



November 13, 2012

MEMORANDUM TO: The Honorable John R. Kasich, Governor
The Honorable Mary Taylor, Lt. Governor

FROM: Timothy S. Keen, Director TK

SUBJECT: Monthly Financial Report

ECONOMIC SUMMARY

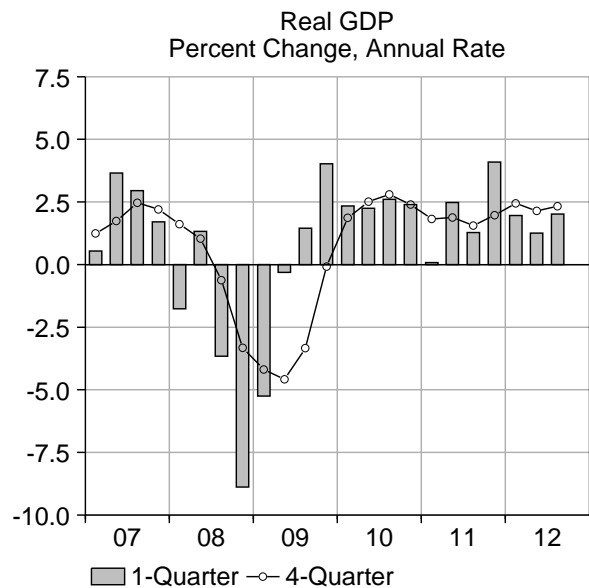
Economic Performance Overview

- Real GDP expanded by 2.0% in the third quarter of 2012. Growth was up from 1.3% in the second quarter and the same as in the first quarter.
- U.S. nonfarm payroll employment increased by 171,000 jobs in October, and the August and September increases were revised higher by a total of 84,000 jobs. At 7.9%, the national unemployment rate remained near its recent average.
- Ohio nonfarm employment decreased by 12,800 jobs in September, but was up by 82,900 jobs year-to-date. The Ohio unemployment rate decreased to 7.0% in September, 0.8 percentage points below the national unemployment rate in September.
- Leading economic indicators have weakened recently but remain consistent with uninterrupted growth at a modest pace across the country and especially in Ohio.

Economic Growth

Real GDP expanded by 2.0% in the third quarter of 2012, up from 1.3% in the second quarter and the same as in the first quarter. Excluding a temporary rise in federal defense spending, GDP increased by 1.4%. Compared with a year earlier, real GDP was higher by 2.3%. Since the expansion officially began in the second quarter of 2009, real GDP has advanced at an annual rate of 2.2% – the slowest pace during the first three years of any expansion during the post-war period.

The increase in real GDP during the quarter primarily reflected gains in personal consumption expenditures, federal government spending, and residential fixed investment. Subtracting from



growth were exports, business investment in plant and equipment, and private inventory investment. Imports, which are automatically counted in spending by category and are therefore subtracted from the total, decreased modestly.

The acceleration in real GDP in the third quarter primarily reflected an increase in federal government spending – mainly for defense – weaker imports, an acceleration in consumer spending, a smaller decrease in private inventory investment, an acceleration in residential fixed investment, and a smaller decrease in state and local government spending. These positive factors were partly offset by weakness in exports and in business investment in plant and equipment.

Real final sales growth picked up to 2.1% from 1.7% in the second quarter, staying in the range of quarterly growth rates during the last eighteen months. Since the expansion officially began in the second quarter of 2009, real final sales growth has increased at an annual rate of only 1.6% – the slowest pace by a notable margin among expansions in the post-war period that have lasted for at least thirteen quarters.

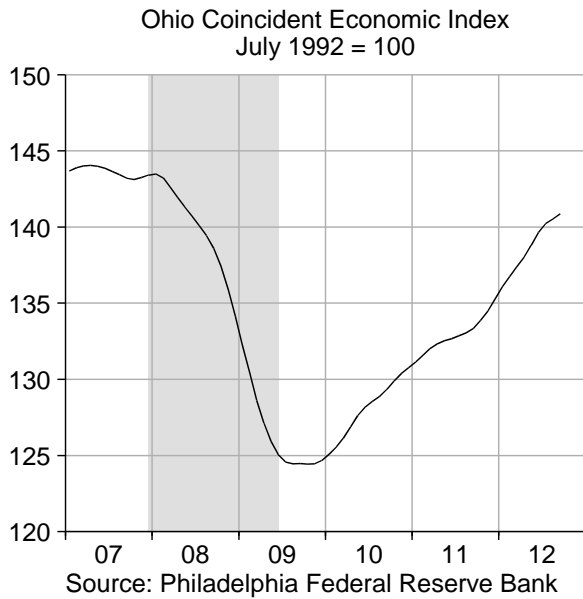
The consensus among forecasters is that real GDP is expanding at a rate below 2.0% in the fourth quarter and will continue to grow at a modest pace thereafter, picking up but remaining below 3.0% through at least the first quarter of 2014, according to the November *Blue Chip Financial Forecasts* consensus. Hurricane Sandy is expected to reduce fourth-quarter growth by 0.25-0.50 points.

Leading indicators remain consistent with slow but uninterrupted growth through 2013. After declining in ten of the eleven weeks ending in mid-June, the 4-week moving average of the **Weekly Leading Index** has increased in seventeen of the eighteen weeks ending in late October. The 6-month smoothed rate of change improved to just over 6.0% in recent weeks, up from a low of -3.5% in mid-June and the highest since May 2011.

The composite **Leading Economic Index** from the Conference Board has traced out a see-saw pattern during the six months ending in September to stand only marginally higher than in March. The 6-month smoothed rate of change was 2.9% in September, down by more than one-third from two years earlier, but still well above a level that would signal recession.

The **ratio of the coincident index to lagging index** – itself a leading indicator – has been even weaker recently. The ratio increased by 0.1% in September after falling in six out of the previous ten months. The ratio has had a long lead time at business cycle peaks in the past. The recent pattern is consistent with the current slow pace of economic growth, but not necessarily with a near-term recession, particularly in context with other leading indicators.



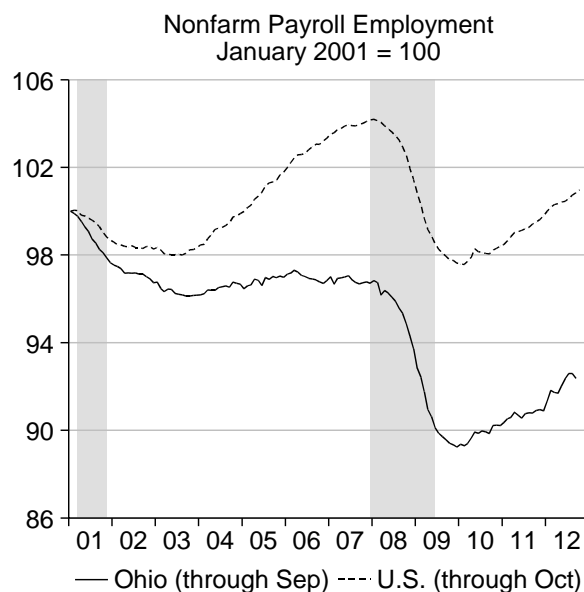


Despite slow growth at the national level over the summer, the Ohio economy continued to make progress through September. The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased 0.2% in September for the 35th increase in a row. The 12-month rate of change was 5.6% in September – up from a recent low of 3.1% last October and the highest since January 1998. The index combines four state-level indicators to summarize current economic conditions. The four components are nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and real wage and salary disbursements.

The companion **Ohio Leading Economic Index** rebounded to 2.5% in September, up from 1.1% in July and 1.4% in August. The index, which is compiled by the Federal Reserve Bank of Philadelphia, is designed to predict the rate of increase in the coincident index during the next six months. The index exceeded 3.0% in both May and June. Index values have been revised significantly on occasion, but as it stands the recent pattern is consistent with ongoing expansion of the Ohio economy through the fall and winter.

Employment

Nonfarm payroll employment increased by 171,000 jobs in October, and the August and September increases were revised higher by a total of 84,000 jobs. Employment growth has averaged 173,000 jobs per month during the last four months, compared with an average gain of just 86,000 during the four months before that. In combination with the upward revisions to employment growth in previous months, the October report indicates that the economy continued to expand through the summer and into the fall.



The **unemployment rate** ticked up from 7.8% in September to 7.9% in October, near the year-to-date average of 8.1% and reflecting a large influx of workers into the labor force in search of jobs. The broadest official measure of unemployment, which includes unemployed people who have given up searching for a job because they have been unable to find one and people who are working part-time because they cannot find a full-time job, edged down to 14.6% from 14.7% in September. The **median duration of unemployment** increased from 18.5 weeks in September to 19.6 weeks in October. It peaked at a record 25.0 weeks in June 2010, but had fallen to 16.7 weeks in July.

The **length of the workweek** slipped by 0.1 hours overall and was unchanged in manufacturing during October. As a result, **aggregate hours worked** declined marginally. **Average hourly earnings** slipped slightly for the second of the most recent three months to 1.1% above the year earlier level, compared with inflation of 2.0% during the twelve months ending in September.

Most major sectors posted gains in employment, led by professional and business services (+51,000), trade, transportation and utilities (+45,000), leisure and hospitality (+28,000) and education and health services (+25,000). Construction employment increased by 17,000 jobs and manufacturing increased by 13,000 jobs. Temporary help employment, which is viewed as somewhat of a leading indicator of total employment and is included in professional and business services, increased by 14,000 jobs. The only major sector posting a loss was government (-13,000).

Ohio nonfarm employment decreased by 12,800 jobs in September, but the August change that was originally reported as a 2,000 decrease was revised up to a gain of 400 jobs and the year-to-date increase was a healthy 82,900 jobs. The Ohio unemployment rate decreased to 7.0% in September after spending three months at 7.2%. The Ohio rate is down from 7.9% last December and 8.8% in August 2011 and 0.8 percentage points below the national unemployment rate.

Month-to-month changes in Ohio employment across sectors were skewed toward losses during September. Increases were led by professional and business services (+1,500), information (+300), and trade, transportation and utilities (+100). Declines were concentrated in manufacturing (-6,400), education and health services (-3,900), construction (-1,700), and government (-1,400). The decline in manufacturing employment occurred after three monthly gains totaling 12,100 jobs. Private sector employment decreased by 11,400 jobs after an upwardly revised loss of 400 jobs in August.

During the twelve months ending in September, Ohio employment gains were concentrated in educational and health services (+21,900), trade, transportation and utilities (+19,700), manufacturing (+16,300), and professional and business services (+15,200). Employment declined by 6,400 jobs in government. Private sector employment increased by 95,100 jobs, or 2.2%, during the last twelve months.

Among the **contiguous states**, year-over-year employment growth was strongest in Kentucky (+2.6%), Indiana (+2.3%), and Ohio (+1.7%), followed by Michigan (+1.0%) and Pennsylvania

(+0.7%). Employment decreased 1.3% in West Virginia. Year-over-year growth in manufacturing was a strong 2.5% in Ohio. Among the contiguous states, manufacturing employment increased 4.2% in Indiana, 3.4% in Michigan, 2.5% in Kentucky and 0.8% in Pennsylvania and decreased 5.0% in West Virginia. Also contributing to the decline in total employment in West Virginia was a large decline in mining and logging employment.

For the Ohio and contiguous state region, employment increased 1.3% during the year ending in September, compared with a 1.4% increase outside the region. Growth in regional employment has outpaced growth outside the region since the trough in employment in February 2010 by 3.6% for Ohio and contiguous states to 3.2% for all other states.

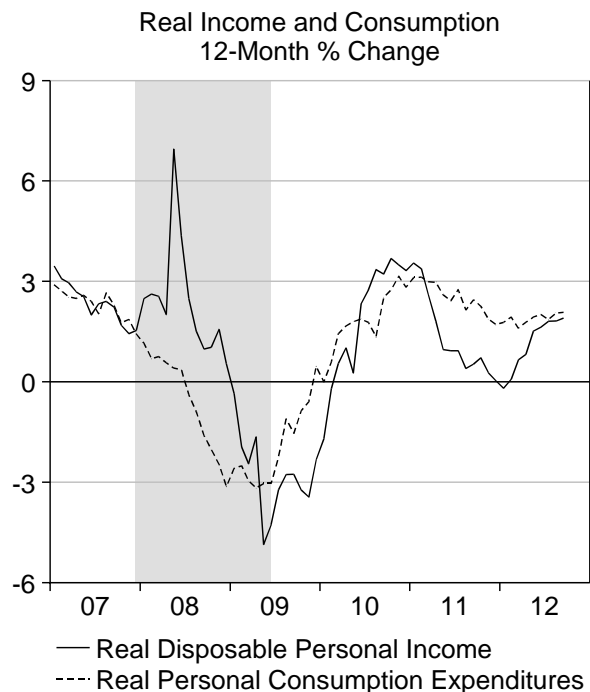
Consumer Income and Consumption

Personal income increased 0.4% in September following gains of 0.1% in August and 0.2% in July. **Personal consumption expenditures** increased 0.8% on top of a 0.5% increase in August, pulling down the **saving rate** for a third straight month to 3.3%. The saving rate had increased to more than twice the current level during the depths of the 2007-09 recession.

On balance since January, income growth has increased both in absolute terms and relative to spending growth. For example, year-over-year growth in real disposable personal income increased from -0.2% in January to 1.9% in September while growth in real personal consumption expenditures increased only modestly during the period from 1.8% to 2.1%.

The three-straight monthly increases in consumption during July-September mark a shift from the flat pattern during April-June. Rising auto sales contributed to the August and September spending increases. Unit auto sales increased from 14.0 million units in July to 14.5 million units in August and to 14.9 million units in September – the highest annualized sales rate since March 2008. Auto sales fell in October to 14.2 million units.

Consumer spending appears to have picked up in October, with Chain store sales growing by 2.1%, according to the International Council of Shopping Centers. A drop in chain store sales in September, however, did not translate into weak total consumer spending. Compared with a year earlier, chain store sales were up 4.4%. Better job growth and a notable decline in gasoline prices recently have contributed positively to spending. The price of regular gasoline in Ohio fell to \$3.305 per gallon in the week of November 5th, down 14.4% from \$3.862 per gallon during the week of September 17th.

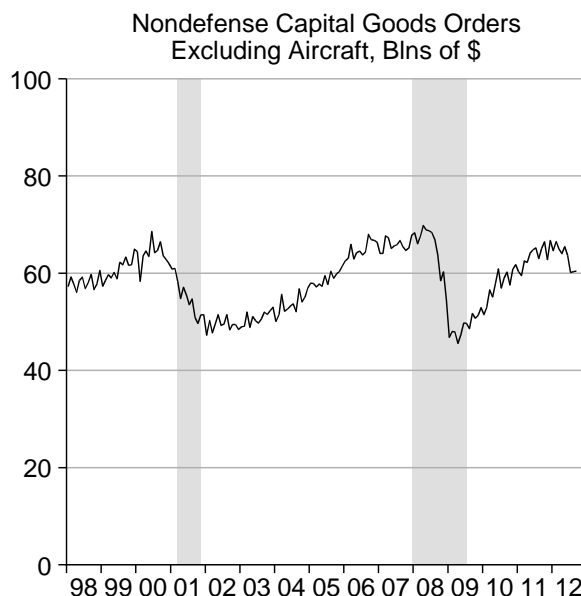


Measures of **consumer confidence** were positive again in October. The Conference Board index continued to rebound from its lowest level since last November, reflecting better views of both current and future conditions. The University of Michigan index increased by more than four points for the second month in a row, reflecting a large improvement in the assessment of future conditions. The Conference Board index posted similar gains. Even so, while above the average levels observed during periods of recession, both measures are still well below average levels observed during periods of expansion.

Manufacturing

Industrial production increased 0.4% in September after a downwardly revised 1.4% decline in August and a 0.7% increase in July. Manufacturing output increased 0.2% in September, in part reflecting a second-straight monthly decline in auto production that held back overall production. Utility output rose 1.5% and mining output increased 0.9% in a partial recovery from Hurricane Isaac.

Manufacturing production was pulled down in part by a calendar-related drop in motor vehicle production. Assemblies of light vehicle production declined from 10.8 million units in July to 10.0 million units in August due to the return to a normal production schedule in August from an unusually high production level in July. Assemblies declined further to 9.4 million units in September. Utility output dropped in August as weather returned to normal after a blistering July, and recovered partially in September. Mining output fell in August due to shutdowns of offshore rigs because of Hurricane Isaac and also partially recovered in September.



Factory shipments and **new orders** rebounded in September mainly reflecting a recovery in defense and aircraft activity and continuing a string of ups and downs that stretches back much of the year. Shipments increased 0.9% after a 0.2% decrease in August for the third gain in the last six months. New orders jumped 4.8% recouping most of the 5.1% decrease in August, lifting the year-over-year change from a decline of 2.3% to an increase of 2.2%.

Across sectors, transportation orders increased 31.3% in September, almost recouping the 33.7% decrease in August. Total durable goods orders increased 9.8% after a 13.1% decrease in August. Nondefense capital goods orders increased 23.9% after a 23.9% decline in August. Cutting through the large month-to-month swings, new orders have weakened since winter, not unlike during the 1998 currency crisis and heading into the 2001 and 2007-09 recessions.

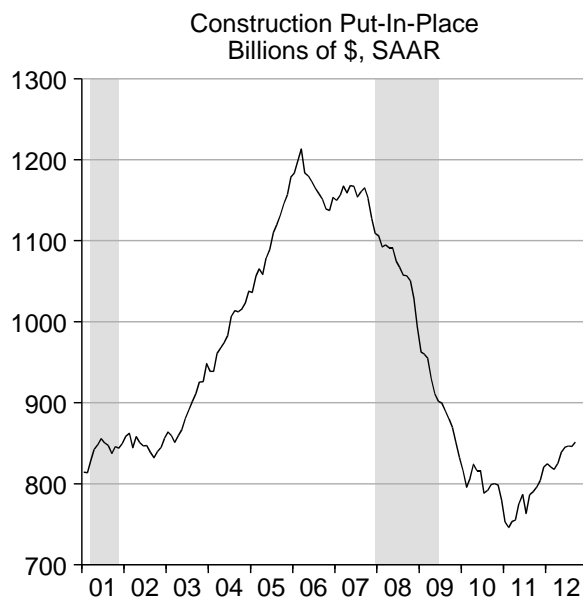
Surveys of manufacturers by the Federal Reserve Banks of New York and Philadelphia both improved in October. The New York index remained in negative territory, and the shipments index fell back below zero, but orders were less negative than in September. The Philadelphia survey bounced to positive for the first time in months, reflecting improvement across shipments, orders, and prices paid.

In combination with the improvements in regional manufacturing surveys, the October **ISM survey** of purchasing managers at manufacturing firms across the country increased for a fourth straight month to 51.7, compared with the neutral level of 50.

Construction

Total **construction put-in-place** increased 0.6% in September, and the original August change was revised up from a decline of 0.4% to a decline of 0.1%. Excluding improvements to residential properties, construction increased by 0.6%. Total construction in September was 7.8% above the year earlier level and up 14.1% from what looks increasingly with each passing month like the cycle low in March 2011, but remains 29.8% below its pre-recession peak.

Private construction increased 1.3% in September and the August change was revised up from a decline of 0.5% to an increase of 0.1%. Private residential construction increased 2.8% and August was revised up from 0.9% to 1.2%. Private non-residential construction fell by 0.1%, but here again August was revised up from a decline of 1.7% to a decline of just 0.1%.



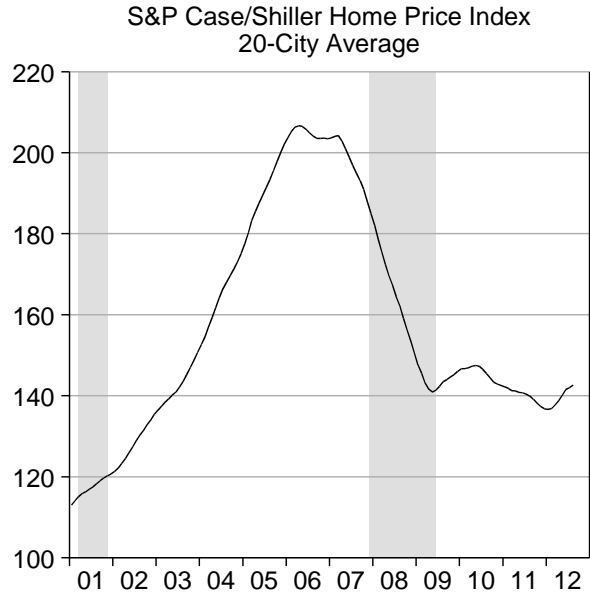
The **Architecture Billings Index** from the American Institute of Architects improved for the third month in a row in September, rising to 51.6. A level of 50.0 is neutral. The **Inquiries for New Work Index** edged slightly higher to 57.3, while the **Billings Index for the Midwest** improved but remained below neutral for the sixth-straight month.

The 3-month moving average of **housing starts** increased 5.3% in September to the highest level since October 2008. Midwest housing starts increased 13.1% on a 3-month moving average basis in September on top of an 8.2% increase in August. Despite the recent improvement, U.S. housing starts proceeded during the three months ending in September at an annual rate of about only 38.0% of the pace set in the record year of 2005. Homebuilders continue to face buyers that have high debt levels, large inventories of unoccupied houses in many markets, still-challenging labor market conditions, and expectations of little or no price appreciation.

Sales of existing homes increased 2.8% in September on a 3-month moving average basis on top of a 1.6% gain in August, which followed declines in three of the four previous months. Midwest sales increased 2.5% on a 3-month moving average basis, extending a long, unbroken

string without a decrease. **Sales of newly built homes** increased 2.6% in September on a 3-month moving average basis, after a small dip in August that ended a long string of increases. Sales of newly built homes in the Midwest decreased 11.1% in September, stalling the modest upward trend in place for about the past year.

The inventory of both new and existing homes continued to decline in September. The **inventory-to-sales ratio** for existing homes edged down to 5.9 months, well below the extreme levels of recent years and close to the normal level of 4 months to 5 months. The inventory of newly built homes decreased to 4.5 months – well below extremes reached in recent years and close to the historical norm.



Home prices posted a seventh straight increase in August, according to the S&P/Case-Shiller 20-city composite home price index. The index increased 0.5% in August, lifting the total increase since the cyclical low point reached in January to 4.4%. The index was still down 30.9% from the all-time peak reached in April 2006. Home prices in Cleveland increased 0.3% in August after a 0.4% decline in July, which followed four straight monthly increases. Cleveland home prices are up 2.4% from the low point, but remain 19.3% below the peak reached in January 2006.

REVENUES

October **GRF receipts totaled \$2,333.3 million** and were \$33.9 million (1.4%) below the estimate. Monthly tax receipts totaled \$1,690.0 million and were \$12.8 million (0.8%) above the estimate, while non-tax receipts totaled \$630.2 million and were \$46.7 million (6.9%) below the estimate. Transfers totaled \$13.0 million and met the estimate. Year-to-date variances by category are provided in the following table (\$ in millions).

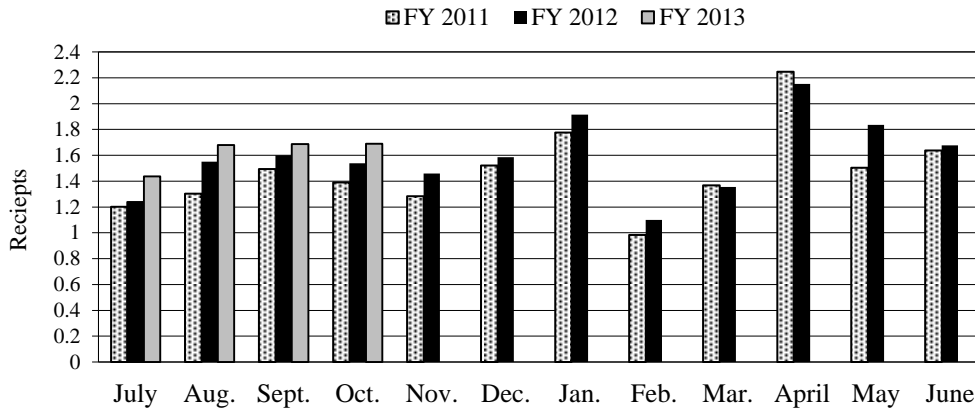
Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, soft drink, alcoholic beverage, liquor gallonage, estate & horse racing	\$77.7 million	1.2%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$150.9 million)	(5.0%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$3.7 million	6.6%
TOTAL REVENUE VARIANCE:		(\$69.5 million)	(0.7%)

October tax receipts totaled \$1,690.0 million and exceeded the estimate by \$12.8 million (0.8%). On a year-over-year basis, monthly receipts were \$150.6 million (9.8%) higher than they were in October 2011, with the largest contributions to this year-over-year growth attributable to the sales tax (both auto and non-auto), personal income tax, commercial activity tax, and estate tax.

GRF Revenue Sources Relative to Monthly Estimates - October 2012
(\$ in millions)

<u>Individual Sources Above Estimate</u>		<u>Individual Sources Below Estimate</u>	
Auto Sales Tax	\$6.0	Non-Auto Sales Tax	(\$25.9)
Corporate Franchise Tax	\$9.5	Personal Income Tax	(\$17.6)
Foreign Insurance Tax	\$5.7	Kilowatt Hour Tax	(\$1.9)
Estate Tax	\$36.6	Alcoholic Beverage Tax	(\$1.2)
Other Sources Above Estimate	\$2.8	Federal Grants	(\$45.5)
		Other Income	(\$1.5)
		Other Sources Below Estimate	(\$0.8)
Total above	\$60.6	Total below	(\$94.5)

Tax Revenue Comparison by Month
(\$ in billions)



Non-Auto Sales and Use Tax

October non-auto sales tax receipts totaled \$576.0 million and were \$25.9 million (4.3%) below estimate. The monthly shortfall was the result of a delay of a \$22.0 million payment expected in October that will instead be received in November. Thus, November receipts should be over the estimate by \$22.0 million, if all other revenues come in on target. As a result of the October variance, this tax source is now \$41.4 million (1.7%) below the year-to-date estimate. On a year-over-year basis, October 2012 receipts were \$12.2 million (2.2%) above those of October 2011, while fiscal year 2013 year-to-date receipts are \$105.4 million (4.6%) higher than those at the same point in fiscal year 2012. Due to large swings in the performance of this tax during the first few months of the fiscal year, OBM will closely monitor the performance of this tax source in the coming months.

Auto Sales Tax

Reflecting stronger than expected unit sales, October auto sales tax receipts totaled \$94.1 million and were \$6.0 million (6.8%) above the estimate. Year-to-date total collections are now \$5.3 million (1.4%) above the estimate. On a year-over-year basis, October 2012 receipts were \$17.9 million (23.4%) higher than those of October 2011, and fiscal year 2013 year-to-date receipts are \$25.5 million (7.3%) higher than at the same point in the previous fiscal year.

Personal Income Tax

October personal income tax receipts totaled \$681.7 million and were \$17.6 million (2.5%) below the estimate. The shortfall was mainly in the withholding component of the tax, which totaled \$663.0 million and was \$12.5 million (1.8%) below the estimate. Higher-than-expected refunds (\$10.8 million, 25.2%) and local government distributions (\$1.8 million, 6.1%) added to the monthly shortfall. Among the components with a positive variance, quarterly estimated

payments were \$4.4 million (21.3%) above the estimate, while miscellaneous receipts were \$4.2 million (42.3%) above the estimate.

On a year-over-year basis, personal income tax receipts for the month of October were \$56.0 million (8.9%) above the October 2011 level. The withholding component was the chief contributor towards this year-over-year growth and was \$41.1 million (6.6%) higher than the same month in the previous fiscal year. Much of this growth, however, was due to October having two more processing days than the same month last year. Further contributing were reductions in distributions to the local government fund that were \$18.1 million (36.2%) lower than those of October 2011 as a result of changes contained in H.B. 153.

Despite the negative variance in October, year-to-date, personal income tax receipts for fiscal year 2013 are still \$26.3 million (0.9%) above estimate and \$234.0 million (9.1%) higher than those at the same point in fiscal year 2012.

FY2013 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	OCT	OCT	OCT	Y-T-D	Y-T-D	Y-T-D
Withholding	\$675.5	\$663.0	(\$12.5)	\$2,549.7	\$2,563.5	\$13.8
Quarterly Est.	\$20.7	\$25.1	\$4.4	\$316.5	\$337.0	\$20.5
Trust Payments	\$1.0	\$1.5	\$0.5	\$8.6	\$14.2	\$5.6
Annual Returns & 40 P	\$65.0	\$63.4	(\$1.6)	\$111.9	\$109.6	(\$2.3)
Other	\$10.0	\$14.2	\$4.2	\$30.7	\$36.8	\$6.1
Less: Refunds	(\$42.9)	(\$53.7)	(\$10.8)	(\$116.0)	(\$129.7)	(\$13.7)
Local Distr.	(\$30.0)	(\$31.8)	(\$1.8)	(\$110.7)	(\$114.5)	(\$3.8)
Net to GRF	\$699.3	\$681.7	(\$17.6)	\$2,790.7	\$2,817.0	\$26.3

Corporate Franchise Tax

Corporate franchise tax receipts for the month of October totaled \$16.5 million, and were \$9.5 million (135.8%) above the estimate. Unlike in September when a large prior year audit settlement boosted that month's receipts, the overage in October is attributable in part to late payments of taxable year 2011 taxes, since final extension returns were due in October. Year-to-date, corporate franchise tax receipts for first four months of fiscal year 2013 were \$61.2 million above the year-to-date estimate and were \$54.6 million higher than those at the same point in fiscal year 2012.

Commercial Activity Tax

October Commercial Activity Tax (CAT) receipts to the GRF totaled \$22.6 million and were \$0.4 million (1.8%) above the monthly estimate. On a year-over-year basis, GRF CAT receipts were \$12.0 million (112.9%) higher than for those of October 2011, largely due to provisions contained in H.B. 153 that modified the distribution of CAT receipts, with the portion of total receipts being allocated to the GRF increasing from 25.0 percent in fiscal year 2012 to 50.0

percent in fiscal year 2013. All-funds CAT receipts for October totaled \$50.4 million and were \$5.6 million (12.5%) above the \$44.8 million estimate. On a year-to-date basis, total GRF CAT receipts total \$225.2 million and are \$0.2 million (0.1%) above estimate, while all-funds CAT receipts are \$459.7 million and are \$6.0 million (1.3%) above the estimate of \$453.7 million.

Kilowatt-Hour Tax

October receipts for the kilowatt hour tax totaled \$25.6 million and were \$1.9 million (7.0%) below the estimate, bringing the year-to-date total to \$9.0 million (7.2%) below estimate. Earlier in the calendar year, the shortfall experienced in this tax source was largely the result of a milder-than-expected winter, though the shortfall following increased demand due to a warmer-than-usual summer is unexpected. OBM will continue to monitor this tax source in the coming months. On a year-over-year basis, this tax source was essentially equal to the October 2011 level, while year-to-date fiscal year 2013 receipts are \$2.0 million (1.8%) higher than those at the same point in the previous fiscal year.

Foreign Insurance Tax

October receipts for the foreign insurance tax totaled \$136.8 million and were \$5.7 million (4.3%) above the estimate. Year-to-date, this tax source is \$3.7 million (2.7%) above the estimate. On a year-over-year basis, October 2012 receipts were \$9.4 million (7.4%) above those of October 2011, while year-to-date fiscal year 2013 receipts are \$7.3 million (5.4%) above than the same point in the previous fiscal year.

Cigarette Tax

October cigarette tax receipts totaled \$72.5 million and were \$0.8 million (1.1%) above the estimate. Year-to-date, this tax source is \$2.9 million (1.2%) below the estimate. On a year-over-year basis, October 2012 cigarette tax receipts were \$9.5 million (15.0%) higher than those of October 2011, while year-to-date fiscal year 2013 receipts are \$3.5 million (1.5%) lower than the same point in the previous fiscal year, a decline that is below the 3.0 percent decline we have seen with this tax source in recent years.

Estate Tax

Offsetting the weaker-than-estimated performance in the non-auto sales and personal income taxes was the estate tax, which during the month of October totaled \$54.8 million and was \$36.6 million (201.1%) above estimate. While a portion of this variance was due to certain counties submitting payments for the first half of the fiscal year earlier than expected (October instead of November and December) most of the variance was due to a combination of growth in the size of estates settled, as well as significant unexpected growth in the payments received from one county. For the year-to-date, receipts now exceed the estimate by \$35.0 million (162.2%), with year over-year-growth of \$30.3 million (114.7%). While we now expect the tax to be below estimate in November and December due to the previously mentioned earlier-than-expected payments, the tax should end the first half of the fiscal year well above estimate.

GRF non-tax receipts totaled \$630.2 million in October and were \$46.7 million (6.9%) below the estimate. This is largely the result of lower-than-anticipated federal grants tied in part to timing of the receipt of federal reimbursement and lower-than-expected Medicaid spending. For the year to date, non-tax receipts are \$150.9 million below estimates with federal grants again being the major factor. **GRF transfers** during the month of October were \$13.0 million and met the estimate.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2013 VS ESTIMATE FY 2013
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	ACTUAL OCTOBER	ESTIMATE OCTOBER	\$ VAR	% VAR	ACTUAL Y-T-D	ESTIMATE Y-T-D	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	575,980	601,900	(25,920)	-4.3%	2,387,430	2,428,800	(41,370)	-1.7%
Auto Sales & Use	94,120	88,100	6,020	6.8%	376,907	371,600	5,307	1.4%
Subtotal Sales & Use	670,100	690,000	(19,900)	-2.9%	2,764,337	2,800,400	(36,063)	-1.3%
Personal Income	681,650	699,286	(17,635)	-2.5%	2,816,981	2,790,705	26,276	0.9%
Corporate Franchise	16,507	7,000	9,507	135.8%	63,208	2,000	61,208	-3060.4%
Commercial Activity Tax	22,594	22,200	394	1.8%	225,198	224,900	298	0.1%
Public Utility	2,003	1,900	103	5.4%	27,063	29,700	(2,637)	-8.9%
Kilowatt Hour	25,571	27,500	(1,929)	-7.0%	116,285	125,300	(9,015)	-7.2%
MCF Tax	486	500	(14)	-2.9%	10,702	13,700	(2,998)	-21.9%
Foreign Insurance	136,760	131,100	5,660	4.3%	141,078	137,400	3,678	2.7%
Domestic Insurance	0	(400)	400	N/A	4,753	(500)	5,253	1050.6%
Other Business & Property	0	0	0	N/A	216	(1,200)	1,416	118.0%
Cigarette	72,503	71,700	803	1.1%	234,579	237,500	(2,921)	-1.2%
Alcoholic Beverage	3,929	5,100	(1,171)	-23.0%	19,127	21,100	(1,973)	-9.4%
Liquor Gallonage	3,148	3,200	(52)	-1.6%	13,488	13,300	188	1.4%
Estate	54,798	18,200	36,598	201.1%	56,625	21,600	35,025	162.2%
Total Tax Receipts	1,690,049	1,677,286	12,764	0.8%	6,493,640	6,415,905	77,735	1.2%
NON-TAX RECEIPTS								
Federal Grants	626,100	671,636	(45,536)	-6.8%	2,822,200	2,962,660	(140,460)	-4.7%
Earnings on Investments	2,267	1,500	767	51.1%	2,267	1,500	767	51.1%
License & Fees	665	1,412	(747)	-52.9%	10,476	11,463	(986)	-8.6%
Other Income	803	2,289	(1,486)	-64.9%	3,240	11,488	(8,248)	-71.8%
ISTV'S	388	61	327	539.1%	409	2,409	(2,000)	-83.0%
Total Non-Tax Receipts	630,222	676,898	(46,676)	-6.9%	2,838,592	2,989,520	(150,928)	-5.0%
TOTAL REVENUES	2,320,271	2,354,183	(33,912)	-1.4%	9,332,232	9,405,425	(73,192)	-0.8%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	13,000	13,000	0	0.0%	51,000	51,000	0	0.0%
Transfers In - Other	0	0	0	N/A	8,872	5,166	3,706	71.7%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	13,000	13,000	0	0.0%	59,872	56,166	3,706	6.6%
TOTAL SOURCES	2,333,271	2,367,183	(33,912)	-1.4%	9,392,104	9,461,591	(69,487)	-0.7%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2013 VS ACTUAL FY 2012
(\$ in thousands)

REVENUE SOURCE	MONTH				YEAR-TO-DATE			
	OCTOBER FY 2013	OCTOBER FY 2012	\$ VAR	% VAR	ACTUAL FY 2013	ACTUAL FY 2012	\$ VAR	% VAR
TAX RECEIPTS								
Non-Auto Sales & Use	575,980	563,752	12,229	2.2%	2,387,430	2,281,992	105,438	4.6%
Auto Sales & Use	94,120	76,242	17,878	23.4%	376,907	351,388	25,519	7.3%
Subtotal Sales & Use	670,100	639,993	30,107	4.7%	2,764,337	2,633,380	130,957	5.0%
Personal Income	681,650	625,671	55,980	8.9%	2,816,981	2,582,949	234,032	9.1%
Corporate Franchise	16,507	12,890	3,617	28.1%	63,208	8,602	54,606	634.8%
Commercial Activity Tax	22,594	10,614	11,979	112.9%	225,198	107,588	117,610	109.3%
Public Utility	2,003	1,985	18	0.9%	27,063	35,157	(8,094)	-23.0%
Kilowatt Hour	25,571	25,637	(66)	-0.3%	116,285	114,198	2,087	1.8%
MCF Tax	486	483	2	0.5%	10,702	13,710	(3,008)	-21.9%
Foreign Insurance	136,760	127,325	9,436	7.4%	141,078	133,794	7,284	5.4%
Domestic Insurance	0	20	(20)	N/A	4,753	58	4,695	N/A
Other Business & Property	0	5	(5)	N/A	216	(1,788)	2,004	112.1%
Cigarette	72,503	63,041	9,462	15.0%	234,579	238,053	(3,475)	-1.5%
Alcoholic Beverage	3,929	5,150	(1,220)	-23.7%	19,127	20,921	(1,794)	-8.6%
Liquor Gallonage	3,148	3,239	(91)	-2.8%	13,488	13,132	356	2.7%
Estate	54,798	23,411	31,387	134.1%	56,625	26,370	30,255	114.7%
Total Tax Receipts	1,690,049	1,539,464	150,585	9.8%	6,493,640	5,926,125	567,515	9.6%
NON-TAX RECEIPTS								
Federal Grants	626,100	670,421	(44,321)	-6.6%	2,822,200	2,805,459	16,741	0.6%
Earnings on Investments	2,267	1,186	1,081	91.1%	2,267	1,186	1,081	91.1%
License & Fee	665	1,527	(862)	-56.5%	10,476	13,401	(2,925)	-21.8%
Other Income	803	1,484	(681)	-45.9%	3,240	4,898	(1,659)	-33.9%
ISTV'S	388	104	284	272.7%	409	4,132	(3,722)	-90.1%
Total Non-Tax Receipts	630,222	674,722	(44,500)	-6.6%	2,838,592	2,829,076	9,516	0.3%
TOTAL REVENUES	2,320,271	2,214,186	106,085	4.8%	9,332,232	8,755,201	577,031	6.6%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	13,000	0	13,000	N/A	51,000	35,000	16,000	45.7%
Transfers In - Other	0	0	0	N/A	8,872	47,990	(39,118)	-81.5%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	13,000	0	13,000	N/A	59,872	82,990	(23,118)	-27.9%
TOTAL SOURCES	2,333,271	2,214,186	119,085	5.4%	9,392,104	8,838,191	553,913	6.3%

DISBURSEMENTS

October 2012 GRF disbursements, across all fund uses, totaled \$2,635.0 million and were \$88.9 million (3.3%) below estimate. On a year-over-year basis, disbursements for October 2012 were \$19.8 million (0.8%) higher than those of October 2011. Year-to-date disbursements by category are provided in the table below:

Category	Description	YTD Variance	% Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	(\$247.6 million)	(2.3%)
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$13.1 million	4.2%
TOTAL DISBURSEMENTS VARIANCE:		(\$234.5million)	(2.1%)

GRF disbursements are reported according to functional categories. This section contains information describing spending and variances within each of these categories.

Primary, Secondary and Other Education

This category includes expenditures made by the Department of Education, the eTech Ohio Commission, the Ohio State School for the Blind, and the Ohio School for the Deaf. October disbursements in this category totaled \$577.9 million and were \$26.3 million (4.8%) above the estimate. Year-to-date disbursements are \$58.9 million (2.4%) below the estimate.

October disbursements for the Department of Education alone totaled \$572.7 million and were \$28.0 million (5.1%) above the estimate. Expenditures for the school foundation program totaled \$545.3 million and were \$29.3 million (5.7%) above the estimate. The variance in the foundation funding line item is due to normal fluctuations between actual Average Daily Membership (ADM) and estimated ADM for the month. Additionally, foundation payments to school districts out of prior year encumbrances, which correct for a normal fluctuation in student enrollment, were disbursed in October. These payments were originally planned for disbursement in August and September, which resulted in lower-than-projected disbursements in those months and higher than estimated disbursements in October.

Higher Education

October disbursements for Higher Education totaled \$174.9 million and were \$4.1 million (2.3%) below the estimate. Year-to-date disbursements are \$725.2 million which is \$4.7 million (0.6%) below the estimate. On a year-over-year basis, disbursements in this category were \$0.4 million (0.2%) lower than for the same month in the previous fiscal year, while year-to-date expenditures are \$13.5 million (1.9%) higher than at the same point in fiscal year 2012.

Public Assistance and Medicaid

October disbursements in this category, which include all GRF expenditures by the Ohio Department of Job and Family Services (ODJFS), totaled \$1,202.4 million and were \$75.0 million (5.9%) below the estimate. Fiscal year-to-date expenditures are \$4,915.3 million which is \$165.5 million (3.3%) below estimate.

Public Assistance and Non-Medicaid

ODJFS, Non-Medicaid, General Revenue Fund (GRF) disbursements totaled \$103.4 million for the month of October and were \$28.7 million (21.7%) below the estimate. Major monthly variances were attributable to the following:

- Child Care State/Maintenance of Effort (ALI 600413) disbursements were \$13.4 million (29.6%) below estimate. This was due to child care expenses being more heavily funded with Child Care Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) federal grants than expected for the month. This will impact future line item disbursements as the agency expects to fully expend this line item in order to meet state Maintenance of Effort (MOE) requirements.
- TANF State/Maintenance of Effort (ALI 600410) subsidy disbursements were \$11.7 million (44.6%) below estimate. This was primarily attributable to quarterly county TANF administrative expenses not made in the line item as originally projected. ODJFS anticipates the adjustment to be processed during the month of December.
- Early Care and Education (ALI 600535) disbursements were \$3.0 million (33.8%) below estimate. This was due to child care expenses being more heavily funded with the CCDF and TANF federal grants than expected for the month. As with ALI 600413, this will impact future line item disbursements as the agency expects to fully expend this line item in order to meet state MOE requirements.
- Information Technology Projects (ALI 600416) disbursements were \$2.1 million (22.0%) below estimate due to prior year encumbrance payments not being made during the month as expected.
- Program Support (ALI 600321) disbursements were \$2.0 million (23.18%) above estimate, partly due to higher than estimated postage costs.
- Child Support – Local (ALI 600502) subsidy disbursements were \$1.8 million (77.2%) above estimate due to higher-than-expected child support allocation requests made within the line item for the month.
- Family Assistance - Local (ALI 600521) county subsidy expenditures were \$1.6 million (27.0%) above estimate due to higher-than-estimated county Income Maintenance allocations requests.

Medicaid

This sub-category includes expenditures by the Department of Job and Family Services for Medicaid services contained primarily in the 600525 line item. Please note that administrative costs related to the ODJFS program are included in the previous sub-category.

Expenditures

GRF disbursements year-to-date for the ODJFS portion of the Medicaid program are \$4,647.9 million, which is \$115.3 million (2.4%) below estimate and \$111.2 million (2.5%) above the same point in the previous fiscal year. Disbursements in October totaled \$1,099.1 million and were \$49.2 million (4.3%) below the estimate and \$60.9 million (5.3%) below disbursements in October 2011. The categorical variances which contributed to the overall variance are discussed below.

All funds year-to-date disbursements equal \$5,006.3 million and are \$120.8 million (2.4%) below the estimate and \$104.8 million (2.1%) above the same point in the previous fiscal year. All funds disbursements for the month of October totaled \$1,305.0 million and were \$49.1 million (3.6%) below the estimate and \$58.4 (4.3%) below disbursements in October 2011.

The chart below shows the current month's disbursement variance by funding source:

	October Projection	October Actual	Variance	Variance %
GRF	\$ 1,148,339,511	\$ 1,099,103,304	\$ (49,236,207)	-4.3%
Non-GRF	\$ 205,694,364	\$ 205,847,673	\$ 153,309	0.1%
All Funds	\$ 1,354,033,875	\$ 1,304,950,977	\$ (49,082,898)	-3.6%

Categorical Variances

Managed Care ABD and CFC – The \$28.2 million negative variance within managed care ABD accounts for much of the total monthly underspend. The ABD category saw a lower caseload in October than previously expected. The underspend in the CFC category is driven by lower-than-expected capitation payments, delivery payments, and caseload.

Department of Aging Waivers – Another negative variance was observed in the Aging Waivers category. In October, PACE and PASSPORT/Choices experienced lower-than-expected caseload volume. In addition, the service cost per consumer enrolled in PASSORT/Choices was lower than projected.

Hospitals – The monthly disbursement estimate had assumed spending above trend for payments remaining following the implementation of MITS in August 2011. Thus far, the increase in payments has not been realized, which helps to drive the \$8.6 million negative variance observed within the hospital category.

Caseload

Total October enrollment across all categories was 2.43 million. The most significant components are the Covered Families and Children (CFC) category, which decreased by 32,651 persons to an October total of 1.79 million persons, and the Aged, Blind and Disabled (ABD) category, which decreased by 4,331 people to an October total of 378.9 thousand covered lives.

Total enrollment across all categories for the same period last year was 2.18 million covered persons, including 1.66 million persons in the CFC category and 405.3 thousand people in the ABD category. Please note that these data are subject to revision.

Health and Human Services

This category includes GRF expenditures for the following state agencies: Health, Aging, Mental Health, Developmental Disabilities, and ODADAS. Examples of expenditures in this category include: administration of the state's psychiatric hospitals; operating subsidies to county boards of developmental disabilities; 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.

October disbursements in this category totaled \$103.5 million and were \$8.2 million (7.3%) below the monthly estimate. On a year-over-year basis, this category was \$7.4 million (7.7%) lower than the same month in the previous fiscal year. Year-to-date disbursements are \$16.9 million (4.3%) below the estimate.

Department of Health

Year-to-date expenditures for the Department of Health are \$29.2 million which is \$19.7 million (40.3%) below the estimate. October 2012 disbursements totaled \$7.5 million and were \$9.3 million (55.3%) below the estimate. Major monthly variances within individual line items were attributable to the following:

- Immunizations disbursements were \$6.2 million below estimate due to a large planned purchase that was not completed on time. Currently, contracts are being processed, and this expense will be reflected in November.
- AIDS Prevention and Treatment disbursements were \$2.7 million below estimate because ODH has relied less on GRF funding and more on federal sources and rebate moneys than originally estimated. This line item will be fully expended by the end of the fiscal year.
- Help Me Grow disbursements were \$0.3 million below estimate in October as a result of subsidy payments being completed earlier than projected.

Department of Aging

Year-to-date expenditures for the Department of Aging are \$4.5 million which is \$0.2 million (4.2%) below the estimate. October 2012 disbursements totaled \$1.8 million and were \$0.3 million (14.4%) below the estimate. This is primarily attributable to a \$0.1 million contract in the Senior Volunteers disbursements already paid in August but originally planned for October. The remaining under-spending is mostly in the maintenance category for open purchase orders that have been encumbered but not yet disbursed.

Department of Mental Health

Year-to-date expenditures for the Department of Mental Health are \$124.9 million which is \$9.1 million (6.8%) below the estimate. October disbursements totaled \$27.9 million and were \$5.9

million (17.5%) below the estimate. The variance is primarily attributable to the following factors:

- Expenditures within the Hospital Service and Central Administration line items were respectively \$6.0 million (39.5%) and \$0.5 million (34.0%) below estimate due to payroll timing. Payroll journals for the November 2nd payroll were created on October 27th and would normally post on October 30th or 31st. Due to delays in processing of federal cash requests as a result of Hurricane Sandy these journals did not post until November 2nd.
- Family and Children First disbursements were \$0.4 million (65.6%) below estimate as a result of certain applicants requesting and receiving their awards earlier than anticipated. Funds that were expected to go out in September and October were instead disbursed in August.
- Expenditures within the Local Mental Health Systems of Care line item were \$1.0 million (6.5%) over estimate as a portion of the collaborative funds allocated to the mental health boards were sent out on a different schedule than originally planned. Per the new collaborative payment schedule, funds originally intended to be disbursed in January 2013 were instead expended in October. Accordingly, no payments will be made in January.

Department of Developmental Disabilities

Year-to-date expenditures for the Department of Developmental Disabilities are \$188.8 million, which is \$2.4 million (1.2%) below the estimate. October disbursements for the department totaled \$53.8 million and were \$0.8 million (1.5%) above the estimate. The variance is primarily attributable to greater-than-anticipated spending in the Medicaid State Match line item, which was \$1.0 million (2.6%) above the estimate as a result of higher-than-anticipated Transitions Waiver and ICF/IID expenditures. Note that because ICF/IID expenditures in July were lower than anticipated, as a whole, Medicaid State Match disbursements are below estimate for the year by nearly \$1.0 million (0.7%). Additionally, the Central Administration line item was below estimate by \$0.9 million (18.2%) due to payroll posting on the last day of the month. Due to timing, the corrective journal was not posted until the beginning of November. Lastly, spending within the Screening and Early Intervention line item was below estimate by \$75,000 (100%); this funding is for a new program that did not get started as quickly as originally planned.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Correction and Department of Youth Services. During the month of October, disbursements in this category totaled \$164.5 million and were \$7.0 million (4.4%) above the estimate. On a year-over-year basis, this category was \$42.6 million (20.6%) below the same month in the previous fiscal year. This variance is primarily the result of three pay periods in October 2011 rather than two in October 2012. Year-to-date disbursements are \$16.3 million (2.1%) below the estimate.

Department of Rehabilitation and Correction

Department of Rehabilitation and Correction disbursements totaled \$134.4 million in October and were \$8.5 million (6.8%) above the estimate. This variance was the result of encumbrances being paid later than expected due to a delay in the delivery of institutional security equipment and vehicles, particularly in the main Institutional Operations and Medical Services lines.

Department of Youth Services

Department of Youth Services disbursements totaled \$14.3 million in October and were \$0.5 million (3.3%) above the estimate. This variance was largely the result of Behavioral Health Juvenile Justice payments anticipated in September being paid in October.

General Government

October disbursements for the General Government category totaled \$12.2 million and were \$7.8 million (38.9%) below the estimate. On a year-over-year basis, this category was \$4.1 million (25.1%) lower than the same month in the previous fiscal year. Year-to-date disbursements are \$18.3 million (11.5%) below the estimate.

Department of Administrative Services

The Department of Administrative Services disbursements totaled \$0.5 million during the month of October and were \$5.2 million (91.9%) below the estimate. This occurred because the agency did not expend \$2.9 million in prior-year encumbrances as estimated to pay bills for services provided by DAS last fiscal year to support state agency websites, the Ohio Business Gateway, and other information technology projects sponsored by the department. Agencies have until the end of November to expend these encumbrances for goods and services received in the prior fiscal year. As a result, the department will incur these expenses in November. In addition, \$1.8 million in rent bills for GRF-supported state agencies, veterans organizations, and vacant space in state buildings managed by the department did not post in October as anticipated. The department has not yet finalized the fiscal year 2013 rates for these buildings, thereby delaying this expense.

Tax Relief and Other

Payments from the tax relief category are made to local governments and school districts to reimburse these entities for revenues foregone as a result of the 10.0 percent and 2.5 percent rollback, as well as the homestead exemption. October disbursements for tax relief totaled \$312.0 million and were \$13.6 million (4.2%) below the monthly estimate. For the year-to-date, tax relief payments total \$703.1 million and are \$42.1 million (6.4%) above estimate. While the timing of tax relief payments are dictated by when counties submit their requests and it is common for this category to have sizable monthly variances, OBM expects this category to trend closer to estimate in the months ahead.

Debt Service

Debt service disbursements in October totaled \$75.4 million, which matched the estimate. On a year-over-year basis, this category was \$32.5 million (75.9%) higher than the same month in the previous fiscal year as a result of the end of debt restructurings in fiscal year 2013. Year-to-date disbursements are \$2.8 million (0.6%) below the estimate.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2013 VS ESTIMATE FY 2013
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	OCTOBER	OCTOBER	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	577,853	551,521	26,333	4.8%	2,425,949	2,484,823	(58,874)	-2.4%
Higher Education	174,866	178,980	(4,113)	-2.3%	725,204	729,855	(4,651)	-0.6%
Public Assistance and Medicaid	1,205,432	1,280,427	(74,996)	-5.9%	4,915,279	5,080,738	(165,459)	-3.3%
Health and Human Services	103,526	111,709	(8,182)	-7.3%	376,025	392,927	(16,902)	-4.3%
Justice and Public Protection	164,670	157,704	6,966	4.4%	772,683	789,033	(16,349)	-2.1%
Environmental Protection and Natural Resources	3,925	3,782	144	3.8%	24,747	25,331	(584)	-2.3%
Transportation	619	1,576	(957)	-60.7%	2,552	4,113	(1,562)	-38.0%
General Government	12,228	20,000	(7,773)	-38.9%	141,478	159,813	(18,335)	-11.5%
Community and Economic Development	3,675	6,987	(3,312)	-47.4%	39,318	43,653	(4,335)	-9.9%
Tax Relief and Other	312,015	325,646	(13,631)	-4.2%	703,105	660,971	42,134	6.4%
Capital Outlay	0	0	0	N/A	137	0	137	N/A
Debt Service	75,400	75,402	(2)	0.0%	428,010	430,803	(2,794)	-0.6%
Total Expenditures & ISTV's	2,634,210	2,713,734	(79,524)	-2.9%	10,554,486	10,802,060	(247,574)	-2.3%
Transfers Out:								
Operating Transfer Out	834	10,236	(9,402)	-91.9%	327,208	314,098	13,110	4.2%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	834	10,236	(9,402)	N/A	327,208	314,098	13,110	4.2%
Total Fund Uses	2,635,044	2,723,970	(88,926)	-3.3%	10,881,695	11,116,159	(234,464)	-2.1%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2013 VS ACTUAL FY 2012
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	OCTOBER FY 2013	OCTOBER FY 2012	\$ VAR	% VAR	ACTUAL FY 2013	ACTUAL FY 2012	\$ VAR	% VAR
Primary, Secondary and Other Education	577,853	558,275	19,578	3.5%	2,425,949	2,451,751	(25,802)	-1.1%
Higher Education	174,866	175,266	(400)	-0.2%	725,204	711,553	13,651	1.9%
Public Assistance and Medicaid	1,205,432	1,289,364	(83,932)	-6.5%	4,915,279	4,849,333	65,946	1.4%
Health and Human Services	103,526	96,088	7,439	7.7%	376,025	451,305	(75,281)	-16.7%
Justice and Public Protection	164,670	207,314	(42,644)	-20.6%	772,683	701,685	70,998	10.1%
Environmental Protection and Natural Resources	3,925	6,665	(2,740)	-41.1%	24,747	24,241	506	2.1%
Transportation	619	2,218	(1,599)	-72.1%	2,552	3,718	(1,166)	-31.4%
General Government	12,228	16,330	(4,102)	-25.1%	141,478	125,680	15,798	12.6%
Community and Economic Development	3,675	5,643	(1,968)	-34.9%	39,318	37,293	2,025	5.4%
Tax Relief and Other	312,015	214,028	97,987	45.8%	703,105	623,577	79,528	12.8%
Capital Outlay	0	0	0	N/A	137	120	17	14.4%
Debt Service	75,400	42,864	32,536	75.9%	428,010	180,056	247,954	137.7%
Total Expenditures & ISTV's	2,634,210	2,614,054	20,156	0.8%	10,554,486	10,160,312	394,175	3.9%
Transfers Out:								
Operating Transfer Out	834	1,128	(294)	N/A	327,208	319,818	7,390	2.3%
Temporary Transfer Out	0	0	0	N/A	0	12,018	(12,018)	N/A
Total Transfers Out	834	1,128	(294)	N/A	327,208	331,836	(4,627)	-1.4%
Total Fund Uses	2,635,044	2,615,182	19,861	0.8%	10,881,695	10,492,147	389,547	3.7%

FUND BALANCE

Table 5 describes the estimated General Revenue Fund (GRF) ending fund balance for FY 2013. Based on the estimated revenue sources for FY 2013 and the estimated FY 2012 disbursements, transfers, and encumbrances, the GRF ending fund balance for FY 2013 is an estimated \$552.0 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2013 nor should it be considered as equivalent to the FY 2013 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
FISCAL YEAR 2013
(\$ in thousands)

July 1, 2012 Beginning Cash Balance	\$ 973,446
Plus FY 2013 Actual Revenues	20,443,500
Plus FY 2013 Actual Federal Revenues	8,151,329
Plus FY 2013 Actual Transfers to GRF	187,500
Total Sources Available for Expenditure & Transfer	29,755,775
Less FY 2013 Actual Disbursements	28,574,011
Less FY 2013 Actual Total Encumbrances as of June 30, 2013	236,790
Less FY 2013 Actual Transfers Out	392,981
Total Actual Uses	29,203,782
FY 2013 UNENCUMBERED ENDING FUND BALANCE*	551,993

*Note: Targeted one half of one percent year-end carryover balance is \$143.9 million

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