STATE OF OHIO
DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES

FINANCIAL STATEMENTS

For The Year Ended June 30, 2000

PARMS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

State of Ohio
Office of the Auditor

Jim Petro, Auditor of State

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State of Ohio - Department of Development
Office of Financial Incentives

We have reviewed the Independent Auditor's Report of the State of Ohio, Department of Development - Office of Financial Incentives, Franklin County, prepared by Parms & Company for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The State of Ohio, Department of Development - Office of Financial Incentives is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

October 16, 2000

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES

TABLE OF CONTEXT

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

State of Ohio - Department of Development
Office of Financial Incentives

We have audited the accompanying financial statements of the State of Ohio, Department of Development - Office of Financial Incentives, an independently audited organization that is part of the primary government of the State of Ohio, as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the State of Ohio - Department of Development's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements of the Office of Financial Incentives are intended to present the financial position and results of operations of only that portion of the financial reporting entity of the State of Ohio, that is attributable to the transactions of the State of Ohio - Department of Development, Office of Financial Incentives.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Ohio, Department of Development - Office of Financial Incentives, as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2000, on our consideration of the Office of Financial Incentives' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Parms & Company

Columbus, Ohio
September 20, 2000

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES

COMBINED BALANCE SHEET
June 30, 2000

	Governmental Fund Types			Account-Groups	
ASSETS AND OTHER DEBITS	**General**	**Special Revenue**	**Debt Service**	**General Long-Term Obligations**	**Totals (Memorandum Only)**
Cash					
Fund 608 (Note 2)	$1,868,746	112,650,724	-	-	$114,519,470
State Treasurer (Note 2)	-	898,949	124,144	-	1,023,093
Escrow	-	8,334,108	-	-	8,334,108
Investments (Note 2)	-	2,894,802	31,404,945	-	34,299,747
Warrants, not disbursed	-	3,000,000	-	-	3,000,000
Receivables					
State Agencies	-	173,037	-	-	173,037
Other	34,149	76,702	-	-	110,851
Collateral on lent securities	121,271	7,402,668	-	-	7,523,939
Loans, net	-	247,281,137	-	-	247,281,137
Accrued interest receivable					
Loans	-	514,084	-	-	514,084
Investments	-	399,001	35,145	-	434,146
Other debits					
Amount to be provided for retirement of general long - term debt	-	-	-	1,320,000	1,320,000
TOTAL ASSETS AND OTHER DEBITS	$2,024,166	383,625,212	31,564,234	1,320,000	$418,533,612
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	$ 77,140	-	-	-	$ 77,140
Accrued expenditures	27,489	114,427	-	-	141,916
Payables to other State Agencies (Note 11)	56,669	-	-	-	56,669
Obligation under security lending	121,271	7,402,668	-	-	7,523,939
General reserve obligation bonds payable	-	-	-	1,320,000	1,320,000
Total liabilities	282,569	7,517,095	-	1,320,000	9,119,664
Fund balances reserved for					
Debt service	-	-	31,564,234	-	31,564,234
Loans, net	-	247,281,137	-		247,281,137
Unreserved/undesignated	1,741,597	128,826,980	-	-	130,568,577
Total fund equity	1,741,597	376,108,117	31,564,234	-	409,413,948
TOTAL LIABILITIES AND FUND EQUITY	$2,024,166	383,625,212	31,564,234	1,320,000	$418,533,612

The accompanying notes are an integral part of these financial statements.

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY
June 30, 2000

	Governmental Fund Types			Totals
REVENUES	**General**	**Special Revenue**	**Debt Service**	**(Memorandum Only)**
Investment Income:				
Interest/dividend income	$ -	5,660,964	1,930,574	$ 7,591,538
Unrealized Gain (Loss) On Investments	-	(164,256)	-	(164,256)
Interest income - Loans	-	7,497,372	-	7,497,372
Fees	10,500	1,345,245	146,614	1,502,359
Miscellaneous	1,301	482,677	137	484,115
Total Revenues	11,801	14,822,002	2,077,325	16,911,128
EXPENDITURES				
Grants	-	3,468,077	-	3,468,077
Personnel and operating expenditures	1,298,091	1,422,430	3,691	2,724,212
Debt service:				
Principal	-	-	1,205,000	1,205,000
Interest	-	-	186,482	186,482
Total Expenditures	1,298,091	4,890,507	1,395,173	7,583,771
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,286,290)	9,931,495	682,152	9,327,357
OTHER FINANCING SOURCES (USES)				
Operating transfers-in	1,131,550	41,463,865	41,407,809	84,003,224
Operating transfers-out	-	(47,415,507)	(36,587,717)	(84,003,224)
Transfers In-State Agencies	-	1,349,635	-	1,349,635
Transfers Out-State Agencies	-	(793,732)	-	(793,732)
Total Other Financing Sources (Uses)	1,131,550	(5,395,739)	4,820,092	555,903
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(154,740)	4,535,756	5,502,244	9,883,260
FUND EQUITY, July 1, 1999	1,896,337	371,572,361	26,061,990	399,530,688
FUND EQUITY, June 30, 2000	$1,741,597	$376,108,117	$31,564,234	$409,413,948

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Office of Financial Incentives (OFI) was created as part of the Department of Development of the State of Ohio on July 14, 1983, by action of the State of Ohio Legislature. The OFI administers the Direct Loan, Loan Guarantee, and the Enterprise Bond Fund programs of the Department of Development under Chapters 122 and 166 of the Ohio Revised Code. These programs loan money to qualified businesses throughout the state for the purpose of stimulating jobs and business within the state. The financial statements present only the financial position and results of operations of the transactions attributable to the Office of Financial Incentives, which is a part of the primary reporting entity of the State of Ohio. They are not intended to present the financial position or the results of operation of the Department of Development taken as a whole. The Comprehensive Annual Financial Report of the State of Ohio provides more extensive disclosure of the significant accounting policies of the State as a whole.

Basis of Accounting

The accompanying financial statements have been prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual, that is, when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. The State considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made in the subsequent fiscal year.

Basis of Presentation - Fund Accounting

The Department of Development uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (continued)
An account group is a financial reporting entity designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect expendable available financial resources. The funds maintained by the OFI are all Governmental Fund types. A description of each fund type and account group administered by the Office are as follows:

GOVERNMENTAL FUND TYPES

General Fund
The General Fund accounts for current financial resources traditionally associated with government, which are not required legally or by sound financial management practices to be accounted for in another fund. The OFI administers one account which is a part of the General Fund of the State of Ohio. General Fund Operating Account 451 is used to account for the operating expenses related to the administration of the loans and loan guarantees made pursuant to Section 122.39 to 122.62 and Chapter 166 of the Code. This account is shown as the general fund of the OFI for financial reporting purposes.

Special Revenue
The special revenue funds account for specific revenues that are legally restricted to expenditure for designated purposes. The special revenue funds included in this fund type are as follows:

Facilities Establishment Fund - This fund is used to account for proceeds deposited by the Treasurer of the State of Ohio with the OFI from bond sales, fee income, loan receipts and disbursements for loans made pursuant to Chapter 166 of the Code and transfers of excess funds in the State of Ohio bond service fund (on Facilities Establishment Fund related bonds) generated by investment earnings. At June 30, 2000 outstanding loan balances under this program were $243,178,540 ($250,646,230 net of allowance for loan losses of $7,467,690 - Note 3) with original terms of up to 25 years at interest rates ranging from 0% to 7.5%.

Loan Guarantee Fund - This fund is used to account for funds deposited with the Treasurer of the State of Ohio and to account for payments made by the OFI due to the default on contractual loan terms by borrowers on loans guaranteed pursuant to Chapter 122 of the Code (see Note 6).

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND TYPES (Continued)

Direct Loan Program Fund - Accounts for development loans made pursuant to Sections 122.38 to 122.62 of the ORC. At June 30, 2000, outstanding loans aggregated $1,468,867 ($2,184,983 net of $716,116 allowance for loan loss) with maturities through June 2006 and interest rates ranging from 1.25% to 7.5%.

Premium Income Fund - Accounts for fee income from loans and loan guarantees made pursuant to ORC Sections 122.39 to 122.62.

Rural Industrial Park Fund - Fund is aimed at aiding designated priority investment areas within the State of Ohio. At June 30, 2000, outstanding loans under this program aggregated $900,720.

Port Authority Bond Reserve Fund - Accounts for direct economic development assistance provided eligible port authorities in the form of grant assistance or direct guarantees.

Family Farm Loan Guarantee Fund - Accounts for OFI's share of family farm loan financing deposited with various financial institutions as a loan guarantee for eligible borrowers. OFI guarantees up to 40% of the loan project not to exceed $200,000. At June 30, 2000, OFI had outstanding $1,531,010 in loan guarantee deposits under this program.

Urban Redevelopment Loan Fund - Fund is aimed at aiding development of eligible communities within the State of Ohio, which are designated as "Central Cities" as defined by the U.S. Office of Budget and Management. At June 30, 2000, outstanding loans under this program aggregated $202,000.

Debt Service
The debt service accounts for the accumulation of resources for the payment of general long-term obligations principal and interest. The following fund types are included:

Program Reserve Fund - This fund was initially funded with the net proceeds of the 1988-1 $10,000,000 State of Ohio bond issuance. The fund is used to insure that adequate funds are available to repay Ohio Enterprise Bond Fund (OEBF) bondholders when due. In the event that OEBF debt service accounts do not have adequate funds to service OEBF bondholders, sufficient funds will be transferred to that fund from the program reserve fund.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GOVERNMENTAL FUND TYPES (Continued)

Debt Service Fund - This fund accounts for payment of interest and the redemption of 1988-1 bonds. This fund is funded by investment earnings from the program reserve fund. If additional funds are needed to meet the debt obligations, funds will be provided by net revenues of the Chapter 166 program or from transfers from the program reserve fund.

Development Enterprise Bond Fund - This fund is used to account for the accumulation of payments made on type 166 from January to June and July to December. Funds are held in the account for a six month period to provide a secondary reserve for the debt service on the Ohio Enterprise Bonds. At the end of the six month holding period, the fund balance is transferred to the Facilities Establishment Fund.

Ohio Enterprise Bond Fund (OEBF) - OEBF bonds are issued through the Treasurer of State for the purpose of financing "eligible projects" of private industry organizations, such as a company's purchase of manufacturing equipment. The actual bonds are sold through private placement. At June 30, 2000 outstanding loan balances under this program aggregated $104,300,000 with original terms up to 25 Years at interest ranging from 4.0% to 10.0%. The scheduled repayment of the bonds are guaranteed through the OFI. The OFI only monitors OEBF activities and does not include the financial transactions within their financial statements. All of the bonds guaranteed by the OFI were current in their repayment as of June 30, 2000.

ACCOUNT GROUPS

General Long-Term Obligations - This fund accounts for the State's unmatured general reserve obligation bonds.

Investments
In accordance with Government Accounting Standards Board Statement 31, investments are recorded at fair value.

Total Columns
Total columns are presented to facilitate financial analysis. Data in these columns are not comparable to a consolidation as they do not reflect the elimination of interfund activities.

Note 2 CASH AND INVESTMENTS

Cash and Investments by fund at June 30, 2000 were as follows:

General Fund:	Cash	Investments Carrying Value	Investment Fair Value
Operating Account 451	$ 1,868,746	-	-
Special Revenue Fund:			
Facilities Establishment	105,086,312	-	-
Loan Guarantee	500	663,466	663,466
Premium Income	898,449	2,231,336	2,231,336
Rural Industrial Park	1,210,175	-	-
Port Authority Bond Reserve	1,000,000	-	-
Family Farm Loan Guarantee	971,309	-	-
Scrap Tire Program	2,544,036	-	-
Urban Redevelopment	10,173,000	-	-
Total Special Revenue Fund	121,883,781	2,894,802	2,894,802
Debt Service Fund:			
Program Reserve	-	10,128,953	10,128,953
Debt Service	-	257,566	257,566
Development Enterprise	124,144	21,018,426	21,018,426
Total Debt Service Fund	124,144	31,404,945	31,404,945
Total All Funds	$123,876,671	$34,299,747	$34,299,747

The OFI's cash funds are primarily maintained in the State Treasurer's pooled cash funds. Pooled and nonpooled deposits are categorized to give an indication of the level of risk assumed and are described below:

Category 1 - Insured or collateralized with securities held by OFI's agent in OFI's name.
Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in OFI's name.
Category 3 - Un-collateralized.

Fund	Carrying Amount	Bank Balance	Category 1	Category 2	Category 3
State Treasurer Pooled Deposits:					
General Fund	1,868,746	N/A	N/A	N/A	N/A
Special Revenue:					
Loan Guarantee	500	N/A	N/A	N/A	N/A
Premium income	898,449	N/A	N/A	N/A	N/A
Rural Industrial Park	1,210,175	N/A	N/A	N/A	N/A
Port Authority Bond Rsv.	1,000,000	N/A	N/A	N/A	N/A
Urban Redevelopment	10,173,000	N/A	N/A	N/A	N/A
Family Farm Loan Guar.	971,309	N/A	N/A	N/A	N/A
Scrap Tire Program	2,544,036	N/A	N/A	N/A	N/A
Facilities Establishment	96,752,204	N/A	N/A	N/A	N/A
	115,418,419	-	-	-	-
Debt Service:					
Development Enterprise	124,144	N/A	N/A	N/A	N/A
Escrow Funds					
Facilities Establishment	8,334,108	8,334,108	8,334,108	N/A	N/A
Total	$123,876,671	$8,334,108	$8,334,108	$ -	$ -

Funds held within the State Treasurer's pooled cash funds are not required to be categorized for credit risk. Investing is performed in accordance with investment policies complying with State Statutes. Funds may be invested in: (1) Obligations of U.S. Treasury agencies and instrumentalities, (2) Shares of an open-end diversified management company, the investments of which are primarily in governmental obligations, Standard and Poor A-1 rated commercial paper or Moody's P-1 Commercial Paper Record and bankers' acceptances. Management of the non-pooled investments is performed in accordance with applicable bond indentures by trustee bank departments.

Note 2 CASH AND INVESTMENTS (Continued)

Investments are categorized to give an indication of the level of risk assumed at fiscal year-end as follows:

Category 1 - Insured or registered, or securities held by OFI's agent in the OFI's name.
Category 2 - Unisured and unregistered, with securities held by the counterparty's trust department or agent in the OFI's name.
Category 3 - Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the OFI's name.

Investments at June 30, 2000 were comprised of the following:

	Category			Fair/ Carrying Value	Cost
	1	2	3		
Non-Pooled Investments:					
Money Market Funds	$ 5,715,124	-	-	$ 5,715,124	$ 5,715,124
Certificates of Deposit	3,732,860	-	-	3,732,860	3,732,860
Tax Free Obligation	938,535	-	-	938,535	938,535
Star Ohio	N/A	N/A	N/A	23,913,228	23,913,228
Totals	$10,386,519	-	-	$34,299,747	$34,299,747

The Star Ohio investment account is an external investment pool. Oversight of the pool is through the Treasurer of State. The fair value of the OFI's position in the pool is the same as the value of its pool share. Such investments are not required to be categorized in accordance with Governmental Accounting Standards Board Statement No. 3.

Note 3 LOAN PROGRAM ACTIVITY

The following summarizes loan repayment and new loan activity of the various funds during the fiscal year:

	Balance 7/01/99	New Loan Activity	Principal Repayments	Balance 6/30/00
166 Loan Program	$254,263,554	39,440,067	(43,057,391)	$250,646,230
122 Direct Loan	2,886,544	-	(701,561)	2,184,983
Rural Industrial Pk	465,720	435,000	-	900,720
Urban Redevelopment	-	202,000	-	202,000
Family Farm Guar.	492,050	1,108,699	(69,739)	1,531,010
Total	$258,107,868	41,185,766	(43,828,691)	$255,464,943

The allowance for loan losses is the result of management's review of loans, with consideration given to collateral values, borrower's financial condition and current economic environment. The allowance is maintained at the level management estimates adequately provide for potential loan losses. The allowance for loan losses as of June 30, 2000, is as follows:

	Facilities Establishment	Direct Loan
Beginning balance, July 1, 1999	$ 7,467,690	$ 716,116
Provisions for anticipated losses	-	-
Ending balance, June 30, 2000	$ 7,467,690	$ 716,116

Note 4 GENERAL FUND APPROPRIATION

For fiscal year 2000, no appropriation was provided for OFI. OFI's operations were primarily funded through a $1,131,550 transfer from the Facilities Establishment Fund.

Note 5 GENERAL LONG TERM OBLIGATIONS

In 1988, taxable economic development bonds in the amount of $10,000,000 were issued by the Treasurer of State for OFI. Proceeds from this issuance were placed in a reserve, invested with a trustee and pledged to secure the repayment of additional economic developments bonds issued in connection with the Ohio Enterprise Bond Program (Note 6).

The following summarizes the changes during fiscal year 2000:

Outstanding Bonds Payable - July 1, 1999	$2,525,000
Debt Repayment	(1,205,000)
Outstanding Bonds Payable - June 30, 2000	$1,320,000

The outstanding balances on the general reserve obligation bonds payable consist of the following at June 30, 2000:

Due Fiscal Year 2001	$1,320,000

Series 1988-1 Bonds bear interest at 9.70% per annum, paid June 1 and December 1, of each year. The bonds are payable primarily from and secured by, a pledge of earnings from investments of the reserve funded by the bonds and loan repayments received under the state's Chapter 166 Direct Loan Program. The state has also agreed to use funds in the Enterprise Bond (1) A and (2) A, if a default is made on the bond payment. The bonds are not redeemable prior to their stated maturity except for mandatory redemptions.

Note 6 CONTINGENT OBLIGATION

The State of Ohio - Department of Development, Office of Financial Incentives, issues bonds for the Ohio Enterprise Bond Fund (OEBF) program pursuant to the direction of the Director of Development under the authority of Section 166.09, Ohio Revised Code, as noted in Note 5. This debt provides private entities with capital financing for economic development projects ("Eligible Project") and will primarily be secured by the property financed. Payments made by the borrowing entities will be use to retire the debt and to service interest payments.

The OFI is contingently liable if the borrowing entities default on their OEBF bond payments. During fiscal year 2000, $14,825,000 of new revenue bonds were issued under this program. The OFI does not report either the debt related to these bonds issued or the value of the projects financed, as these are deemed the responsibility of the borrowing entities. The OFI monitors the repayments of these bond funds and the related bond redemption compliance requirements.

The following summarizes outstanding balances of the OEBF program as of June 30, 2000:

Ohio Enterprise Bond Fund Program "eligible projects" series 1989-4 dated September 1, 1989	$ 5,670,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1990-1 dated January 15, 1991	1,170,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1990-3 dated December 1, 1990	1,360,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-1 dated April 15, 1991	1,770,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-2 dated April 1, 1991	1,095,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-3 dated April 1, 1991	885,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-4 dated May 28, 1991	1,035,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-5 dated May 1, 1991	3,125,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-6 dated July 1, 1991	510,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-7 dated July 1, 1991	485,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-9 dated August 1, 1991	2,360,000

Note 6 CONTINGENT OBLIGATION (continued)

Ohio Enterprise Bond Fund Program "eligible projects" series 1991-10 dated September 1, 1991	750,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1991-13 dated December 1, 1991	1,935,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1992-3 dated July 29, 1992	925,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1992-6 dated June 1, 1992	730,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1992-7 dated November 1, 1992	400,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-1 dated February 12, 1993	2,015,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-2 dated April 28, 1993	635,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-3 dated April 28, 1993	1,490,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-5 dated September 21, 1993	6,695,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-6 dated September 1, 1993	265,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-7 dated August 1, 1993	2,820,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-8 dated October 1, 1993	4,485,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1993-9 dated November 1, 1993	1,030,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1994-1 dated March 1, 1994	1,295,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1994-2 dated January 1, 1994	1,060,000

Note 6 CONTINGENT OBLIGATION (continued)

Ohio Enterprise Bond Fund Program "eligible projects" series 1994-4 dated June 1, 1994	2,695,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1994-5 dated October 1, 1994	1,370,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1994-6 dated December 1, 1994	2,025,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1995-1 dated June 1, 1995	2,950,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1995-2 dated July 1, 1995	740,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1995-3 dated October 1, 1995	1,995,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1996-1 dated January 1, 1996	1,775,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1996-2 dated October 1, 1996	9,185,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1998-1 dated April 1, 1998	1,215,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1998-2 dated April 1, 1998	1,675,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1998-3 dated May 18, 1998	1,795,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1998-4 dated November 12, 1998	2,925,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1998-5 dated November 1, 1998	8,150,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1999-1 dated May 1, 1999	4,075,000
Ohio Enterprise Bond Fund Program "eligible projects" series 1999-2 dated November 1, 1999	5,325,000

Note 6 CONTINGENT OBLIGATION (continued)

Ohio Enterprise Bond Fund Program "eligible projects" series 2000-1 dated May 1, 2000	6,025,000
Ohio Enterprise Bond Fund Program "eligible projects" series 2000-2 dated May 24, 2000	3,475,000
Total OEBF general reserve obligation bonds payable at June 30, 2000	$103,390,000

Series 1989-4 bonds bear interest at 9.75% payable quarterly on March 1, June 1, September 1 and December 1, of each year. These bonds mature on June 1, 2009 and are subject to mandatory sinking fund redemption beginning June 1, 1990 and quarterly thereafter through March 1, 2009.

Series 1989-5A bonds bear interest at 8.375% payable semi-annually on June 1, and December 1, of each year. These bonds mature on June 1, 2014 and are subject to mandatory sinking fund redemption on June 1, in the years 1991 through 2014.

Series 1990-1 bonds bear interest at 9.98% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on December 1, 2010 and are subject to mandatory sinking fund redemption quarterly through December 1, 1995.

Series 1990-3 bonds bear interest at 7.875% payable semi-annually on June 1, and December 1, of each year. These bonds mature on December 1, 2010 and are subject to mandatory sinking fund redemption on June 1, in the years 1991 through 2010.

Series 1991-1 bonds bear interest at 10% payable quarterly on March 1, June 1, September 1, and December 1. These bonds mature on December 1, 2011 and are subject to mandatory sinking fund redemption beginning September 1, 1991 and quarterly thereafter through 1995.

Series 1991-2 bonds consist of: $2,645,000 of bonds bearing interest at 6.75%, $1,665,000 of bonds bearing interest at 7.00%, and $3,040,000 of bonds bearing interest at 7.25%. Interest is payable semi-annually on June 1, and December 1, of each year. The 6.75% issue is subject to mandatory sinking fund redemption on June 1, and December 1 in the years 1991 - 1996.

The 7.00% issue is subject to mandatory sinking fund redemption on June 1, and December 1 in the years 1996 - 1998. The 7.25% issue is subject to mandatory sinking fund redemption on June 1, and December 1 in the years 1998 - 2011.

Series 1991-3 bonds bear interest at 7.625% payable semi-annually on June 1, and December 1, of each year. These bonds mature on June 1, 2011 and are subject to mandatory sinking fund redemption on December 1, and June 1 in the years 1991 - 2011.

Series 1991-4 bonds bear interest at 9.82% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on December 1, 2011 and are subject to mandatory sinking fund redemption on December 1, March 1, June 1, September 1 in the years 1991 through 2011.

Series 1991-5 bonds consist of $600,000 of bonds bearing interest at 6.90%, $640,000 of bonds bearing interest at 7.25%, and $2,860,000 of bonds bearing interest at 7.625%. Interest is payable semi-annually on June 1, and December 1, of each year. The 7.25% issue matures on December 1, 2001, and is subject to mandatory sinking fund redemption in the years 1998 through 2001. The 7.625% issue matures on December 1, 2011, and is subject to mandatory sinking fund redemption in the years 2002 through 2011.

Series 1991-6 bonds bear interest at 7.45% payable semi-annually on June 1, and December 1, of each year. These bonds mature on June 1, 2003 and are subject to mandatory sinking fund redemption on December 1, and June 1 in the years 1991 through 2003.

Series 1991-7 bonds bear interest at 7.625% payable semi-annually on June 1, and December 1, of each year. These bonds mature on June 1, 2011 and are subject to mandatory sinking fund redemption on December 1, and June 1 in the years 1991 through 2011.

Series 1991-9 bonds consist of $1,080,000 of serial bonds, bearing interest initially at 5.75% increasing to 7.15% by maturity, payable semi-annually on June 1, and December 1, of each year, and $2,015,000 of term bonds, bearing interest at 7.625% payable semi-annually on June 1 and December 1, of each year. These bonds mature on December 1, 2011 and are subject to mandatory sinking fund redemption on June 1 and December 1 in the years 2003 through 2011.

Series 1991-10 bonds consist of $5,215,000 of serial bonds, bearing interest initially at 5.75% increasing to 6.6% by maturity, payable semi-annually on June 1, and December 1, of each year, and $1,500,000 of term bonds, bearing interest at 6.85% payable semi-annually on June 1 and December 1, of each year. These bonds mature on June 1, 2001 and are subject to mandatory sinking fund redemption on June 1 and December 1 in the years 1999 through 2001.

Series 1991-13 bonds consist of a $1,765,000 of term bond, bearing interest at 7.375% payable semi-annually on June 1 and December 1 if each year. The 7.375% issue matures on December 1, 2001 and is subject to mandatory sinking fund redemption on June 1 and December 1 in the years 2002 through 2011.

Series 1992-3 bonds bear interest at 7.41% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on September 1, 2002 and are subject to mandatory sinking fund redemption on Beginning December 1, 1992 and quarterly thereafter through 2002.

Series 1992-6 bonds bear interest initially at 3.75% increasing to 7.00% by maturity, payable semi-annually on December 1 and June 1 of each year. These bonds mature on June 1, 1999 and are subject to mandatory sinking fund redemption on December 1 and June 1 in the years 1992 through 2002.

Series 1992-7 bonds bear interest at 7.89% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on December 1, 2002 and are subject to mandatory sinking fund redemption on beginning December 1, 1993 and quarterly thereafter through 2002.

Series 1993-1 bonds bear interest at 7.84% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on December 1, 2007 and are subject to mandatory sinking fund redemption on beginning June 1, 1993 and quarterly thereafter through 2007.

Series 1993-2 bonds bear interest at 6.65% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on June 1, 2003 and are subject to mandatory sinking fund redemption beginning March 1, 1994 and quarterly thereafter through 2003.

Series 1993-3 bonds bear interest at 7.51% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on January 1, 2013 and are subject to mandatory sinking fund redemption beginning December 1, 1993 and quarterly thereafter through 2013.

Series 1993-4 bonds bear interest at 5.92% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on January 1, 2000 and are subject to mandatory sinking fund redemption beginning December 1, 1993 and quarterly thereafter through June 1, 2000.

Series 1993-5 bonds bear interest at 7.54% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on June 1, 2013 and are subject to mandatory sinking fund redemption beginning September 1, 1994 and quarterly thereafter through June 1, 2013.

Series 1993-6 bonds bear interest at 6.70% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on September 1, 2000 and are subject to mandatory sinking fund redemption beginning September 1, 1994 and quarterly thereafter through September 1, 2000.

Series 1993-7 bonds consist of $5,000,000 of bonds, bearing interest initially at 7.20% and $2,515,000 of bonds bearing interest at 8.00%. Interest is payable quarterly on March 1, June 1, September and December 1, of each year. The 7.20% issue matures on December, 2005, and is subject to mandatory sinking fund redemption beginning March 1, 1994 and quarterly thereafter through December 1 2005. The 8.00% issue matures on September 1, 2013, and is subject to mandatory sinking fund redemption on March 1, 2006 and quarterly thereafter through September 1, 2013.

Series 1993-8 bonds bear interest at 6.88% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on December 1, 2008 and are subject to mandatory sinking fund redemption beginning September 1, 1994 and quarterly thereafter through December 1, 2008.

Series 1993-9 bonds bear interest at 6.70% payable quarterly on March 1, June 1, September 1, and December 1, of each year. These bonds mature on September 1, 2000 and are subject to mandatory sinking fund redemption beginning December 1, 1994 and quarterly thereafter through September 1, 2000.

Series 1994-1 bonds bear interest initially at 3.25% increasing to 5.90% by maturity, payable semi-annually on December 1 and June 1 of each year. These bonds mature on December 1, 2003 and are subject to mandatory sinking fund redemption on December 1 and June 1 through 2003.

Series 1994-2 bonds consist of $825,000 of bonds, bearing interest at 5.50% and $630,000 of bonds bearing interest at 5.90%. Interest is payable semi-annually on June 1, and December 1, of each year. The 5.50% issue is subject to mandatory sinking fund redemption beginning June 1 and December 1 in the years 1995 through 2004. The 5.90% issue is subject to mandatory sinking fund redemption on June 1, and December 1 in the years 2005 through 2009.

Series 1994-4 bonds consist of $2,385,000 of serial bonds bearing interest initially at 4.75% increasing to 6.20% by maturity, payable semi-annually on June 1 and December 1 of each year and $1,190,000 of term bonds bearing interest at 6.50%, payable semi-annually on June 1 and December 1 of each year. The term bonds mature on December 1, 2009, and are subject to mandatory sinking fund redemption on June 1 and December 1 in the years 2000 through 2009.

Series 1994-5 bonds bear interest at 7% payable semi-annually on December 1 and June 1 of each year. These bonds mature on December 1, 2009 and are subject to mandatory sinking fund redemption beginning December 1, 1995 and semiannually thereafter through December 1, 2009.

Series 1994-6 bonds consist of $1,855,000 of term bonds bearing interest at 6.8% and $1,525,000 of term bonds bearing interest at 7.8%. Interest is payable semi-annually on June 1 and December 1 of each year. The 6.8% issue is subject to mandatory sinking fund redemption on June 1 and December 1 in the years 1995 through 2001. They mature on December 1, 2001. The 7.8% issue is subject to mandatory sinking fund redemption on June 1 and December 1 in the years 2002 through 2009. These bonds mature on December 1, 2009.

Series 1995-1 bonds bear interest at 6.7% payable semi-annually on June 1 and December 1 of each year. These bonds mature on December 1, 2014 and are subject to mandatory sinking fund redemption beginning December 1, 1995 and semiannually thereafter through December 1, 2014.

Series 1995-2 bonds bear interest at 5.6% payable semi-annually on June 1 and December 1 of each year. These bonds mature on June 1, 2002 and are subject to mandatory sinking fund redemption beginning December 1, 1995 and semiannually thereafter through June 1, 2002.

Series 1995-3 bonds bear interest at 5.6% payable semi-annually on June 1 and December 1 of each year. These bonds mature on December 1, 2003 and are subject to mandatory sinking fund redemption beginning December 1, 1995 and semiannually thereafter through December 1, 2003.

Series 1996-1 bonds bear interest at 7.05% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on March 1, 2011 and are subject to mandatory sinking fund redemption quarterly through March 1, 2011.

Series 1996-2 bonds bear interest at 7.88% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on December 1, 2011 and are subject to mandatory sinking fund redemption March 1, 1997 and quarterly thereafter through December 1, 2011.

Series 1998-1 bonds bear interest at 6.65% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on June 1, 2005 and are subject to mandatory sinking fund redemption September 1, 1998 and quarterly thereafter through June 1, 2005.

Series 1998-2 bonds bear interest at 7.10% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on June 1, 2018 and are subject to mandatory sinking fund redemption September 1, 1998 and quarterly thereafter through June 1, 2018.

Series 1998-3 bonds bear interest at 6.83% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on June 1, 2005 and are subject to mandatory sinking fund redemption September 1, 1998 and quarterly thereafter through June 1, 2005.

Series 1998-4 bonds bear interest at 6.65% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on June 1, 2008 and are subject to mandatory sinking fund redemption September 1, 1999 and quarterly thereafter through June 1, 2008.

Series 1998-5 bonds bear interest at 7.25% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on December 1, 2018 and are subject to mandatory sinking fund redemption September 1, 1999 and quarterly thereafter through December 1, 2018.

Series 1999-1 bonds bear interest at 7.375% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on March 1, 2019 and are subject to mandatory sinking fund redemption September 1, 2000 and quarterly thereafter through March 1, 2019.

Series 1999-2 bonds bear interest at 8.16% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on September 1, 2019 and are subject to mandatory sinking fund redemption March 1, 2001 and quarterly thereafter through September 1, 2019.

Series 2000-1 bonds bear interest at 8.95% payable quarterly on March 1, June 1, September 1 and December 1 of each year. These bonds mature on June 1, 2020 and are subject to mandatory sinking fund redemption September 1, 2000 and quarterly thereafter through June 1, 2020.

Series 2000-2 bonds bear a weekly variable interest rate, as determined by the bond remarketing agent, payable annually on June 1 of each year. These bonds mature on June 1, 2014 and are subject to mandatory sinking fund redemption June 1, 2001 and annually thereafter through June 1, 2014.

The Ohio Enterprise Bond Fund Program "eligible projects" bonds are to be retired solely from rentals, revenues and other income, charges and moneys realized from the use, lease sale or other disposition of the "eligible project" and any insurance and condemnation awards received.

Future general obligation debt service requirements as of June 30, 2000 are as follows:

	Series			
Year ending June 30	1989-4	1989-5A	1989-5B	1990-1
2001	420,000	-	-	60,000
2002	460,000	-	-	80,000
2003	505,000	-	-	80,000
2004	555,000	-	-	90,000
2005	610,000	-	-	100,000
All subsequent years	3,120,000	-	-	760,000

	Series			
Year ending June 30	1990-2	1990-3	1991-1	1991-2
2001	-	90,000	85,000	1,095,000
2002	-	95,000	100,000	-
2003	-	100,000	105,000	-
2004	-	110,000	120,000	-
2005	-	120,000	130,000	-
All subsequent years	-	845,000	1,230,000	-

	Series		
Year ending June 30,	1991-3	1991-4	1991-5
2001	50,000	55,000	175,000
2002	60,000	60,000	185,000
2003	60,000	60,000	205,000
2004	65,000	65,000	215,000
2005	70,000	80,000	235,000
All subsequent years	580,000	715,000	2,110,000

	Series			
Year ending June 30,	1991-6	1991-7	1991-8	1991-9
2001	155,000	30,000	-	130,000
2002	170,000	30,000	-	140,000
2003	185,000	30,000	-	155,000
2004	-	40,000	-	165,000
2005	-	40,000	-	180,000
All Subsequent years	-	315,000	-	1,590,000

	Series		
Year ending June 30,	1991-10	1991-12	1991-13
2001	750,000	-	110,000
2002	-	-	120,000
2003	-	-	130,000
2004	-	-	140,000
2005	-	-	150,000
All Subsequent years	-	-	1,285,000

	Series			
Year ending June 30,	1992-3	1992-5	1992-6	1992-7
2001	390,000	-	355,000	155,000
2002	425,000	-	375,000	160,000
2003	110,000	-	-	85,000
2004	-	-	-	-
2005	-	-	-	-
All Subsequent years	-	-	-	-

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 2000

Year ending June 30,	Series 1992-8	1993-1	1993-2	1993-3
2001	-	205,000	200,000	65,000
2002	-	220,000	210,000	80,000
2003	-	240,000	225,000	80,000
2004	-	260,000	-	80,000
2005	-	280,000	-	100,000
All Subsequent years	-	810,000	-	1,085,000

Year ending June 30,	Series 1993-4	1993-5	1993-6	1993-7
2001	-	310,000	265,000	430,000
2002	-	330,000	-	465,000
2003	-	360,000	-	500,000
2004	-	390,000	-	540,000
2005	-	420,000	-	580,000
All Subsequent years	-	4,885,000	-	3,400,000

Year ending June 30,	Series 1993-8	1993-9	1994-1
2001	390,000	1,030,000	345,000
2002	420,000	-	365,000
2003	450,000	-	385,000
2004	490,000	-	200,000
2005	530,000	-	-
All Subsequent years	2,205,000	-	-

Year ending June 30,	Series 1994-2	1994-3	1994-4
2001	85,000	720,000	215,000
2002	90,000	760,000	225,000
2003	100,000	810,000	240,000
2004	100,000	855,000	255,000
2005	110,000	-	275,000
All Subsequent years	575,000	-	1,485,000

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES

NOTES TO THE COMBINED FINANCIAL STATEMENTS
June 30, 2000

	Series		
Year ending June 30,	1994-5	1994-6	1995-1
2001	110,000	330,000	120,000
2002	115,000	240,000	130,000
2003	120,000	155,000	135,000
2004	130,000	165,000	145,000
2005	140,000	175,000	160,000
All Subsequent years	755,000	960,000	2,260,000

	Series			
Year ending June 30,	1995-2	1995-3	1996-1	1996-2
2001	355,000	530,000	120,000	280,000
2002	385,000	565,000	120,000	305,000
2003	-	590,000	135,000	330,000
2004	-	310,000	1,390,000	540,000
2005	-	-	-	770,000
All Subsequent years	-	-	-	6,960,000

	Series		
Year ending June 30,	1998-1	1998-2	1998-3
2001	215,000	40,000	270,000
2002	225,000	60,000	290,000
2003	240,000	60,000	315,000
2004	260,000	60,000	335,000
2005	275,000	60,000	585,000
All Subsequent years	-	1,395,000	-

	Series		
Year ending June 30,	1998-4	1998-5	1999-1
2001	275,000	220,000	95,000
2002	300,000	235,000	100,000
2003	325,000	255,000	110,000
2004	345,000	270,000	120,000
2005	375,000	290,000	120,000
All Subsequent years	1,305,000	6,880,000	3,530,000

	Series		
Year ending June 30,	1999-2	2000-1	2000-2
2001	60,000	130,000	160,000
2002	135,000	125,000	150,000
2003	140,000	140,000	165,000
2004	155,000	150,000	180,000
2005	165,000	160,000	195,000
All Subsequent years	4,670,000	5,320,000	2,625,000

All bonds were current as of June 30, 2000.

Note 7 COMMITMENTS AND CONTINGENCIES

The following summarizes outstanding commitments of the OFI related to the Chapter 166 programs:

	166 Program	
	Direct	Regional
Encumbered Funds:		
166 Program	$43,521,903	$24,521,449
Scrap Tire Management	1,441,448	-
Family Farm Loan Guarantee	674,861	-
Urban Redevelopment Loan	13,948,000	-
Rural Industrial Park Loan	1,093,138	-
General Fund	302,964	-
Committed by DFAC Only	3,000,000	-
Total	$63,982,314	$24,521,449

The regional agency encumbered funds represents additional escrow fund commitments to local agencies from original allotments made for various regional programs. These funds are transferred to the escrow funds of these agencies, which then make eligible project loans based on program requirements. The encumbrances do not include each individual agency's loan commitments to eligible borrowers. The regional programs include the 166 loan program and the pollution prevention loan program. These programs are administered by the local agencies on behalf of the OFI.

Under the Chapter 166 Loan Guarantee Program, OFI guaranteed 75% of certain qualifying loans made by various financial institutions. The bonds issued by the State of Ohio to fund the loan and loan guarantee programs under 166 of the Code are to be repaid initially from revenue of the State from the sale of liquor. Repayment would come from the Facilities Establishment Fund only if such revenues were inadequate to service the debt. The maximum liability under these guarantees at June 30, 2000 was approximately $2,500,000. At June 30, 2000, none of the loans guaranteed by the OFI were in default.

Note 8 TRANSFERS AND OTHER RELATED FUND ACTIVITY

Certain transfers were made to and from funds which did not fall under the control of the Department of Development, Office of Financial Incentives. Since the financial statements present only the financial information of this Office of the State of Ohio, Department of Development and does not present the consolidated financial information of the State of Ohio, taken as a whole, the total of transfers-in and transfers-out, from State Agencies, will not equal. The following schedule provides a reconciliation of the transfer activities:

Description	Transfers In	Transfers Out
Transfers Within the Office of Financial Incentives:		
General Fund	$ 1,131,550	$ -
Special Revenue Fund	41,463,865	47,415,507
Debt Service Fund	41,407,809	36,587,717
Total Internal Transfers	$ 84,003,224	$84,003,224
Transfers With Other State Agencies:		
State EPA Fund Allotment	$ 1,349,635	$ -
State General Revenue Fund:		
Direct Loan Repayments	-	793,732
Total Transfers With Other State Agencies	$ 1,349,635	$ 793,732

Note 10 RETIREMENT PLAN

All employees of the OFI are covered by the Public Employees Retirement System of Ohio (PERS). This retirement program is a statewide cost-sharing multiple employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established and amended by State of Ohio statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report. Interested parties may obtain a copy of the PERS financial report by making a written request the Public Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Funding Policy

The Ohio Revised Code provides PERS statutory authority for employee and employer contributions. The employee contribution rates are 8.5% for employees. The 1999 employer contribution rate for state employers was 13.31% of covered payroll. Required employer contributions are equal to 100% of the dollar amount billed to each employer.

Trend Information

Contributions required by State of Ohio Statutes:

Fiscal Year	Percentage Contribution	Required Contributed
2000	100%	$79,908
1999	100%	$84,803
1998	100%	$72,952

Trend information showing the progress of PERS in accumulating sufficient assets to pay benefits when due is presented in their annual financial reports. Copies of these reports may be obtained from PERS.

Note 11 OTHER POST-EMPLOYMENT BENEFITS

In addition to the retirement benefits described in Note 10, PERS provides post-retirement health care coverage to age and service retirants with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Post-Employment Benefits (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 1999 employer contribution rate for state employers was 13.31% of covered payroll; 4.2% was the portion that was used to fund health care for the year. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement health care through their contributions to PERS.

OPEB are financed through employer contributions and investment earnings there on. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Note 11 OTHER POST-EMPLOYMENT BENEFITS (continued)

Expenditures for OPEB during 1999 were $523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were $9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

Note 12 DEFERRED COMPENSATION

Employees of the OFI may elect to participate in the Ohio Public Employees Deferred Compensation Program, a deferred compensation plan. The plan, created in accordance with Internal Revenue Service Code Section 457, permits employees 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 of Ohio (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State of Ohio'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 except for fraud or wrongful taking.

The assets and the corresponding liability to the employees participating in the program has not been reflected in the accompanying financial statements as these amounts are solely the property and obligation of the State of Ohio.

Note 13 SECURITIES LENDING TRANSACTIONS

Generally, during the year, the OFI had securities lending transactions through cash held by the State Treasurer which consisted of U.S. Government and U.S. Government Agency Obligations. These securities were collateralized by Cash and U.S. Government Securities. The loan contracts specifically do not allow the Treasurer to pledge or sell collateral securities without a borrower default. The value of the collateral provided is required to exceed the value of the underlying securities out on loan by 2% of the market value of the underlying securities. There was no restrictions on amount of the total loan contracts. However, there are percentage and dollar cap restrictions relating to the amount on loan to a single borrower, and there is no loss indemnification provided by the Treasurer’s Office by its lending agents.

The maturities of the investments made with cash collateral generally match the maturities of underlying securities loaned at June 30, 2000. There is no credit risk because the value of the collateral exceeds the value of the securities loaned. Also there were no losses on securities lending transaction during fiscal year 2000 resulting from the default of a borrower or lending agent, nor were there any prior period losses.

Note 14 ACCOUNTS RECEIVABLE/PAYABLE TO OTHER STATE AGENCIES

As of June 30, 2000, there was a total of $173,037 in accounts receivable from other state agencies representing OFI’s share of State of Ohio Fund 608 pooled investment earnings. There was an accrued liability of $1,119 payable to Fund 808 for OFI's portion of the health benefit plan deficit.

OFI also had $56,669 in intrastate payables at June 30, 2000, which was due other divisions of the Department of Development.

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
June 30, 2000

ASSETS	Facilities Establishment	Loan Guarantee	Direct Loan Program	Premium Income	Rural Industrial Park	Port Authority Bond Resv	Urban Redevelop. Loan	Family Farm Loan Guar. Program	Scrap Tire Program	Special Revenue Total
Cash equity - Fund 608	$96,752,204	-	-	-	1,210,175	1,000,000	10,173,000	971,309	$2,544,036	$112,650,724
Cash - State Treasurer	-	500	-	898,449	-	-	-	-	-	898,949
Cash - escrow	8,334,108	-	-	-	-	-	-	-	-	8,334,108
Warrants not disbursed	3,000,000	-	-	-	-	-	-	-	-	3,000,000
Investments	-	663,466	-	2,231,336	-	-	-	-	-	2,894,802
Loan, net	243,178,540	-	1,468,867	-	900,720	-	202,000	1,531,010	-	247,281,137
Collateral on lent securities	6,370,488	-	-	-	78,568	64,923	660,462	63,060	165,167	7,402,668
Accrued interest receivable										
Loans	507,122	-	6,962	-	-	-	-	-	-	514,084
Investments	399,001	-	-	-	-	-	-	-	-	399,001
Fees Receivable	-	-	-	76,702	-	-	-	-	-	76,702
Intra-Agency receivable	173,037	-	-	-	-	-	-	-	-	173,037
Total Assets	$358,714,500	663,966	1,475,829	3,206,487	2,189,463	1,064,923	11,035,462	2,565,379	2,709,203	$383,625,212
LIABILITIES AND FUND EQUITY										
Liabilities										
Obligations under securities lending	6,370,488	-	-	-	78,568	64,923	660,462	63,060	165,167	$ 7,402,668
Other liabilities	114,427	-	-	-	-	-	-	-	-	114,427
Fund balances reserved for										
Loans, net	243,178,540	-	1,468,867	-	900,720	-	202,000	1,531,010	-	247,281,137
Unreserved/Non-Designated	109,051,045	663,966	6,962	3,206,487	1,210,175	1,000,000	10,173,000	971,309	2,544,036	128,826,980
Total Fund Equity	352,229,585	663,966	1,475,829	3,206,487	2,110,895	1,000,000	10,375,000	2,502,319	2,544,036	376,108,117
Total Liabilities and Fund Equity	$358,714,500	663,966	1,475,829	3,206,487	2,189,463	1,064,923	11,035,462	2,565,379	2,709,203	$383,625,212

The accompanying notes are an integral part of these financial statements.

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES
COMBINING BALANCE SHEET - DEBT SERVICE FUNDS
June 30, 2000

ASSETS	Program Reserve	Debt Service	Development Enterprise Fund	Debt Service Total
Cash equity				
- State Treasurer	$ -	-	124,144	$ 124,144
Investments	10,128,953	257,566	21,018,426	31,404,945
Accrued interest receivable				
Investments	33,899	1,246	-	35,145
Interfund receivable/(payable)	-	-	-	-
Total Assets	$10,162,852	258,812	21,142,570	$31,564,234
LIABILITIES AND FUND EQUITY				
Liabilities	-	-	-	-
Fund balances reserved for				
Debt service	10,162,852	258,812	21,142,570	31,564,234
Unreserved/Undesignated	-	-	-	-
Total Fund Equity	10,162,852	258,812	21,142,570	31,564,234
Total Liabilities and Fund Equity	$10,162,852	258,812	21,142,570	$31,564,234

The accompanying notes are an integral part of these financial statements.

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY - SPECIAL REVENUE FUNDS
Year Ended June 30, 2000

	Facilities Establishment	Loan Guarantee	Direct Loan Program	Premium Income	Rural Industrial Park	Port Auth. Bond Reserve	Urban Redevelop. Loan	Family Farm Loan Guar. Program	Scrap Tire Program	Special Revenue Total
REVENUES										
Investment Income:										
Interest	5,505,552	35,978	-	119,434	-	-	-	-	-	5,660,964
Unrealized Gain(Loss) on Investments	(164,256)	-	-	-	-	-	-	-	-	(164,256)
Loan Interest Income	7,424,234	-	70,819	-	-	-	-	2,319	-	7,497,372
Fees	460,560	-	-	868,685	-	-	-	-	16,000	1,345,245
Miscellaneous	481,177	-	-	1,500	-	-	-	-	-	482,677
Total Revenues	13,707,267	35,978	70,819	989,619	-	-	-	2,319	16,000	14,822,002
EXPENDITURES										
Grants	-	-	-	-	-	-	-	-	3,468,077	3,468,077
Personnel and operating	1,419,448	-	-	2,982	-	-	-	-	-	1,422,430
Total Expenditures	1,419,448	-	-	2,982	-	-	-	-	3,468,077	4,890,507
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,287,819	35,978	70,819	986,637	-	-	-	2,319	(3,452,077)	9,931,495
OTHER FINANCING SOURCES (USES):										
Operating Transfers-In:										
Interfund	35,208,712	-	-	-	1,208,675	-	-	-	5,046,478	41,463,865
State Agencies	400,000	-	-	-	-	-	-	-	949,635	1,349,635
Operating Transfers-Out:										
Interfund	(47,415,507)	-	-	-	-	-	-	-	-	(47,415,507)
State Agencies	-	-	(793,732)	-	-	-	-	-	-	(793,732)
Other Miscellaneous Sources (Uses)	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(11,806,795)	-	(793,732)	-	1,208,675	-	-	-	5,996,113	(5,395,739)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	481,024	35,978	(722,913)	986,637	1,208,675	-	-	2,319	2,544,036	4,535,756
Fund Equity, July 1, 1999	351,748,561	627,988	2,198,742	2,219,850	902,220	1,000,000	10,375,000	2,500,000	-	371,572,361
Fund Equity, June 30, 2000	$352,229,585	663,966	1,475,829	3,206,487	2,110,895	1,000,000	10,375,000	2,502,319	2,544,036	$376,108,117

The accompanying notes are an integral part of these financial statement.

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY - DEBT SERVICE FUNDS

Year Ended June 30, 2000

	Program Reserve	Debt Service	Development Enterprise Fund	Debt Service Total
REVENUES				
Investment Interest Income	$ 473,773	9,735	1,447,066	$ 1,930,574
Fees	-	146,614	-	146,614
Miscellaneous	-	-	137	137
Total Revenues	473,773	156,349	1,447,203	2,077,325
EXPENDITURES				
Personnel and operating expenditures	1,366	2,325	-	3,691
Debt service, principal	-	1,205,000	-	1,205,000
Debt service, interest	-	186,482	-	186,482
Total Expenditures	1,366	1,393,807	-	1,395,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	472,407	(1,237,458)	1,447,203	682,152
OTHER FINANCING SOURCES (USES)				
Operating transfers-in	-	1,379,005	40,028,804	41,407,809
Transfers-in: State agencies	-	-	-	-
Operating transfers-out	(329,733)	-	(36,257,984)	(36,587,717)
Transfers-out: State agencies	-	-	-	-
Total other financing sources (uses)	(329,733)	1,379,005	3,770,820	4,820,092
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	142,674	141,547	5,218,023	5,502,244
Fund Equity, July 1, 1999	10,020,178	117,265	15,924,547	26,061,990
Fund Equity, June 30, 2000	$10,162,852	258,812	21,142,570	$31,564,234

The accompanying notes are an integral part of these financial statement.

STATE OF OHIO - DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES
SCHEDULE OF TRANSFERS
As of June 30, 2000

Name of Fund	Name of Fund Receiving/Transferring Funds	Transfer In	Transfer Out
General Fund			
Interfund Transfers	Facilities Establishment	1,131,550	-
		$ 1,131,550	$ -
Facilities Establishment			
Interfund Transfers	General Fund	$ -	$ 1,131,550
	Rural Industrial Park	-	1,208,675
	Scrap Tire	-	5,046,478
	Development Enterprise	35,208,712	40,028,804
		$ 35,208,712	$47,415,507
State Agency Transfers	Ohio EPA	$ 400,000	$ -
Rural Industrial Park			
Interfund Transfers	Facilities Establishment	$ 1,208,675	$ -
Scrap Tire Program			
Interfund Transfers	Facilities Establishment	$ 5,046,478	$ -
State Agency Transfers	Ohio EPA	$ 949,635	$ -
Direct Loan Program			
State Agency Transfers	General Revenue Fund	$ -	$ 793,732
Program Reserve			
Interfund Transfers	Debt Service	$ -	$ 329,733
Debt Service			
Interfund Transfers	Program Reserve	$ 329,733	$ -
	Development Enterprise	1,049,272	-
		$ 1,379,005	$ -
Development Enterprise			
Interfund Transfers	Debt Service Fund	$ -	$ 1,049,272
	Facilities Establishment	40,028,804	35,208,712
		$40,028,804	$36,257,984

OHIO ENTERPRISE BOND FUND
PROJECT ACTIVITY SUMMARY SCHEDULE
For the Fiscal Year Ended June 30, 2000

Series	Description	Principle Balance June 30, 1999	Fiscal Year 2000 Bond Issues	Fiscal Year 2000 Principle Payments	Fiscal Year 2000 Interest Payments	Principle Balance June 30, 2000
1989-4	East 49th Street Associates	$6,050,000	-	380,000	573,259	5,670,000
1989-5	Sponge, Inc.	3,605,000	-	3,605,000	301,012	0
1990-1	Erie Terminal Development Co.	1,230,000	-	60,000	120,010	1,170,000
1990-3	Good Samaritan Medical Center	1,440,000	-	80,000	111,300	1,360,000
1991-1	Kinetics Noise Control	1,850,000	-	80,000	181,333	1,770,000
1991-2	Superior Forge & Steel Corp.	2,105,000	-	1,010,000	128,567	1,095,000
1991-3	Superior Forge & Steel Corp.	935,000	-	50,000	70,023	885,000
1991-4	Atlas Technical Finishes, Inc.	1,075,000	-	40,000	103,765	1,035,000
1991-5	Royal Appliance Mfg. Co.	3,285,000	-	160,000	240,021	3,125,000
1991-6	Burrows Paper Corporation	655,000	-	145,000	45,290	510,000
1991-7	Burrows Paper Corporation	515,000	-	30,000	38,506	485,000
1991-9	Royal Appliance Mfg. Co.	2,480,000	-	120,000	183,581	2,360,000
1991-10	Luigino's, Inc.	1,500,000	-	750,000	85,625	750,000
1991-13	VSM Corporation	2,040,000	-	105,000	147,214	1,935,000
1992-3	Bailey Trasportation Products, Inc.	1,290,000	-	365,000	83,332	925,000
1992-6	Hercules Tire & Rubber Company	1,065,000	-	335,000	67,218	730,000
1992-7	Osco Industries, Inc.	540,000	-	140,000	44,644	400,000
1993-1	Dayton-Phoenix Group, Inc.	2,205,000	-	190,000	166,241	2,015,000
1993-2	Chemron Corporation	815,000	-	180,000	48,711	635,000
1993-3	Bowling Green Investors, Ltd.	1,550,000	-	60,000	114,340	1,490,000
1993-4	Buffalo Molded Plastics, Inc.	545,000	-	545,000	17,587	0
1993-5	Foremost Mgmt., Inc	6,980,000	-	285,000	516,584	6,695,000
1993-6	Globe Industries, Inc.	1,290,000	-	1,025,000	55,247	265,000
1993-7	Checkfree Corporation	3,225,000	-	405,000	420,170	2,820,000
1993-8	Landair Services, Inc.	4,845,000	-	360,000	322,242	4,485,000
1993-9	Mill's Pride Limited Partnership	2,990,000	-	1,960,000	140,728	1,030,000
1994-1	CR/PL Limited Partnership	1,620,000	-	325,000	86,348	1,295,000
1994-2	Cheryl & Co.	1,140,000	-	80,000	63,753	1,060,000
1994-4	Orlando Banking Company, Inc.	2,895,000	-	200,000	174,256	2,695,000
1994-5	Consolidated Biscuit Co.	1,470,000	-	100,000	100,567	1,370,000
1994-6	Progress Plastic Products, Inc.	2,335,000	-	310,000	167,173	2,025,000
1995-1	JJ&W Limited Partnership	3,060,000	-	110,000	202,563	2,950,000
1995-2	Wirt Metal Products, Inc.	1,075,000	-	335,000	54,017	740,000
1995-3	Smith Steelite	2,495,000	-	500,000	130,387	1,995,000
1996-1	Sandusky Polymers Corporation	1,875,000	-	100,000	128,574	1,775,000
1996-2	Ohio Coatings Company	9,440,000	-	255,000	734,810	9,185,000
1998-1	General Casting Company	1,415,000	-	200,000	88,002	1,215,000
1998-2	The Community Improvement Corporation	1,715,000	-	40,000	120,463	1,675,000
1998-3	E-Beam Service	2,050,000	-	255,000	132,161	1,795,000
1998-4	OCHS Industries	3,185,000	-	260,000	203,878	2,925,000
1998-5	Toledo Lucas County Port Authority	8,350,000	-	200,000	588,640	8,150,000
1999-1	Neo Beam Alliance	4,075,000	-	-	311,105	4,075,000
1999-2	Euclid & Wickliffe Service, Inc.	-	5,325,000	-	261,919	5,325,000
2000-1	Community Improv.t Corp. of Union County	-	6,025,000	-	86,760	6,025,000
2000-2	Nylonge Company	-	3,475,000	-	-	3,475,000
	Totals	104,300,000	14,825,000	15,735,000	7,961,924	103,390,000

PARMS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Ohio Department of Development
Office of Financial Incentives
Columbus, Ohio

We have audited the combined financial statements of the State of Ohio, Ohio Department of Development, Office of Financial Incentives, (the OFI), as of and for the year ended June 30, 2000 and have issued our report thereon dated September 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the OFI's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the OFI's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment could adversely affect the OFI's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2000-01 and 2000-02.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider 2000-01 to be a material weakness.

This report is intended for the information and use of management, the Department of Development, and the Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Parms & Company

September 20, 2000
Columbus, Ohio

STATE OF OHIO, DEPARTMENT OF DEVELOPMENT
OFFICE OF FINANCIAL INCENTIVES
June 30, 2000

SCHEDULE OF FINDINGS

Finding Number	**2000-01**

General Ledger System

The OFI utilized an internal general ledger system to internally record and track the activities of the various funds administered by them. OFI is a part of the State of Ohio, Department of Development (ODOD). The management information systems department (MIS) of the ODOD has the responsible for upgrading the OFI's general ledger system to be year 2000 compliant. For fiscal year 2000, the OFI's general ledger system was not year 2000 compliant, nor was a replacement system implemented during the fiscal year. For fiscal year 2000 there was no general ledger system utilized. Consequently, the OFI was forced to summarize transactions utilizing spreadsheets.

It is important for the OFI to implement an effective general ledger system. This system is necessary in order to allow for more timely recording and reconciliation of the fund activity the office is charged with administering.

Finding Number	**2000-02**

Regional Agency Lending Activity

There still continues to be some weaknesses within how the Office of Financial Incentives is accounting for its regional lending programs. OFI, through eleven regional agencies, provides 166 lending to eligible borrowers. As of June 30, 2000, approximately $36,900,000 in regional loans were outstanding. The loans along with the escrowed funds held by the agencies are a part of the OFI's assets. Although there has been improvement in the review and reconciliation of regional lending activities, there still are areas that need to be improved.

We believe the following are areas in particular where OFI's oversight needs to be improved to assure proper accountability and reporting of regional agency activities.

1. We noted that several regional agencies still are not providing remittance statements along with their outstanding loan portfolios to OFI monthly. It is important that the OFI tracks and reconciles the outstanding loan portfolio, on a monthly basis, to ensure that loan payment and new disbursements activities are properly reflected by the loans outstanding report. We recommend that the OFI require monthly loans outstanding information be provided by the regional agencies. This information along with the escrow account information should be reconciled and summarized to assure that regional agency lending activities are properly recorded. Any reconciling differences should be followed up on and resolved timely.

2. We noted for a few of the regional agencies that they are charging their administrative fees periodically instead of monthly. Consequently, it is difficult to determine for what period of time the administrative fee is being charged for and whether the fee was determined properly. We recommend OFI track the administrative fees earned on a monthly basis and determine that any charges made by the agency agrees with the accumulated administrative fees earned.

3. For fiscal year 2000, for one agency in particular, we noted differences when we attempted to reconcile the regional agency's new loan and repayment activities with loans outstanding. It appears these differences were caused by the fact that the agency did not separately report the breakout between principal and interest on loan repayments. Consequently, it was necessary to make adjustments to record and reconcile the outstanding loan balances related to this agency. We recommend OFI require all agencies to submit monthly remittance reports which properly detail the agency's lending activities.

4. During our review of the OFI's regional loan program, we noted that most agencies are not submitting aged loan receivable status reports. This type of report can assist the OFI in assessing the current or delinquent status of loans included in the agencies portfolio. We recommend the OFI require all agencies to submit periodic aged loan receivable reports.

STATUS OF PRIOR FINDINGS

The prior year finding has been partially corrected. The non-corrected portion has been included with our current year Finding 2000-02 comment.

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

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DEPARTMENT OF DEVELOPMENT, OFFICE OF FINANCIAL INCENTIVES

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 14, 2000