<u>\$ 609,488</u>	<u>\$ 140,724</u>	<u>\$ 36,063</u>	<u>\$ 714,149</u>
RETIREMENT SYSTEMS				
ASSETS				
Investments	\$ 68,565,174	\$ 133,390,999	\$ 125,440,166	\$ 76,516,007
Total Assets	<u>\$ 68,565,174</u>	<u>\$ 133,390,999</u>	<u>\$ 125,440,166</u>	<u>\$ 76,516,007</u>
LIABILITIES				
Refund and Other Liabilities:				
Liability to:				
Public Employees Retirement System	\$ 30,647,198	\$ 51,770,395	\$ 48,136,575	\$ 34,281,018
Police and Firemen's Disability and Pension Fund	4,504,068	9,056,059	8,707,052	4,853,075
School Employees Retirement System	4,169,809	17,022,864	16,408,797	4,783,876
State Teachers Retirement System	29,244,099	55,541,681	52,187,742	32,598,038
Total Liabilities	<u>\$ 68,565,174</u>	<u>\$ 133,390,999</u>	<u>\$ 125,440,166</u>	<u>\$ 76,516,007</u>
OTHER				
ASSETS				
Cash Equity with Treasurer	\$ 41,121	\$ 1,182,353	\$ 1,162,471	\$ 61,003
Cash and Cash Equivalents	29,144	151,115,864	151,078,250	66,758
Investments	50,144	16,244	19,966	46,422
Other Receivables	299	2,048	2,124	223
Due from Other Funds	35	1,036	1,040	31
Sureties	353,253	123,797	109,247	367,803
Total Assets	<u>\$ 473,996</u>	<u>\$ 152,441,342</u>	<u>\$ 152,373,098</u>	<u>\$ 542,240</u>
LIABILITIES				
Intergovernmental Payable	\$ 40,846	\$ 1,180,993	\$ 1,161,474	\$ 60,365
Refund and Other Liabilities	433,150	151,215,009	151,166,284	481,875
Total Liabilities	<u>\$ 473,996</u>	<u>\$ 152,396,002</u>	<u>\$ 152,327,758</u>	<u>\$ 542,240</u>

(continued)

STATE OF OHIO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

(continued)

	<u>BALANCE</u> <u>JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1996</u>
TOTAL AGENCY				
ASSETS				
Cash Equity with Treasurer	\$ 193,591	\$ 4,304,583	\$ 4,279,777	\$ 218,397
Cash and Cash Equivalents.....	37,126	151,713,937	151,672,236	78,827
Investments	71,601,795	150,554,399	142,210,335	79,945,859
Other Receivables	927	6,411	5,988	1,350
Due from Other Funds	138	79,731	79,750	119
Deposit with Deferred Compensation Plan	609,473	140,719	36,063	714,129
Sureties	353,253	123,797	109,247	367,803
Total Assets	<u>\$ 72,796,303</u>	<u>\$ 306,923,577</u>	<u>\$ 298,393,396</u>	<u>\$ 81,326,484</u>
LIABILITIES				
Intergovernmental Payable	\$ 3,016,826	\$ 18,668,191	\$ 18,251,781	\$ 3,433,236
Due to Other Funds	59,578	897,755	915,666	41,667
Refund and Other Liabilities	69,110,411	286,380,694	278,353,673	77,137,432
Liability for Deferred Compensation	609,488	140,724	36,063	714,149
Total Liabilities	<u>\$ 72,796,303</u>	<u>\$ 306,087,364</u>	<u>\$ 297,557,183</u>	<u>\$ 81,326,484</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The **General Fixed Assets Account Group** accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary, trust, and college and university funds.

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCE FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	BALANCE JULY 1, 1995	BEGINNING BALANCE ADJUSTMENTS	ADDITIONS	DELETIONS/ NET TRANSFERS	BALANCE JUNE 30, 1996
GENERAL FIXED ASSETS:					
Land	\$ 156,333	\$ 12,208	\$ 10,075	\$ (19)	\$ 178,597
Buildings	1,999,485	13,182	53,247	(13,335)	2,052,579
Land Improvements	144,071	353	5,030	(378)	149,076
Machinery and Equipment	166,947	11,244	20,074	(8,061)	190,204
State Vehicles	202,267	2,414	29,085	(16,212)	217,554
Construction-in-Progress	341,712	(21,265)	469,259	(310,509)	479,197
TOTAL GENERAL FIXED ASSETS	\$ 3,010,815	\$ 18,136	\$ 586,770	\$ (348,514)	\$ 3,267,207
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:					
ACQUIRED BEFORE JULY 1, 1987	\$ 1,136,142	\$ (722)	\$ —	\$ (17,135)	\$ 1,118,285
ACQUIRED ON OR AFTER JULY 1, 1987:					
General Fund Revenues	119,206	16,767	16,347	(7,801)	144,519
Special Revenue Fund Revenues	352,814	1,881	67,254	(21,112)	400,837
Capital Projects Funds:					
Special Obligation Bonds	1,383,191	131	492,274	(302,340)	1,573,256
Certificates of Participation	4,044	—	—	—	4,044
Donations	15,418	79	10,895	(126)	26,266
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	\$ 3,010,815	\$ 18,136	\$ 586,770	\$ (348,514)	\$ 3,267,207

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	<u>BALANCE</u> <u>JULY 1, 1995</u>	<u>BEGINNING</u> <u>BALANCE</u> <u>ADJUSTMENTS</u>	<u>ADDITIONS</u>	<u>DELETIONS/</u> <u>NET</u> <u>TRANSFERS</u>	<u>BALANCE</u> <u>JUNE 30, 1996</u>
REPORTING FUNCTION:					
Primary, Secondary and Other Education	\$ 61,314	\$ 11,833	\$ 2,768	\$ (366)	\$ 75,549
Higher Education Support	3,779	3,646	225	(574)	7,076
Public Assistance and Medicaid	3,871	(49)	—	(5)	3,817
Health and Human Services	586,298	852	21,946	(16,424)	592,672
Justice and Public Protection	839,591	5,017	16,878	(7,542)	853,944
Environmental Protection and Natural Resources	324,779	940	15,852	(3,832)	337,739
Transportation	360,053	10,297	29,197	(4,728)	394,819
General Government	445,056	6,020	15,603	(3,991)	462,688
Community and Economic Development	44,362	845	15,042	(543)	59,706
TOTAL GENERAL FIXED ASSETS					
ALLOCATED TO FUNCTIONS	2,669,103	39,401	117,511	(38,005)	2,788,010
Construction-in-Progress	341,712	(21,265)	469,259	(310,509)	479,197
TOTAL GENERAL FIXED ASSETS	\$ 3,010,815	\$ 18,136	\$ 586,770	\$ (348,514)	\$ 3,267,207

STATE OF OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 1996

(amounts expressed in thousands)

	<u>LAND</u>	<u>BUILDINGS</u>	<u>LAND IMPROVEMENTS</u>	<u>MACHINERY and EQUIPMENT</u>	<u>STATE VEHICLES</u>	<u>TOTAL</u>
REPORTING FUNCTION:						
Primary, Secondary and Other Education	\$ 13,882	\$ 46,989	\$ 2,738	\$ 11,087	\$ 853	\$ 75,549
Higher Education Support	—	—	247	6,814	15	7,076
Public Assistance and Medicaid	—	—	—	3,794	23	3,817
Health and Human Services	7,010	480,651	56,604	39,606	8,801	592,672
Justice and Public Protection	8,536	738,805	38,978	21,809	45,816	853,944
Environmental Protection and Natural Resources	114,859	149,717	30,511	13,847	28,805	337,739
Transportation	16,412	180,423	10,771	64,549	122,664	394,819
General Government	15,074	406,436	8,011	26,125	7,042	462,688
Community and Economic Development	2,824	49,558	1,216	2,573	3,535	59,706
TOTAL GENERAL FIXED ASSETS						
ALLOCATED TO FUNCTIONS	<u>\$ 178,597</u>	<u>\$ 2,052,579</u>	<u>\$ 149,076</u>	<u>\$ 190,204</u>	<u>\$ 217,554</u>	<u>2,788,010</u>
Construction-in-Progress						<u>479,197</u>
TOTAL GENERAL FIXED ASSETS						<u>\$ 3,267,207</u>

DISCRETELY PRESENTED COMPONENT UNIT FUNDS

The **Discretely Presented Component Unit Funds** account for the financial activities of the State of Ohio's component units, organizations that are legally separate from the State's primary government and for which the primary government is financially accountable. The Discretely Presented Component Unit Funds are presented in two separate reporting categories, **Proprietary Funds** and **College and University Funds**.

Proprietary Funds

The **Ohio Water Development Authority Fund** accounts for the revenues and expenses associated with the Ohio Water Development Authority's operations and its programs, which provide financial assistance to local governments for the construction of wastewater and sewage facilities.

College and University Funds

The **Ohio State University Fund** accounts for operations of Ohio State University, its hospitals and clinics, the Ohio State University Foundation, the Ohio Agricultural Research Development Center, the Dormitory Revenue Bond Fund, 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 its hospital.

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.

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.

DISCRETELY PRESENTED COMPONENT UNIT FUNDS
(Continued)

College and University Funds (Continued)

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.

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 **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** accounts for the operations of Cincinnati State Community College.

The **Northwest State Community College** accounts for the operations of Northwest State Community College located in Archbold, Ohio.

The **Owens State Community College** accounts for the operations of Owens State Community College located in Toledo, Ohio.

The **Terra State Community College** accounts for the operations of Terra State Community College located in Fremont, Ohio.

STATE OF OHIO
DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 1996
(amounts expressed in thousands)

	<u>PROPRIETARY</u>
	<u>OHIO WATER DEVELOPMENT AUTHORITY</u>
ASSETS	
Cash Equity with Treasurer	\$ 808
Cash and Cash Equivalents	958
Investments	770,985
Receivables:	
Intergovernmental	3,181
Loans, Net	1,472,777
Other	111
Due from Other Funds	930
Inventories	—
Deposit with Deferred Compensation Plan	636
Restricted Assets:	
Cash and Cash Equivalents	—
Investments	—
Fixed Assets (net of accumulated depreciation)	289
Other Assets	17,089
TOTAL ASSETS	\$ 2,267,764
LIABILITIES, FUND EQUITY AND OTHER CREDITS	
Liabilities:	
Accounts Payable	\$ 26,324
Accrued Liabilities	7,889
Due to Other Funds	930
Deferred Revenues	—
Refund and Other Liabilities	2,193
Liability for Deferred Compensation	636
Revenue Bonds and Notes	1,319,959
Certificates of Participation	—
Total Liabilities	<u>1,357,931</u>
Fund Equity and Other Credits:	
Investment in General Fixed Assets	—
Retained Earnings:	
Unreserved	909,833
Fund Balances:	
Reserved for:	
Restricted Fund Balances	—
Unreserved/Designated	—
Unreserved/Undesignated (Deficits)	—
Total Fund Equity and Other Credits	<u>909,833</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 2,267,764

COLLEGES AND UNIVERSITIES

OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
19,963	769	6,531	6,292	354	1,176	10,013	10,321
1,020,048	47,340	87,760	110,781	81,816	71,060	68,974	42,235
5,802	—	—	—	—	102	1,292	312
54,917	28,790	7,970	8,263	9,221	8,405	16,968	10,341
163,940	68,677	14,654	7,895	7,856	20,627	9,615	9,242
277,078	11,204	3,052	8,313	520	10,289	10,556	—
16,126	4,183	2,383	2,821	1,601	2,567	4,401	214
—	—	1,122	—	—	—	579	—
—	61,942	—	—	—	84	—	—
11,652	607,308	2,989	—	1,726	—	7,585	1,574
2,062,053	1,312,244	510,511	453,974	441,289	339,217	387,831	380,439
18,242	374,016	5,298	478	4,168	41	2,487	4,677
\$ 3,649,821	\$ 2,516,473	\$ 642,270	\$ 598,817	\$ 548,551	\$ 453,568	\$ 520,301	\$ 459,355
\$ 44,760	\$ 35,270	\$ 5,557	\$ 6,331	\$ 2,225	\$ 1,890	\$ 12,479	\$ 5,287
202,167	91,319	27,357	28,539	37,849	22,903	39,812	15,967
277,078	11,204	3,052	8,313	520	10,289	10,556	—
55,720	22,815	10,591	5,780	10,753	4,468	9,522	8,314
24,706	227,045	3,364	2,694	2,183	256	2,480	1,577
—	—	1,122	—	—	—	579	—
197,150	325,347	52,920	31,432	4,968	47,290	31,938	88,595
4,670	3,065	—	—	9,295	—	—	—
806,251	716,065	103,963	83,089	67,793	87,096	107,366	119,740
1,859,198	1,027,036	457,324	411,682	417,614	301,562	352,498	288,873
—	—	—	—	—	—	—	—
647,700	595,763	36,069	54,304	38,991	43,117	14,221	24,388
336,672	177,609	43,978	42,462	21,157	21,793	31,529	21,145
—	—	936	7,280	2,996	—	14,687	5,209
2,843,570	1,800,408	538,307	515,728	480,758	366,472	412,935	339,615
\$ 3,649,821	\$ 2,516,473	\$ 642,270	\$ 598,817	\$ 548,551	\$ 453,568	\$ 520,301	\$ 459,355

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING BALANCE SHEET

JUNE 30, 1996

(amounts expressed in thousands)

(continued)

COLLEGES AND UNIVERSITIES (continued)

	CLEVELAND STATE UNIVERSITY	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	CENTRAL STATE UNIVERSITY (JUNE 30, 1995)
ASSETS				
Cash Equity with Treasurer	\$ —	\$ —	\$ —	\$ —
Cash and Cash Equivalents	796	7,904	22,254	214
Investments	40,352	14,565	27,006	1,009
Receivables:				
Intergovernmental	—	—	1,557	—
Loans, Net.	7,862	2,688	11,197	466
Other	7,123	2,480	9,511	854
Due from Other Funds	54	3,557	5,567	3,777
Inventories	292	1,502	503	21
Deposit with Deferred Compensation Plan	—	—	—	—
Restricted Assets:				
Cash and Cash Equivalents	—	269	86	—
Investments	—	3,557	—	397
Fixed Assets (net of accumulated depreciation)	384,335	268,018	289,869	97,881
Other Assets	1,502	320	3,865	37
TOTAL ASSETS	\$ 442,316	\$ 304,860	\$ 371,415	\$ 104,656
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 1,984	\$ 1,834	\$ 4,767	\$ 3,807
Accrued Liabilities	14,225	26,528	15,105	4,985
Due to Other Funds	54	3,557	5,567	3,777
Deferred Revenues	6,071	6,211	8,093	621
Refund and Other Liabilities	2,408	395	6,124	2,896
Liability for Deferred Compensation	—	—	—	—
Revenue Bonds and Notes	13,725	13,802	15,056	4,584
Certificates of Participation	—	—	—	—
Total Liabilities	38,467	52,327	54,712	20,670
Fund Equity and Other Credits:				
Investment in General Fixed Assets	369,269	254,215	274,281	92,962
Retained Earnings:				
Unreserved	—	—	—	—
Fund Balances:				
Reserved for:				
Restricted Fund Balances	16,154	8,773	20,451	1,981
Unreserved/Designated	17,220	—	21,971	—
Unreserved/Undesignated (Deficits)	1,206	(10,455)	—	(10,957)
Total Fund Equity and Other Credits	403,849	252,533	316,703	83,986
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 442,316	\$ 304,860	\$ 371,415	\$ 104,656

COLLEGES AND UNIVERSITIES (continued)

SHAWNEE STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
4,260	12	8,897	123	1,045	311	828	1,121
6,530	42,948	24,000	3,145	1,250	—	—	3,365
—	16,692	—	—	—	284	685	—
3	4,513	526	40	—	79	—	575
1,439	20,197	2,079	791	1,469	580	901	2,027
582	—	7,410	22	155	—	—	2,545
283	1,465	1,261	199	209	71	172	—
—	—	—	—	—	—	—	—
290	180	—	—	—	—	—	—
272	—	—	—	—	—	—	—
75,870	254,404	90,014	36,539	20,561	14,417	20,753	55,694
245	255	218	275	86	25	216	106
\$ 89,774	\$ 340,666	\$ 134,405	\$ 41,134	\$ 24,775	\$ 15,767	\$ 23,555	\$ 65,433
\$ 77	\$ 7,282	\$ 1,487	\$ 250	\$ 25	\$ —	\$ 147	\$ 823
2,978	19,700	1,080	799	375	491	590	2,433
582	—	7,410	22	155	—	—	2,545
227	1	4,232	345	1,395	590	561	1,833
25	9,047	6,122	254	49	15	33	636
—	—	—	—	—	—	—	—
4,595	—	5,785	—	630	—	—	—
—	—	—	—	—	—	—	—
8,484	36,030	26,116	1,670	2,629	1,096	1,331	8,270
72,079	252,993	84,504	36,328	19,931	14,177	20,753	54,710
—	—	—	—	—	—	—	—
744	6,799	464	469	126	308	88	376
5,110	3,824	14,335	1,755	2,089	—	226	1,653
3,357	41,020	8,986	912	—	186	1,157	424
81,290	304,636	108,289	39,464	22,146	14,671	22,224	57,163
\$ 89,774	\$ 340,666	\$ 134,405	\$ 41,134	\$ 24,775	\$ 15,767	\$ 23,555	\$ 65,433

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS

COMBINING BALANCE SHEET

JUNE 30, 1996

(amounts expressed in thousands)

(continued)

	COLLEGES AND UNIVERSITIES (continued)			
	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TERRA STATE COMMUNITY COLLEGE	TOTAL
ASSETS				
Cash Equity with Treasurer	\$ —	\$ —	\$ —	\$ 808
Cash and Cash Equivalents	984	4,921	2,604	112,651
Investments	—	5,433	1,234	2,471,836
Receivables:				
Intergovernmental	38	445	23	30,413
Loans, Net.	—	628	—	1,646,229
Other	539	1,327	414	354,348
Due from Other Funds	68	361	137	346,177
Inventories	180	404	209	41,067
Deposit with Deferred Compensation Plan	—	3,101	226	5,664
Restricted Assets:				
Cash and Cash Equivalents	2	—	—	62,853
Investments	173	—	—	637,233
Fixed Assets (net of accumulated depreciation)	12,146	65,843	34,419	7,608,610
Other Assets	—	267	4	433,917
TOTAL ASSETS	\$ 14,130	\$ 82,730	\$ 39,270	\$ 13,751,806
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 335	\$ 1,164	\$ 136	\$ 164,241
Accrued Liabilities	173	2,880	870	567,014
Due to Other Funds	68	361	137	346,177
Deferred Revenues	54	929	77	159,203
Refund and Other Liabilities	72	345	—	294,919
Liability for Deferred Compensation	—	3,101	226	5,664
Revenue Bonds and Notes	—	—	—	2,157,776
Certificates of Participation	—	—	—	17,030
Total Liabilities	702	8,780	1,446	3,712,024
Fund Equity and Other Credits:				
Investment in General Fixed Assets	12,146	65,843	34,394	6,774,372
Retained Earnings:				
Unreserved	—	—	—	909,833
Fund Balances:				
Reserved for:				
Restricted Fund Balances	204	1,273	237	1,513,000
Unreserved/Designated	819	957	959	767,263
Unreserved/Undesignated (Deficits)	259	5,877	2,234	75,314
Total Fund Equity and Other Credits	13,428	73,950	37,824	10,039,782
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 14,130	\$ 82,730	\$ 39,270	\$ 13,751,806

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STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS COMBINING STATEMENT OF CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 1996

(amounts expressed in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 896,698	\$ 280,496	\$ 172,229
Local Appropriations-Restricted	14,184	36,286	—
Federal Grants and Contracts-Restricted	154,976	75,963	25,585
State Grants and Contracts-Restricted	23,076	6,551	8,090
Local Grants and Contracts-Restricted	675	437	326
Private Gifts, Grants and Contracts-Restricted	183,658	58,464	11,599
Endowment Income-Restricted	10,128	8,193	459
Investment Income-Restricted	10,654	5,318	1,310
Realized Gain on Investments-Restricted (net)	44,558	32,093	3,057
Interest on Loans Receivable	2,155	766	169
Investment in Plant-Additions	155,738	79,369	32,891
Matured Annuity & Life Income Restricted to Endowment	—	2,230	—
Other	409	26,047	407
TOTAL REVENUES AND OTHER ADDITIONS	1,496,909	612,213	256,122
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	968,793	509,677	270,716
Auxiliary Enterprises Expenditures	102,892	50,458	45,621
Hospital Expenditures	368,922	—	—
Indirect Costs Recovered	34,341	17,718	3,112
Grant Refunds and Adjustments	474	233	1,198
Loan Cancellations and Write-offs	418	520	106
Administrative and Collection Costs	628	—	264
Expended for Plant Facilities	37,223	11,321	11,641
Retirement of Indebtedness	29,485	14,265	1,363
Interest on Indebtedness	9,944	16,343	2,498
Investment in Plant-Deductions	17,648	13,431	5,969
Matured Annuity & Life Income Restricted to Endowment	—	2,247	—
Other	6,399	2,310	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	1,577,167	638,523	342,488
TRANSFERS:			
Operating Transfers from Primary Government	358,391	167,719	114,669
NET INCREASE (DECREASE) FOR THE YEAR	278,133	141,409	28,303
FUND BALANCE AND OTHER CREDITS, JULY 1	2,565,437	1,658,999	510,004
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 2,843,570	\$ 1,800,408	\$ 538,307

<u>MIAMI UNIVERSITY</u>	<u>UNIVERSITY OF AKRON</u>	<u>BOWLING GREEN STATE UNIVERSITY</u>	<u>KENT STATE UNIVERSITY</u>	<u>UNIVERSITY OF TOLEDO</u>	<u>CLEVELAND STATE UNIVERSITY</u>
\$ 175,277	\$ 115,365	\$ 141,573	\$ 158,220	\$ 129,996	\$ 68,565
—	—	—	—	—	—
9,498	15,552	10,031	26,332	14,792	11,877
3,459	2,389	2,915	6,691	5,772	5,860
199	966	279	48	222	385
10,610	10,956	1,382	2,460	6,726	4,613
1,600	524	156	—	—	124
955	109	3,484	823	1,056	131
3,490	5,374	—	—	2,789	—
159	181	—	154	150	260
37,587	23,966	20,812	30,360	37,655	27,308
—	—	—	—	—	—
10,571	2,033	18,007	1,051	231	—
253,405	177,415	198,639	226,139	199,389	119,123
187,722	208,760	174,286	225,919	182,384	134,873
56,319	25,112	42,605	49,005	32,684	10,056
—	—	—	—	—	—
1,095	1,929	767	1,478	919	1,009
355	6	—	22	—	15
36	160	10	489	552	147
100	186	94	213	2	257
14,730	1,289	12,714	4,597	14,272	955
1,549	3,717	3,008	3,423	4,021	550
1,701	1,350	1,824	2,074	5,226	726
13,188	3,814	20,669	2,427	2,057	2,110
—	—	—	—	—	—
62	378	367	—	142	—
276,857	246,701	256,344	289,647	242,259	150,698
63,690	90,164	69,843	94,335	75,710	62,035
40,238	20,878	12,138	30,827	32,840	30,460
475,490	459,880	354,334	382,108	306,775	373,389
\$ 515,728	\$ 480,758	\$ 366,472	\$ 412,935	\$ 339,615	\$ 403,849

(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, 1996

(amounts expressed in thousands)
(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	CENTRAL STATE UNIVERSITY (For the Year Ended June 30, 1995)
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 52,372	\$ 87,888	\$ 18,041
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	6,595	19,611	9,999
State Grants and Contracts-Restricted	1,210	3,533	—
Local Grants and Contracts-Restricted	71	491	—
Private Gifts, Grants and Contracts-Restricted	6,260	5,416	652
Endowment Income-Restricted	109	138	—
Investment Income-Restricted	792	590	66
Realized Gain on Investments-Restricted (net)	—	169	—
Interest on Loans Receivable	80	243	56
Investment in Plant-Additions	15,254	11,398	3,192
Matured Annuity & Life Income Restricted to Endowment	—	—	—
Other	332	179	249
TOTAL REVENUES AND OTHER ADDITIONS	83,075	129,656	32,255
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	93,099	163,230	41,752
Auxiliary Enterprises Expenditures	13,649	13,169	8,533
Hospital Expenditures	—	—	—
Indirect Costs Recovered	82	3,129	662
Grant Refunds and Adjustments	—	239	—
Loan Cancellations and Write-offs	235	192	20
Administrative and Collection Costs	994	39	—
Expended for Plant Facilities	2,474	1,606	—
Retirement of Indebtedness	180	1,339	318
Interest on Indebtedness	—	748	—
Investment in Plant-Deductions	425	2,849	—
Matured Annuity & Life Income Restricted to Endowment	—	—	—
Other	32	13	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	111,170	186,553	51,285
TRANSFERS:			
Operating Transfers from Primary Government	43,682	76,344	17,102
NET INCREASE (DECREASE) FOR THE YEAR	15,587	19,447	(1,928)
FUND BALANCE AND OTHER CREDITS, JULY 1	236,946	297,256	85,914
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 252,533	\$ 316,703	\$ 83,986

<u>SHAWNEE STATE UNIVERSITY</u>	<u>MEDICAL COLLEGE OF OHIO</u>	<u>COLUMBUS STATE COMMUNITY COLLEGE</u>	<u>CLARK STATE COMMUNITY COLLEGE</u>	<u>EDISON STATE COMMUNITY COLLEGE</u>	<u>SOUTHERN STATE COMMUNITY COLLEGE</u>
\$ 11,595	\$ 196,882	\$ 33,968	\$ 7,140	\$ 4,814	\$ 3,742
—	—	—	—	—	—
4,149	10,632	4,786	1,672	318	2,330
2,979	1,532	1,701	25	—	1,053
333	—	—	—	—	119
364	1,469	47	426	—	29
—	—	—	—	5	—
40	6	—	63	—	—
—	—	—	—	—	—
—	70	8	—	—	—
4,951	23,859	11,548	2,653	196	666
—	—	—	—	—	—
175	297	299	—	32	109
24,586	234,747	52,357	11,979	5,365	8,048
27,556	84,427	62,250	13,301	8,310	9,237
2,585	1,368	4,609	1,916	719	587
—	136,183	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	11	—	—	—
—	—	7	—	—	—
104	11,337	235	3	—	—
222	—	—	—	—	—
311	—	—	16	—	—
9	1,933	—	96	26	—
—	—	—	—	—	—
84	—	70	129	44	230
30,871	235,248	67,182	15,461	9,099	10,054
13,697	32,152	25,394	5,666	4,249	3,302
7,412	31,651	10,569	2,184	515	1,296
73,878	272,985	97,720	37,280	21,631	13,375
\$ 81,290	\$ 304,636	\$ 108,289	\$ 39,464	\$ 22,146	\$ 14,671

(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, 1996

(amounts expressed in thousands)
(continued)

	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	\$ 4,672	\$ 15,712	\$ 4,784
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	1,841	2,225	954
State Grants and Contracts-Restricted	708	1,363	526
Local Grants and Contracts-Restricted	—	57	—
Private Gifts, Grants and Contracts-Restricted	—	300	2
Endowment Income-Restricted	—	11	—
Investment Income-Restricted	—	—	13
Realized Gain on Investments-Restricted (net)	—	—	—
Interest on Loans Receivable	—	6	—
Investment in Plant-Additions	5,248	4,396	1,014
Matured Annuity & Life Income Restricted to Endowment	—	—	—
Other	—	—	—
TOTAL REVENUES AND OTHER ADDITIONS	12,469	24,070	7,293
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	10,423	31,111	7,999
Auxiliary Enterprises Expenditures	560	801	803
Hospital Expenditures	—	—	—
Indirect Costs Recovered	—	25	—
Grant Refunds and Adjustments	—	—	—
Loan Cancellations and Write-offs	—	23	—
Administrative and Collection Costs	—	4	—
Expended for Plant Facilities	—	529	224
Retirement of Indebtedness	—	—	—
Interest on Indebtedness	—	—	—
Investment in Plant-Deductions	62	366	—
Matured Annuity & Life Income Restricted to Endowment	—	—	—
Other	—	—	10
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	11,045	32,859	9,036
TRANSFERS:			
Operating Transfers from Primary Government	4,144	13,960	2,909
NET INCREASE (DECREASE) FOR THE YEAR	5,568	5,171	1,166
FUND BALANCE AND OTHER CREDITS, JULY 1	16,656	51,992	12,262
FUND BALANCE AND OTHER CREDITS, JUNE 30	\$ 22,224	\$ 57,163	\$ 13,428

OWENS STATE COMMUNITY COLLEGE	TERRA STATE COMMUNITY COLLEGE	TOTAL
\$ 18,746	\$ 4,544	\$ 2,603,319
—	—	50,470
5,336	1,554	416,608
2,270	572	82,275
2	2	4,612
—	23	305,456
—	—	21,447
112	3	25,525
—	—	91,530
18	—	4,475
7,831	4,463	542,355
—	—	2,230
1,072	—	61,500
35,387	11,161	4,211,802
39,044	11,779	3,466,648
3,226	657	467,934
—	—	505,105
—	8	66,274
—	—	2,542
73	—	2,992
36	—	2,824
2,150	603	128,007
—	—	63,440
101	—	42,862
—	3,597	90,676
—	—	2,247
—	—	10,270
44,630	16,644	4,851,821
17,966	5,664	1,362,787
8,723	181	722,768
65,227	37,643	8,407,181
\$ 73,950	\$ 37,824	\$ 9,129,949

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, 1996

(amounts expressed in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 270,310	\$ 145,717	\$ 114,016
Local Appropriations	13,641	36,285	—
Federal Grants and Contracts	153,274	75,958	24,737
State Grants and Contracts	25,240	6,462	6,972
Local Grants and Contracts	2,237	474	306
Private Gifts, Grants and Contracts	116,895	36,073	10,605
Endowment Income	21,056	20,893	704
Sales and Services	530,924	90,148	46,913
Temporary Investment Income	14,684	4,960	3,493
Other Sources	39,834	14,288	4,301
TOTAL REVENUES	1,188,095	431,258	212,047
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	412,260	184,373	124,648
Separately Budgeted Research	177,099	62,146	15,038
Public Service	75,819	71,948	8,045
Academic Support	84,602	42,832	30,372
Student Services	32,168	19,164	15,711
Institutional Support	63,375	40,625	24,610
Operation and Maintenance of Plant	57,872	33,954	21,941
Scholarships and Fellowships	65,598	54,635	30,351
Other Educational and General	—	—	—
TOTAL EDUCATIONAL AND GENERAL	968,793	509,677	270,716
AUXILIARY ENTERPRISES	102,892	50,458	45,621
HOSPITALS	368,922	—	—
TOTAL EXPENDITURES	1,440,607	560,135	316,337
MANDATORY TRANSFERS, NET:			
Principal and Interest	27,783	29,220	3,202
Renewals and Replacements	384	—	—
Student Loan Matching Grants	30	222	63
Other	—	—	—
TOTAL MANDATORY TRANSFERS, NET	28,197	29,442	3,265
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	1,468,804	589,577	319,602
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	351,269	168,757	115,052
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(30,024)	(4,533)	(4,368)
Other	9,956	(1,785)	153
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	49,657	27,259	4,469
Indirect Costs Recovered	(34,341)	(17,718)	(3,112)
Other	—	18,303	(1,033)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	346,517	190,283	111,161
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 65,808	\$ 31,964	\$ 3,606

MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
\$ 112,030	\$ 78,937	\$ 87,206	\$ 104,905	\$ 89,883	\$ 55,613
—	—	—	—	—	—
9,915	15,352	10,039	25,883	13,871	11,603
2,685	1,724	2,554	5,993	6,157	5,310
210	890	17	58	478	397
7,858	9,454	2,244	3,815	7,138	4,500
1,711	1,016	—	4	1,244	127
56,640	30,465	47,820	40,761	28,932	9,505
2,833	3,735	2,032	5,148	1,937	2,063
430	110	3,586	4,299	5,625	387
194,312	141,683	155,498	190,866	155,265	89,505
96,914	87,918	81,078	104,166	86,991	59,054
4,937	9,839	3,000	10,246	6,325	8,560
1,437	9,775	8,471	8,284	5,328	4,684
22,081	18,819	17,830	21,212	19,777	14,630
14,278	9,649	12,977	20,142	12,772	10,491
17,165	20,352	17,097	20,234	17,668	14,905
17,567	15,899	11,412	20,246	13,885	12,263
13,342	24,169	22,420	21,388	19,638	10,286
—	12,340	—	—	—	—
187,721	208,760	174,285	225,918	182,384	134,873
56,319	25,112	42,605	49,005	32,684	10,056
—	—	—	—	—	—
244,040	233,872	216,890	274,923	215,068	144,929
3,181	2,201	3,917	6,131	9,248	1,264
—	—	3,505	447	—	—
—	129	1	185	200	112
1	—	—	—	—	—
3,182	2,330	7,423	6,763	9,448	1,376
247,222	236,202	224,313	281,686	224,516	146,305
63,590	90,164	70,179	94,384	75,710	62,744
(7,445)	(500)	(1,877)	(4,243)	—	(506)
(66)	9,755	265	(35)	(2,204)	77
2,809	2,608	103	2,239	412	844
(1,095)	(1,929)	(768)	(1,478)	(919)	(1,009)
(354)	—	(2,999)	(22)	—	(15)
57,439	100,098	64,903	90,845	72,999	62,135
\$ 4,529	\$ 5,579	\$ (3,912)	\$ 25	\$ 3,748	\$ 5,335

(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, 1996

(amounts expressed in thousands)

(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	CENTRAL STATE UNIVERSITY (For the Year Ended June 30, 1995)
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 40,136	\$ 58,951	\$ 9,970
Local Appropriations	—	—	—
Federal Grants and Contracts	6,490	19,492	10,682
State Grants and Contracts	845	4,704	—
Local Grants and Contracts	73	545	—
Private Gifts, Grants and Contracts	5,909	4,721	652
Endowment Income	—	89	—
Sales and Services	10,400	20,761	6,817
Temporary Investment Income	869	1,704	—
Other Sources	955	2,619	807
TOTAL REVENUES	65,677	113,586	28,928
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	42,978	70,570	7,838
Separately Budgeted Research	434	11,694	3,367
Public Service	3,322	8,287	1,477
Academic Support	7,985	26,018	2,487
Student Services	5,792	9,360	4,458
Institutional Support	13,778	13,319	12,871
Operation and Maintenance of Plant	7,760	11,165	4,455
Scholarships and Fellowships	11,050	12,817	4,799
Other Educational and General	—	—	—
TOTAL EDUCATIONAL AND GENERAL	93,099	163,230	41,752
AUXILIARY ENTERPRISES	13,649	13,169	8,533
HOSPITALS	—	—	—
TOTAL EXPENDITURES	106,748	176,399	50,285
MANDATORY TRANSFERS, NET:			
Principal and Interest	893	2,091	277
Renewals and Replacements	—	—	—
Student Loan Matching Grants	—	130	—
Other	—	—	—
TOTAL MANDATORY TRANSFERS, NET	893	2,221	277
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	107,641	178,620	50,562
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	43,682	76,344	17,102
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(60)	(2,225)	—
Other	410	(1,730)	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	(602)	3,260	—
Indirect Costs Recovered	(83)	(3,129)	(662)
Other	—	(194)	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	43,347	72,326	16,440
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 1,383	\$ 7,292	\$ (5,194)

SHAWNEE STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE	SOUTHERN STATE COMMUNITY COLLEGE
\$ 9,146	\$ 7,810	\$ 26,456	\$ 5,234	\$ 3,611	\$ 2,933
—	67	—	—	—	—
4,154	10,877	4,714	1,672	318	2,330
3,492	1,259	1,701	109	61	1,148
333	—	—	—	—	119
384	6,224	635	197	—	29
—	—	—	—	—	—
1,394	146,819	4,853	1,025	874	666
344	1,993	1,732	102	—	—
679	32,499	611	695	299	49
19,926	207,548	40,702	9,034	5,163	7,274
9,692	39,388	25,769	3,885	3,354	2,736
—	9,056	—	—	—	—
2,981	772	669	1,314	514	1,093
1,800	3,089	1,413	355	279	584
2,138	1,012	5,279	1,172	1,332	632
2,593	17,750	12,003	2,989	2,114	702
2,818	9,366	10,492	2,174	711	596
5,533	1,147	6,626	1,412	6	2,894
—	—	—	—	—	—
27,555	81,580	62,251	13,301	8,310	9,237
2,585	1,368	4,608	1,915	719	587
—	135,839	—	—	—	—
30,140	218,787	66,859	15,216	9,029	9,824
468	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
468	—	—	—	—	—
30,608	218,787	66,859	15,216	9,029	9,824
13,189	32,152	25,394	5,666	4,249	3,302
—	(13,014)	(234)	—	(314)	—
—	20	(600)	—	—	—
(84)	(73)	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
13,105	19,085	24,560	5,666	3,935	3,302
\$ 2,423	\$ 7,846	\$ (1,597)	\$ (516)	\$ 69	\$ 752

(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, 1996

(amounts expressed in thousands)

(continued)

	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE
REVENUES:			
Tuition, Fees and Other Student Charges	\$ 3,825	\$ 12,982	\$ 3,604
Local Appropriations	—	—	—
Federal Grants and Contracts	1,841	2,167	1,056
State Grants and Contracts	708	1,363	486
Local Grants and Contracts	—	57	—
Private Gifts, Grants and Contracts	—	300	38
Endowment Income	—	—	—
Sales and Services	705	2,111	—
Temporary Investment Income	36	298	13
Other Sources	106	296	1,042
TOTAL REVENUES	7,221	19,574	6,239
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	3,503	13,059	3,250
Separately Budgeted Research	—	—	—
Public Service	—	1,491	553
Academic Support	1,283	3,743	273
Student Services	1,190	2,195	960
Institutional Support	1,709	4,758	1,371
Operation and Maintenance of Plant	858	2,626	495
Scholarships and Fellowships	1,880	3,257	1,096
Other Educational and General	—	—	—
TOTAL EDUCATIONAL AND GENERAL	10,423	31,129	7,998
AUXILIARY ENTERPRISES	605	802	803
HOSPITALS	—	—	—
TOTAL EXPENDITURES	11,028	31,931	8,801
MANDATORY TRANSFERS, NET:			
Principal and Interest	—	—	—
Renewals and Replacements	—	—	—
Student Loan Matching Grants	—	14	—
Other	—	—	—
TOTAL MANDATORY TRANSFERS, NET	—	14	—
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	11,028	31,945	8,801
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	4,144	13,960	2,909
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	—	(449)	—
Other	(250)	14	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	—	—	40
Indirect Costs Recovered	—	25	—
Other	—	—	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	3,894	13,550	2,949
NET INCREASE (DECREASE) IN FUND BALANCES	\$ 87	\$ 1,179	\$ 387

OWENS STATE COMMUNITY COLLEGE	TERRA STATE COMMUNITY COLLEGE	TOTAL
\$ 14,846	\$ 3,531	\$ 1,261,652
—	—	49,993
5,681	1,519	413,625
2,271	435	81,679
2	2	6,198
57	28	217,756
—	—	46,844
2,965	710	1,082,208
522	224	48,722
13	84	113,614
26,357	6,533	3,322,291
14,536	4,482	1,482,442
—	—	321,741
2,146	811	219,221
1,920	1,017	324,401
4,400	1,368	188,640
4,824	1,561	328,373
4,715	1,441	264,711
6,531	1,099	321,974
—	—	12,340
39,072	11,779	3,463,843
3,226	657	467,978
—	—	504,761
42,298	12,436	4,436,582
—	—	89,876
—	—	4,336
—	—	1,086
—	—	1
—	—	95,299
42,298	12,436	4,531,881
17,966	5,767	1,357,675
(1,573)	(250)	(71,615)
—	—	13,980
—	63	93,004
—	(8)	(66,226)
—	—	13,686
16,393	5,572	1,340,504
\$ 452	\$ (331)	\$ 130,914

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**STATISTICAL
SECTION**

Table 1

STATE OF OHIO

**REVENUE BY SOURCE
ALL GOVERNMENTAL FUND TYPES^(a)
FOR THE LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

<i>SOURCE</i>	1996	1995	1994	1993	1992 ^(b)	1991	1990	1989	1988	1987
<i>Income Taxes</i>	\$ 5,890,587	\$ 5,456,017	\$ 5,032,305	\$ 4,732,247	\$ 4,408,835	\$ 4,241,483	\$ 4,078,371	\$ 3,903,008	\$ 3,362,694	\$ 3,216,533
<i>Sales Taxes</i>	5,003,024	4,763,109	4,475,796	4,001,398	3,739,576	3,573,995	3,603,922	3,397,204	3,225,852	2,971,258
<i>Corporate and Public Utility Taxes</i>	1,831,300	1,810,396	1,585,557	1,500,475	1,393,528	1,437,142	1,492,646	1,524,635	1,419,351	1,402,726
<i>Motor Vehicle Fuel Taxes</i>	1,332,294	1,293,038	1,290,315	1,189,184	1,160,405	1,052,504	993,612	824,273	811,222	641,771
<i>Other Taxes</i>	842,688	852,166	881,994	750,120	673,472	724,942	706,350	706,746	690,210	621,647
<i>Licenses, Permits and Fees</i>	805,605	771,501	739,433	623,980	639,996	679,447	635,790	584,155	546,786	482,461
<i>Sales, Services and Charges</i>	106,517	103,620	66,198	57,831	44,189	46,873	76,985	67,612	63,015	36,309
<i>Federal Government (c)</i>	8,435,891	8,305,109	7,314,031	6,376,312	5,847,198	5,204,395	4,553,955	4,114,718	3,850,251	3,467,569
<i>Other</i>	654,457	773,037	932,074	649,360	656,385	676,419	708,305	582,194	531,067	795,964
<i>Total Revenues by Source</i>	<u>\$24,902,363</u>	<u>\$24,127,993</u>	<u>\$22,317,703</u>	<u>\$19,880,907</u>	<u>\$18,563,584</u>	<u>\$17,637,200</u>	<u>\$16,849,936</u>	<u>\$15,704,545</u>	<u>\$14,500,448</u>	<u>\$13,636,238</u>

Notes:

- (a) This table includes revenues for the General, special revenue, debt service and capital projects funds. Revenue data for fiscal year 1987 was obtained from the State of Ohio's centralized accounting system, which reports financial information on a non-GAAP, budgetary basis. Revenue data for fiscal years 1988 through 1996 are reported on a GAAP basis, which also recognizes revenues of organizations outside of the State's Central Accounting System.
- (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 and 1996, 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 1987 through 1994, however, have not been restated for the effect of this change in accounting principle.

STATE OF OHIO

EXPENDITURES BY FUNCTION ALL GOVERNMENTAL FUND TYPES^(a) FOR THE LAST TEN FISCAL YEARS *(amounts expressed in thousands)*

FUNCTION	1996	1995	1994	1993	1992 ^(b)	1991	1990	1989	1988	1987
<i>Current:</i>										
Primary, Secondary and Other Education	\$ 5,251,805	\$ 4,850,750	\$ 4,599,643	\$ 4,497,568	\$ 4,195,920	\$ 4,158,997	\$ 3,972,048	\$ 3,777,680	\$ 3,573,459	\$ 3,535,737
Higher Education Support (c).....	423,473	407,839	421,041	368,611	327,874	1,549,614	1,502,610	1,357,778	1,283,026	1,213,096
Public Assistance and Medicaid (d).....	7,936,578	8,306,686	7,682,159	6,774,178	6,174,833	5,530,500	4,895,836	4,191,661	3,764,405	3,586,311
Health and Human Services.....	2,333,583	2,197,732	1,974,086	1,854,715	1,723,860	1,648,319	1,609,917	1,467,552	1,432,124	1,284,666
Justice and Public Protection.....	1,588,026	1,403,177	1,202,815	1,060,778	970,653	932,001	805,899	742,957	661,102	667,962
Environmental Protection and Natural Resources.....	286,987	273,138	247,324	223,304	226,284	222,507	212,368	195,193	176,017	185,966
Transportation.....	1,319,120	1,461,012	1,426,207	1,293,349	1,372,885	1,365,769	1,129,980	1,079,675	1,146,734	977,707
General Government (e).....	371,996	355,154	347,443	335,470	336,046	325,530	294,985	277,122	252,375	316,597
Community and Economic Development.....	323,277	335,159	337,760	284,061	301,392	360,215	337,975	325,580	316,646	313,379
Intergovernmental.....	2,467,137	2,312,160	2,211,669	1,983,308	2,077,469	1,908,442	1,834,230	1,721,921	1,549,713	1,565,702
Capital Outlay.....	884,456	872,236	893,279	739,463	724,823	678,812	435,462	494,305	559,221	184,389
Debt Service.....	909,134	801,994	1,064,523	681,207	764,294	653,309	635,298	621,829	629,615	486,838
<i>Total Expenditures by Function.....</i>	<u>\$24,095,572</u>	<u>\$23,577,037</u>	<u>\$22,407,949</u>	<u>\$20,096,012</u>	<u>\$19,196,333</u>	<u>\$19,334,015</u>	<u>\$17,666,608</u>	<u>\$16,253,253</u>	<u>\$15,344,437</u>	<u>\$14,318,350</u>

Notes:

- (a) This table includes expenditures for the General, special revenue, debt service, and capital projects funds. Data for fiscal year 1987 was obtained from the State's centralized accounting system, which reports financial information on a non-GAAP, budgetary basis. Expenditure data for fiscal years 1988 through 1996 are reported on a GAAP basis.
- (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 and 1996, 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 1987 through 1994, however, have not been restated for the effect of this change in accounting principle.
- (e) Within the general government function, the significant decline between fiscal years 1987 and 1988 is primarily a result of the elimination of reimbursement expenditures on a GAAP basis. The elimination of such expenditures is necessary to avoid the double-counting of expenditures and revenues in those funds, which record reimbursements for expenditures incurred by other funds.

STATE OF OHIO

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES FOR THE GENERAL FUND
FOR THE LAST NINE FISCAL YEARS
(amounts expressed in thousands)

	1996	1995	1994	1993	1992	1991	1990	1989	1988
REVENUES:									
Income Taxes	\$ 5,268,111	\$ 4,879,232	\$ 4,486,225	\$ 4,270,124	\$ 3,880,594	\$ 3,750,847	\$ 3,618,929	\$ 3,478,469	\$ 3,013,257
Sales Taxes	4,750,430	4,522,230	4,246,093	3,810,631	3,539,700	3,378,515	3,418,135	3,231,133	3,088,586
Corporate and Public Utility Taxes	1,731,956	1,708,674	1,497,948	1,419,293	1,304,142	1,351,791	1,409,040	1,445,514	1,341,358
Other Taxes	802,912	812,957	843,548	712,400	631,830	598,417	585,296	587,852	575,631
Licenses, Permits and Fees	89,249	81,772	81,761	80,629	76,210	73,741	68,541	68,368	58,799
Sales, Services and Charges	64,693	65,015	35,556	32,082	24,200	25,751	21,484	47,384	41,863
Federal Government	3,672,610	3,451,126	3,533,853	3,276,727	3,083,886	2,718,754	2,299,581	1,963,912	1,857,073
Other	302,772	268,114	227,857	189,935	286,191	254,098	272,609	207,508	140,010
TOTAL REVENUES	16,682,733	15,789,120	14,952,841	13,791,821	12,826,753	12,151,914	11,693,615	11,030,140	10,116,577
EXPENDITURES:									
Current	13,170,207	12,416,565	11,983,625	11,369,030	12,010,762	11,520,077	10,606,492	9,591,782	9,288,206
Intergovernmental	898,190	814,803	782,014	741,099	703,853	661,452	622,351	613,826	539,869
Capital Outlay	1,969	5,597	5,552	5,524	17,087	21,810	21,989	36,570	34,290
Debt Service	1,428	9,740	—	2	—	—	—	—	—
TOTAL EXPENDITURES	14,071,794	13,246,705	12,771,191	12,115,655	12,731,702	12,203,339	11,250,832	10,242,178	9,862,365
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,610,939	2,542,415	2,181,650	1,676,166	95,051	(51,425)	442,783	787,962	254,212
OTHER FINANCING SOURCES (USES):									
Bond and Certificates of Participation Proceeds	10,159	—	—	—	—	—	—	—	—
Capital Leases	335	—	—	—	—	—	—	—	—
Operating Transfers-in	93,457	144,114	88,284	89,228	92,392	92,012	94,113	67,886	292,588
Operating Transfers-out	(807,457)	(660,799)	(626,006)	(554,393)	(493,947)	(499,842)	(508,054)	(491,028)	(499,170)
Operating Transfers to Component Units	(1,359,487)	(1,276,925)	(1,175,190)	(1,113,491)	—	—	—	—	—
TOTAL OTHER FINANCING USES	(2,062,993)	(1,793,610)	(1,712,912)	(1,578,656)	(401,555)	(407,830)	(413,941)	(423,142)	(206,582)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	547,946	748,805	468,738	97,510	(306,504)	(459,255)	28,842	364,820	47,630
FUND BALANCES, JULY 1	1,656,135	908,212	426,200	327,261	696,642	1,154,780	1,124,614	759,817	712,187
Increase (Decrease) for Changes in Inventories	(889)	(882)	1,265	1,429	185	1,117	1,324	(23)	—
Residual Equity Transfers-out	(22,986)	—	—	—	—	—	—	—	—
FUND BALANCES, JUNE 30	\$ 2,180,206	\$ 1,656,135	\$ 896,203	\$ 426,200	\$ 390,323	\$ 696,642	\$ 1,154,780	\$ 1,124,614	\$ 759,817

Note: GAAP-basis financial data for the General Fund are not available for years prior to fiscal year 1988.

STATE OF OHIO

RATIO OF ANNUAL DEBT SERVICE FOR GENERAL AND SPECIAL BONDED DEBT^(a) TO TOTAL REVENUES AND EXPENDITURES ALL GOVERNMENTAL FUND TYPES^(b) FOR THE LAST TEN FISCAL YEARS

(amounts expressed in thousands)

For the Year Ended June 30,	Total Debt Service Expenditures	Governmental Fund Revenues	Ratio	Governmental Fund Expenditures	Ratio
1987	\$ 486,838	\$13,636,238	3.57%	\$14,318,350	3.40%
1988	562,506	14,500,448	3.88%	15,344,437	3.67%
1989	562,195	15,704,545	3.58%	16,253,253	3.46%
1990	587,070	16,849,936	3.48%	17,666,608	3.32%
1991	632,230	17,637,200	3.58%	19,334,015	3.27%
1992 ^(c)	743,468	18,563,584	4.00%	19,196,333	3.87%
1993	658,945	19,880,907	3.31%	20,096,012	3.28%
1994	1,033,745	22,317,703	4.63%	22,407,949	4.61%
1995 ^(d)	780,482	24,127,993	3.23%	23,577,037	3.31%
1996 ^(d)	888,693	24,902,363	3.57%	24,095,572	3.69%

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	Vietnam Conflict Compensation Bond Retirement
Improvements Bond Retirement	Local Infrastructure Improvements Bond Retirement
Highway Improvements Bond Retirement	Ohio Public Facilities Commission
Development Bond Retirement	Ohio Building Authority
Highway Obligations Bond Retirement	State Projects Bond Service
Public Improvements Bond Retirement	School Building Program Bond Service

(b) This table includes revenues and expenditures for the General, special revenue, debt service and capital project funds. Data for fiscal year 1987 is presented on a non-GAAP, budgetary basis while data for fiscal years 1988 through 1996 are shown on a GAAP basis. Amounts paid to the Ohio Building Authority (OBA) for special obligation debt for fiscal year 1987 are recorded on a non-GAAP, budgetary basis as lease rental payments. Thus, these payments to the OBA are not included above as debt service expenditures.

(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 and 1996 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 1987 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

For the Year Ended June 30,	Population (in 000s)	General and Special Obligation Bonds				Net Bonded Debt Per Capita
		Total Outstanding (in 000s)	Less Amount Reserved in the General and Debt Service Funds (in 000s)	Net Bonded Debt (in 000s)		
1987	10,761	\$3,580,128	\$481,726	\$3,098,402	\$288	
1988	10,800	3,743,526	548,376	3,195,150	296	
1989	10,830	4,009,894	625,526	3,384,368	312	
1990	10,847	3,974,040	592,116	3,381,924	312	
1991	10,941	4,045,661	624,807	3,420,854	313	
1992	11,016	4,261,059	560,936	3,700,123	336	
1993	11,091	4,658,431	552,339	4,106,092	370	
1994	11,102	5,169,302	440,399	4,728,903	426	
1995	11,150	5,538,663	425,553	5,113,110	459	
1996	11,150 ^(b)	5,753,400	386,059	5,367,341	481	

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	Vietnam Conflict Compensation Bond Retirement
Improvements Bond Retirement	Local Infrastructure Improvements Bond Retirement
Highway Improvements Bond Retirement	Ohio Public Facilities Commission
Development Bond Retirement	Ohio Building Authority
Highway Obligations Bond Retirement	State Projects Bond Service
Public Improvements Bond Retirement	School Building Program Bond Service

(b) An estimate for 1996 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)

Fiscal Year ^(a)	Gross Revenue ^(b)	Direct Operating Expenses ^(c)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1987	\$361,907	\$307,095	\$54,812	\$ 1,900	\$16,184	\$18,084	3.03
1988	350,376	280,215	70,161	2,130	15,962	18,092	3.88
1989	369,305	301,125	68,180	2,390	15,712	18,102	3.77
1990	347,551	274,771	72,780	12,030	6,073	18,103	4.02
1991	354,560	277,644	76,916	10,325	7,783	18,108	4.25
1992	355,201	281,236	73,965	11,015	7,113	18,128	4.08
1993	350,914	273,967	76,947	11,800	6,392	18,192	4.23
1994	341,674	267,368	74,306	12,645	5,608	18,253	4.07
1995	346,979	267,545	79,434	13,500	4,761	18,261	4.35
1996	350,744	265,820	84,924	14,410	3,851	18,261	4.65

Treasurer of State/

Office of Financial Incentives (Ohio Enterprise Bonds)

Fiscal Year	Gross Revenue ^(d)	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1989	\$19,964	\$ —	\$19,964	\$ —	\$1,132	\$1,132	17.64
1990	2,444	—	2,444	475	947	1,422	1.72
1991	7,008	—	7,008	520	899	1,419	4.94
1992	25,892	—	25,892	570	846	1,416	18.29
1993	21,184	—	21,184	630	788	1,418	14.94
1994	22,436	—	22,436	690	734	1,424	15.76
1995	27,733	—	27,733	755	654	1,409	19.68
1996	26,298	—	26,298	830	577	1,407	18.69

Notes:

- (a) Data for fiscal year 1987 is presented on a non-GAAP, budgetary basis while data for fiscal years 1988 through 1996 are shown on a GAAP basis.
- (b) Includes only the revenues reported in the Liquor Control Enterprise Fund.
- (c) Includes only the expenses, exclusive of depreciation, reported in the Liquor Control Enterprise Fund.
- (d) 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

Fiscal Year ^(a)	Gross Revenue ^(e)	Direct Operating Expenses ^(f)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1987	\$18,596	\$10,215	\$ 8,381	\$1,462	\$4,903	\$6,365	1.32
1988	32,731	11,922	20,809	1,543	5,299	6,842	3.04
1989	39,899	16,881	23,018	1,653	5,056	6,709	3.43
1990	25,879	19,426	6,453	1,761	4,626	6,387	1.01
1991	30,098	22,599	7,499	1,662	4,764	6,426	1.17
1992	35,924	22,345	13,579	1,982	4,200	6,182	2.20
1993	26,924	20,895	6,029	2,222	3,043	5,265	1.15
1994	33,700	25,763	7,937	2,349	3,881	6,230	1.27
1995	30,638	22,046	8,592	1,878	4,275	6,153	1.40
1996	28,251	22,473	5,778	2,602	3,279	5,881	0.99

Ohio Building Authority/ Bureau of Workers' Compensation Enterprise Fund

Calendar Year	Gross Revenue ^(g)	Direct Operating Expenses ^(h)	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1993	\$3,158,992	\$2,375,518	\$ 783,474	\$ —	\$ —	\$ —	—
1994	3,161,387	665,854	2,495,533	2,000	9,947	11,947	208.88
1995	3,365,892	2,264,097	1,101,795	2,000	9,947	11,947	92.23

Notes:

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

Table 7

STATE OF OHIO

PERSONAL INCOME
OHIO COMPARED TO THE UNITED STATES
FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio's Total Personal Income <i>(in millions)</i>	Percent Change	Per Capita Personal Income	
			Ohio	United States
1986	\$148,975	+4.9%	\$13,882	\$14,654
1987	157,837	+5.9%	14,667	15,638
1988	169,902	+7.6%	15,732	16,610
1989	180,248	+6.1%	16,644	17,690
1990	190,608	+5.7%	17,547	18,667
1991	196,927	+3.3%	18,001	19,199
1992	208,560	+5.9%	18,923	20,131
1993	217,693	+4.4%	19,627	20,781
1994	231,843	+6.5%	20,883	21,699
1995	251,037	+8.3%	22,514	23,208

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)

Calendar Year	MANUFACTURING		SERVICES		GOVERNMENT		WHOLESALE & RETAIL TRADE		Ohio's Total Personal Income
	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	
1986	\$35,341	23.7%	\$22,974	15.4%	\$13,933	9.4%	\$17,006	11.4%	
1987	35,646	22.7%	25,374	16.1%	14,842	9.4%	17,895	11.4%	
1988	37,871	22.4%	28,286	16.8%	16,059	9.5%	19,429	11.5%	
1989	39,989	21.6%	30,690	17.0%	17,010	9.4%	20,355	11.3%	
1990	39,723	20.8%	32,274	16.9%	18,586	9.8%	21,898	11.5%	
1991	40,949	20.8%	33,232	16.9%	19,684	10.0%	22,614	11.5%	
1992	43,433	20.8%	36,134	17.3%	20,901	10.0%	23,949	11.5%	
1993	44,723	20.5%	38,197	17.6%	21,766	10.0%	24,855	11.4%	
1994	47,770	20.6%	40,913	17.7%	22,692	9.8%	26,848	11.6%	
1995	51,343	20.5%	43,703	17.4%	23,491	9.4%	28,240	11.2%	

Calendar Year	CONSTRUCTION		TRANSPORTATION & PUBLIC UTILITIES		FINANCE, INSURANCE & REAL ESTATE		OTHER ^(a)		Ohio's Total Personal Income
	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	Personal Income	Percent of Total Income	
1986	\$5,368	3.6%	\$6,789	4.6%	\$5,296	3.6%	\$42,268	28.4%	\$148,975
1987	5,955	3.8%	6,987	4.4%	6,540	4.2%	43,922	27.9%	157,161 ^(b)
1988	6,592	3.9%	7,373	4.4%	6,668	4.0%	46,478	27.5%	168,756 ^(b)
1989	6,919	3.8%	7,622	4.2%	6,822	3.8%	51,790	28.7%	180,197 ^(b)
1990	7,188	3.8%	7,921	4.2%	6,758	3.5%	56,260	29.5%	190,608
1991	6,896	3.5%	7,996	4.0%	7,856	4.0%	57,700	29.3%	196,927
1992	7,074	3.4%	8,390	4.0%	8,697	4.2%	59,982	28.8%	208,560
1993	7,733	3.5%	8,727	4.0%	9,270	4.3%	62,422	28.7%	217,693
1994	8,588	3.7%	9,365	4.0%	9,678	4.2%	65,989	28.4%	231,843
1995	9,433	3.8%	10,317	4.1%	10,409	4.1%	74,101	29.5%	251,037

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 190.

Table 9

STATE OF OHIO

POPULATION BY AGE GROUP

(amounts expressed in thousands)

OHIO

Age Group	1980 Actual	Percent	1995 Estimated ^(a)	Percent
Under 5 years	787	7.3%	773	6.9%
5 through 19 years	2,716	25.2	2,391	21.5
20 through 44 years	3,928	36.4	4,216	37.8
45 through 64 years	2,197	20.3	2,280	20.4
65 years and over	1,170	10.8	1,490	13.4
	<u>10,798</u>	<u>100.0%</u>	<u>11,150</u>	<u>100.0%</u>

UNITED STATES

Age Group	1980 Actual	Percent	1995 Estimated ^(a)	Percent
Under 5 years	16,348	7.2%	19,591	7.4%
5 through 19 years	56,110	24.8	56,199	21.4
20 through 44 years	84,035	37.1	101,223	38.5
45 through 64 years	44,503	19.6	52,210	19.9
65 years and over	25,550	11.3	33,532	12.8
	<u>226,546</u>	<u>100.0%</u>	<u>262,755</u>	<u>100.0%</u>

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

1980 Actual			1995 Estimated ^(a)		
Ohio	U.S.	Percent	Ohio	U.S.	Percent
<u>10,798</u>	<u>226,546</u>	<u>4.8%</u>	<u>11,150</u>	<u>262,755</u>	<u>4.3%</u>

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 1996

Calendar Year	Ohio	United States
1986	8.1%	7.1%
1987	7.0%	6.2%
1988	6.0%	5.5%
1989	5.6%	5.3%
1990	5.7%	5.5%
1991	6.4%	6.7%
1992	7.2%	7.4%
1993	6.5%	6.8%
1994	5.5%	6.1%
1995	4.8%	5.6%
1996 - First Half ^(a)	5.0%	5.5%

Source: Ohio Bureau of Employment Services

Notes:

(a) Average subject to revision, seasonally adjusted

STATE OF OHIO

LIST OF MAJOR CORPORATIONS WITH HEADQUARTERS IN OHIO

American Electric Power (Columbus)	Limited (Columbus)
American Financial Group (Cincinnati)	Mead Corporation (Dayton)
Banc One Corporation (Columbus)	Mercantile Stores (Fairfield)
Caliber Systems (Akron)	National City Corporation (Cleveland)
Cardinal Health (Dublin)	Nationwide Insurance Enterprise (Columbus)
Centerior Energy (Independence)	OfficeMax (Shaker Heights)
Chiquita Brands International (Cincinnati)	Ohio Edison (Akron)
Cinergy (Cincinnati)	Owens-Corning Fiberglas Corporation (Toledo)
Dana Corporation (Toledo)	Owens-Illinois Incorporated (Toledo)
Eaton Corporation (Cleveland)	Parker-Hannifin Corporation (Cleveland)
Federated Department Stores (Cincinnati)	Proctor & Gamble Company (Cincinnati)
Goodyear Tire & Rubber (Akron)	Progressive (Mayfield Village)
KeyCorp (Cleveland)	Revco Drug Stores (Twinsburg)
Kroger (Cincinnati)	Sherwin-Williams Company (Cleveland)
LTV Corporation (Cleveland)	TRW Incorporated (Cleveland)

Source: The Fortune 500 Listing, *Fortune Magazine*, April 29, 1996

Table 12

STATE OF OHIO**SALES OF RETAIL STORES
FOR THE LAST TEN CALENDAR YEARS**

Calendar Year	Retail Sales		Per Capita	
	Ohio's Total <i>(in millions)</i>	Percent Change	Retail Sales	Percent Change
1986	\$ 62,745	3.7%	\$5,847	3.7%
1987	64,217	2.3%	5,967	2.1%
1988	66,751	3.9%	6,181	3.6%
1989	70,491	5.6%	6,509	5.3%
1990	72,768	3.2%	6,709	3.1%
1991	73,275	.7%	6,699	(.1%)
1992	81,163	10.8%	7,318	9.2%
1993	92,428	13.9%	8,334	13.1%
1994	98,034	6.1%	8,830	6.0%
1995	104,357	6.5%	9,359	6.0%

Source: Combined Annual and Revised Monthly Retail Trade, U.S. Department of Commerce

STATE OF OHIO

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

Year	Construction Contracts (in millions)	Residential Building Activity	
		Permits	Valuation (in thousands)
1986	\$ 8,494	44,460	\$2,536,712
1987	9,218	45,153	2,998,651
1988	9,607	45,105	3,075,962
1989	10,338	41,228	3,079,962
1990	9,902	38,491	3,039,007
1991	9,442	35,810	3,146,887
1992	10,757	42,610	3,926,554
1993	11,037	44,235	4,318,976
1994	11,935	47,152	4,799,052
1995	11,935 ^(a)	44,812	4,375,036

Sources: Construction Contracts - F. W. Dodge, McGraw-Hill, Inc., New York, NY
Residential Activity - Current Construction Reports, U.S. Department of Commerce

Notes:

(a) Data for 1995 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)*

<u>Calendar Year</u>	<u>Assessed Value^(a)</u>	<u>Market Value</u>
1986	\$ 73,761,506	\$210,747,160
1987	78,908,191	225,451,974
1988	83,770,581	239,344,517
1989	86,466,335	247,046,671
1990	93,677,819	267,650,911
1991	99,937,534	285,535,811
1992	102,548,627	292,996,077
1993	110,319,626	315,198,931
1994	116,576,831	333,076,660
1995	121,046,340	345,846,686

Source: Ohio Department of Taxation

Notes:

(a) Assessed value is 35 percent of market value.

STATE OF OHIO**MISCELLANEOUS STATISTICS AND DATA****STATE AND LOCAL GOVERNMENT:**

Form of State Government	Executive, Legislative, Judicial
Number of Counties	88
Number of Incorporated Cities and Villages	943
Number of State Agencies, Boards, Commissions, and Elected Offices	110 ^(a)
Number of State Employees	63,178
Number of State Representatives	99
Number of State Senators	33

PARKS AND RECREATION:

Number of State Parks	72
Area of State Parks, Natural and Wildlife Lands	262,919.02 acres
Area of State Forest Lands	180,905.72 acres

EDUCATION:

Number of State-Assisted Higher Education Institutions	40
1995-96 Student Enrollment at State-Assisted Higher Education Institutions	414,802
Number of Public School Districts	612
Number of Joint Vocational School Districts	49

MISCELLANEOUS:

State Capital	Columbus
Date of Statehood	March 1, 1803
State Motto	With God, All Things are Possible
Total Land Acreage	26.4 million acres
Total Farm Acreage	14.2 million acres
Ohio's Three Largest Metropolitan Areas	Cleveland, Cincinnati, Columbus
Largest Source of Federal Financial Support	U.S. Department of Health and Human Services

Sources: Ohio Department of Natural Resources
Ohio Public Facilities Commission's Official Statement

Notes:

(a) Limited to those entities that have financial activity recorded on the State of Ohio's Central Accounting System.