



OBM

January 14, 2011

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

FROM: Timothy S. Keen, Director

SUBJECT: Monthly Financial Report

This report has traditionally been prepared by the Office of Budget and Management (OBM) to comply with ORC 126.05, which in part, requires the director of OBM to each month furnish the Governor with statements showing the condition of the General Revenue Fund (GRF).

In addition to information on the condition of the GRF, the report also contains an economic summary that reviews a number of regional and national economic indicators that both contribute to an understanding of the State of Ohio's economy and impact of the state revenue receipts.

This report contains information regarding the condition of the GRF through December 31, 2010. The revenue projections, appropriations, disbursement estimates, and fund balance calculations contained in the report are based on the assumptions made at the passage of House Bill 1, the fiscal year 2010/2011 biennial operating budget bill, and subsequently revised to reflect the passage of House Bill 318 and the federal legislation which extended enhanced federal Medicaid matching funds through the end of fiscal year 2011. Please note that I have not had the opportunity to fully review and form an opinion on these assumptions. However, in order to provide you the required status of state finances under the current budget assumptions, I submit the following report for your review.

ECONOMIC SUMMARY

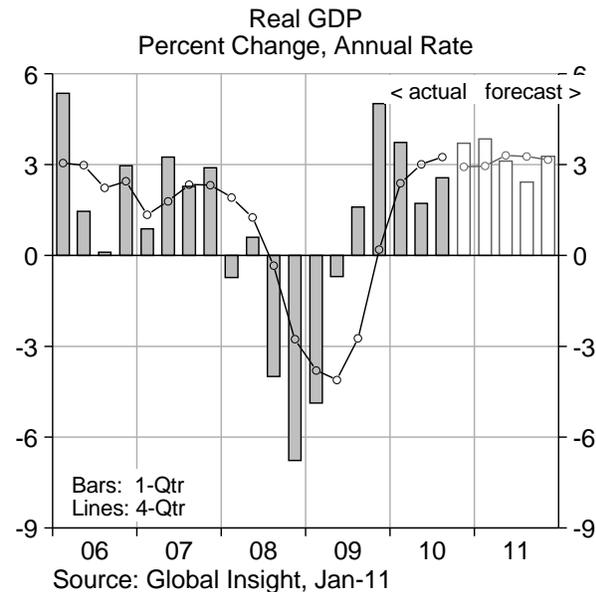
Economic Performance Overview

- Real GDP increased by 2.6% in the third quarter after a 1.7% increase in the second quarter and 3.7% in the first quarter. Consumer spending accelerated, but more than half of the rise in GDP came from an accumulation of inventories. The consensus is that the economy expanded by more than 3% in the fourth quarter.
- U.S. employment was weaker than widely expected again in December, but the unemployment rate fell to 9.4% – the lowest mark since May 2009.
- Ohio employment decreased by 7,800 in November, largely offsetting a similar-size increase in October. The unemployment rate decreased for the eighth month in a row to 9.8%.
- Leading economic indicators remain consistent with continuing economic recovery both nationally and in Ohio, but point to a moderate rate of growth.

Economic Growth

Revised data show that the economy expanded somewhat faster than originally reported in the third quarter – though still below potential. Real GDP increased 2.6% in the quarter to 3.7% above the low point during the recession. During the past five quarters, the economy has returned to within 0.6% of the peak at the beginning of the recession. Based on recent patterns in key indicators, real GDP is projected to have exceeded the previous peak in the fourth quarter.

Personal consumption expenditures, inventory investment and nonresidential fixed investment made the largest contributions to growth during the quarter. Residential fixed investment subtracted from growth. The increase in inventories was among the largest on record, and accounted for 61% of the increase in real GDP. Real final sales managed growth of only 0.9% in the quarter and have increased at an annual rate of only 0.9% during the past year and half.



Investment in nonresidential structures posted a small decline for the second consecutive quarter after a long string of alarming declines. But a steep drop in investment in residential structures – probably related to the expiration of the tax credits for home purchase – more than offset a large increase in the previous quarter. Real investment in residential structures was the lowest since the second quarter of 1983.

Large increases in both defense and nondefense spending by the federal government magnified the second modest quarterly increase in a row in spending by state and local governments. Exports and imports both increased at a considerably slower pace than in the previous quarter.

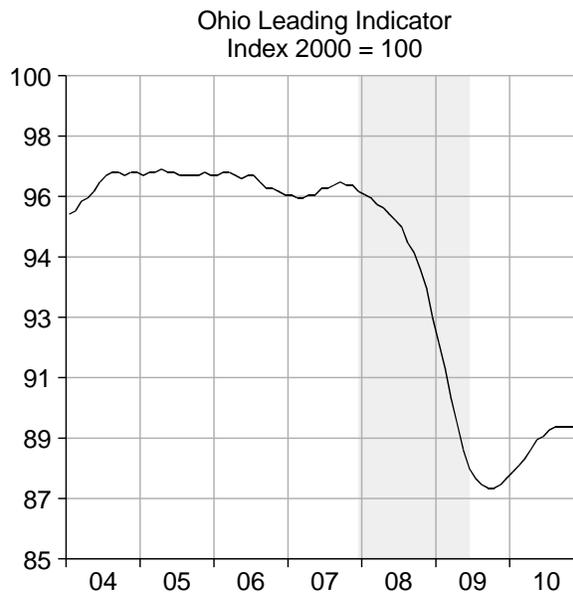
The consensus among forecasters is that the economy will continue to muddle along at a sub-par pace, according to the *Blue Chip Economic Indicators* in early December. Real GDP is projected to increase by 2.5% in the fourth quarter and grow by less than 3% in the first half of 2011. Some forecasters have more recently revised estimates for the current quarter somewhat higher, based on the latest monthly economic reports. IHS Global Insight estimates that real GDP expanded by 3.7% last quarter and will expand 3.8% in the current quarter before slowing over the balance of the year.

The **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, increased 0.2% in November for the fifteenth straight monthly gain. Even so, the 6-month smoothed rate of change slipped for the fourth month in a row to 3.6% from the peak for this cycle of 5.2% reached in June.

The recent patterns in leading economic indicators point toward uninterrupted growth. The 4-week moving average of the ECRI **Weekly Leading Index** (WLI) increased for the eighth straight week during the week of December 24, lifting the rate of change to 2.2% – the best since late May. The weekly index is 5.8% above the cyclical low reached in mid-July.

The **Leading Economic Index** increased 1.2% in November for the fifth increase in a row. The 6-month smoothed percent change reversed the recent downward trend, rising to 5.6%, but remaining below the peak for the cycle of 10.9% reached in March 2010. The **Ratio of the Coincident to Lagging Economic Index** managed a 0.1% gain in November after an upwardly revised increase of 0.2% in October. The index has increased for two months in a row. The 6-month smoothed rate of change fell to 0.4% from the peak for the cycle of 6.2% reached in December 2009 – the slowest rate of change since July 2009.

The **Ohio Leading Indicator** from Ohio’s Labor Market Information Division also continued to trace out a pattern consistent with slow but continued growth in Ohio’s economy. The index was unchanged for the third straight month in November after slowing earlier in the summer. The indicator has not declined since September 2009. The 6-month smoothed rate of change slipped to 1.5% from the peak for this cycle of 2.5% reached in August. A leading index for Ohio compiled by the Federal Reserve Bank of Philadelphia, which has increased for fifteen consecutive months, points to a similar future.



Employment

Labor markets continued to improve through year-end, as payrolls grew moderately in December and the unemployment rate fell to a new low for the recovery. **Nonfarm payroll employment** increased by 103,000 jobs in December, and the changes in the two previous months were revised higher by a total of 70,000 jobs. Private payrolls increased by 113,000 jobs, about in line with recent months but well below expectations that had been buoyed for a second straight month by a strong report of job gains by payroll administrator ADP and a drop in weekly initial jobless claims. Labor markets still have far to go to return to pre-recession conditions.

The **unemployment rate** decreased by 0.4 percentage points to 9.4% – a new low for the recovery. The last time the unemployment was lower than in December was when it was on its way up in May 2009. Despite the decline, the rate has exceeded 9% for a post-war record twenty months. The decrease in the unemployment rate during December resulted in approximately equal parts from the increase in employment and a decrease in the labor force, which declined in each of the last three months. The broadest measure of unemployment, which includes those who have given up looking for a job and those working part-time because they have been unable

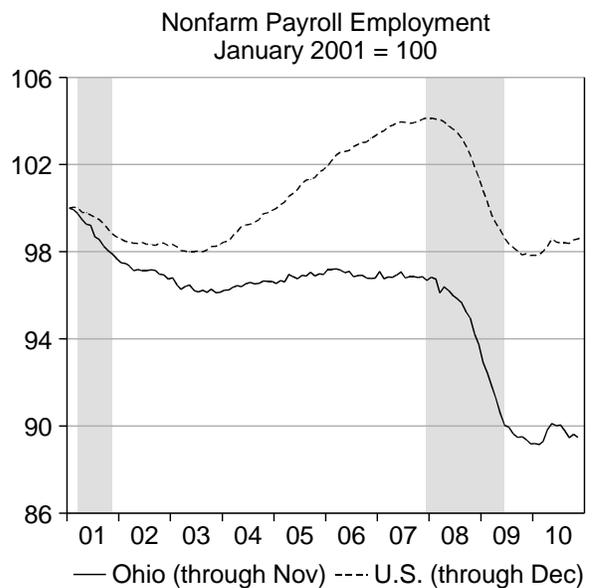
to secure full-time employment, decreased from 17.0% to a still-extraordinarily high 16.7%.

Private sector employment increased in each month of 2010, but by an average of only 112,000 jobs per month. That's the slowest pace of net job creation relative to the level of employment once employment started to rise on a sustained basis following all recessions since at least the early 1960s.

Ohio employment decreased by 7,800 in November, largely offsetting a similar-size increase in October. Ohio employment increased by a total of 32,100 jobs in August and September. Ohio employment remains 438,300 jobs below the cyclical peak reached in March 2006. Ohio employment is still up by 16,600 jobs year-to-date, but a significant rise in employment early in the year was largely reversed in late summer.

Year-to-date changes in employment have been mixed across sectors. Declines in employment were concentrated in financial activities (-10,400), government (-6,800) and information (-3,900). The largest increases occurred in manufacturing (+17,600) and professional business services (+13,400), education and health services (+9,900) and leisure and hospitality (+5,900). Private sector payrolls have increased by 23,400 jobs year-to-date.

The **Ohio unemployment rate** edged down again in November to 9.8% from the high for the cycle of 11.0% in March – the eighth consecutive monthly decline and the second consecutive reading below 10.0%. The unemployment rate had reached a cyclical low of 5.3% in April 2006.



The pattern of employment in nearby states this year has been similar to that in Ohio – some strength in the spring followed by weakness over the summer. During the twelve months ending in November, employment increased in each of the **contiguous states** to Ohio except for Michigan. On a year-over-year basis, employment increased 1.0% in Indiana and Pennsylvania, 0.9% in West Virginia, 0.7% in Kentucky and 0.1% in Ohio. Employment declined by 0.5% in Michigan, compared with the year earlier level.

For the Ohio and contiguous state region, employment increased 0.5% during the most recent twelve months, compared with a 0.6% increase for all states outside the region combined. The year-over-year change in employment in Ohio and the contiguous states was smaller than growth in the rest of the country for the second month in a row after exceeding growth outside the region for the six previous months. The last time employment in the region grew faster than in the rest of the nation for as long as six months was February 1993.

Consumer Income and Consumption

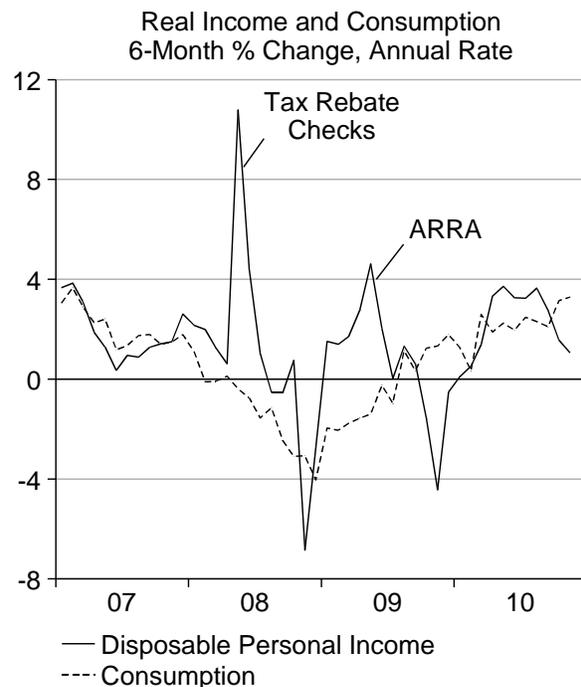
Consumer income continued to grow well into the fourth quarter, fueling additional gains in consumption. **Personal income** increased 0.3% in November to 3.8% above the year earlier level. The October increase was revised up from 0.5% to 0.4%. Wage and salary disbursements, which comprise more than one half of total personal income, increased only 0.1% to 3.2% above the year earlier level. The October change was revised down slightly from 0.6% to 0.5%. After adjustment for inflation, personal income increased 0.2% in November to 2.7% above a year ago. Real wage and salary disbursements were unchanged on the month and 2.2% above a year ago.

The gap between year-over-year growth in wage and salary disbursements and personal income reflects strong growth in **federal transfer payments** over the period. Personal transfers increased 0.3% in November to 6.4% above a year earlier. Transfers have accounted for a record 18.3% of total personal income for the past year, providing temporary support to consumer spending.

Ohio personal income increased 3.3% at an annual rate in the third quarter for the fourth quarterly increase in a row. The second quarter gain was revised up from 4.0% to 5.0%. Personal income in Ohio has increased 3.3% from the third quarter of 2009, in line with the 3.5% increase across the country. Wage and salary disbursements advanced 3.8% at an annual rate in the third quarter, also for the fourth quarterly increase in a row. Second quarter growth was revised up from 3.6% to 5.8%. The year-over-year change was 2.7%, in line with the 2.8% increase across the country.

Fueled by growth in income, consumer spending also continued to rise in the fourth quarter. **Personal consumption expenditures** increased by 0.4%, or 0.3% after inflation in November. Compared with a year earlier, consumption was up 3.8% in October, or 2.8% in real terms. **Retail sales** increased 0.8% in November after an upwardly revised 1.7% increase in October. Excluding purchases of cars and gas, retail sales increased 0.8% – the fourth strong monthly gain in a row. Sales of light motor vehicles increased 2.2% to an annual rate of 12.4 million units in December, the best – other than during the cash-for-clunkers program – since August 2008.

The holiday shopping season was considered quite strong until heavy snow storms curtailed spending in the week after Christmas. **Chain store sales** increased 0.7% from November to December, according to the International Council of Shopping Centers. Year-over-year, sales were higher by 3.1%. Sales for the entire holiday period are estimated to have increased by 5.0%



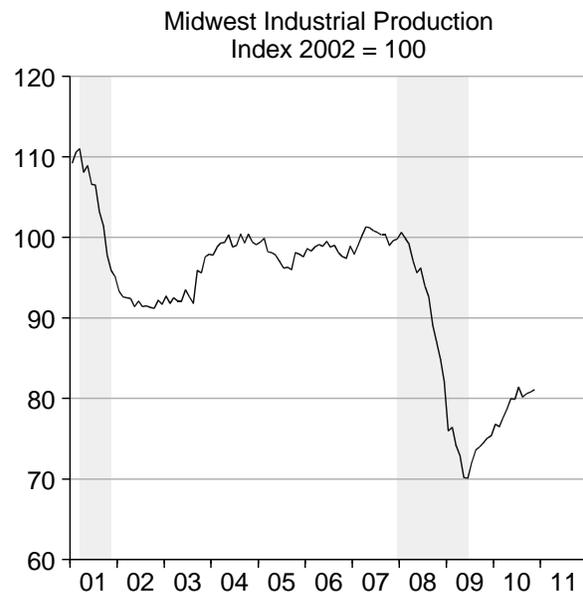
in the best gain since 2006.

Recent increases in consumer spending reflected improvements in **consumer confidence** during the quarter. Consumers' assessments of both current and future conditions improved from September to December, according to both the Conference Board and Reuters/University of Michigan surveys. Despite these improvements, consumer confidence remains near or even below average levels observed during recessions in the past.

Also supporting consumer spending during the quarter were price discounting, a very strong gain in stock prices, low interest rates, pent-up demand and continued growth in incomes. Factors restraining consumer spending included the very high unemployment rate, high and rising prices for gasoline and food, and the still-depressed housing market.

Manufacturing

Industrial production increased 0.4% in November after a 0.2% decline in October that was originally reported as unchanged. Utility output increased 1.9%. Manufacturing production was up 0.3%, despite a 6.0% drop in production of motor vehicles. Production in key Ohio industries was weak. Output of primary metal fell 1.2%, whereas production of fabricated metal and production of machinery increased just 0.1% and 0.2%, respectively. Compared with a year earlier, overall industrial production was up 5.4%, down from a peak growth rate of 8.3% in June. Capacity utilization increased to 75.2%, up from a low for the cycle of 68.2%.



Reports from **purchasing managers** in manufacturing remained positive in December. The composite index inched up to 57.0 from 56.6 in November, reflecting modestly more widespread reports of better activity levels. The sub-indexes for new orders and production both moved back above 60, but remained well below the highest levels for this recovery reached in late spring. A level of 50 is considered neutral.

Midwest manufacturing output increased 0.4% in November, according to the Chicago Federal Reserve Bank. Production decreased 1.2% in the auto sector, but increased in the steel (+2.4%), machinery (+1.3%) and resource (+0.4%) sectors. Compared with a year earlier, Midwest manufacturing production was up by 8.0%, compared with a peak so far for this cycle of 14.0% in June. The level of Midwest production in October was 15.7% above the low in June 2009 but still 19.4% below the peak in January 2008.

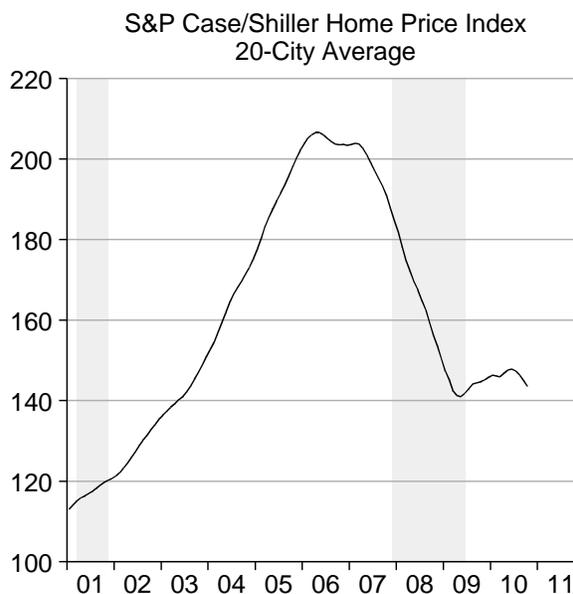
Construction

Total **construction put-in-place** increased 0.4% in November after gains of 0.7% in October and 1.2% in September. Both residential (+0.7%) and nonresidential (+0.3%) construction put-in-place increased during the month. Compared with a year earlier, total construction was still down by 6.0%, although that is up from the low-point for this cycle of -16.1% in May 2009.

The **Architecture Billings Index** from the American Institute of Architects increased to 52.0 in November (50 is neutral) – the highest mark since December 2007. The **Inquiries for New Work Index** slipped again slightly in November, but remained above 60.0. The **Billings Index for the Midwest** also declined, but remained above 50.0.

Residential real estate activity improved by most measures during November. **Housing starts and sales** of both existing and new homes increased during the month. **Pending home sales** also increased. The inventory of unsold homes – both existing and new – declined in absolute terms and relative to the November pace of sales. Substantial further adjustment is necessary before the housing sector will return to normal.

Home prices have turned lower in recent months after a modest bounce off of the cyclical trough reached in early 2009. Prices decreased for the fourth straight month in October, according to the S&P/Case-Shiller house price index for twenty large metro areas. The price indexes for nine of the twenty metro areas established new lows in October. The decline has been accelerating, from -0.3% in July to -0.7% in August to -1.0% in September and October. A return to large, sustained declines in home prices would put renewed pressures on capital positions of financial institutions and already strained balance sheets of households.



REVENUES

During the month of December, **GRF receipts totaled \$2,282.0 million** which was \$94.8 million (4.3%) above the estimate. This positive performance relative to estimates was the result of another month of higher-than-expected tax receipts and transfers which together combined to offset a timing-related negative variance in federal grants. For the month, tax receipts totaled \$1,521.4 million and were \$79.1 million (5.5%) above the estimate, while non-tax receipts and transfers totaled \$619.6 million and \$140.9 million and were \$107.2 million (14.8%) below and \$122.9 million (682.8%) above the respective estimates for these two categories.

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	\$293.9 million	3.7%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	(\$191.5 million)	(4.0%)
Transfers	Budget stabilization, liquor transfers, capital reserve, other	\$63.3 million	(16.8%)
TOTAL REVENUE VARIANCE:		\$165.6 million	1.3%

A fifth consecutive month of better-than-expected receipts across most tax sources resulted in a December performance that exceeded estimates by \$79.1 million (5.5%). Combined with the positive August through November variances, tax receipts through the first half of the fiscal year are now \$293.9 million (3.7%) above estimate. On a year-over-year basis, total tax receipts for December were \$72.6 million (5.0%) greater than they were in December 2009. For the year-to-date, tax collections in fiscal year 2011 are \$511.1 million (6.7%) higher than for the same period a year ago. The largest contributors to this year-over-year growth are the non-auto sales and personal income tax receipts which are \$227.2 million (7.3%) and \$205.1 million (6.0%) above those at the same point in fiscal year 2010.

<u>Individual Sources Above Estimate</u>		<u>Individual Sources Below Estimate</u>	
Non-Auto Sales Tax	\$13.1	Corporate Franchise Tax	(\$4.3)
Auto Sales Tax	\$12.3	Kilowatt Hour Tax	(\$4.3)
Personal Income Tax	\$54.3	Estate Tax	(\$5.3)
Public Utility	\$1.2	Federal Grants	(\$102.8)
Cigarette Tax	\$13.2	Other Income	(\$4.4)
Liquor Transfers	\$14.0	Other Sources Below Estimate	(\$1.4)
Transfers In – Other	\$6.9		
Temporary Transfers In	\$102.0		
Other Sources Above Estimate	\$0.3		
Total above	\$217.3	Total below	(\$122.5)

Non-Auto Sales and Use Tax

December was another strong month for the non-auto sales tax, as receipts totaled \$640.2 million, exceeding the estimate by \$13.1 million (2.1%). On a year-over-year basis, this tax was \$11.6 million (1.9%) above collections for the same month a year ago, with baseline growth in the tax increasing by approximately 6.7 percent. The payment last December included \$18.8 million from a one-time settlement. Year-to-date receipts now total \$3,353.1 million and are \$99.2 million (3.0%) above the estimate.

Auto Sales Tax

December was another strong month for the auto sales tax as receipts totaled \$67.2 million, which was \$12.3 million (22.5%) above the estimate. For the year-to-date, auto sales tax receipts now total \$476.8 million and are \$35.7 million (8.1%) above estimate. On a year-over-year basis, this tax source experienced an increase of \$8.7 million (14.8%) over the receipts for the same month a year ago. This growth is a result of higher-than-expected unit sales.

Personal Income Tax

Personal income tax receipts totaled \$724.8 million in December, exceeding the estimate by \$54.3 million (8.1%). Once again, withholding was the main contributor with a positive variance of \$42.4 million (6.8%). Quarterly estimated payments were the second biggest contributor with a positive variance of \$20.5 million (23.1%).

On a year-over-year basis, personal income tax collections through the first half of fiscal year 2011 were \$205.1 million (6.0%) over the corresponding period in fiscal year 2010. Employer withholding continued to be a major source of this growth, accounting for \$186.0 million (5.5%) during this period. The contribution of quarterly estimated payments to this growth was \$33.1 million (9.4%).

FY2011 PERSONAL INCOME TAX RECEIPTS BY COMPONENT (\$ in millions)						
	ESTIMATE	ACTUAL	\$ VAR	ESTIMATE	ACTUAL	\$ VAR
	DEC	DEC	DEC	Y-T-D	Y-T-D	Y-T-D
Withholding	\$625.9	\$668.3	\$42.4	\$3,479.5	\$3,588.3	\$108.8
Quarterly Est.	\$88.6	\$109.1	\$20.5	\$363.8	\$386.7	\$22.9
Trust Payments	\$2.4	\$2.1	(\$0.3)	\$11.7	\$8.8	(\$2.9)
Annual Returns & 40 P	\$11.1	\$7.9	(\$3.2)	\$124.9	\$111.6	(\$13.3)
Other	\$9.9	\$11.2	\$1.3	\$43.0	\$50.3	\$7.3
Less: Refunds	(\$19.9)	(\$22.4)	(\$2.5)	(\$192.8)	(\$183.6)	\$9.2
Local Distr.	(\$47.5)	(\$51.4)	(\$3.9)	(\$315.4)	(\$326.6)	(\$11.2)
Net to GRF	\$670.5	\$724.8	\$54.3	\$3,514.7	\$3,635.5	\$120.8

Corporate Franchise Tax

Corporate franchise tax receipts for the month of December were -\$4.3 million, compared to an estimate of zero net receipts. This negative performance is due to refunds to non-financial institution tax payers for previous years' filings.

Commercial Activity Tax

In fiscal year 2011, receipts from the commercial activity tax (CAT) will continue to be distributed to non-GRF funds to reimburse school districts and local governments for the phase out of the tangible personal property tax. During the month of December, CAT receipts totaled \$10.1 million, an amount that was \$4.1 million (68.3%) above the monthly estimate of \$6.0 million. With December's collections, receipts through the first half of the year totaled \$717.5 million and are \$37.9 million (5.6%) above estimate.

Kilowatt Hour Tax

Kilowatt hour tax receipts during the month of December totaled \$7.6 million and were \$4.3 million (36.4%) below the estimate of \$11.9 million for the month. The majority of this variance (\$3.6 million) is driven by credits granted to certain taxpayers that had overpaid this tax in previous years and thus were permitted to pay a reduced amount in December.

Cigarette Tax

The cigarette tax receipts experienced a strong month in December as receipts totaled \$77.2 million, which was \$13.2 million (20.6%) above the monthly estimate. As a result of this monthly positive variance, this tax is now \$29.3 million (8.2%) above estimate through the first half of the fiscal year. On a year-over-year basis, cigarette tax receipts were \$2.5 million (3.4%) higher than the same month a year ago, while year-to-date collections have decreased by \$16.7 million (4.1%).

Estate Tax

Estate tax receipts for the month of December totaled \$0.9 million and were \$5.3 million (85.3%) below the estimate. For the year-to-date total receipts for the estate tax were \$27.3 million and \$1.1 million (4.0%) below the estimate. The negative variance for the month is the result of a correction of the receipt of payments earlier than expected in prior months.

GRF non-tax receipts totaled \$619.6 million in December, with the performance coming in \$107.2 million (14.8%) below estimate. Most of this variance was due to federal grants being lower than estimated and as a result of a managed care payment being made in November instead of December as had been originally anticipated. **GRF transfers** during the month of December meanwhile totaled \$140.9 million and were \$122.9 million (682.8%) above the estimate. This monthly variance is the result of the correction of a delay in the processing of the November liquor profits transfer (\$12.0 million) and a November temporary transfer back to the GRF from the local government property tax replacement fund (\$90.0 million). Due these processing delays, both of these transfers were not posted prior to the end of November and are thus included in the December receipts.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2011 VS ESTIMATE FY 2011
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	ACTUAL	ESTIMATE	\$ VAR	% VAR	ACTUAL	ESTIMATE	\$ VAR	% VAR
	DECEMBER	DECEMBER			Y-T-D	Y-T-D		
TAX RECEIPTS								
Non-Auto Sales & Use	640,166	627,100	13,066	2.1%	3,353,125	3,253,900	99,225	3.0%
Auto Sales & Use	67,244	54,900	12,344	22.5%	476,764	441,100	35,664	8.1%
Subtotal Sales & Use	707,410	682,000	25,410	3.7%	3,829,889	3,695,000	134,889	3.7%
Personal Income	724,756	670,500	54,255	8.1%	3,635,529	3,514,700	120,829	3.4%
Corporate Franchise	(4,290)	0	(4,290)	N/A	(4,043)	(37,600)	33,557	89.2%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	1,223	0	1,223	N/A	56,416	74,500	(18,084)	-24.3%
Kilowatt Hour	7,565	11,900	(4,335)	-36.4%	81,278	84,100	(2,822)	-3.4%
Foreign Insurance	38	100	(62)	-62.0%	132,230	132,750	(520)	-0.4%
Domestic Insurance	15	0	15	N/A	(1,023)	134	(1,157)	-863.2%
Other Business & Property Tax	(671)	0	(671)	N/A	(1,006)	126	(1,132)	-898.5%
Cigarette	77,186	64,000	13,186	20.6%	388,100	358,800	29,300	8.2%
Alcoholic Beverage	4,230	4,800	(570)	-11.9%	28,473	29,100	(627)	-2.2%
Liquor Gallonage	3,048	2,800	248	8.9%	18,652	17,900	752	4.2%
Estate	912	6,200	(5,288)	-85.3%	27,270	28,400	(1,130)	-4.0%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,521,421	1,442,301	79,120	5.5%	8,191,766	7,897,910	293,855	3.7%
NON-TAX RECEIPTS								
Federal Grants	483,401	586,171	(102,770)	-17.5%	4,369,280	4,522,836	(153,556)	-3.4%
Earnings on Investments	0	0	0	N/A	3,142	20,500	(17,358)	-84.7%
License & Fees	649	750	(101)	-13.4%	15,933	22,761	(6,828)	-30.0%
Other Income	135,551	139,940	(4,389)	-3.1%	139,801	158,179	(18,378)	-11.6%
ISTVS	30	0	30	N/A	11,134	6,551	4,583	70.0%
Total Non-Tax Receipts	619,631	726,861	(107,230)	-14.8%	4,539,290	4,730,827	(191,537)	-4.0%
TOTAL REVENUES	2,141,052	2,169,161	(28,110)	-1.3%	12,731,056	12,628,738	102,318	0.8%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	26,000	12,000	14,000	116.7%	77,000	72,000	5,000	6.9%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	6,900	0	6,900	N/A	19,400	6,106	13,294	217.7%
Temporary Transfers In	108,000	6,000	102,000	1700.0%	344,000	299,000	45,000	15.1%
Total Transfers	140,900	18,000	122,900	682.8%	440,400	377,106	63,294	16.8%
TOTAL SOURCES	2,281,952	2,187,161	94,791	4.3%	13,171,456	13,005,844	165,613	1.3%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL - FY 2011 VERSUS FY 2010
(\$ in thousands)

REVENUE SOURCE	Month				Year-to-Date			
	DECEMBER	DECEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
TAX RECEIPTS								
Non-Auto Sales & Use	640,166	628,537	11,629	1.9%	3,353,125	3,125,899	227,226	7.3%
Auto Sales & Use	67,244	58,574	8,669	14.8%	476,764	437,338	39,426	9.0%
Subtotal Sales & Use	707,410	687,112	20,298	3.0%	3,829,889	3,563,237	266,652	7.5%
Personal Income	724,756	666,966	57,790	8.7%	3,635,529	3,430,399	205,130	6.0%
Corporate Franchise	(4,290)	(4,869)	579	11.9%	(4,043)	(59,026)	54,983	93.2%
Commercial Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	1,223	121	1,102	912.1%	56,416	56,906	(490)	-0.9%
Kilowatt Hour	7,565	11,346	(3,781)	-33.3%	81,278	77,528	3,750	4.8%
Foreign Insurance	38	92	(54)	-58.8%	132,230	132,796	(566)	-0.4%
Domestic Insurance	15	104	(89)	-85.6%	(1,023)	1,236	(2,259)	-182.7%
Other Business & Property Tax	(671)	58	(729)	-1257.8%	(1,006)	181	(1,187)	-656.5%
Cigarette	77,186	74,646	2,539	3.4%	388,100	404,755	(16,655)	-4.1%
Alcoholic Beverage	4,230	4,654	(424)	-9.1%	28,473	28,597	(123)	-0.4%
Liquor Gallonage	3,048	2,876	172	6.0%	18,652	18,172	481	2.6%
Estate	912	5,670	(4,758)	-83.9%	27,270	25,909	1,361	5.3%
Horse Racing	0	0	0	N/A	0	0	0	N/A
Total Tax Receipts	1,521,421	1,448,776	72,645	5.0%	8,191,766	7,680,688	511,078	6.7%
NON-TAX RECEIPTS								
Federal Grants	483,401	625,923	(142,522)	-22.8%	4,369,280	3,888,631	480,649	12.4%
Earnings on Investments	0	0	0	N/A	3,142	11,536	(8,394)	-72.8%
License & Fee	649	599	50	8.4%	15,933	20,503	(4,570)	-22.3%
Other Income	135,551	127,914	7,637	6.0%	139,801	151,528	(11,728)	-7.7%
ISTVS	30	0	30	N/A	11,134	3,432	7,702	224.4%
Total Non-Tax Receipts	619,631	754,436	(134,805)	-17.9%	4,539,290	4,075,631	463,659	11.4%
TOTAL REVENUES	2,141,052	2,203,212	(62,160)	-2.8%	12,731,056	11,756,319	974,737	8.3%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	26,000	28,000	(2,000)	-7.1%	77,000	85,000	(8,000)	-9.4%
Transfers In - Capital Reserve	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	6,900	1,000	5,900	590.0%	19,400	20,946	(1,545)	-7.4%
Temporary Transfers In	108,000	0	108,000	N/A	344,000	321,755	22,245	6.9%
Total Transfers	140,900	29,000	111,900	385.9%	440,400	427,700	12,700	3.0%
TOTAL SOURCES	2,281,952	2,232,212	49,740	2.2%	13,171,456	12,184,019	987,437	8.1%

DISBURSEMENTS

December 2010 GRF disbursements, across all fund uses, total \$923.0 million. This was \$453.5 million (32.9%) below estimate for the month. On a year-to-date basis, total GRF disbursements are \$14,645.1 million, which is \$234.0 million (1.6%) above estimate. Year-to-date disbursements by category are provided in the following table (\$ in millions).

Category	Description	YTD Disbursements	YTD Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	\$13,657.4	\$149.6
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	\$987.7	\$84.4
TOTAL GRF DISBURSEMENTS:		\$14,645.1	\$234.0

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

Primary, Secondary and Other Education

This category includes expenditures made by the Department of Education, E-tech, the Ohio State School for the Blind, and the School for the Deaf. December disbursements in this category \$311.7 million, and are \$28.3 million (10.0%) over the estimate for the month. Notable items include:

- Disbursements for the Department of Education alone totaled \$307.4 million. This amount is \$27.3 million (9.7%) above the monthly estimate. The variance is attributable to payments from the foundation line items. The December foundation payments incorporated for the first time Average Daily Membership counts taken in October. Any payment adjustments owed to districts are being paid out immediately, while funds owed by districts will be collected over the remainder of the fiscal year. Therefore, the current month variance will be offset in the coming months. Disbursements in December also included final fiscal year 2010 payment adjustments for community schools and open enrollment. Year-to-date disbursements totaled \$3,416.9 million, representing a variance of \$25.0 million (0.7%) above the estimate for the year.

Higher Education

December disbursements for Higher Education were \$188.7 million and were \$8.5 million (4.3%) below the estimate for the month. Year-to-date disbursements were \$1,305.5 million, which was \$9.3 million (0.7%) above the estimate. The monthly variance is due to under-spending in the Ohio College Opportunity Grant program below the monthly estimate by \$12.4 million.

American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund (SFSF)

The State of Ohio has been awarded approximately \$1,789.4 million in SFSF. Of this amount, approximately \$1,463.7 million is from the Education Stabilization Fund (ESF) and approximately \$325.7 million is from the Government Services Fund (GSF). December SFSF disbursements were \$46.8 million (\$21.0 million from the Department of Education (ESF) and \$25.7 million from the Board of Regents (ESF)). To date, the state has disbursed a total of \$1,190.7 million in SFSF (66.5% of the total award amount). \$645.3 million has been disbursed from the Department of Education (ESF), \$435.4 million from the Board of Regents (GSF/ESF) and \$110.0 million from the Department of Rehabilitation and Correction (GSF).

Public Assistance and Medicaid

December expenditures in this category, which include all GRF expenditures by the Department of Job and Family Services (ODJFS), were \$197.2 million. Expenditures were \$458.1 million (69.9%) below estimate for the month. Year-to-date expenditures total \$5,993.6 million, which is \$133.3 million (2.3%) above the estimate. This large variance is primarily due to a Medicaid managed care payment scheduled for December which was paid in November due to timing issues. A more detailed explanation can be found below.

The following discussion of spending and variances to date addresses Public Assistance and Non-Medicaid programs separate from Medicaid.

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 Medicaid program are \$5,583.0 million, which is \$141.7 million (2.6%) above estimate, and \$406.8 million (7.9%) above the same point a year ago. Disbursements for the month of December were \$100.1 million, which was \$475.7 million (82.6%) below estimate and \$742.0 million (88.1%) below the same period in the prior fiscal year.

All funds disbursements year-to-date are \$6,852.4 million, which is \$154.7 million (2.2%) below estimate, and \$347.4 million (5.1%) above disbursements for the same point a year ago. Disbursements for December were \$679.8 million, which was \$461.1 million (40.4%) below the monthly estimate and \$457.3 million (67.3%) below the same period in the prior fiscal year.

As noted in the November monthly report, all funds expenditures were significantly over projection due to the managed care payment originally assumed to be paid in December being paid in November instead. GRF expenditures were further increased over estimated amounts due to delays in the collection of the hospital assessment and nursing facility franchise fees, which meant that the program had fewer non-GRF resources to offset GRF expenditures. These factors were essentially reversed in December, as total expenditures were significantly under projections

due to the managed care payment having already been made and the non-GRF resources able to be spent to offset GRF expenditures.

With the resolution of these timing issues, the \$154.7 million the program is currently under in the all funds projection is an accurate statement of its position to date.

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

	December Projection	December Actual	Variance	Variance %
GRF	\$ 575,870,638	\$ 100,141,823	\$ (475,728,815)	-82.6%
Non-GRF	\$ 565,077,519	\$ 579,666,654	\$ 14,589,135	2.6%
All Funds	\$ 1,140,948,157	\$ 679,808,477	\$ (461,139,680)	-40.4%

Specific variances across all funding sources include:

Outpatient Hospital – Disbursements for the month of December for the Outpatient Hospital category were \$28.4 million, which was \$4.4 million (13.3%) below the estimate. This is primarily due to a lower than projected member months.

Managed Care – Disbursements for the combined CFC and ABD Managed Care category in December were \$18.7 million, which was \$386.4 million (95.0%) below estimate. As noted above, this was due primarily to a timing issue which caused the largest portion of the payment originally scheduled in December to be made in November.

Caseload

Total caseload for the month of November, the most recent month available, was 2.15 million covered persons, which was a decrease of 5,202 persons from the month of October. This number, which includes select non-Medicaid programs such as the Medicare premium assistance programs, shows a decrease in caseload following 34 months of consecutive growth. This decrease is attributable to the elimination of 9,097 duplicate records in the Children in Care program, which provides medical assistance to children receiving state or federal adoption assistance. Without this action, total caseload would have shown an increase of 3,895 persons. Total Medicaid caseload for the month of November, the most recent month available, was 25,206 (1.19%) covered lives over projection.

The Covered Families and Children (CFC) category decreased by 7,503 persons to a November total of 1.63 million persons. As noted above, this was primarily due to the elimination of 9,097 duplicate records. CFC would have shown an increase of 1,594 without that corrective action. The Aged, Blind and Disabled (ABD) program decreased by eight (8) people to a November total of 406.7 thousand covered lives. The Premium Assistance category increased by 2,330 persons to a November total of 99,700 thousand covered lives.

Total enrollment for the same period last year was 2.03 million covered persons, including 1.54 million persons in the CFC program, 389,700 people in the ABD category, and 95,012 in the

Other Non-Medicaid program, including Premium Assistance. This represents total program growth over the last twelve months of 122,300 covered lives, or 131,400 people without the elimination of the duplicate records discussed above.

CFC showed a decrease of 7,503 persons to 1.63 million covered lives (increase of 1,594 with duplicate records). Enrollment in this category was 2,182 persons (0.1%) over total projected enrollment. Similar to last month, November continued a shift of persons from the Healthy Families Expansion category, which declined by 1,348 persons, into Healthy Families, the core eligibility group, which increased by 2,614 persons. The remainder of increases occurred primarily in the State Children's Health Insurance Plan (SCHIP) categories.

The ABD program showed a decrease of eight (8) people to a total of 406,700 covered lives. Enrollment was 10,057 persons (2.5%) over total projected enrollment for this category.

Public Assistance and Non-Medicaid

JFS, non-Medicaid, General Revenue Fund (GRF) disbursements totaled \$97.2 million for the month of December. In the aggregate, GRF actual spending was \$17.6 million (22.2%) higher than disbursement estimates for the month. Major variances within individual line items were attributable to the following:

- Early Care and Education, ALI 600535, disbursements were \$21.1 million higher than estimates. Due to lower than expected Temporary Aid to Needy Families (TANF) federal funds from the Federal Continuing Resolution, an increase of child care subsidy payments were paid out of this line item. These lower-than-anticipated federal funding levels will likely cause a variance in line item spending for next month.
- TANF State, ALI 600410, expenditures were \$2.0 million above monthly estimates. Due to lower-than-expected TANF federal funds from the Federal Continuing Resolution, an increase of Ohio Works First (OWF) subsidy payments were paid out of this line item.
- Child, Family, and Adult Community & Protective Services, ALI 600533, disbursements were \$1.2 million above estimates due to higher-than-anticipated county subsidy spending within the line item.
- Entitlement Administration – Local, ALI 600521, subsidy payments were \$3.6 million below the monthly estimate due to lower-than-anticipated county subsidy spending within the line item.
- Disability Financial Assistance, ALI 600511, disbursements were \$3.1 million lower than the estimate due to the quarterly county finance close-out process.
- Computer Projects, ALI 600416, disbursements were \$1.1 million below agency estimates mainly due to the two scheduled pay periods posting in December instead of three as originally expected.
- Over/under spending across remaining GRF line items also contributed to the variance.

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.

December expenditures in this category were \$55.6 million, which was \$8.0 million (12.5%) below the estimate for the month. The year-to-date actual disbursements are \$574.0 million, which is \$18.2 million (3.1%) below the estimate. Notable items include:

- For the year-to-date, the Department of Health disbursed \$44.9 million, which is under \$5.3 million (10.6%) below the estimate.
- December 2010 disbursements for the Department of Health totaled \$2.1 million. When compared to December 2010 estimates, actual disbursements were \$0.9 million (28.7%) below estimate. This is primarily attributable to the following:
 - The AIDS Prevention and Treatment line item (440444) was \$0.5 million under estimate. This was due to a payment being made in November which was originally planned for December.
- For the year-to-date, the Department of Aging disbursed \$80.9 million, which is \$0.2 million (0.3%) under the estimate.
- December 2010 disbursements for the Department of Aging totaled \$9.5 million. When compared to December 2010 estimates, actual disbursements were \$1.7 million (17.6%) below the estimate. This is primarily attributable to the following:
 - The Long Term Care Budget – State line item (490423) was below the estimate by \$1.9 million, due to a payment being made in November which was originally scheduled in December.
- The Department of Mental Health disbursed \$22.0 million in the month of December, which is \$3.5 million (13.9%) below the estimate. The Community and Hospital Mental Health Services (33440) line item experienced under-spending of \$4.3 million during the month. This variance is partly attributable to cost savings day and related human resource savings. Additionally, the department planned for three pay periods in the month of December, while only two were processed. Offsetting the negative variance in the 334408 line item, above estimate spending of \$1.1 million occurred in the Local Mental Health Systems of Care (335505) line item. Funding from this line item for early childhood mental health consultation is disbursed on an as-requested basis by the local mental health boards.
- The Department of Developmental Disabilities disbursed \$18.1 million in the month of December, which is \$2.1 million (10.4%) below the estimate. The Developmental Center Operations (323321) line item experienced under-spending of \$3.1 million and this is partially attributable to cost savings day and related human resource savings. Additionally, the department planned for three pay periods in the month of December, while only two were processed. Offsetting the negative variance in the 323321 line item is \$1.7 million in over estimate spending in the ICF/MR Franchise Fee line item

(322647). The second quarter payment was originally planned for October, but occurred in December.

Justice and Public Protection

This category includes GRF expenditures by the Department of Rehabilitation & Corrections (DRC) and the Department of Youth Services (DYS). December expenditures in this category totaled \$123.2 million, which was \$2.0 million (1.6%) below the estimate for the month. Notable items include:

- Disbursements in the Corrections category totaled \$107.8 million in the month of December, which was \$1.2 million (1.1%) above the \$106.6 million estimate for the month.
- The Department of Rehabilitation and Correction (DRC) disbursed \$96.3 million in the month of December, which was \$1.8 million (1.9%) above the \$94.4 million estimate for the month.
- The Department of Youth Services (DYS) disbursed \$11.5 million in the month of December, which was \$0.7 million (5.8%) below the \$12.2 million estimate for the month.

General Government

For December, General Government disbursements were \$19.4 million which was \$2.1 million (9.7%) below the monthly estimate of \$21.5 million. Year-to-date actual expenditures are \$154.2 million, which is \$12.4 million (7.4%) below the estimate. Notable items include:

- In December, the Department of Administrative Services (DAS) disbursed \$7.0 million, which was \$1.4 million (25.3%) above the estimate for the month. The variance is found in the line item that pays maintenance and operating costs for GRF-supported agencies, veterans' organizations, and vacant space in state buildings managed by DAS. The department did not finalize these buildings' fiscal year 2011 rates until December, which delayed rent bills to agencies. As a result, this line item spent \$1.4 million in December for first and second quarter tenancy when the agency had estimated these bills to be paid in September and November instead. Total spending for this line item year-to-date is \$0.1 million under the estimate.

Community and Economic Development

For the month of December, disbursements in this category were \$7.3 million, which was \$1.1 million (12.9%) below the estimate. Year-to-date, community and economic development disbursements total \$55.8 million, which is \$8.4 million (13.1%) below the estimate. Notable items include:

- The Department of Development disbursed \$5.9 million in GRF during the month of December, which is \$1.1 million (16.2%) below the estimate. This amount was distributed fairly evenly over all GRF lines. The lower than anticipated disbursements were due to the nature of the department's grants, which are reimbursement-based.

Tax Relief and Other

December disbursements for the tax relief category totaled \$0.2 million and were \$0.8 million (80.8%) below the \$0.9 million monthly estimate. For the year-to-date, total tax relief payments have totaled \$830.9 million and are \$45.5 million (5.8%) above the year to date estimate of \$785.4 million. These payments are made to local governments and school districts to reimburse for revenues foregone as a result of the 10 percent and 2.5 percent rollback, as well as the homestead exemption.

Debt Service

Debt service in the month of December totaled \$15.0 million and was \$1.3 million (7.7%) below estimate as a result of continued low interest rates on the state's variable rate debt. Through the first half of the fiscal year, debt service spending is \$4.4 million (1.5%) below the estimate.

Table 3
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2011 VS ESTIMATE FY 2011
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	ACTUAL	ESTIMATED	\$	%	YTD	YTD	\$	%
	DECEMBER	DECEMBER	VAR	VAR	ACTUAL	ESTIMATE	VAR	VAR
Primary, Secondary and Other Education	311,670	283,418	28,252	10.0%	3,448,817	3,422,639	26,178	0.8%
Higher Education	188,740	197,280	(8,540)	-4.3%	1,255,749	1,244,243	11,506	0.9%
Public Assistance and Medicaid	197,199	655,306	(458,106)	-69.9%	5,993,559	5,860,256	133,303	2.3%
Health and Human Services	55,636	63,604	(7,968)	-12.5%	574,008	592,201	(18,193)	-3.1%
Justice and Public Protection	123,204	125,167	(1,963)	-1.6%	999,480	1,022,754	(23,274)	-2.3%
Environmental Protection and Natural Resources	1,602	4,071	(2,469)	-60.6%	42,598	43,057	(460)	-1.1%
Transportation	764	457	308	67.4%	8,911	8,442	470	5.6%
General Government	19,430	21,508	(2,078)	-9.7%	154,212	166,586	(12,374)	-7.4%
Community and Economic Development	7,331	8,421	(1,090)	-12.9%	55,835	64,258	(8,423)	-13.1%
Tax Relief and Other	169	880	(711)	-80.8%	841,655	796,276	45,378	5.7%
Capital Outlay	0	43	(43)	N/A	24	170	(146)	-86.0%
Debt Service	15,031	16,290	(1,259)	-7.7%	282,549	286,939	(4,390)	-1.5%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	920,778	1,376,444	(455,666)	-33.1%	13,657,396	13,507,822	149,574	1.1%
Transfers Out:								
OPER TRF OUT-OTH	2,185	0	2,185	N/A	41,986	27,300	14,686	53.8%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	876,000	69,711	8.0%
Total Transfers (Out)	2,185	0	2,185	N/A	987,697	903,300	84,397	9.3%
Total Fund Uses	922,963	1,376,444	(453,481)	-32.9%	14,645,093	14,411,122	233,971	1.6%

Table 4
GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2011 VS ACTUAL FY 2010
(\$ in thousands)

Functional Reporting Categories Description	MONTH				YEAR-TO-DATE			
	DECEMBER	DECEMBER	\$	%	ACTUAL	ACTUAL	\$	%
	FY 2011	FY 2010	VAR	VAR	FY 2011	FY 2010	VAR	VAR
Primary, Secondary and Other Education	311,670	287,108	24,562	8.6%	3,448,817	3,611,773	(162,956)	-4.5%
Higher Education	188,740	198,490	(9,750)	-4.9%	1,255,749	1,249,969	5,781	0.5%
Public Assistance and Medicaid	197,199	964,104	(766,905)	-79.5%	5,993,559	5,632,277	361,283	6.4%
Health and Human Services	55,636	52,208	3,428	6.6%	574,008	539,956	34,052	6.3%
Justice and Public Protection	123,204	128,976	(5,772)	-4.5%	999,480	1,027,913	(28,433)	-2.8%
Environmental Protection and Natural Resources	1,602	5,173	(3,570)	-69.0%	42,598	52,924	(10,326)	-19.5%
Transportation	764	1,172	(407)	-34.8%	8,911	9,643	(731)	-7.6%
General Government	19,430	18,840	591	3.1%	154,212	159,293	(5,081)	-3.2%
Community and Economic Development	7,331	9,800	(2,468)	-25.2%	55,835	58,451	(2,616)	-4.5%
Tax Relief and Other	169	7,574	(7,405)	-97.8%	841,655	886,302	(44,648)	-5.0%
Capital Outlay	0	0	0	N/A	24	255	(231)	-90.6%
Debt Service	15,031	17,894	(2,863)	-16.0%	282,549	206,520	76,029	36.8%
Pending Payroll	0	0	0	N/A	0	0	0	N/A
Total Expenditures & ISTV's	920,778	1,691,338	(770,560)	-45.6%	13,657,396	13,435,274	222,122	1.7%
Transfers Out:								
OPER TRF OUT-BUD STABILIZATION	0	0	0	N/A	0	0	0	N/A
OPER TRF OUT-OTH	2,185	0	2,185	N/A	41,986	49,989	(8,003)	-16.0%
OPER TRF OUT-TEMPORARY	0	0	0	N/A	945,711	971,337	(25,626)	-2.6%
Total Transfers (Out)	2,185	0	2,185	N/A	987,697	1,021,326	(33,629)	-3.3%
Total Fund Uses	922,963	1,691,338	(768,376)	-45.4%	14,645,093	14,456,600	188,493	1.3%

FUND BALANCE

Table 5 describes the General Revenue Fund (GRF) ending fund balance for FY 2011. Based on the estimated revenue for FY 2011 and the estimated FY 2011 disbursements, transfers, and encumbrances, the current GRF ending fund balance for FY 2011 is an estimated \$153.9 million.

The GRF ending fund balance should not be considered as a balance available for expenditure in FY 2011 nor should it be considered as equivalent to the FY 2011 surplus calculation as defined in Section 131.44 of the Ohio Revised Code. There are a number of known risks to achieving this ending GRF balance, including the outcome of litigation involving the disposition of tobacco settlement proceeds and the performance of the economy.

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 2011
(\$ in thousands)

July 1, 2010 Beginning Cash Balance	\$ 510,401
Plus FY 2011 Estimated Revenues	17,090,500
Plus FY 2011 Estimated Federal Revenues	8,370,930
Plus FY 2011 Estimated Transfers to GRF	1,372,840
Total Sources Available for Expenditure & Transfer	27,344,671
Less FY 2011 Estimated Disbursements	25,997,497
Less FY 2011 Estimated Total Encumbrances as of June 30, 2010	278,465
Less FY 2011 Estimated Transfers Out	914,800
Total Estimated Uses	27,190,763
FY 2011 ENDING FUND BALANCE	153,908