

STATE OF OHIO FINANCIAL STATEMENTS – SIGNIFICANT ESTIMATES

Taxes Receivable:

Prior year perspective: taxes receivable was \$1.6 billion – total primary government assets \$73.4 billion (2.2% of total assets)

Personal Income Tax (\$.45 billion)

- 88% of all collections from previous tax year are collected by June 30 (due April 15)
- Estimate collections for remaining 12% of tax filers
- Estimated quarterly assessment for current tax year due June 15; those collected in July and August are estimated
- Estimate of employer withholding for periods prior to June 30 but received later

Note: A liability is also recorded for estimated personal income tax refunds (\$.72 billion)

State Sales and Use Tax (\$.42 billion)

- Sales and use taxes collected from merchants in July and August for taxes due by June 30

Commercial Activities Tax (CAT) (\$.41 billion)

- The majority of CAT tax earned for the quarter ended June 30 is due by early August
- Collections received in July and August for CAT taxes payable as of June 30

Medicaid Claims Payable:

Prior year perspective: Medicaid claims payable was \$1.1 billion – total primary government liabilities \$48.3 billion (2.3% of total liabilities)

- The state has an obligation to pay eligible Medicaid claims for two years after services are performed
- Medicaid claims paid in July and August for prior July 1 medical services as well as an estimate of future claims after not yet received by the state.

Other Significant Estimate Notes:

Bureau of Workers' Compensation has a large benefit payable liability (\$17.8 billion) which is developed outside of the OBM financial reporting group.

The State of Ohio will have a significant pension liability to report for the June 30, 2015 financial statement as a result of GASB 67 and 68 related to government pension plans. The State will be required to record the net pension liability for the State Highway Patrol Retirement System and a portion of the Ohio Public Employees Retirement System (OPERS) net pension liability.