OBM

Ted Strickland
Governor

J. Pari Sabety
Director

December 10, 2007

MEMORANDUM TO: The Honorable Ted Strickland, Governor
The Honorable Lee Fisher, Lt. Governor

FROM: J. Pari Sabety, Director

SUBJECT: Monthly Financial Report

ECONOMIC SUMMARY

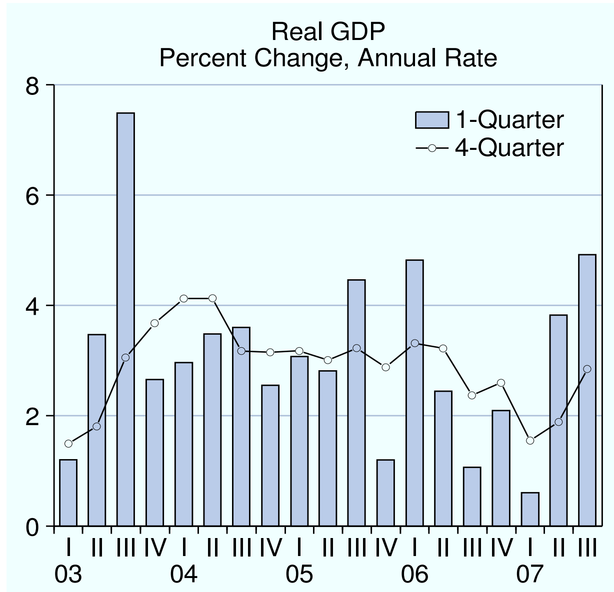
The Governor's Council of Economic Advisers anticipates that real GDP will grow at a compound annual rate of 1.6% through mid 2008, posing the greatest economic challenge for Ohio since early in the recovery from the last recession. Forecasters have lowered their growth predictions for the fourth quarter and first half of 2008, citing higher energy prices, tighter credit conditions, and some recent softening in labor markets.

Highlights of Economic Performance

- In Ohio, jobless claims for the past two months have been higher than the same months in 2006.
- Consumer confidence declined by 27% since the July peak for the Conference Board index and by 19% for the Michigan index.
- Manufacturing production fell 0.4% to 2.1% above the year earlier level. Outside of motor vehicles, manufacturing production decreased 0.3%.
- The **PMI index** remained just on the positive side of neutral during the month, following four months of declines.
- Midwest housing starts fell 5.0% in October, largely due to a sharp decline in multi-family starts.
- Ohio home prices decreased 0.8% in the third quarter after a 0.1% decrease in the second quarter.

Economic Growth

Real GDP growth during the third quarter was revised up by a full percentage point to 4.9%. The economy expanded by 3.8% in the second quarter and 2.8% during the year ending in the third quarter. Year-over-year growth had slowed to 1.5% in the first quarter. Sources of the upward revision to real GDP growth point more toward slower growth in the fourth quarter than faster growth. The upward revision to third-quarter real GDP primarily reflected upward adjustments to the change in business inventories and exports and a downward adjustment to imports. Growth in personal consumption expenditures was revised downward, pulling down growth in final sales to domestic purchasers to 2.4% from the originally reported 2.5%.



The major contributors to growth during the quarter were exports, personal consumption expenditures, and change in business inventories. Business investment in nonresidential structures and equipment and software and government spending also made positive contributions. Lower investment in residential structures, however, subtracted significantly from overall growth for the sixth consecutive quarter.

A key question is when or whether the pronounced contraction in residential building activity will undercut growth in other areas of the economy. Real GDP excluding residential construction remained strong in the third quarter, rising 6.1%. During the most recent four quarters, real growth outside of housing has accelerated from a low of 2.7% in 2005 to 3.8%.

Most forecasts, including the consensus from the Governor's Council of Economic Advisers, indicate a significant slowing in growth in the current quarter and during the first half of next year, as excess business inventories and weaker domestic demand restrain production. Inventories are projected to subtract from growth in the current quarter after adding approximately one percentage point to growth in the third quarter. Consumer spending is expected to be restrained by high energy costs, softer job growth, and tightening credit conditions. Additional declines in residential construction and more modest gains in business investment in plant and equipment are also expected to contribute to slower overall growth.

Since cutting its target interest rate on October 31 and indicating that no further reductions appeared necessary, Federal Reserve officials have signaled through public comments the likelihood of another rate cut at the next policy-setting meeting on December 11. The minutes from the October meeting revealed that not all voting members of the committee favored the October rate cut, suggesting that the future course of monetary policy remains uncertain and likely will depend heavily on the tone of reports on the economy.

Employment

U.S. Employment increased by 94,000 jobs in November, exactly the average during the previous six months. In comparison, job growth averaged 167,000 per month during the year ending six months ago. Total hours worked inched higher during the month and are on pace for an annualized increase of 1.0% for the quarter. The unemployment rate stayed at 4.7%.

Job gains were the most narrowly based during November since September 2003, with just under 50% of 278 private industries reporting higher employment levels. During the twelve months ending in November, 60.8% of industries reported higher employment, but that is down from a peak of 67.6% in July 2006.

Gains during November were concentrated in service producing sectors. Manufacturing and construction employment fell by 24,000 and 11,000 jobs, respectively, and the number of jobs in financial activities fell by 20,000. The largest employment increases were reported in transportation, trade and utilities (+34,000), government (+30,000), education and health services (28,000), and leisure and hospitality (+26,000).

The moderate gain in payrolls and stability in the unemployment rate (actually the rate decreased to very close to 4.6% before rounding) are inconsistent with the notion that a recession has already begun. Employment has begun to fall early in past recessions, and the unemployment rate has jumped higher by at least 0.5 percentage points. Employment was still rising in November, and the unemployment rate was up only marginally from its March low of 4.4%.

Of continuing concern, however, is the relentless – if gradual – upward drift in both initial and continuing jobless claims. Initial claims dropped back in the most recent period after spiking higher during the Thanksgiving week. But the retracement could have been larger, and left the rising trend in place. Continuing claims have continued to grind higher since the second quarter of 2006. In Ohio, jobless claims for the past two months have been higher than the same months is 2006.

Ohio employment decreased by 6,800 jobs in October. The September change was revised down from -2,400 to -5,200. Employment is down by 11,500 jobs from October 2006 and down by 13,300 jobs year-to-date. Firms in and around Ohio reported that employment levels remained largely unchanged well into November, according the Cleveland Federal Reserve Bank. Staffing firms reported a slight decrease in job openings and little change in the number of job seekers.

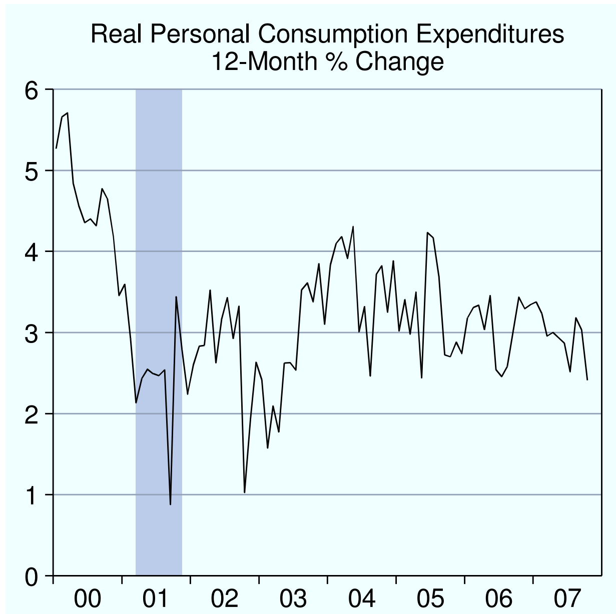
Employment increased during October in professional and business services (+2,200) and financial activities (+400). Employment levels decreased in all other major sectors, including government (-3,300), manufacturing (-2,000), and leisure and hospitality (-2,000). Employment levels have decreased year-to-date through October in all major sectors except educational and health services, construction, and professional and business services.

The **Ohio Metropolitan Statistical Areas** that made the largest contributions to statewide employment growth during the past year are Columbus (+4,200), Akron (+2,700) and Cincinnati-Middletown (+2,700). The MSAs that subtracted the most from Ohio employment were Youngstown-Warren-Boardman (-3,000), Dayton (-2,800), and Toledo (-1,000).

Pennsylvania, Kentucky, Indiana, and West Virginia led the way in employment growth among **contiguous states** during the twelve months ending in October with gains of 0.8%, 0.7%, 0.3%, and 0.3%, respectively. Employment in Michigan decreased 1.7% from a year ago. Ohio employment fell 0.2%. Nationally, employment increased 1.2% during the twelve months ending in October.

<u>**Consumer Income and Consumption**</u>

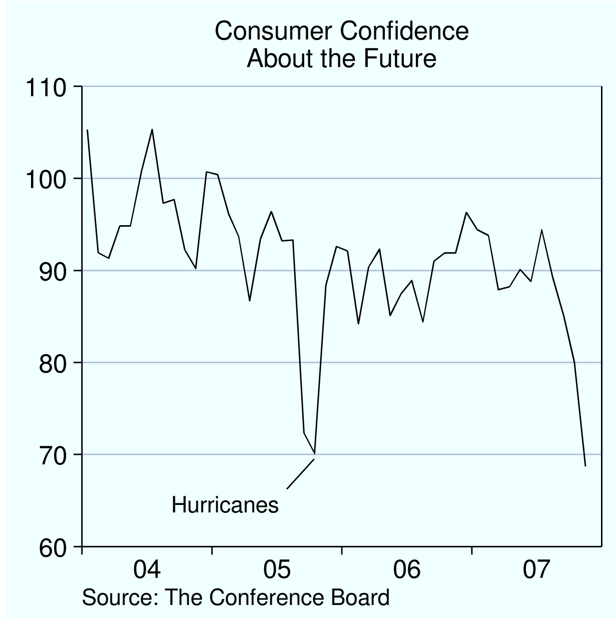
Growth in **personal income** and **consumption expenditures** slowed abruptly in October, albeit increases from a year earlier remained solid. Personal income increased 0.2% in October to 6.0% above the year earlier level – about in line with recent year-over-year increases. Disposable personal income inched up just 0.1% and decreased 0.1% after adjustment for inflation. Personal consumption expenditures increased 0.2% to 5.4% above the year earlier level – again, in line with the recent trend. After adjustment for inflation, consumption was unchanged in October after rising just 0.1% in September.



Spending by consumers in the Midwest accelerated in October, rising 0.2% to 5.2% above the year earlier level and exactly matching the monthly and year-over-year gains nationally. As recently as January, the year-over-year growth rate was 1.8%. Retailers in and around Ohio reported flat-to-declining general merchandise sales from mid-October to mid-November, according to a survey by the Cleveland Federal Reserve. Sales of food, pharmaceuticals, and personal care products were said to have increased. Retailers had mixed expectations for the holiday shopping season. Automotive dealers experienced a decline in sales in October and anticipated a downward trend in the coming months.

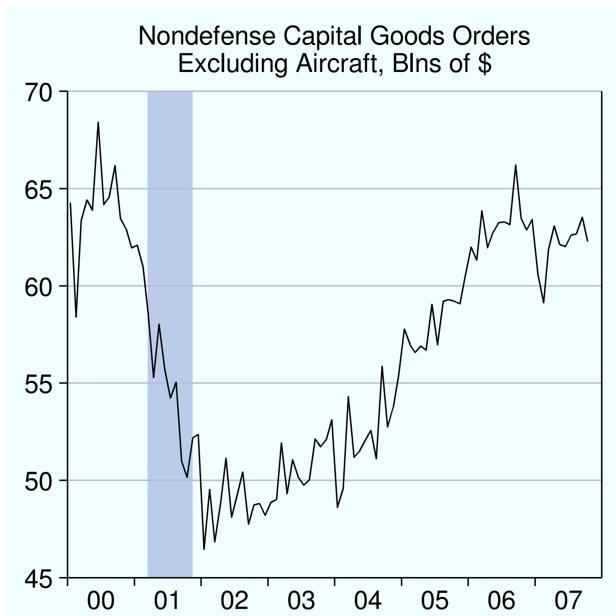
Light motor vehicle sales were 16.2 million at an annual rate in November, up from 16.0 million units in October. The sales pace was 16.1 million units in November 2006. While car sales were up 5.3% and light truck sales were down 7.0% on the month, they were both down 2.4% on the year despite the surge in the price of gasoline. Sales of light trucks as a percent of total light vehicle sales have had a loose negative correlation with gasoline prices during the heightened volatility in gasoline prices in recent years. Through the first eleven months, car sales comprised 46.9% of the market – exactly the same as in the first eleven months last year.

Consumer confidence deteriorated further in November. The Conference Board index posted the fourth straight monthly decline. The recent pattern of the Michigan index is similar. In both cases, assessments of the future have deteriorated the most. Consumer confidence declined by 27% since the July peak for the Conference Board index and by 19% for the Michigan index. Even so, the Conference Board reported that consumers plan to spend more on holiday gifts this year than last year.



Manufacturing

Industrial production posted a broad-based 0.5% decrease in October, as production in almost all major market and industry groups fell. Compared with a year earlier, industrial production was up by 1.8%. Manufacturing production fell 0.4% to 2.1% above the year earlier level. Outside of motor vehicles, manufacturing production decreased 0.3%.



Midwest manufacturing output fell 0.6%, according to the Chicago Federal Reserve Bank, with all four regional industry sectors declining. Manufacturers in and around Ohio reported that production was steady during late October and much of November, according the Cleveland Federal Reserve. Pockets of higher production were attributed to seasonal factors. Almost all respondents anticipated production and shipping volume to be steady or decrease slightly.

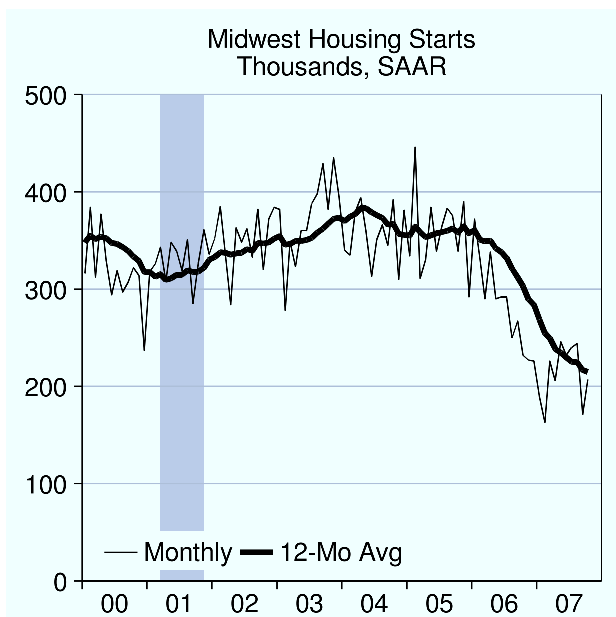
Looking ahead, factory orders remained mixed. **New factory orders** increased 0.5% in October, lifted by the petroleum and chemicals industries and despite weakness in durable goods. New orders for nondurable goods jumped 1.3% after a 2.1% gain in September. New orders for nondefense capital goods excluding aircraft, however, fell 2.0% to 1.9% below the year earlier level, which has been essentially unchanged for the past two years.

Conditions in the manufacturing sector held steady in November, according to purchasing managers surveyed by the Institute for Supply Management. The **PMI index** remained just on the positive side of neutral during the month, following four months of declines. The index for new orders remained squarely in expansionary territory and the index for production increased back into expansionary territory after slipping barely below neutral in October. The sub-indexes for employment and order backlogs fell to the lowest levels since 2003. While the sub-index for new export orders strengthened further to its best level since May reflecting still-strong demand overseas, new orders for imports stayed meaningfully below the neutral level for the second straight month – **the weakest two-month performance since July 2001 and a notable sign of weakening demand in the U.S**.

The PMI index is considered to be an early indicator of recession, but the record is mixed. The index fell below 50 and stayed there in advance of seven of the ten post-war recessions. It turned negative in the same month that one recession began and was late on two occasions. The index made lasting forays below the neutral line on six occasions that were associated with slowdowns that did not deteriorate into recessions. Based on this historical record, the fact that the index was not below neutral in November is positive but does not rule out the near-term onset of recession.

<u>Construction</u>

Recent trends in construction remained in place into the fall. **Construction put-in-place** decreased 0.8% in October, as a 2.0% drop in residential construction more than offset a 0.1% rise in total nonresidential construction. Single-family home construction fell 4.0% for the twentieth straight monthly decline as single-family housing starts fell 7.3% from September. Suggesting additional weakness ahead, single-family permits fell 8.0% from September.

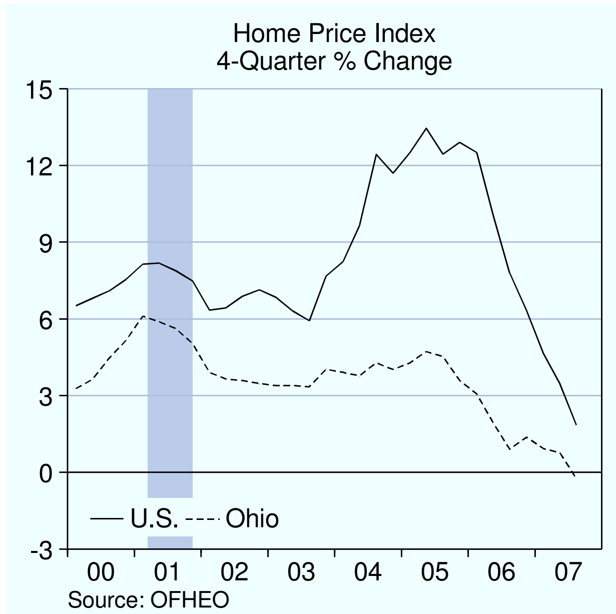


Private nonresidential construction fell 0.5% – its first decline in thirteen months. Nonresidential construction has held up well in the face of extreme weakness in residential activity for more than a year. The historical record shows that the strength of nonresidential construction has followed the residential category with approximately a one-year lag, suggesting that nonresidential construction may be vulnerable in 2008.

The fundamentals of the **housing sector** were mixed in October. Sales of new and existing homes were little changed on the month. The number of new homes for sale declined slightly, while the number of existing homes on the market increased. **Midwest housing starts** fell 5.0% in October, largely due to a sharp decline in multi-family starts. Existing home sales also fell in the Midwest, while new home sales increased for the first time since May.

Home prices continued their downward adjustment in the third quarter, according to OFHEO. For the U.S., prices fell 0.3% to 1.9% above the year earlier level after managing only a 0.1% increase in the second quarter. **Ohio home prices** decreased 0.8% in the third quarter after a 0.1% decrease in the second quarter. Ohio home prices were also 1.9% above the year earlier level in the third quarter.

Healthy labor markets and generally low mortgage rates are positives for housing, but are becoming overshadowed by tougher loan underwriting. The net percentage of banks tightening standards for residential mortgage loans increased in the fourth quarter to the highest level on record dating back to 1990, according to the October survey of Senior Lending Officers conducted by the Federal Reserve.



REVENUES AND DISBURSEMENTS

FY 2008 Year-to-Date Highlights

- Through November, GRF tax receipts were below estimate by $117.2 million (1.6%). Below estimate personal income tax and corporate franchise tax receipts in November contributed to the year to date shortfall. *(See Table 1.)*
- Tax receipts declined $26.2 million (0.4%) versus FY 2007. Tax reforms continued to affect year-to-year growth. *(See Table 2.)*
- GRF total uses, including pending payrolls and transfers out, were over estimate by $188.3 million (1.5%) *(See Table 3.)*
- Excluding transfers out, uses were $682.1 million (6.0%) above last year's levels. Year-to-date spending over last year's levels increased for Primary, Secondary, and Other Education, Higher Education, Public Assistance and Medicaid, Transportation, Tax Relief, and Debt Service and decreased for all other categories. *(See Table 4.)*

Please Note: This report presents the preliminary and the most up-to-date data on revenues and disbursements for November. Final data will be available as progress continues in the financial operations through the Ohio Administrative Knowledge System (OAKS) and when the General Ledgers are closed for October and November. As mentioned in the previous reports, OAKS has moved the state to a modified accrual basis of accounting, where revenues are recorded when received and expenses are recognized when the liability is incurred. Under CAS, the state's old accounting system, the state operated on a cash basis, where revenues were recorded when received and expenses were recognized when the cash was moved.

In November, **GRF tax receipts** totaled $1,256.7 million and were below estimate by $114.5 million (8.4%). This marked the largest monthly shortfall in the year and essentially defined the year-to-date variance. Year-to-date tax receipts were below estimate by $117.2 million (1.6%). The October shortfall in the federal grants was corrected in November by a positive variance. But offsetting were the below estimate transfers in, which were scheduled for November but not processed until the beginning of December. As a result, **GRF total receipts** were below estimate by $134.5 million (6.4%) in November and were below estimate by $375.1 million (3.6%) for year-to-date. As the transfers in were posted in early December, the year-to-date GRF total receipt variance has shrunk by the anticipated amount.

The monthly shortfall in GRF tax receipts resulted primarily from below estimate personal income tax and corporate franchise tax receipts. The corporate franchise tax continued the below estimate trend in November. November is the second month in FY 2008 that personal income tax receipts were below estimate and the first month that the variance was large. On the brighter side, both the non-auto and auto sales experienced positive variances in November. Cigarette tax receipts stayed on target.

As GRF tax receipts stayed on target through October, the shortfall in November constitutes the majority of the year-to-date variance, which was under estimate by $117.2 million (1.6%). The major tax sources that contributed to the year-to-date variance were the corporate franchise tax which continued its below estimate trend, and the personal income tax, which reversed course from an above estimate variance through October. For other major tax sources, the positive variances from the non-auto sales tax, the cigarette tax and the kilowatt hour tax were offset by the negative variances from the auto-sales tax, the public utility excise tax, the insurance tax and the estate tax.

In November, GRF disbursements, including transfers, were $65.4 million (2.8%) over estimate for all spending categories, whereas the year-to-date variance is over estimate by $188.3 million (1.5%). The primary contributors to November's variance are Medicaid's higher than estimated caseloads and Higher Education's disbursements being higher than estimated.

For November, Higher Education, Public Assistance and Medicaid, and Transportation had positive variances. All other spending categories had negative variances. Justice and Public Protection experienced the largest monthly variance at $87.5 million below estimate because the GRF payroll was not posted due to persistent expense coding issues.

The tax reforms, enacted in Am. Sub. H.B. 66 of the 126th General Assembly, continue to phase in through FY 2008 and to affect **year-over-year growth** of GRF tax revenues. Through November, GRF tax receipts were slightly below FY 2007 level by $26.2 million (0.4%) and GRF all sources generated $108.5 million (1.1%) more revenues than in the first five months of FY 2007. Year-to-date GRF total disbursements were $592.6 million (4.9%) above FY 2007.

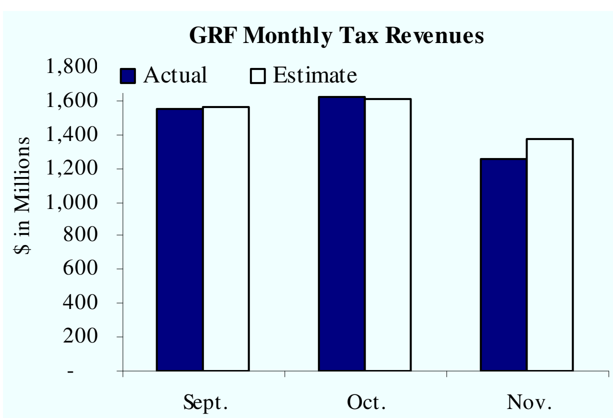
FY 2008 GRF revenues and disbursements that appear in the figures and tables of this report reflect the Am. Sub. H.B. 119 biennial budget framework. The following table shows the variance from the estimate for total GRF revenues and disbursements for November and for FY 2008 year-to-date.

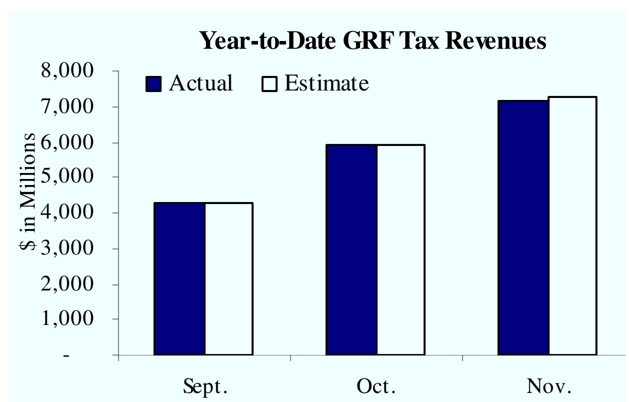
General Revenue Fund ($ in millions)	**November Variance**		**FY 2008 Variance**	
Revenues				
Tax Receipts	$(114.5)	(8.4%)	$(117.2)	(1.6%)
All Sources	$(134.5)	(6.4%)	$(375.1)	(3.6%)
Total Uses (Including Transfers)	$ 65.4	2.8%	$ 188.3	1.5%

REVENUES

In November, GRF tax receipts totaled $1,256.7 million and were below estimate by $114.5 million (8.4%). This marked the largest monthly shortfall in the fiscal year and resulted primarily from below estimate personal income tax and corporate franchise tax receipts. The personal income tax had generated robust receipts through October and the large shortfall of $82.1 million (13.1%) against the estimate in November resulted mainly from less than expected withholding revenues. Year-to-date withholding revenues stayed above estimate due to the strong performance through October. It is hard to draw any conclusion about what this may indicate from a one-month variance. The Department of Taxation and OBM will pay close attention to this tax source in the coming months. Corporate franchise tax receipts were below estimate by $43.5 million in November. Offsetting positive variances resulted mostly from the non-auto and auto sales taxes, which were over estimate by $7.6 million (1.4%) and $5.7 million (8.8%) respectively. Receipts from other major tax sources including the cigarette tax were close to the estimate.

The monthly variances from non-tax receipts and transfers resulted from processing delays. As noted above, the October shortfall in federal grants was made up as November receipts were above estimate by $208.3 million (43.3%). Liquor transfers and temporary transfers in scheduled for November, however, were processed instead at the beginning of December and these two resources generated a shortfall of $225.1 million in November. GRF total receipts in the month were under estimate by $134.5 million (6.4%).

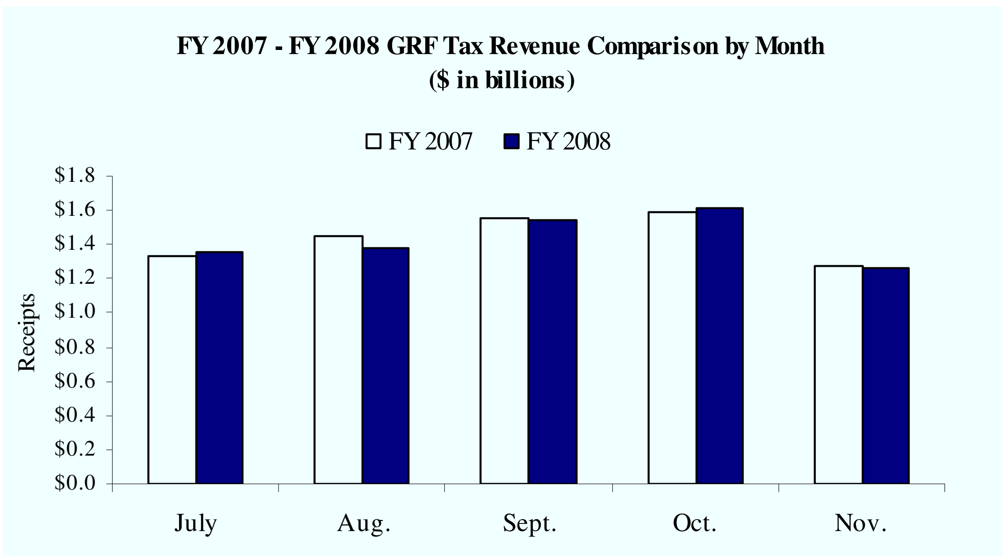




November's below estimate GRF tax receipts caused the year-to-date receipts to fall below estimate by $117.2 million (1.6%). Similar to the monthly results, the year-to-date shortfall resulted primarily from the shortfalls in the personal income tax and corporate franchise tax. Below estimate receipts in November from the personal income tax altered the year-to-date variance from positive to negative. Refunds paid through the corporate franchise tax continued to be higher than expected. Year-to-date receipts from this tax source remained negative and below estimate by $76.8 million. After being over estimate for two consecutive months, auto sales tax receipts stayed below estimate for year-to-date because of the negative variances generated in the first quarter. Both the non-auto sales tax and the cigarette tax continued the above trend with variances being $17.2 million (0.6%) and $11.7 million (3.4%), respectively.

Processing delays caused year-to-date transfers in to fall below estimate and added to the negative variance in GRF total receipts. Through November, GRF all sources produced $9,959.5 million in revenues and were below estimate by $375.1 million (3.6%). December's variance will shrink the year-to-date variance as the anticipated transfers in were posted in early December.

Despite the large negative variances, year-to-date GRF tax receipts stayed close to the FY 2007 level with a small decline of $26.2 million (0.4%). The decline in corporate franchise tax receipts was offset by the increase in receipts from the sales tax. The personal income tax and cigarette tax receipts also posted small annual declines. Because of the large increase posted for the federal grants, year-to-date GRF total receipts increased $108.5 million (1.1%) versus the FY 2007 level.



The table below summarizes the major revenue variances, in millions of dollars, for FY 2008.

Sources Above Estimate Year-to-Date		**Sources Below Estimate Year-to-Date**	
Non-Auto Sales Tax	$17.2	Auto Sales Tax	$ (14.5)
Kilowatt Hour Tax	3.2	Personal Income Tax	(40.1)
Cigarette Tax	11.7	Corporate Franchise Tax	(76.8)
Federal Grants	23.2	Public Utility Excise Tax	(7.1)
Other above estimate sources	1.4	Foreign Insurance Tax	(6.2)
		Earnings on Investments	(46.2)
		Liquor Transfers	(10.0)
		Transfers In – Other	(6.2)
		Temporary Transfers In	(212.1)
		Other below estimate sources	(12.8)
Total above	**$56.7**	**Total below**	**$(432.0)**

Non-Auto Sales and Use Tax

In November, non-auto sales tax receipts were above estimate by $7.6 million (1.4%). This added to the year-to-date positive variance. Receipts through November continued to stay above estimate by $17.2 million (0.6%). Compared to the FY 2007 level, year-to-date receipts marked a robust annual growth of $94.5 million (3.6%).

Auto Sales Tax

In November, auto sales tax receipts were over estimate for the second consecutive month. The positive monthly variance was $5.7 million (8.8%). As a result, the negative variance in year-to-date receipts decreased to $14.5 million (3.5%). The year-to-date receipts indicated an annual growth of $8.7 million (2.2%).

The non-auto and auto sales tax together increased $103.2 million (3.4%) from FY 2007. The annual growth also reflected a relatively weak performance of the sales tax in FY 2007. The outlook for the sales tax, however, remains soft with the uncertain economic conditions– weakening housing market, tightening credit, rising oil prices and sliding consumer confidence.

Personal Income Tax

After posting robust collections for the first four months of the year, the personal income tax receipts fell below estimate with a large variance in November. Monthly receipts were below estimate by $82.1 million (13.1%). Similarly, for the first month in the year, withholding revenues fell below estimate with a large gap and contributed to most of the monthly variance in this tax source. Withholding revenues were below estimate by $73.0 million. Negative monthly variances were also generated in refunds and annual returns. The large shortfall in one month is of some concern; however, no conclusion about what this may indicate can be drawn based on one poor performance. The Department of Taxation and OBM will keep a close watch on this tax source in the coming months.

November's negative variance shifted the year-to-date variance from positive to negative. Through November, the personal income tax receipts were below estimate by $40.1 million (1.2%). Despite the one month large shortfall, year-to-date withholding revenues stayed above estimate by $5.4 million, attributing to the robust collections from this component for July through October 2007. Quarterly estimated payments were below estimate by $10.8 million and higher than expected refunds contributed to a negative variance of $28.8 million. The table below reflects the variances from different components of the personal income tax for November and year-to-date.

FY 2008 PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)						
	ESTIMATE NOVEMBER	ACTUAL NOVEMBER	$ VAR NOVEMBER	ESTIMATE Y-T-D	ACTUAL Y-T-D	$ VAR Y-T-D
Withholding	683.3	610.3	(73.0)	3,200.6	3,206.0	5.4
Quarterly Est.	10.0	9.5	(0.5)	420.0	409.2	(10.8)
Trust Payments	1.0	1.5	0.5	16.8	18.7	1.9
Annual Returns & 40 P	13.7	11.3	(2.4)	120.7	117.4	(3.3)
Other	5.4	6.4	1.0	34.3	30.5	(3.8)
Less: Refunds	(28.0)	(35.6)	(7.6)	(135.5)	(164.3)	(28.8)
Local Distr.	(59.6)	(59.7)	(0.1)	(325.6)	(326.4)	(0.8)
Net to GRF	625.8	543.7	(82.1)	3,331.3	3,291.1	(40.2)

November receipts also fell short of November 2006 receipts by $49.8 million (8.4%). Year-to-date receipts slid by $19.9 million (0.6%) compared to year-to-date receipts in FY 2007.

Corporate Franchise Tax

Corporate franchise tax receipts in the first half of the fiscal year usually result from filing extensions and are less predictable than later in the year. Through November, refunds paid were higher than expected. In November, more refunds were paid than receipts were collected and negative receipts resulted. November receipts were $43.5 million below estimate. Year-to-date receipts were $76.8 million less than expected and were $104.3 million less than year-to-date receipts in FY 2007.

Commercial Activity Tax

In FY 2008, receipts from this tax source are distributed to non-GRF funds to pay school districts and local governments as the tangible personal property tax is phased out. In November, receipts were $203.0 million and were below estimate by $9.3 million (4.4%). Year-to-date receipts, however, stayed on target with a very small negative variance of $1.2 million (0.3%).

Public Utility Excise Tax

The public utility excise tax collections in November were primarily based on natural gas companies' business receipts in the third quarter of the calendar year. Receipts were below estimate by $4.6 million (17.7%). Year-to-date receipts fell below estimate by $7.1 million (10.2%). The variances reflected lower than expected natural gas prices.

Cigarette Tax

In November, the cigarette tax receipts were on target with a small positive variance of $0.1 million (0.1%). Year-to-date receipts stayed above estimate by $11.7 million (3.4%).

Liquor Transfers and Temporary Transfers In

Both transfers were scheduled for November and not processed until early December. The variances will be reversed by the end of December.

Table 1*
GENERAL REVENUE FUND RECEIPTS
PRELIMINARY ACTUAL FY 2008 VS ESTIMATE FY 2008
($ in thousands)

REVENUE SOURCE	Month ACTUAL NOVEMBER	Month ESTIMATE NOVEMBER	Month $ VAR	Month % VAR	Year-to-Date ACTUAL Y-T-D	Year-to-Date ESTIMATE Y-T-D	Year-to-Date $ VAR	Year-to-Date % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	548,176	540,600	7,576	1.4%	2,751,940	2,734,700	17,240	0.6%
Auto Sales & Use	70,378	64,700	5,678	8.8%	400,136	414,600	(14,464)	-3.5%
Subtotal Sales & Use	618,555	605,300	13,255	2.2%	3,152,076	3,149,300	2,776	0.1%
Personal Income	543,673	625,800	(82,127)	-13.1%	3,291,160	3,331,300	(40,140)	-1.2%
Corporate Franchise	(56,293)	(12,750)	(43,543)	341.5%	(50,540)	26,250	(76,790)	-292.5%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	21,486	26,100	(4,614)	-17.7%	62,209	69,300	(7,091)	-10.2%
Kilowatt Hour	28,045	26,300	1,745	6.6%	148,445	145,200	3,245	2.2%
Foreign Insurance	(417)	200	(617)	-308.5%	132,770	139,000	(6,230)	-4.5%
Domestic Insurance	139	0	139	N/A	391	600	(209)	-34.8%
Other Business & Property Tax	34	20	14	68.9%	388	760	(372)	-48.9%
Cigarette	82,310	82,200	110	0.1%	360,345	348,600	11,745	3.4%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	5,030	4,700	330	7.0%	25,027	24,600	427	1.7%
Liquor Gallonage	2,803	2,900	(97)	-3.3%	14,438	14,600	(162)	-1.1%
Estate	11,370	10,500	870	8.3%	27,893	32,300	(4,407)	-13.6%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,256,733	1,371,270	(114,537)	-8.4%	7,164,603	7,281,810	(117,207)	-1.6%
NON-TAX RECEIPTS								
Federal Grants	689,778	481,440	208,338	43.3%	2,632,468	2,609,264	23,204	0.9%
Earnings on Investments	0	0	0	N/A	0	46,200	(46,200)	-100.0%
License & Fees	666	600	66	11.1%	20,001	19,011	990	5.2%
Other Income	4,200	4,200	(0)	0.0%	19,307	21,994	(2,687)	-12.2%
ISTV'S	2	3,700	(3,698)	-100.0%	2,674	7,610	(4,936)	-64.9%
Total Non-Tax Receipts	694,646	489,940	204,706	41.8%	2,674,449	2,704,079	(29,630)	-1.1%
TOTAL REVENUES	1,951,379	1,861,210	90,169	4.8%	9,839,052	9,985,889	(146,837)	-1.5%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	13,000	(13,000)	-100.0%	64,000	74,000	(10,000)	-13.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	800	360	440	122.2%	56,477	62,680	(6,203)	-9.9%
Temporary Transfers In	0	212,100	(212,100)	N/A	0	212,100	(212,100)	N/A
Total Transfers	800	225,460	(224,660)	-99.6%	120,477	348,780	(228,303)	-65.5%
TOTAL SOURCES	1,952,179	2,086,670	(134,491)	-6.4%	9,959,528	10,334,669	(375,140)	-3.6%

***Amounts will be finalized once the general ledger is closed October and November.**

Table 2*
GENERAL REVENUE FUND RECEIPTS
PRELIMINARY ACTUAL - FY 2008 VERSUS FY 2007
($ in thousands)

REVENUE SOURCE	Month ACTUAL 2008	Month ACTUAL 2007	Month $ VAR	Month % VAR	Year-to-Date ACTUAL 2008	Year-to-Date ACTUAL 2007	Year-to-Date $ VAR	Year-to-Date % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	548,176	521,925	26,252	5.0%	2,751,940	2,657,400	94,540	3.6%
Auto Sales & Use	70,378	67,041	3,337	5.0%	400,136	391,461	8,675	2.2%
Subtotal Sales & Use	618,555	588,966	29,589	5.0%	3,152,076	3,048,860	103,215	3.4%
Personal Income	543,673	593,506	(49,833)	-8.4%	3,291,160	3,311,038	(19,878)	-0.6%
Corporate Franchise	(56,293)	(54,591)	(1,701)	3.1%	(50,540)	53,722	(104,262)	-194.1%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	21,486	21,980	(494)	-2.2%	62,209	69,156	(6,947)	-10.0%
Kilowatt Hour	28,045	24,982	3,063	12.3%	148,445	142,347	6,098	4.3%
Foreign Insurance	(417)	289	(706)	-244.2%	132,770	131,334	1,435	1.1%
Domestic Insurance	139	0	139	N/A	391	235	156	66.2%
Other Business & Property Tax	34	116	(82)	-70.9%	388	623	(235)	-37.7%
Cigarette	82,310	88,939	(6,630)	-7.5%	360,345	370,483	(10,138)	-2.7%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	5,030	4,506	524	11.6%	25,027	24,478	549	2.2%
Liquor Gallonage	2,803	2,735	68	2.5%	14,438	14,188	250	1.8%
Estate	11,370	965	10,405	1077.9%	27,893	24,373	3,520	14.4%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,256,733	1,272,392	(15,659)	-1.2%	7,164,603	7,190,838	(26,236)	-0.4%
NON-TAX RECEIPTS								
Federal Grants	689,778	578,932	110,846	19.1%	2,632,468	2,318,962	313,505	13.5%
Earnings on Investments	0	0	0	N/A	0	50,157	(50,157)	-100.0%
License & Fee	666	517	150	29.0%	20,001	19,195	805	4.2%
Other Income	4,200	3,562	637	17.9%	19,307	24,588	(5,281)	-21.5%
ISTV'S	2	3,624	(3,622)	-100.0%	2,674	8,270	(5,596)	-67.7%
Total Non-Tax Receipts	694,646	586,635	108,011	18.4%	2,674,449	2,421,172	253,277	10.5%
TOTAL REVENUES	1,951,379	1,859,028	92,352	5.0%	9,839,052	9,612,011	227,041	2.4%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	12,000	(12,000)	-100.0%	64,000	59,000	5,000	8.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	800	39,158	(38,358)	-98.0%	56,477	82,495	(26,018)	-31.5%
Temporary Transfers In	0	92,112	(92,112)	N/A	0	97,492	(97,492)	N/A
Total Transfers	800	143,270	(142,470)	-99.4%	120,477	238,986	(118,509)	-49.6%
TOTAL SOURCES	1,952,179	2,002,298	(50,118)	-2.5%	9,959,528	9,850,997	108,531	1.1%

***Amounts will be finalized once the general ledger is closed October and November.**

DISBURSEMENTS

In November, GRF disbursements, including pending payroll and transfers out of the GRF, totaled $2,368.3 million, which was $65.4 million (2.8%) above the estimate. For the year to date, GRF disbursements totaled $12,573.6 million, which is $188.3 million (1.5%) over the estimate. Adjusting for transfers out of the GRF, year-to-date expenditures were up 6.0% compared to last year.

As a result of the OAKS Financials implementation, there have been inevitable transaction coding issues to resolve in order to have payroll, vouchers and other state expenses post correctly against FY 2007 encumbrances and FY 2008 appropriations. The General Ledger remains open for October and November while state agencies continue to work to resolve a dwindling number of payroll coding issues. As a result, expenses from October and November – most notably, GRF payroll – will still post to the month once correctly coded. Thus, GRF disbursements for October and November will continue to be updated as additional expenses post and will not be final until all ledgers are closed.

Primary, Secondary, and Other Education

November disbursements in Primary, Secondary, and Other Education were $678.6 million, which was $130,000 (0.0%) under estimate. Year-to-date disbursements were $3,241.7 million, representing a variance of $119.0 million (3.8%) above the estimate.

- The Department of Education foundation funding line item was over estimate by $11.8 million (2.3%) for the month, which is generally in line with estimates. Year-to-date overspending in foundation funding is a result of the state's conversion to accrual accounting practices. Three foundation payments posted to October instead of two. The first of two November payments posted in October and the second November payment and the first December payment posted in November. Therefore, December disbursements for foundation funding payments will be much lower than estimated, offsetting expenditures from previous months. The timing of foundation funding payment files will not result in significant variances after January 2008.

- November GRF disbursements for the eTech Ohio Commission were $2.2 million, representing a variance of approximately $900,000 (63.7%) above the estimate. Year-to-date disbursements for the eTech Ohio Commission were $11.2 million, representing a variance of $2.6 million (19.0 %) below the estimate. Slower than expected subsidy and maintenance disbursements in the Technical Operations (935-403) line item and subsidy disbursements in the Technical and Instructional Professional Development (935-406) line item are the primary reason for the under spending.

- November disbursements for the State Library were $871,973, representing a variance of $297,370 (51%) over estimate. This discrepancy is caused by posting of a subsidy payment from ALI 350-503 (Library for the Blind-Cleveland) in November, rather than in October as originally estimated.

Higher Education

November disbursements for Higher Education were $383.7 million, representing a variance of $28.6 million (8.1%) above the estimate for the month. Year-to-date disbursements were $1,179.8 million, representing a variance totaling $9.3 million (0.8%) above the estimate. Disbursements for the Ohio College Opportunity Grant were $28.5 million more than estimated for the month due to payments posting in November that were originally estimated to post in October. This variance was countered by Choose Ohio First scholarship, Ohio Research Scholars, and Central State Speed-to-Scale distributions for the month that were $6.1 million less than estimated. Student Choice Grant payment requests from campuses are running lower than expected based on last fiscal year's history, while the Choose Ohio First scholarship and Ohio Research Scholar grant programs are still being developed and will not be disbursed until later in the fiscal year.

Public Assistance and Medicaid

November GRF disbursements for Public Assistance and Medicaid were $900.1 million, representing a variance of $37.0 million (4.3%) above the estimate for the month. Year-to-date disbursements were $4,837.0 million, representing a variance of $54.6 million (1.1%) above the estimate.

Medicaid disbursements, across all funds, totaled $920.2 million for the month of November, and were over estimate by $17.8 million (2.0%). Year-to-date Medicaid disbursements totaled $4,661.2 million, $50.2 million (1.1%) above the estimate. Note that over the course of the fiscal year a 1% increase over budgeted amounts in the Medicaid program would cost an additional $109 million. Notable monthly variances were as follows:

- For four consecutive months, Medicaid caseloads continue to exceed estimates. Currently there are 23,000 more recipients in the Covered Children and Families (CFC) population than expected with enrollment in the Healthy Families and Children in Care categories driving this increase. In the Aged, Blind, and Disabled (ABD) category, caseloads have exceeded the estimate by 5,200 recipients. It is important to note that while this increase in the ABD category is small, this is the more expensive membership group in the Medicaid program and is driving above estimate spending in many categories of service.

- Medicaid is experiencing a slower than expected ramp up in Managed Care for the ABD population. This is resulting in continued overspending in the inpatient and outpatient hospital categories, $18.9 million (33.5%) and $3.9 million (17.4%) respectively. However, due to the fact that ABD consumers are not being enrolled in Managed Care at the rate that was expected, Medicaid continues to under spend in this category, which offsets for the overspending in the fee-for-service categories (inpatient/outpatient hospital). Overspending in the inpatient and outpatient hospital categories will continue over the next couple of months for several reasons. One reason is that fee-for-service claims are paid retrospectively and Managed Care capitation payments are paid prospectively. Therefore, the disbursements for this population will not be seen until at least ninety days after a claim has been filed. However, once they are enrolled in Managed Care an increase in spending will be seen. The other reason is that consumers who were enrolled in the Gateway Managed Care plan in the Northeast Central region of the state will be disenrolled at the end of this year. These consumers will be on fee-for-service until the spring of 2008.

- The Department of Job and Family Services (JFS) made both the November and December payments to the Federal Government for the Medicare Premium Assistance Program in November. This program helps consumers who are eligible for Medicaid and Medicare (dual-eligible) who otherwise cannot afford to pay for their Medicare Part A or Part B premiums. Year-to-date, six of these payments have been made while five were budgeted through November. Without the timing issue of the Medicare Part A and Part B premiums payment, the variance would only be $24.8 million (0.5%).

For November, JFS non-Medicaid disbursements totaled $82.8 million, producing a variance of $18.7 million (29.2%) above the estimate. For the year to date, JFS non-Medicaid disbursements totaled $402.2 million, producing a variance of $13.7 million (3.5%) above estimate. Once GRF payroll for November posts, this variance will increase by $8.9 million. Higher than estimated spending for November, and the year to date, is primarily found in the following line items: TANF (600-410), support services (600-321), child support match (600-502), and entitlement administration (600-521).

- Spending in the TANF line item was over the estimate by $17.6 million due to an advance county child care payment posting in November instead of December as expected. The TANF line item is responsible for a portion of the state's maintenance of effort required under Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1997. The state must maintain funding at 80% of the 1995 spending level, which is capped at approximately $416 million annually.
- Spending for child support match and entitlement administration was over the estimate by a total of $7.3 million due primarily to multiple counties requesting advance payments.
- Spending for support services, adjusted for unposted payroll, was over the estimate by $1.3 million due to several lease payments being made in November instead of December as planned.

Health and Human Services

November disbursements in the Health and Human Services category – which includes spending for the Departments of Mental Health, Mental Retardation and Developmental Disabilities, Aging, and Health among others – were $81.1 million, which was $29.3 million (26.6%) under estimate. For the fiscal year, disbursements totaled $518.0 million, which represents a variance totaling $82.1 million (13.7%) below estimate.

- The Department of Mental Health disbursed $37.2 million in the month of November, which was $15.1 million (28.8%) under estimate. Approximately $16.2 million of this variance is due to payroll that has not posted. Year-to-date GRF spending totaled $226.0 million, which is $46.0 million (20.6%) below estimate. This variance is attributed to payroll that has not posted for the second quarter ($31.6 million remains unposted for the second quarter) while the remaining variances are due to the timing of payments to county boards.

- The Department of Mental Retardation and Developmental Disabilities disbursed $21.6 million in the month of November, which was $8.5 million (28.1%) below the estimate. Year-to-date GRF spending totaled $148.2 million, which is $21.4 million (14.5%) below the estimate. This variance is due primarily to GRF payroll that has not posted. There is $8.8 million in GRF payroll outstanding for November and a total of $17.6 million outstanding for the year to date.

Justice and Public Protection

November disbursements in this category totaled $45.4 million, which produced a variance of $87.5 million (65.9%) below estimate. For the fiscal year, disbursements totaled $766.9 million, which represents a variance totaling $163.4 million (17.6%) below estimate. Personnel costs at the state's institutions make up the largest portion of their budgets as facilities must be staffed 24 hours a day, seven days a week. GRF payroll that will post as disbursements in October and November totals roughly $153.9 million for the Departments of Rehabilitation and Correction and Youth Services.

- November disbursements for the Department of Rehabilitation and Correction (DRC) were $29.2 million, producing a variance of $71.0 million (70.9%) below the estimate. For the fiscal year, disbursements totaled $570.3 million, which represents a variance totaling $115.8 million (16.9%) below estimate. Once all GRF payroll posts, disbursements for the period of July through November will be approximately $704 million, producing a variance of $18 million (2.6%) above estimate.

- November disbursements for the Department of Youth Services (DYS) were $3.5 million, producing a variance of $9.0 million (71.8%) below the estimate. For the fiscal year, disbursements totaled $111.9 million, which represents a variance totaling $22.3 million (16.6%) below estimate. The delay in posting GRF payroll is most apparent in RECLAIM Ohio, which contains the overwhelming majority of DYS's payroll.

Transportation

November's disbursements were $5.1 million, producing a variance of $1.3 million (32.1%) above the estimate. Year-to-date, the Department of Transportation disbursements were $10.6 million, which was $3.8 million (26.2%) below estimate. Disbursements for the State Public Transportation were $4.8 million in the transportation category, which was over estimate by $1.6 million (48.8%), because $3.5 million in planned disbursements for the E&D Program for

October were not made until November due to complications in submitting contracts. Additionally, ODOT processed fewer Rural invoices than anticipated due to a delay in vehicle delivery while processing more Urban invoices than anticipated due to several large capital invoices that were submitted for major projects.

Tax Relief and Other

November disbursements in the Tax Relief and Other category totaled $93.3 million, producing a variance of $13.3 million (12.5%) under the estimate. For the fiscal year, disbursements were $568.7 million, which was $28.5 million (5.3%) over estimate.

- Through the month of November, year-to-date tax relief payments to local governments were $24.5 million (15.2%) above estimate. This variance is largely attributable to $131.2 million in spending in September that was $50.2 million (64.9%) above the monthly estimate. This year-to-date variance increased during the month of November as spending for this purpose during the month was $65.6 million or $13.9 million (26.9%) above the estimate of $51.7 million. The tax relief payments made by the Department of Taxation are to local governments to reimburse them for property tax revenue they forego as a result of the 10% and 2.5% reductions on taxable real and homestead properties.

- In November, reimbursements to school districts were below the monthly estimate by $27.2 million, and the corresponding year-to-date variance is $6.4 million (2.0%) under estimate. The monthly variance corrects for higher than expected spending in October. The small yearly variance is attributed to school districts requesting reimbursements slightly later than expected and should be offset in December.

Table 3*
GENERAL REVENUE FUND DISBURSEMENTS
PRELIMINARY ACTUAL FY 2008 VS ESTIMATE FY 2008
($ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	PRELIMINARY NOVEMBER	ESTIMATED NOVEMBER	$ VAR	% VAR	YTD PRELIMINARY	YTD ESTIMATE	$ VAR	% VAR
Primary, Secondary and Other Education	678,614	678,744	(130)	0.0%	3,241,664	3,122,704	118,961	3.8%
Higher Education	383,711	355,114	28,597	8.1%	1,179,829	1,170,570	9,259	0.8%
Public Assistance and Medicaid	900,126	863,157	36,969	4.3%	4,837,040	4,782,488	54,552	1.1%
Health and Human Services	81,116	110,454	(29,338)	-26.6%	517,999	600,111	(82,111)	-13.7%
Justice and Public Protection	45,372	132,919	(87,546)	-65.9%	766,874	930,299	(163,425)	-17.6%
Environmental Protection and Natural Resources	16,797	21,157	(4,360)	-20.6%	48,707	58,566	(9,859)	-16.8%
Transportation	5,054	3,827	1,227	32.1%	10,618	14,379	(3,761)	-26.2%
General Government	6,315	20,914	(14,599)	-69.8%	158,353	195,360	(37,006)	-18.9%
Community and Economic Development	7,174	9,917	(2,743)	-27.7%	63,289	75,065	(11,776)	-15.7%
Tax Relief and Other	93,253	106,554	(13,301)	-12.5%	568,732	540,234	28,498	5.3%
Capital Outlay	50	150	(100)	-66.7%	56	621	(565)	-91.0%
Debt Service	0	0	0	N/A	283,008	282,880	129	0.0%
Pending Payroll	150,730	0	150,730	N/A	296,136	0	296,136	N/A
Total Expenditures & ISTV's	**2,368,311**	**2,302,907**	**65,404**	**2.8%**	**11,972,306**	**11,773,275**	**199,031**	**1.7%**
Transfers Out:								
OPER TRF OUT-OTH	0	0	0	N/A	154,773	145,278	9,495	6.5%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	446,551	466,800	(20,249)	-4.3%
Total Transfers (Out)	**0**	**0**	**0**	**N/A**	**601,324**	**612,078**	**(10,754)**	**-1.8%**
Total Fund Uses	**2,368,311**	**2,302,907**	**65,404**	**2.8%**	**12,573,630**	**12,385,353**	**188,277**	**1.5%**

***Amounts will be finalized once the general ledger is closed for October and November.**

Table 4*
GENERAL REVENUE FUND DISBURSEMENTS
PRELIMINARY ACTUAL FY 2008 VS ACTUAL FY 2007
($ in thousands)

Functional Reporting Categories Description	MONTH PRELIMINARY 2008	MONTH ACTUAL 2007	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE PRELIMINARY 2008	YEAR-TO-DATE ACTUAL 2007	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary, Secondary and Other Education	678,614	815,015	(136,401)	-16.7%	3,241,664	3,202,007	39,657	1.2%
Higher Education	383,711	334,328	49,383	14.8%	1,179,829	1,069,488	110,341	10.3%
Public Assistance and Medicaid	900,126	868,072	32,054	3.7%	4,837,040	4,443,730	393,311	8.9%
Health and Human Services	81,116	102,746	(21,630)	-21.1%	517,999	582,389	(64,390)	-11.1%
Justice and Public Protection	45,372	128,254	(82,882)	-64.6%	766,874	905,453	(138,579)	-15.3%
Environmental Protection and Natural Resources	16,797	22,866	(6,069)	-26.5%	48,707	55,880	(7,173)	-12.8%
Transportation	5,054	1,721	3,333	193.7%	10,618	10,227	390	3.8%
General Government	6,315	18,165	(11,851)	-65.2%	158,353	178,854	(20,501)	-11.5%
Community and Economic Development	7,174	9,880	(2,706)	-27.4%	63,289	76,648	(13,359)	-17.4%
Tax Relief and Other	93,253	84,838	8,416	9.9%	568,732	513,121	55,611	10.8%
Capital Outlay	50	2	48	2763.7%	56	61	(6)	-9.1%
Debt Service	0	0	0	#DIV/0!	283,008	252,328	30,681	12.2%
Pending Payroll	150,730	0	150,730	N/A	296,136	0	296,136	N/A
Total Expenditures & ISTV's	**2,368,311**	**2,385,886**	**(17,575)**	**-0.7%**	**11,972,306**	**11,290,185**	**682,121**	**6.0%**
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	394,034	(394,034)	N/A
OPER TRF OUT-OTH	0	0	0	N/A	154,773	9,414	145,359	1544.1%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	446,551	287,414	159,138	55.4%
Total Transfers (Out)	**0**	**0**	**0**	**N/A**	**601,324**	**690,862**	**(89,538)**	**-13.0%**
Total Fund Uses	**2,368,311**	**2,385,886**	**(17,575)**	**-0.7%**	**12,573,630**	**11,981,046**	**592,583**	**4.9%**

***Amounts will be finalized once the general ledger is closed for October and November.**

FUND BALANCE

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2008. Based on the estimated revenue for FY 2008 and the estimated FY 2008 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2008 is an estimated $934.2 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2008 nor should it be considered as equivalent to the FY 2008 surplus calculation as defined in Section 131.44 of the Ohio Revised Code.

It is important to note that the GRF ending fund balance will be impacted by any GRF expenditures or transfers that may be authorized by the General Assembly or by the Controlling Board during the course of the fiscal year.

SPECIAL NOTE

The State of Ohio implemented the financial component of the Ohio Administrative Knowledge System (OAKS), the new integrated accounting system, at the beginning of FY 2008. As a result, the figures cited in the text and tables of this report will be revised as additional information from the OAKS system becomes available.

Table 5
FUND BALANCE
GENERAL REVENUE FUND
FY 2008
($ in thousands)

July 1, 2007 Beginning Cash Balance	$ 1,432,925
Plus FY 2008 Estimated Revenues	20,034,921
Plus FY 2008 Estimated Federal Revenues	5,809,479
Plus FY 2008 Estimated Transfers to GRF	1,149,619
Total Estimated Sources Available for Expenditure & Transfer	28,426,944
Less FY 2008 Estimated Total Disbursements	26,431,975
Less FY 2008 Estimated Total Encumbrances as of June 30, 2008	448,667
Less FY 2008 Estimated Transfers Out	612,078
Total Estimated Uses	27,492,720
FY 2008 Estimated Ending Fund Balance	$ 934,224

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