OBM

Ted Strickland
Governor

J. Pari Sabety
Director

February 10, 2009

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

FROM: J. Pari Sabety, Director

SUBJECT: Monthly Financial Report

This report contains information regarding Ohio's financial position through January 31, 2009 as well as highlights of regional and national economic indicators that are important to understanding the current state of Ohio's economy.

Little is changing with respect to Ohio's economic indicators. Revenues continue to deteriorate as projected, illustrated this month by underperformance in the General Revenue Fund's two largest tax sources, the non-auto sales tax and the personal income tax. This is consistent with national indicators for January which describe decreasing employment and the end of an anemic holiday shopping season. Since the sales data indicates that the holiday season in 2008 was the worst holiday retail season since 1970, our view is that the January results reflect significant carryover from the holiday retail season.

On January 29, 2009, the Office of Budget and Management released Budget Directive 11, which fully implements the most recent series of budget reductions made in December 2009, totaling $180.5 million in further reductions to agency FY2009 spending levels. Disbursement estimates have not yet been updated to reflect these finalized amounts, but that work is expected to be complete by the next monthly report.

The Office of Budget and Management continues to monitor the overall economic situation and will recommend action as appropriate.

MONTHLY FINANCIAL REPORT CONTENTS

Highlights of Regional & National Economic Indicators 3

General Revenue Fund Receipts 9
- Year to date through January 31, 2009
- January 2009 Analysis by Source
- Table 1: Revenue Actuals vs. Estimates
- Table 2: FY 2009 Revenue vs. FY 2008

General Revenue Fund Disbursements 13
- Year to date through January 31, 2009
- January 2009 Analysis by Use
- Table 3: Disbursement Actuals
- Table 4: FY 2009 Disbursements vs. FY 2008

GRF Fund Balance 19

ECONOMIC SUMMARY

During the fourth quarter of 2008 the economy contracted at the fastest pace since 1982, and early data indicate that this fallout continued into January. Ohio employment fell by 72,900 jobs in the fourth quarter. Factory orders, industrial production and construction all were weakening as 2008 came to a close.

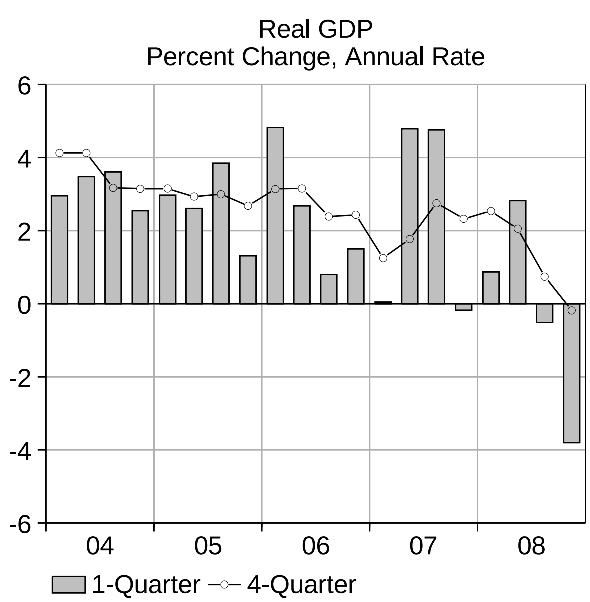
Overview of Economic Performance

- U.S. employment decreased by 598,000 jobs in January. A total of 2.5 million jobs have been lost since August 2008.
- Consumer spending fell 3.5% during the October – December quarter, following a 3.8% decline in the third quarter. This is the first back-to-back drop since 1991.
- The weak holiday shopping season carried over into January, and December sales data were revised downward to make 2008 the worst holiday retail season since 1970.

Economic Indicators

Real GDP decreased at an annual rate of 3.8% in the fourth quarter of 2008 – the fastest decline since the 6.4% decline in the first quarter of 1982. Forecasters expect an even larger decline in the first quarter of 2009, followed by further decline in the second quarter. The consensus is that growth will resume at least at a modest pace in the final two quarters of the year, but evidence of an impending upturn remains scarce.

Weakness was broad-based in the fourth quarter. Consumer spending fell 3.5% following a 3.8% decline in the third quarter – the first back-to-back drop since 1991. Business investment in equipment and software fell 1.8%, investment in nonresidential structures fell 23.6%, housing construction fell 23.6%, and exports dropped 27.7%.



The change in inventories swung from a decline of $29.6 billion in the third quarter to a gain of $6.2 billion in the fourth quarter, presumably as demand fell short of expectations. Businesses are likely in the process of scaling back employment and production in the current quarter to bring inventories into line with diminished sales expectations.

Government spending increased 1.9%; this includes a 5.8% increase in federal government purchases and a 0.5% decline in state and local government spending. Federal nondefense spending increased 14.5% while defense spending increased 2.1%.

The composition of activity during the last quarter of 2008 argues poorly for growth in the first quarter of 2009. The downward trajectory of consumer spending is so steep that if spending merely stays at the December level during the first quarter, consumption will decline at an annual rate of approximately 1.0%. The 7.1% drop in auto sales in January to 7.4% below the fourth quarter average suggests that consumers continue to retrench.

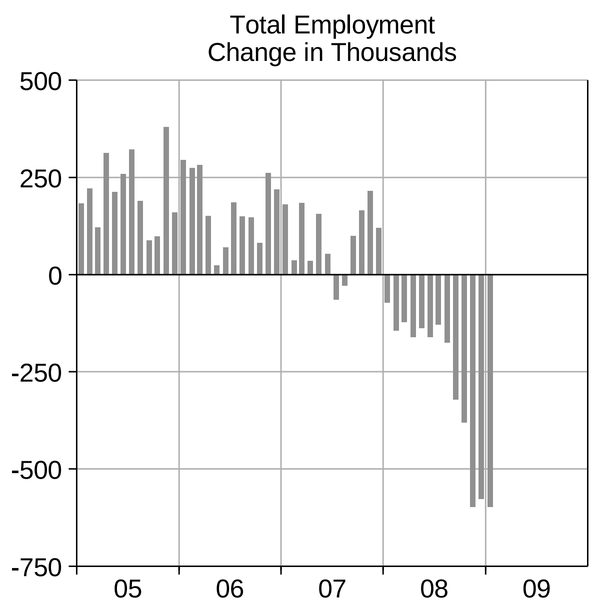
A decline in consumer spending in the first quarter would result in the first string of three consecutive quarterly declines in real consumer spending on record. Consumption fell in 4 of 7 consecutive quarters in the 1973-75 recession and 3 of 5 consecutive quarters surrounding the 1980 recession, but has never fallen for three quarters in a row.

More ominous are the almost surely involuntary inventory build and the sharp drop in exports during the fourth quarter. Even though the decrease in inventories in the third quarter was the second largest on record, the steep drop-off in demand suggests further declines ahead. And after driving growth higher through the earlier years of the decade, exports are likely to subtract from activity, as foreign economies continue to contract.

The Weekly Leading Index from the Economic Cycle Research Institute offers weak support for a second-half upturn. The index has stabilized since mid-November, causing its growth rate – which is still deeply negative – to begin moving higher. The recent pattern of the index suggests that the decline economic activity might have reached its nadir.

Employment

The accelerated pace of deterioration in labor markets continued in January. **Total employment** decreased by 598,000 jobs – the largest single-month job loss since December 1974. The December loss was revised lower to 577,000 from the originally reported 524,000, bringing the total loss since August to 2.5 million jobs. Total hours worked fell 0.7% in January to 1.4% below the fourth quarter average. Average hourly earnings increased 0.3% to 3.9% above the year earlier level.



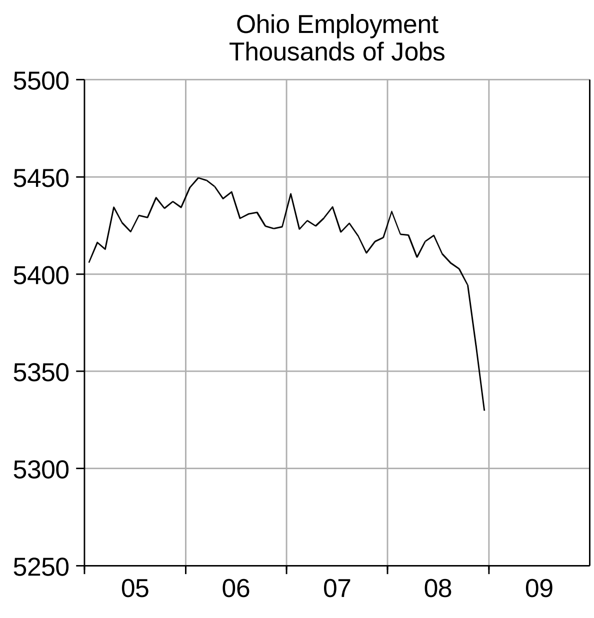
In a near repeat of December, job losses again were widespread. Manufacturing shed 207,000 jobs, and construction lost 111,000 jobs. Professional and business services employment fell 121,000. And retail services payrolls fell by 45,000. In total, employment in service-producing sectors fell by 279,000 jobs, as only education and health services added to employment (+54,000). Only approximately one-quarter of the 274 industries tracked by the Bureau of Labor Statistics reported higher payrolls over one, three and six month periods. Compared with December, fewer than one in ten of the 84 manufacturing industries reported higher payrolls.

The **unemployment rate** increased by 0.2 points again in January to 7.6%. Up by 3.2 points from the cycle low that was reached in March 2007, the rate was the highest since June 1992. The unemployment rate would have been higher had 731,000 people not withdrawn from the labor force, presumably because of dim prospects. The number of unemployed workers was about 4.1 million higher than a year earlier. The broadest measure of unemployment, which includes so-called discouraged workers, increased to 13.9% in January from 13.5% in December and 9.0% in January 2008.

The **length of the workweek** for all production and nonsupervisory workers remained at the all-time low of 33.3 hours first reached in December. The manufacturing workweek fell to 39.8 hours. Manufacturing overtime fell to 2.9 hours – down sharply from 4.6 hours as recently as April 2006 and the lowest since May 1983. The continuing decreases in the length of the workweek indicate that labor market recovery remains further in the future.

Ohio employment decreased for the sixth consecutive month in December and the ninth in the last eleven. Ohio employment is down by 89,000 jobs since December 2007. The **Ohio coincident index** compiled by the Philadelphia Federal Reserve to gauge labor market conditions fell for the tenth straight month in December. The year-over-year rate of change was -4.8% – the weakest since the 1981-82 recession.

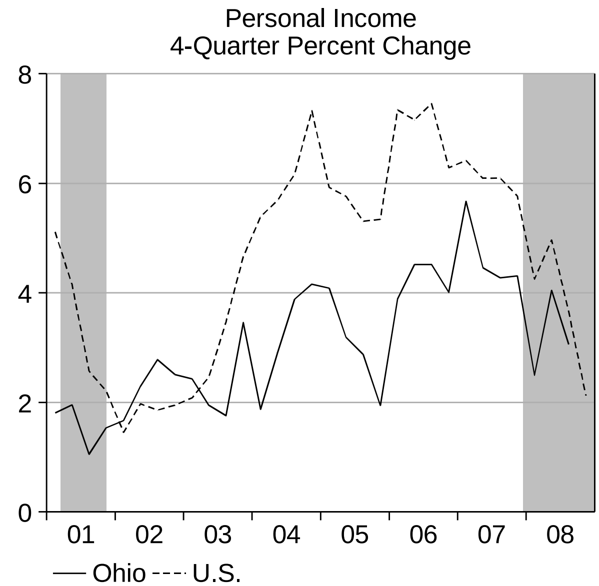
Among the eleven **Ohio Metropolitan Statistical Areas**, only Springfield (+300) added jobs during the twelve months ended in December. Employment fell in Cleveland (-22,900), Toledo (-11,100), Cincinnati (-8,600) and Dayton (-7,800). Employment in Columbus (-4,400) posted its first year-over-year decline since February 2004.



Employment was lower in Ohio and each of the **contiguous states** during the year ending in December. Employment was marginally lower in West Virginia and fell in Ohio (-1.6%), Pennsylvania (-1.3%), Kentucky (-2.0%), Indiana (-3.7%) and Michigan (-4.1%). For the region as a whole, employment was down 2.2% during the same period, compared with a decline of 2.1% for all states outside the region combined.

Consumer Income and Consumption

Household income continued to weaken as the year ended. Wage and salary disbursements fell 0.3% in December – the third decline in four months. The year-over-year rate of change fell to 0.7%, leaving real wages and salaries essentially flat on the year. Disposable personal income also fell in November and December to only 1.9% above the year earlier level. Incomes are under pressure from falling employment and a shortening of the workweek.



Retail sales decreased 2.7% in December, reflecting declines of 0.7% at automotive dealers and 15.9% at gasoline stations. Declines were broad-based across sectors, rising only at health and personal care stores and miscellaneous store retailers. Excluding cars and gas, ales fell 1.5%. Sales of light motor vehicles increased by 1.4% in December following three monthly declines that totaled 26.0%. The price of gasoline fell by approximately 17% on average during December.

The weak **holiday shopping season** carried over into January, as same-store sales fell 1.6% compared with the year earlier period. December sales were revised lower to a year-over-year decrease of -2.3%, casting the 2008 season as the worst on record dating back to 1970. Analysts expect a similarly weak report for February.

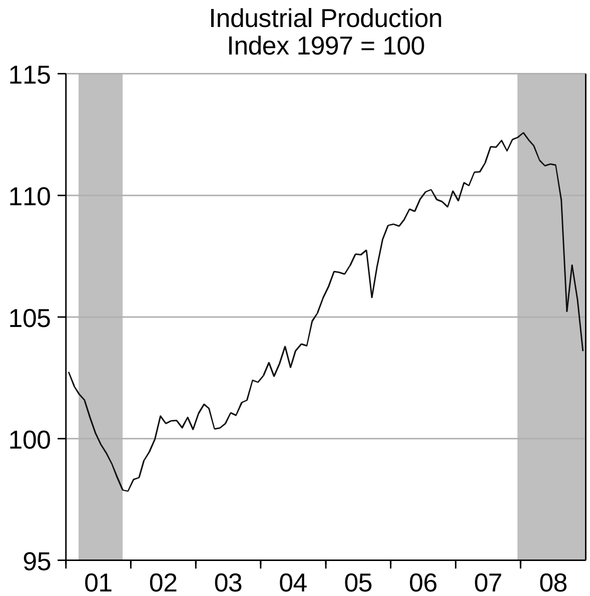
Department stores and apparel retailers were hit especially hard, with sales falling 12.3% and 14.0%, respectively. Sales at luxury retailers fell 17.7% year-over-year. The weak sales environment and greater price competition among retailers has pushed a number of familiar firms into bankruptcy.

The tough economic conditions, which kept measures of consumer confidence near long-time lows in January, are prompting households to save more out of current income. The **saving rate** increased to 3.6% of disposable personal income in December – the highest it has been on a sustained basis in nine years.

Manufacturing

The slide in manufacturing activity accelerated through December. **Industrial production** fell 2.0% and the November loss was revised to twice its original size at 1.3%. Manufacturing production fell 2.3% – the sixth decline in the last seven months – as all major sectors except aerospace posted declines in output. Utility output was off only marginally, while mining production fell 1.6%. Capacity utilization in manufacturing dropped 1.8 percentage points to 70.2% – the lowest since early 1983.

Three industries with large employment bases in Ohio remained weak in December. Production of primary metals fell 9.4% to 31.7% below the year earlier level. Fabricated metals production fell 4.1% to 11.8% below the year earlier level. Machinery production fell 3.0% to 11.6% below the year earlier level.



Compared with a year earlier, total industrial production decreased 7.8% and manufacturing output decreased 9.9%. From its peak in July 2007, manufacturing production was down by 10.1%, compared with 6.9% in the 2001 recession. Manufacturing production fell by a total of 15.3% in the 1973-75 recession and 9.0% in the 1981-82 recession. Manufacturing production has been below its cyclical peak for a total of seventeen months. In comparison, production fell for sixteen months in the 1973-75 recession and for nineteen months in the 1981-82 recession.

Factory orders decreased 3.9% in December, following a downwardly revised 6.5% drop in November that was revised lower from an originally reported -6.0%. The drop would have been even worse without an upward spike in defense orders. New factory orders have declined for five straight months by a total of 21.7%. The recent pattern of orders points to a downward revision to the business investment component of real GDP for the fourth quarter.

In a rare positive development, **purchasing managers** in manufacturing reported stable or slightly improved conditions in January. The ISM index remained quite low by historical standards but improved from the depressed December level. Purchasing managers again reported widespread weakness in orders and production, but somewhat less so than in December.

Construction

Construction put-in-place fell 1.4% in December and the November decline was revised downward to -1.2% from the originally reported -0.6%. The December decline was led by residential construction, which fell 3.2%, or 22.3% from the year earlier. Nonresidential construction put-in-place registered its first monthly decline since July, falling 0.7% to 8.1% above the year earlier level. Year-over-year growth in nonresidential construction has slowed from a peak of 19.1% in September 2007.

Housing starts decreased 15.5% in December from a month earlier to the lowest monthly pace of home-building on record dating back to 1947. Starts were down 45.0% from December 2007, about in line with the peak 12-month rate of decline experienced in the 1973-75, 1980 and 1981-82 recessions.

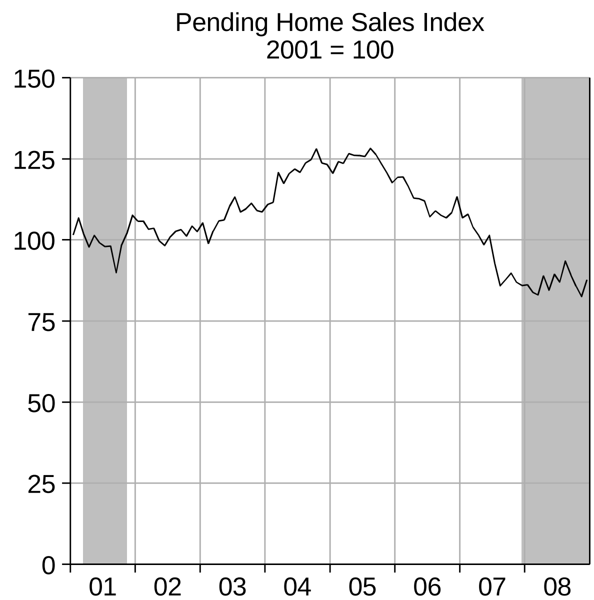
From the peak of the housing cycle to the trough, however, the decline in housing starts on a 3-month moving average basis has been the greatest in this cycle. Since January 2006, housing starts have fallen by 69.3%, compared with a decline of 60.7% in the 1973-75 recession and 52.3% in the 1980 recession.

Starts fell a smaller 42.9% in the long and severe 1981-82 recession, but had never fully recovered from the decline during the 1980 recession. Even taking the 1980 and 1981-82 recessions together, housing starts fell by a total of 59.2% from peak to trough – less than in the current cycle.

Starts in the Midwest fell 24.5% in December to 41.6% below the year earlier level. Since the peak of 415,000 units in November 2003, the 3-month moving average of Midwest housing starts has declined by 75.4%.

At only 550,000 units at a seasonally adjusted annual rate in December, however, the construction of new homes is well below the trend rate of increase in households of more than 1 million per year. In addition, the affordability of houses has improved to its best level since 1994. It is not inconceivable that housing construction has reached such an unsustainably low level that it subtracts little if anything from first quarter growth and even adds modestly to economic growth later in the year.

The **Pending Home Sales** for the U.S. and for the Midwest improved in December. More importantly, the sharp downward trend that materialized in early 2006 has clearly given way to a flat pattern. The December levels for the U.S. and the Midwest were essentially the same as in the third quarter of 2007. The substantial decline in house prices and mortgage rates has lifted housing affordability, while cutbacks in production have chipped away at the number of new houses on the market.



GENERAL REVENUE FUND RECEIPTS

During the month of January**, GRF sources totaled $2,660.6 million** and were $139.8 million above revised estimates issued in December. The timing of federal grants receipts received in January instead of in December as initially anticipated offset large negative variances in the non-auto sales and use and personal income taxes.

For the month, the negative performance of the non-auto sales and personal income taxes more than offset positive performance among the other GRF tax sources as **GRF tax receipts** totaled $1,808.5 million and were $60.5 million, (3.2%) below December's revised estimates.

Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	($85.0)	(0.8%)
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	($107.3)	(0.7%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	$52.2	12.8%
TOTAL REVENUE VARIANCE:		($55.1 million)	(0.4%)

As mentioned above, total GRF sources for the month of January were above estimate, but tax receipts fell short of the December revised estimates by $60.5 million as a result of large negative variances in the non-auto sales and use and personal income taxes. Specifically, the non-auto sales tax finished the month $63.6 million below estimates, while the personal income tax finished $45.0 million thus offsetting the positive performance of the auto sales, corporate franchise, public utility, and cigarette taxes.

Individual Sources Above Estimate		Individual Sources Below Estimate	
Auto Sales Tax	$3.4	Non-Auto Sales Tax	($63.6)
Corporate Franchise Tax	$33.3	Personal Income Tax	($45.0)
Public Utility Tax	$8.6	Other Income	($1.4)
Cigarette Tax	$4.1	Liquor Transfers	($2.0)
Federal Grants	$191.6	Other Sources Below Estimate	($1.8)
Earnings on Investments	$10.6		
ISTV	$1.2		
Other Sources Above estimate	$0.9		
Total above	**$253.7**	**Total below**	**($113.8)**

Non-Auto Sales and Use Tax

The non-auto sales tax performance during the month of January performed more weakly than expected. During the month of January receipts for the non-auto sales tax totaled $585.8 million, $63.6 million (9.8%) below the revised estimates released in late December. As with December, a greater source of concern than monthly performance versus estimates was the year-over-year performance that saw receipts decline by $80.5 million (12.1%) from January 2008. Even when adjusting for the way that local government funds are distributed, the year-over-year decline in receipts is still 12%. The ongoing weakness in consumer spending and job losses appears to be impacting state revenues at this time.

Auto Sales Tax

As has been the case for much of the year, the performance of the auto sales tax during the month of January continued to surprise as the tax not only met but exceeded estimates by $3.4 million (5.5%). Considering the performance of the non-auto sales tax as well as the litany of negative news surrounding the auto industry and the economy in general, the stability of this tax source is surprising. While on a year-over-year basis, auto sales tax receipts through the first seven months in FY 2009 are $20.6 million (3.9%) below the same point a year ago, this drop seems minimal when compared to the drop in light vehicle sales reported in recent months.

Personal Income Tax

Personal income tax receipts for the month of January were $918.2 million, or $45.0 million (4.7%) below the estimate of $963.2 million. The weak January results are from a combination of the continued weakening of Ohio's employment numbers and their effects on withholding and the effects of the sharp declines in the equity markets on fourth quarter estimated payments. For the month of January, withholding fell $25.2 million (3.4%) below estimate and estimated payments fell $32.4 million (8.3%) below estimate.

On a year-over-year basis, total personal income tax receipts for the month of January were $220.8 million (19.4%) below last January. Total income tax receipts for the first seven months of FY 2009 were $93.9 million (1.9%) below the estimate.

FY2009 PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)						
	ESTIMATE JAN	ACTUAL JAN	$ VAR JAN	ESTIMATE Y-T-D	ACTUAL Y-T-D	$ VAR Y-T-D
Withholding	$732.4	$707.2	($25.2)	$4,522.9	$4,472.9	($50.0)
Quarterly Est.	$390.5	$358.1	($32.4)	$892.7	$854.0	($38.6)
Trust Payments	$16.7	$11.0	($5.8)	$32.8	$25.5	($7.3)
Annual Returns & 40 P	$15.0	$19.0	$4.0	$152.2	$167.0	$14.9
Other	$7.4	$1.2	($6.2)	$47.6	$34.9	($12.7)
Less: Refunds	($142.7)	($118.7)	$24.0	($307.1)	($306.7)	$0.4
Local Distr.	($56.0)	($59.5)	($3.5)	($406.8)	($407.3)	($0.5)
Net to GRF	**$963.2**	**$918.2**	**($45.0)**	**$4,934.3**	**$4,840.4**	**($93.9)**

Corporate Franchise Tax

Corporate franchise tax receipts in January totaled $132.4 million and exceeded the monthly estimate of $99.2 million by $33.3 million (33.6%). This positive performance versus the monthly estimates is believed to be driven by the timing of January payments because the due date fell on Saturday. A more accurate portrayal of the performance of this tax source will be available at the end of February as we look back at the two months together.

Commercial Activity Tax

In FY 2009, receipts from the commercial activity tax (CAT) are distributed to non-GRF funds to reimburse school districts and local governments as the tangible personal property tax is phased out. CAT receipts during the month of December totaled $41.5 million, an amount that was $8.7 million above of the estimate of $32.8 million. For the year to date, the CAT has generated $683.9 million versus estimates of $658.1 million and is currently $25.8 million above estimates. While this performance is encouraging on its face, it must be kept in mind that a major CAT payment is due February 10th and at this point, it is not possible to determine the extent to which January's positive performance is simply attributable to February payments received early. A more telling indicator will be the performance of the tax in February and the extent to which it might or might not fall short of that monthly estimate.

Public Utility Tax

During the month of January, public utility tax receipts totaled $8.7 million and were $8.6 million above estimates for the month. Driving this monthly variance was the timing of a payment by a gas company that was due in February, but that was paid three weeks early. As a result of this early payment, OBM anticipates that this tax source will fall short of estimates by a like amount in February and that the year to date positive variance will be erased at that time.

Cigarette Tax

The cigarette tax experienced another mildly positive month in January as receipts exceeded the revised estimates by $4.1 million (5.6%). For the year to date, receipts for this tax now total $501.5 million and are $7.4 million (1.5%) above estimates. On a year-over-year basis, tax receipts through January indicate that the trend of recent years of tax receipts contracting is continuing as receipts have decreased by $9.6 million (1.9%).

GRF non-tax receipts totaled $812.1 million in January and were $202.7 million (33.3%) above estimates. This monthly variance is again due primarily to higher than estimated federal grants ($191.6 million). The receipt of these federal grants are driven primarily by Medicaid reimbursement and the January variance is attributable to the fact that the receipt of reimbursements for payments made in late December were not processed until early January.

GRF transfers totaled $40.0 million in January and were $2.4 million below estimates. This minor monthly variance is mainly due to the timing of liquor transfers in December which inflated that month’s receipts by approximately $6 million, which in turn reduced receipts in January.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2009 VS ESTIMATE FY 2009
($ in thousands)

REVENUE SOURCE	Month: ACTUAL JANUARY	Month: ESTIMATE JANUARY	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	585,753	676,075	(90,322)	-13.4%	3,883,010	4,136,944	(253,934)	-6.1%
Auto Sales & Use	65,389	59,820	5,569	9.3%	510,997	502,439	8,558	1.7%
Subtotal Sales & Use	651,142	735,895	(84,753)	-11.5%	4,394,007	4,639,383	(245,376)	-5.3%
Personal Income	918,217	1,053,495	(135,278)	-12.8%	4,840,353	5,024,543	(184,191)	-3.7%
Corporate Franchise	132,431	99,157	33,274	33.6%	130,905	95,448	35,457	37.1%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	8,680	65	8,615	N/A	84,803	76,809	7,994	10.4%
Kilowatt Hour	12,161	10,624	1,537	14.5%	80,204	81,347	(1,143)	-1.4%
Foreign Insurance	97	0	97	N/A	136,651	133,802	2,849	2.1%
Domestic Insurance	0	0	0	N/A	(772)	(158)	(614)	388.5%
Other Business & Property Tax	(29)	49	(78)	-160.0%	372	426	(54)	-12.7%
Cigarette	77,578	73,475	4,103	5.6%	501,449	494,083	7,366	1.5%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	4,264	4,253	11	0.3%	33,265	34,318	(1,053)	-3.1%
Liquor Gallonage	3,826	3,890	(64)	-1.6%	21,688	21,968	(280)	-1.3%
Estate	121	1,000	(879)	-87.9%	30,837	32,082	(1,245)	-3.9%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,808,487	1,981,902	(173,415)	-8.7%	10,253,761	10,634,049	(380,288)	-3.6%
NON-TAX RECEIPTS								
Federal Grants	740,183	548,554	191,629	34.9%	3,909,706	3,953,880	(44,174)	-1.1%
Earnings on Investments	46,257	35,700	10,557	29.6%	97,412	78,100	19,312	24.7%
License & Fees	17,982	17,220	762	4.4%	37,543	36,931	612	1.7%
Other Income	4,004	5,400	(1,396)	-25.9%	28,825	31,694	(2,870)	-9.1%
ISTV'S	3,655	2,500	1,155	46.2%	14,919	10,110	4,809	47.6%
Total Non-Tax Receipts	812,081	609,374	202,706	33.3%	4,088,404	4,110,715	(22,311)	-0.5%
TOTAL REVENUES	2,620,568	2,591,276	29,291	1.1%	14,342,165	14,744,764	(402,599)	-2.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	10,000	12,000	(2,000)	-16.7%	97,000	84,000	13,000	15.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	360	(360)	-100.0%	48,891	9,700	39,192	404.1%
Temporary Transfers In	30,000	30,000	0	0.0%	312,500	312,500	0	0.0%
Total Transfers	40,000	42,360	(2,360)	-5.6%	458,391	406,200	52,192	12.8%
TOTAL SOURCES	2,660,568	2,633,636	26,931	1.0%	14,800,557	15,150,964	(350,407)	-2.3%

Table 1A
REVISED GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2009 VS ESTIMATE FY 2009
($ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL JANUARY	REVISED JANUARY	$ VAR	% VAR	ACTUAL Y-T-D	REVISED Y-T-D	$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	585,753	649,377	(63,624)	-9.8%	3,883,010	3,973,885	(90,875)	-2.3%
Auto Sales & Use	65,389	61,950	3,438	5.5%	510,997	506,667	4,329	0.9%
Subtotal Sales & Use	651,142	711,328	(60,186)	-8.5%	4,394,007	4,480,553	(86,546)	-1.9%
Personal Income	918,217	963,238	(45,021)	-4.7%	4,840,353	4,885,825	(45,472)	-0.9%
Corporate Franchise	132,431	99,157	33,274	33.6%	130,905	97,358	33,548	34.5%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	8,680	65	8,615	N/A	84,803	76,200	8,603	11.3%
Kilowatt Hour	12,161	12,331	(170)	-1.4%	80,204	80,541	(337)	-0.4%
Foreign Insurance	97	0	97	N/A	136,651	137,238	(588)	-0.4%
Domestic Insurance	0	0	0	N/A	(772)	(772)	0	0.0%
Other Business & Property Tax	(29)	49	(78)	-160.0%	372	372	0	0.1%
Cigarette	77,578	73,475	4,103	5.6%	501,449	494,028	7,421	1.5%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	4,264	4,453	(189)	-4.2%	33,265	33,706	(441)	-1.3%
Liquor Gallonage	3,826	3,890	(64)	-1.6%	21,688	21,947	(259)	-1.2%
Estate	121	1,000	(879)	-87.9%	30,837	31,753	(916)	-2.9%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,808,487	1,868,985	(60,499)	-3.2%	10,253,761	10,338,749	(84,988)	-0.8%
NON-TAX RECEIPTS								
Federal Grants	740,183	548,554	191,629	34.9%	3,909,706	3,953,880	(44,174)	-1.1%
Earnings on Investments	46,257	35,700	10,557	29.6%	97,412	78,100	19,312	24.7%
License & Fees	17,982	17,220	762	4.4%	37,543	36,931	612	1.7%
Other Income	4,004	5,400	(1,396)	-25.9%	28,825	31,694	(2,870)	-9.1%
ISTV'S	3,655	2,500	1,155	46.2%	14,919	10,110	4,809	47.6%
Total Non-Tax Receipts	812,081	609,374	202,706	33.3%	4,088,404	4,110,715	(22,311)	-0.5%
TOTAL REVENUES	2,620,568	2,478,360	142,208	5.7%	14,342,165	14,449,464	(107,299)	-0.7%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	10,000	12,000	(2,000)	-16.7%	97,000	84,000	13,000	15.5%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	360	(360)	N/A	48,891	9,700	39,192	404.1%
Temporary Transfers In	30,000	30,000	0	0.0%	312,500	312,500	0	0.0%
Total Transfers	40,000	42,360	(2,360)	-5.6%	458,391	406,200	52,192	12.8%
TOTAL SOURCES	2,660,568	2,520,720	139,848	5.5%	14,800,557	14,855,664	(55,107)	-0.4%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL - FY 2009 VERSUS FY 2008
($ in thousands)

	Month				Year-to-Date			
	ACTUAL 2009	ACTUAL 2008	$ VAR	% VAR	ACTUAL 2009	ACTUAL 2008	$ VAR	% VAR
REVENUE SOURCE								
TAX RECEIPTS								
Non-Auto Sales & Use	585,753	666,294	(80,541)	-12.1%	3,883,010	4,099,794	(216,784)	-5.3%
Auto Sales & Use	65,389	70,655	(5,266)	-7.5%	510,997	531,628	(20,632)	-3.9%
Subtotal Sales & Use	651,142	736,949	(85,807)	-11.6%	4,394,007	4,631,423	(237,416)	-5.1%
Personal Income	918,217	1,139,047	(220,830)	-19.4%	4,840,353	5,233,639	(393,286)	-7.5%
Corporate Franchise	132,431	241,570	(109,139)	-45.2%	130,905	187,487	(56,582)	-30.2%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	8,680	60	8,620	N/A	84,803	62,270	22,534	36.2%
Kilowatt Hour	12,161	10,952	1,209	11.0%	80,204	185,617	(105,414)	-56.8%
Foreign Insurance	97	5	92	1909.9%	136,651	132,782	3,869	2.9%
Domestic Insurance	0	42	(42)	-100.0%	(772)	433	(1,205)	-278.2%
Other Business & Property Tax	(29)	55	(84)	-153.9%	372	396	(24)	-6.0%
Cigarette	77,578	76,194	1,384	1.8%	501,449	511,053	(9,604)	-1.9%
Soft Drink	0	0	0	N/A	0	0	0	N/A
Alcoholic Beverage	4,264	4,131	133	3.2%	33,265	33,605	(340)	-1.0%
Liquor Gallonage	3,826	3,705	120	3.3%	21,688	21,084	604	2.9%
Estate	121	934	(813)	-87.0%	30,837	31,025	(188)	-0.6%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,808,487	2,213,643	(405,156)	-18.3%	10,253,761	11,030,812	(777,051)	-7.0%
NON-TAX RECEIPTS								
Federal Grants	740,183	488,030	252,154	51.7%	3,909,706	3,610,924	298,783	
Earnings on Investments	46,257	0	46,257	N/A	97,412	83,073	14,338	8.3%
License & Fee	17,982	21,520	(3,538)	-16.4%	37,543	42,101	(4,558)	-10.8%
Other Income	4,004	4,151	(148)	-3.6%	28,825	59,409	(30,584)	-51.5%
ISTV'S	3,655	1,357	2,299	169.4%	14,919	5,851	9,068	155.0%
Total Non-Tax Receipts	812,081	515,057	297,023	57.7%	4,088,404	3,801,359	287,046	7.6%
TOTAL REVENUES	2,620,568	2,728,701	(108,133)	-4.0%	14,342,165	14,832,171	(490,005)	-3.3%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	10,000	10,000	0	N/A	97,000	105,000	(8,000)	-7.6%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	0	8	(8)	N/A	48,891	56,792	(7,901)	-13.9%
Temporary Transfers In	30,000	24,900	5,100	20.5%	312,500	247,000	65,500	26.5%
Total Transfers	40,000	34,908	5,092	14.6%	458,391	408,792	49,599	12.1%
TOTAL SOURCES	2,660,568	2,763,609	(103,042)	-3.7%	14,800,557	15,240,963	(440,406)	-2.9%

GENERAL REVENUE FUND DISBURSEMENTS

Across all fund uses, total year-to-date GRF disbursements are $17,485.1 million.

Fund Use	Includes:	YTD Disbursements
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	$16,640.6 million
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$844.5 million
TOTAL GRF DISBURSEMENTS:		$17,485.1 million

Year-to-date expenditures and interagency transfers are 0.3% above estimate. See table 3 for additional information.

GRF disbursements are reported according to functional reporting categories, and this section contains information regarding each category. Variance information is included on an agency-specific basis as a component of the category summaries. In the event that an agency spent its GRF appropriation according to plan during the month, a variance would not exist to be explained.

The disbursement estimates reflected in this report take into account the agency budget reductions that were announced on September 10th and implemented on October 1, 2008. The estimates do not yet incorporate the most recent reductions that were implemented on January 1, 2009. That information will be included in a future monthly report.

Primary, Secondary, and Other Education

This category includes expenditures made by the School for the Blind, the School for the Deaf, E-Tech and the Department of Education. Total January expenditures in this category were $810.9 million.

January disbursements by the Department of Education totaled $774.7 million and were $86.8 million (11.2%) above estimate. Variances for the month can be attributed to timing of expenditures in several programs such as professional development and Ohio Core Support ($78.8 million above estimate for the month as a result timing in program implementation.) The variance in the foundation program, which is above estimate for the month, is due to adjustments reflected in the January payments to school districts.

Higher Education

January disbursements for Higher Education were $182.3 million, representing a variance of $1.2 million (0.6%) above the estimate for the month. Year-to-date disbursements were $1,541.7 million, representing a variance totaling $26.5 million (1.8%) above the estimate. Disbursements for the Ohio College Opportunity Grant (OCOG) program were $2.7 million more for the month, which was offset by underspending in the Ohio Instructional Grant (OIG) program by $2.0

million. As the Ohio Instructional Grant program is phased out during the fiscal year, transfer of appropriations are necessary between the OCOG and OIG line items resulting in variances compared to the original estimates.

Public Assistance and Medicaid

January expenditures in this category, which includes all GRF expenditures by the Department of Job & Family Services, were $869.7 million.

Public Assistance and Non-Medicaid

This sub-category includes, but is not limited to, the following types of expenditures: social services such as adoption assistance and disability financial assistance; state match for federal child care and TANF grants; administrative support expenses including payroll and equipment; and county administration for public assistance programs.

For the year to date, ODJFS non-Medicaid General Revenue Fund disbursements total $560.5 million.

January 2009 disbursements for JFS totaled $92.3 million. When compared to January FY 2009 disbursement estimates, in aggregate, actual disbursements were $8.3 million (8.3%) under estimate. This is primarily attributable to the following:

- Approximately $1.5 million in underspending was in the Child Care/Maintenance of Effort line item. This is primarily due to changes imposed by the County Financial Information System (CFIS). Prior to CFIS, funding streams for county requests were determined at the State level (e.g. Child Care Development Block Grant vs. TANF vs. GRF maintenance of effort). As spending is allocated quarterly in CFIS, disbursements will vary from month to month, but in the aggregate will be in line with the year to date estimate.
- Approximately $1.8 million in underspending was in the Computer Projects line item. This is primarily due to payroll being below estimate for the month. When the monthly projections for payroll were made at the beginning of the fiscal year, the agency had planned to hire additional staff throughout the year. However, with the hiring controls, the staff levels for the Office of Information Services have not reached the projected plan. In addition, vendor contract and maintenance payments for the Client Registry Information System-Enhanced (CRIS-E) project and for the Medicaid Management Information System (MMIS) were not made as anticipated.
- Approximately $1.3 million in underspending occurred in the Family Stability Subsidy line item. This is primarily due to the timing of requests for payments from counties.
- Approximately $2 million in under-spending occurred in the Children and Families subsidy line item. This is primarily due to spending reductions pursuant to OBM Budget Directives.

Medicaid

This sub-category includes expenditures by the Department of Job & Family Services for Medicaid services. Please note that administrative costs related to the ODJFS Medicaid program are included in the previous sub-category.

Expenditures

Year-to-date GRF disbursements for Medicaid through the month of January total $6,254 million, which was $95.1 million (1.46%) below estimate. GRF disbursements in January were $774.4 million, which was $34.5 million (4.3%) below estimate.

Year-to-date disbursements by all funding sources through the month of January total $7,127.5 million, which was $99 million (-1.4%) below estimate. All funds disbursements for the month of January were $948.1 million, which was $34.9 million (3.5%) below estimate.

Notable variances across all funding sources include:

- Inpatient hospital: On a year to date basis, disbursements are $20.6 million below estimate. For the month of January this category of service was $13.1 million below projection. The weekly average payment was consistently under projection for the entire month of January, which may be attributable to the timing of claims being submitted to the agency for payment.

- Medicaid managed care: On a year to date basis, disbursements for the aged, blind & disabled (ABD) portion of the program are $26.3 million below estimate. The covered families & children (CFC) portion of the program is $15 million below estimate.
  - This trend is likely to continue as a result of the lower than projected capitation payments to the managed care plans. In December the department began paying new per member per month rates which are 1% lower than projected in the ABD category and 1.5% lower than projected in the CFC category.
  - It is also important to note that a portion of the variance in the ABD category may be attributed to the continued voluntary status of the Northwest and Northeast regions. Because there is only one managed care plan operating in those two regions at this time, Medicaid consumers may opt out of managed care. As a result, fewer people are enrolled in managed care plans than had been anticipated when disbursement estimates were established.

- Intermediate care facilities for the mentally retarded (ICFs/MR): Disbursements are $5.7 million below estimate for the year and $2.4 million above estimate for the month of January. Am. Sub. H.B. 562 included a rate increase for ICFs/MR that was contingent on approval by the federal Centers for Medicare and Medicaid Services. The State Plan Amendment has been approved and the agency has commenced to retrospectively pay ICFs/MR for their rate increase.

Caseload

Total Medicaid caseload for the month of December (the most recent month available) was 1.86 million covered persons, which was an increase of 13,494 people over November enrollment, and 25,880 over December projections. This December increase is a direct link to the downturn in the economy.

Covered Families and Children (CFC) caseload increased by 12,195 persons in December, and was 1.78% over projections. The majority of the increase occurred in the Healthy Families (8,564) and SCHIP (1,178) programs.

Aged, Blind and Disabled (ABD) caseload increased by 1,299 persons in the December, and was 0.3% above projections for the month. The Medicaid Buy-In for Workers with Disabilities saw an increase of 157 persons for the month.

Health and Human Services

This category includes GRF expenditures for the following state agencies: Aging, Mental Health, MR/DD, ODADAS and Health. Examples of expenditures in this category include: administration of the state's psychiatric hospitals; operating subsidies to county boards of MR/DD; various immunization programs; and Ohio's long term care ombudsman program. To the extent that these agencies spend GRF to support Medicaid services, that spending is reflected in this category instead of the previous category.

January expenditures in this category were $156.6 million. Significant notes include:

- The Department of Health's GRF disbursements were $8.9 million in the month of January. While this was consistent with the total planned amount, there were two significant line item variances. Help Me Grow was below estimate by $2.4 million due to timing of payments, and is expected to continue budget given the GRF reductions. Medically Handicapped Children was above by $2.2 million due to the program utilizing more GRF funds than non-GRF funds in January than in previous quarters.

- The Department of Aging's GRF disbursements were $15.2 million (2.0%) below estimate in the month of January. Total dollar variance was $0.3 million under plan. There were no significant line item variances in the month.

- The Department of Alcohol and Drug Addiction Services disbursed $8.7 million in the month of January, which is $1.8 million below estimate, The variance is attributable to the $2.4 million reduced from the department's GRF budget in December 2008.

- The Department of Mental Health disbursed $83.1 million in the month of January, which is $25.5 million over the estimate. Historically, the department disburses subsidy to county boards on a request basis, making cash flow unpredictable. Beginning in the third quarter of FY 09, county boards will receive subsidy allocations on a quarterly basis. Thus, it is expected that DMH will spend below the estimate in the second and third months of the current and following quarter.

- The Department of Mental Retardation & Developmental Disabilities disbursed $34.9 million in the month of January, which is $8.3 million below estimate. Of this variance, $7.0 million is attributable to the December 2008 budget reduction, which led to the decrease of the County Board Subsidy line item by $14.0 million, or $7 million for the third and fourth quarters of the fiscal year. Variances of less then $1 million were spread across other GRF line items.

Justice and Public Protection

This category includes GRF expenditures by the following state agencies: Department of Rehabilitation & Corrections, the Department of Youth Services and the Department of Public Safety. In the aggregate, January expenditures in this category were $202.8 million, which was $21.5 million (11.9%) above estimate for the month.

- The Department of Rehabilitation and Correction disbursed $159.5 million in the month of January, which was $25.0 million (18.6%) more than the $134.5 million estimate for the month. The variance occurred primarily in two line items, Institutional Operations, which transfers funds for meal assessments on a quarterly basis to the Services and Agriculture fund, and in Institutional Medical Services, which pays bills for medical drug payments and OSU Medical Center.

- The Department of Youth Services disbursed $25.2 million in the month of January, which was $0.3 million (1.4%) more than the $24.9 million estimate for the month.

Environmental Protection & Natural Resources

January expenditures in this category were $7.4 million, which was $814,000 (10.0%) below estimate.

- Of this amount, the Department of Natural Resources expended a total of $7.3 million, generating a variance of $815,000 (10.0%) below the anticipated January expenditure of $8.1 million. The primary factor contributing to this variance was $815,000 in under spending by the Division of Parks and Recreation. The under spending is the result of general revenue fund appropriation reductions initiated in September and December of 2008.

Transportation

January disbursements were $995,000, producing a variance of $986,000 (49.8%) below the estimate.

General Government

January expenditures in this category were $20.5 million, which was $2.8 million (15.6%) above estimate for the month.

- In January, the Department of Administrative Services disbursed $4.5 million, which was $3.2 million (248.8%) above the estimate for the month. This occurred mainly because bills for building tenancy in DAS-managed buildings and for OAKS lease-rental payments posted in January rather than in February as originally estimated. As a result, February GRF disbursements from these line items will be correspondingly less than originally estimated.

Community & Economic Development

January expenditures in this category were $7.7 million, which was $2.0 million (20.5%) below estimate for the month. The largest portion of this variance is attributable to the Department of Development.

Tax Relief & Other

Year to date expenditures in this category are $797.5 million, which is $171.5 million (27.4%) above estimate. As mentioned in previous monthly reports, the significant variance in year to date payments is attributable to both the timing of requests for payments of the 10 percent and 2.5 percent rollback on non-homestead eligible properties and the fact that the additional tax relief appropriations attributable to the expansion of the homestead exemption authorized in HB 119 are not included in the OBM estimates for FY 2009. As was the situation with FY 2008, HB 119 has set forth a Controlling Board process for increasing appropriations and funding the increase through lapses in debt service and the transfer of excess interest earnings on tobacco securitization proceeds.

Debt Service

January expenditures in this category were $73.2 million, which was $4.9 million (6.3%) below the estimate. Year to date, debt service expenditures are $5.7 million (1.4%) below estimate.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2009 VS ESTIMATE FY 2009
($ in thousands)

	MONTH				YEAR-TO-DATE			
Functional Reporting Categories Description	**ACTUAL JANUARY**	**ESTIMATED JANUARY**	**$ VAR**	**% VAR**	**YTD ACTUAL**	**YTD ESTIMATE**	**$ VAR**	**% VAR**
Primary, Secondary and Other Education	810,873	787,430	23,443	3.0%	4,394,562	4,457,002	(62,441)	-1.4%
Higher Education	182,333	181,156	1,177	0.6%	1,541,753	1,515,207	26,546	1.8%
Public Assistance and Medicaid	869,722	910,483	(40,761)	-4.5%	6,958,573	7,039,886	(81,313)	-1.2%
Health and Human Services	156,590	141,442	15,147	10.7%	806,709	811,245	(4,536)	-0.6%
Justice and Public Protection	202,798	181,297	21,501	11.9%	1,337,766	1,326,095	11,671	0.9%
Environmental Protection and Natural Resources	7,351	8,165	(814)	-10.0%	70,122	70,012	110	0.2%
Transportation	995	1,981	(986)	-49.8%	14,369	16,384	(2,015)	-12.3%
General Government	20,463	17,695	2,769	15.6%	232,742	231,208	1,534	0.7%
Community and Economic Development	7,709	9,692	(1,983)	-20.5%	89,798	90,360	(562)	-0.6%
Tax Relief and Other	6,749	11,394	(4,645)	-40.8%	797,456	625,958	171,498	27.4%
Capital Outlay	0	0	0	N/A	187	79	108	137.1%
Debt Service	73,191	78,103	(4,912)	-6.3%	396,525	402,214	(5,689)	-1.4%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	**2,338,774**	**2,328,839**	**9,935**	**0.4%**	**16,640,561**	**16,585,650**	**54,912**	**0.3%**
Transfers Out:								
OPER TRF OUT-OTH	0	0	0	N/A	240,034	230,755	9,280	4.0%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	604,470	620,705	(16,235)	-2.6%
Total Transfers (Out)	**0**	**0**	**0**	**N/A**	**844,504**	**851,460**	**(6,956)**	**-0.8%**
Total Fund Uses	**2,338,774**	**2,328,839**	**9,935**	**0.4%**	**17,485,065**	**17,437,109**	**47,956**	**0.3%**

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2009 VS ACTUAL FY 2008
($ in thousands)

Functional Reporting Categories Description	MONTH ACTUAL 2009	MONTH ACTUAL 2008	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL 2009	YEAR-TO-DATE ACTUAL 2008	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary, Secondary and Other Education	810,873	497,932	312,941	62.8%	4,394,562	4,045,055	349,507	8.6%
Higher Education	182,333	160,737	21,596	13.4%	1,541,753	1,511,284	30,469	2.0%
Public Assistance and Medicaid	869,722	883,779	(14,057)	-1.6%	6,958,573	6,647,588	310,985	4.7%
Health and Human Services	156,590	137,924	18,665	13.5%	806,709	799,461	7,248	0.9%
Justice and Public Protection	202,798	179,670	23,128	12.9%	1,337,766	1,322,385	15,381	1.2%
Environmental Protection and Natural Resources	7,351	6,882	469	6.8%	70,122	72,450	(2,328)	-3.2%
Transportation	995	1,544	(549)	-35.5%	14,369	17,229	(2,859)	-16.6%
General Government	20,463	23,842	(3,379)	-14.2%	232,742	231,469	1,273	0.5%
Community and Economic Development	7,709	6,546	1,163	17.8%	89,798	82,224	7,574	9.2%
Tax Relief and Other	6,749	11,602	(4,853)	-41.8%	797,456	654,130	143,326	21.9%
Capital Outlay	0	0	0	N/A	187	56	131	235.6%
Debt Service	73,191	78,813	(5,622)	-7.1%	396,525	385,357	11,168	2.9%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	**2,338,774**	**1,989,270**	**349,504**	**17.6%**	**16,640,561**	**15,768,686**	**871,875**	**5.5%**
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	0	7,744	(7,744)	N/A	240,034	268,579	(28,545)	-10.6%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	604,470	350,104	254,366	72.7%
Total Transfers (Out)	**0**	**7,744**	**(7,744)**	**N/A**	**844,504**	**618,683**	**225,820**	**36.5%**
Total Fund Uses	**2,338,774**	**1,997,014**	**341,760**	**17.1%**	**17,485,065**	**16,387,369**	**1,097,696**	**6.7%**

FUND BALANCE

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2009. These estimates reflect actions included in the budget reduction plan that was announced in September 2008 but do not yet reflect the budget reduction plan that was announced in December 2008 and implemented January 1, 2009. An update will be included in a future report when the disbursement estimates are also updated.

The estimated ending fund balance of $137.1 million includes the one half of one percent required ending fund balance of $136.1 million. This GRF ending fund balance is an estimate and should not be considered as a balance available for expenditure in FY 2009 nor should it be considered as equivalent to the final FY 2009 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.

FUND BALANCE
GENERAL REVENUE FUND
FY 2009
($ in thousands)

July 1, 2008 Beginning Cash Balance	**$ 1,682,002**
Plus FY 2009 Estimated Revenues	19,024,199
Plus FY 2009 Estimated Federal Revenues	6,632,767
Plus FY 2009 Estimated Transfers to GRF	1,561,105
Total Sources Available for Expenditure & Transfer	**28,900,073**
Less FY 2009 Estimated Disbursements	27,457,876
Less FY 2009 Estimated Total Encumbrances as of June 30, 2009	452,626
Less FY 2009 Estimated Transfers Out	852,439
Total Estimated Uses	**28,762,941**
FY 2009 ENDING FUND BALANCE	**137,132**
One half of one percent target ending fund balance	136,090
Excess / (Shortfall)	$ 1,042