OBM

August 10, 2015

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

FROM: Timothy S. Keen, Director TK

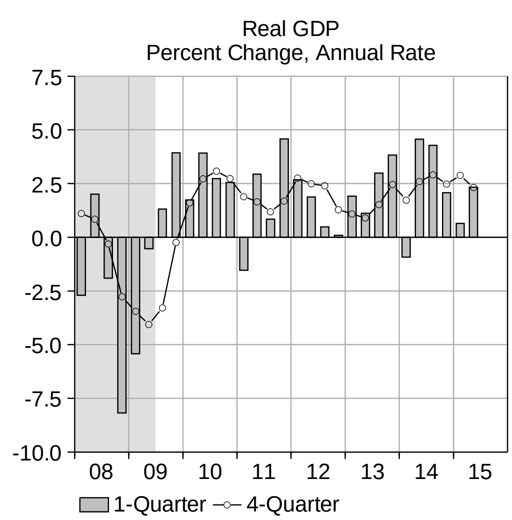
SUBJECT: Monthly Financial Report

ECONOMIC SUMMARY

Economic Performance Overview

- The economy expanded by 2.3% in the second quarter after an upwardly revised gain of 0.6% in the first quarter.
- U.S. employment increased by 215,000 jobs in July, about at the average of 211,000 from the prior six months, but below the average of 246,000 during the previous twelve months. The unemployment rate was unchanged at 5.3% – its lowest level since it was on its way up in April 2008.
- Ohio employment decreased by 1,900 jobs in June, but is up by 27,900 jobs year-to-date. The Ohio unemployment rate was steady at 5.2%.
- The recent weakening in many measures of economic activity is likely the result of temporary factors. Forecasters anticipate a return to 2% to 3% growth beginning in the current quarter.
- Wage and price inflation both remain restrained. Growth from the prior year in wages and salaries was only 1.0% in the second quarter. The CPI increased by only 0.2% from last June.

Economic Growth



The expansion marked the completion of its sixth year with a 2.3% advance in **real GDP** in the second quarter. The first-quarter change was revised up from an initial estimate of being slightly negative to +0.6%, as widely expected. The economy has expanded at an annual rate of 1.5% year-to-date – about the same as during the first half of each of the last two years. The consensus among economic forecasters is that second-quarter growth will be revised modestly higher and that the economy is expanding in the third quarter and will accelerate modestly in the fourth quarter.

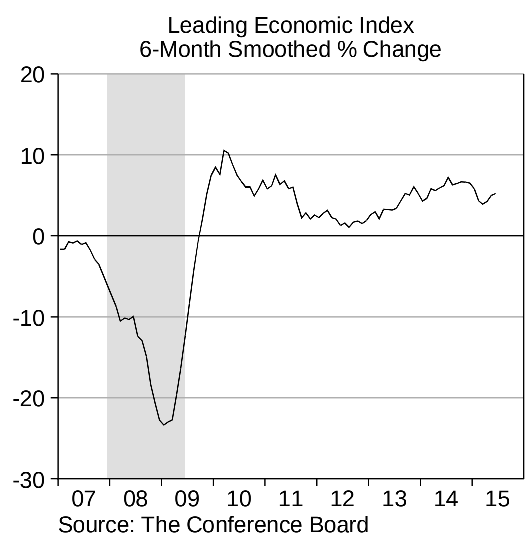
Data revisions lowered the previously-reported compound annual growth rate during the years 2012-2014 from 2.3% to 2.0%. Similarly, the growth rate from the fourth quarter of 2011 through the first quarter of 2015 was revised down from 2.2% to 2.0%. Finally, the growth rate of real GDP since the beginning of the expansion in the second quarter of 2009 was revised down by 0.1% to 2.1%, leaving it the slowest-growth expansion among the four expansions since 1949 that have lasted at least 24 quarters.

The data revisions were also expected by economists to deal with the issue of seasonal adjustment, since estimates of first quarter GDP growth in the past decade have been notably lower than in prior quarters. However, even after the revisions, real GDP growth has been notably lower on average during first quarter of each year dating back to 2010 (+0.8%) than during all other quarters combined (+2.6%). Analysts attribute this phenomenon to residual seasonality – regular seasonal fluctuations that have not been removed by the standard seasonal adjustment process. Future modifications to seasonal adjustment procedures might remove much of the disparity through upward revisions to first-quarter changes in real GDP relative to changes in other quarters.

The increase in second-quarter real GDP primarily reflected increases in personal consumption expenditures, exports, state and local government spending, and residential fixed investment. These increases were partly offset by negative contributions from federal government spending, private inventory investment, and nonresidential fixed investment. Imports, which are automatically included in these individual categories and then subtracted as a separate category, increased.

The acceleration from the first quarter to the second quarter reflected an upturn in exports, an acceleration in personal consumption expenditures, a deceleration in imports, and an upturn in state and local government spending. Partially offsetting these positive effects were downturns in private inventory investment, nonresidential fixed investment, and federal government spending and a deceleration in residential fixed investment.

The pickup in growth during the spring quarter indicates that the economy has made significant adjustments to or recovered from temporary factors including the somewhat more-harsh-than-usual weather; the West Coast port disruptions; the strength in the foreign exchange value of the dollar that clearly affected exports; and the cutbacks in energy-related investment due to the large and rapid drop in the price of oil since mid-2014.



Despite the slow pace of growth during the first half, leading economic indicators still point to uninterrupted expansion. The **Leading Economic Index** from the Conference Board increased 0.6% in June, after increases of 0.6% in April and 0.8% in May. The June increase lifted the 6-month smoothed percent change to 5.2% – down from its peak of 7.2% last July, but up from the recent low of 3.9% in March and well above the zero level that would signal potential recession.

The 4-week moving average of the **Weekly Leading Index** from the Economic Cycle Research Institute declined in each of the four weeks ending in late July. The average has declined in seven of the last ten weeks, leaving the 52-week smoothed annual rate of change at +0.2% – well ahead of the low of -4.7% reached at the beginning of the year, but not consistent with an impending acceleration in activity.

Judging by the **Ohio Coincident Economic Index**, compiled by the Federal Reserve Bank of Philadelphia, the Ohio economy expanded at a modest pace again in June. The index increased 0.2%, up from 0.1% in April and May. Momentum has slowed since last summer in step with the national economy, as the year-over-year growth rate has declined from 6.4% last September to 4.1% in June. In contrast, the year-over-year rate of change in the index typically has been near or below zero around the times recessions have begun in the past. Clearly, current readings of the index do not point to recession.

Businesses in and around Ohio reported a steady level of activity during the six weeks ending in mid-July, according to a regular survey by the Federal Reserve Bank of Cleveland. Reports were mixed across industries, with nonresidential building contractors characterizing backlogs as strong; home builders noting a pickup in construction starts and sales; retailers indicating sales have been only marginally higher than a year earlier; auto dealers reporting sales of new cars are down slightly year-over-year; and oil and gas drillers reporting further declines in activity.

The diffusion of changes in the Coincident Economic Index across the states – a leading indicator at past business cycle turning points – changed little in June, after deteriorating notably earlier in the year. The index increased from the prior month for only 40 states and from three months prior for only 42 states, down from recent highs. The recent pattern is the weakest since 2010, but still remains consistent with continued economic expansion. Further deterioration during the next few months, however, would raise concerns about the state of the economy.

After falling to near zero in March and April, the **Ohio Leading Economic Index** from the Philadelphia Federal Reserve improved in May and June to 1.7% and 1.3%, respectively. In addition, the near-zero readings for March and April were revised upward after having been initially reported as negative. The weakness year-to-date is concentrated in states with strong ties to the energy sector. The index has declined from 3.5% in May of last year. The index is designed to predict the rate of increase in the coincident index during the next six months.

The number of state leading indexes compiled by the Philadelphia Fed with positive readings has declined this year, from 50 in January to 42 in April, May, and June. Although decreased, the number of positive state leading indexes remains above the threshold that has coincided with the onset of recession in the past. The number of states with positive readings fell to an average of 36 three months in advance of the most recent three recessions and to an average of 28 during the first month.

Employment

Employment increased again in July, the unemployment rate was steady, and average hourly earnings increased. **Nonfarm payrolls** increased by 215,000 jobs in July, approximately as expected. The May and June gains were revised higher by a total of 14,000 jobs. The increase in employment in July was little changed from the 211,000 average during the previous six months, but somewhat smaller than the 246,000 average during the previous twelve months.

Employment gains were widespread across industries, including retail trade (+35,900), accommodation and food services (+33,600), health care (+27,900), professional and technical services (+26,600), and financial activities (+17,000). Employment increased by 15,000 jobs in manufacturing, almost matching the total increase during the previous five months, and increased by 6,000 jobs in construction and 5,000 jobs in government. Mining employment declined for the seventh month in a row, pulled down by a 5,100 job decline in support activities for mining.

In addition to the monthly employment report, the recent pattern in weekly **initial claims** for unemployment compensation remains consistent with sound labor market fundamentals. The 4-week average was 268,250 at the end of July – very near the 15-year low of 266,500 reached in the middle of May. The recent pattern and current level are consistent with a healthy and expanding labor market and overall economy.

The **unemployment rate** was unchanged at the expansion-low of 5.3%, still 0.1 percentage points above the Ohio rate. The decrease resulted from a 101,000 person increase in total employment and a 33,000 person decrease in the number of unemployed. The labor force increased by 69,000 people. The broadest measure of unemployment – the U-6 unemployment rate – which includes people who want to work but have stopped looking because of poor perceived prospects, declined 0.1 percentage points to 10.4% – the lowest level since June 2008 and another sign of improvement in the labor market.

Ohio nonfarm payroll employment decreased by 1,900 jobs in June, but Ohio employment is higher by 27,900 jobs year-to-date. Changes were mixed across sectors during the month. The largest increases occurred in government (+6,500), educational and health services (+3,400), trade, transportation, and utilities (+2,200), and financial activities (+800). The largest decreases occurred in professional and business services (-4,800), leisure and hospitality (-4,700), construction (-3,700), and manufacturing (-1,200).

Compared with a year earlier, Ohio employment is higher by 71,800 jobs. The largest employment gains during the year occurred in trade, transportation, and utilities (+17,800), manufacturing (+17,100), leisure and hospitality (+15,200), and education and health services (+12,600). The only employment decline during the year ending in June occurred in construction (-10,900).

Among the **contiguous states**, year-over-year employment growth was strongest in Kentucky and Michigan (+2.2%), followed by Indiana (+2.0%), Ohio (+1.3%), and Pennsylvania (+1.0%). Employment declined from a year earlier in West Virginia (-1.2%). Year-over-year growth in manufacturing employment was 2.5% in Ohio. Among the contiguous states, manufacturing employment increased 3.2% in Michigan, 2.9% in Indiana and Kentucky, 1.0% in Pennsylvania, and 1.5% in West Virginia.

The decline in energy prices during the past year has been a significant factor behind the pattern of employment growth across the states. For example, the variation in the share of mining and logging employment in total employment across states explains approximately one half of the variation in both the first-half rate of change in total employment and the first-half average of the state leading economic indexes.

The **Ohio unemployment rate** was unchanged at 5.2% for the third month in a row in June. The rate has been below 5.3% for nine consecutive months. The number of unemployed people decreased by 5,415 in June, while the number of employed people decreased by 7,724, and the labor force decreased by 13,139 people. From December 2013, unemployment is down by 88,176 people, the number of employed people is up by 88,736, and the labor force is up by 560 people. The unemployment rate is down 0.4 percentage points from a year ago, and is less than one-half its peak level of 11.0% reached in January 2010.

Across the country in June, the unemployment rate decreased by a statistically significant amount in four states (New Jersey, Connecticut, Florida, and Indiana) and in Washington, D.C., and increased by a significant margin in only one state (Oregon). The unemployment rate was lower than a year earlier by a statistically significant margin in 24 states and higher in only two states (North Dakota and South Dakota).

Consumer Income and Consumption

Consumer income and spending continued to expand in June. **Personal income** increased 0.4% for the third month in a row. **Wage and salary disbursements –** the largest single component of personal income – increased 0.2%. Compared with a year earlier, personal income and wage and salary disbursements each were up 4.1% – well ahead of inflation, but down from recent peak rates at the beginning of the year.

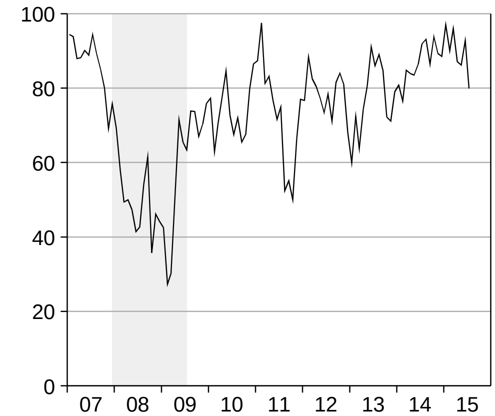
After accelerating during the year ending in the first quarter of 2015, the **Employment Cost Index** slowed in the second quarter, raising questions about when labor compensation growth will finally kick in after six years of economic expansion. Total compensation increased just 0.6% at an annual rate in the second quarter, down from the year-over-year rate of change of 2.6% in the first quarter. Wages and salaries slowed to 1.0% after a year-over-year gain of 2.5% the previous quarter. Benefits slowed to 0.3%, down from 2.7% during the year ending in the first quarter.

In comparison, the Consumer Price Index (CPI) was only 0.2% higher than a year earlier, even after increasing 0.3% in June. The small year-over-year increase extended a string of low inflation readings that began in January when sharply lower energy costs took hold. The core

CPI was up 1.8% year-over-year in June, and the Median CPI from the Cleveland Federal Reserve was up 2.3% year-over-year. Both the core CPI and median CPI are used as measures of the underlying inflation rate excluding more volatile sectors like energy, and suggest that the recent weakness in the overall price level perhaps is the temporary result of the drop in energy prices and the strength in the dollar.

Personal consumption expenditures continued to respond to the recent improvement in income growth in June, adding 0.2% to the 0.7% increase in May. However, spending on durable goods decreased 1.3%, reflecting the 3.4% decrease in unit **sales of light motor vehicles** during the month. Despite the decline, the annual vehicle sales pace remained above 17 million units, and sales increased to a 17.5 million unit pace in July. Spending on non-durable goods decelerated to 0.4%, although the May increase was lifted from 1.7% to 2.0%. Spending on services increased 0.4% in June – the same as the average during the previous eleven months. Consumption was 3.2% higher than a year earlier in June.

Consumer Confidence About the Future



Source: The Conference Board

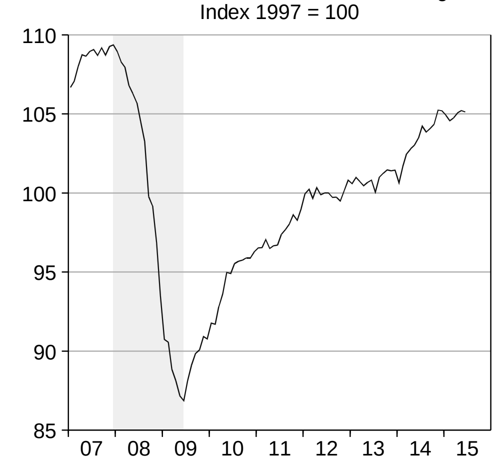
An important factor behind growth in consumption appears to be the large decrease in the **price of gasoline** during the past year. The price of regular gasoline in Ohio increased moderately on average during June, but remained well below the recent high-point in mid-2014 and resumed its decline in July and early August. The price of regular gasoline in Ohio at the beginning of August was up 22.6% from the low point reached during the first week of January, but was still 41.9% below the recent peak at the beginning of June 2014.

C**onsumer confidence** deteriorated in July, possibly due to rising concerns about stock market volatility and financial issues gripping China and Europe. The Conference Board measure fell nearly 9 points, or 8.9%, on the month. Assessments of both current and future conditions dimmed, with the expectations index down 13.9% and the current situation index down 2.6%. Similarly, the Index of Consumer Sentiment from the University of Michigan decreased 3.1%, reflecting worsening assessments of both the present and the future. Even after these declines, however, the indexes remain comfortably above their corresponding averages during periods of economic expansion since 1978.

Manufacturing

Industrial production remained weak in June, rising only 0.2% after falling for five straight months. **Manufacturing** output decreased 0.1%, offsetting the 0.1% increase during the previous month. Despite modest gains during March-May, manufacturing production in June was still slightly below its level last November. **Mining** output increased 1.1% after large declines in the previous two months and in four of the five previous months, reflecting the drop in the price of oil during the past year. **Utility** output increased 1.5% after a moderate gain in May and large declines in March and April.

Industrial Production - Manufacturing
Index 1997 = 100



Compared with a year earlier, industrial production was up 1.3%, manufacturing output was up 1.6%, mining output was down 1.8%, and utility output was higher by 3.1%. The causes of recent weakness in manufacturing and mining remain the strong dollar, which undermines U.S. exports and supports imports, and the drop in the price of oil, which has led to cutbacks in drilling and related activities.

On the other hand, purchasing managers at manufacturing firms reported that business expanded across the country for the 32nd consecutive month in July. The PMI® decreased 0.8 points to 52.7, but remained above the neutral level of 50. The key New Orders Index and Production Index increased to 56.5 and 56.0, respectively.

Of some concern, however, is the decline in the Backlog of Orders Index, which fell to 42.5 – its lowest level since November 2012. In addition, the Supplier Deliveries Index stayed below 50 for the second straight month for the first time since the spring of 2012. The reading below neutral indicates that the speed of deliveries is picking up, presumably because demand is slowing down.

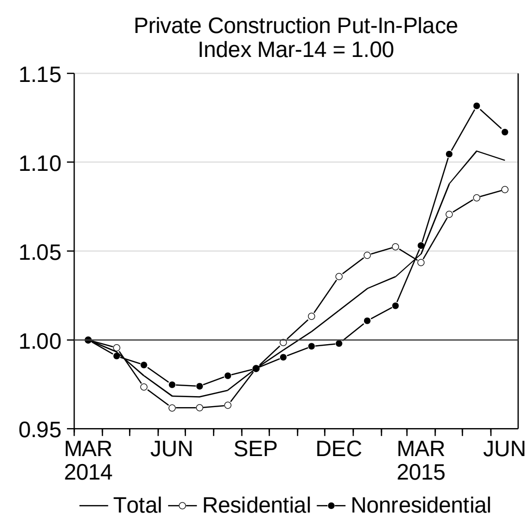
Of the 18 industries tracked by the Manufacturing ISM *Report on Business*, 11 reported growth in July, led by textile mills, paper products, and apparel, leather and allied products. Among the industries most important to Ohio in terms of employment share, fabricated metal product and transportation reported growth and primary metal and machinery reported contraction.

In general in and around Ohio, manufacturers reported that overall demand contracted slightly during the six weeks ending in mid-July, according to the Federal Reserve Bank of Cleveland. Firms cited the strong dollar and downturn in the oil and gas industry as the primary causes of the weakness. At the same time, however, suppliers to the aerospace, motor vehicle, and construction industries reported continuing signs of strengthening demand.

<u>Construction</u>

Overall construction activity leveled off in June after three strong months. **Construction put-in-place** increased 0.1%, following gains of 1.3% in March, 3.8% in April, and 1.8% in May. Changes across sectors were mixed. For total construction, the June level was 12.0% higher than a year earlier – the best year-over-year gain since before the 2007-2009 recession.

Private construction decreased 0.5% in June after three strong monthly gains. Private residential construction put-in-place increased 0.4%, and the May gain was revised up from 0.3% to 0.9%. The increase came entirely from multi-family construction, which rose 2.8%, while single-family construction decreased 0.3%. Private nonresidential construction decreased by 1.3% in June, but the April and May changes were revised higher from 4.0% to 4.9% and 1.3% to 2.5%, respectively. Commercial activity accounted for more than one half of the decrease.



Public construction increased by 1.6% in June, and the April and May increases were revised higher from 1.7% to 3.9% and from 0.7% to 2.1%, respectively. Public residential construction decreased 3.8% in June, but the May increase was revised higher from 1.1% to 2.2%. Public nonresidential construction increased 1.7%, and the May change was revised up from 1.7% to 2.1%. More than all of the June gain occurred in water supply, amusement and recreation, highway and street, and transportation construction.

In and around Ohio, nonresidential contractors reported continued strong activity during the six weeks ending in mid-July, according the the Cleveland Fed sruvey. Revenues have increased above year earlier levels, and the increase in the number of inquiries has raised the selectivity of general contractors. Backlogs are strong and strengthening. Demand is greatest in the commercial, health care, office, industrial, and multi-family segments.

The momentum in housing activity continued to build again in June. **Housing starts** increased 6.8% in June on a 3-month moving average basis on top of the 3.7% and 5.6% increases in April and May, respectively. Single family starts increased 3.0% and multi-family starts increased 13.6%. Compared with a year earlier, housing starts were higher by 16.3%.

In the Midwest, starts rose just 0.7% on a 3-month moving average basis, as a 4.9% decline in multi-family starts offset a 3.2% rise in single-family starts. The solid increases in housing starts across the Midwest during April-June followed weakness in the second half of 2014 and over the winter that leaves the level of activity still well below the year ago pace.

The generally more-forward-looking **housing permits** also were positive in June. Permits increased 8.7% across the country on a 3-month moving average basis. Single-family permits were up 2.5%, while multi-family permits rose 17.3%. Midwest permits increased by 5.4%, reflecting a 3.3% increase in single-family and 9.2% increase in multi-family.

Sales of existing houses increased both across the country (+1.8%) and in the Midwest (+3.5%) in June on a 3-month moving average basis. Inventories of existing homes for sale rose very slightly in June in absolute terms, but edged down to a 5.0-month supply at the June pace of sales. Compared with a year earlier, sales across the country were higher by 8.5%, and sales in the Midwest were higher by 12.7%.

The **Pending Homes Sales Index**, which measures housing contract activity for single-family homes, condos, and co-ops and usually leads existing home sales by a month or two, increased 0.5% on a 3-month moving average basis. Pending Home Sales in the Midwest increased just 0.2% after a small increase in May and moderate increases during February-April.

Sales of newly built homes edged down 0.2% in June, and the May change was revised lower from +0.1% to a decline of 1.8%. New home sales fell 1.0% across the Midwest after moderate gains during March-May. Inventories of new homes increased in June to the highest absolute level since May 2010. Relative to the pace of sales, however, new home inventories increased to a still-moderate 5.4 months' supply. New home sales were 19.4% higher than a year earlier across the country but 1.6% lower in the Midwest.

Home prices edged very slightly higher for the second straight month in May, according to the Case-Shiller national home price index, marking the twelfth straight increase. Home prices in Cleveland decreased 0.1% in May – the second small decline in a row. Home prices increased 5.7% across the country from December 2013 to May 2015 to stand 24.9% above the cycle low reached in December 2011, but remained 7.5% below the all-time high set in February 2007.

REVENUES

NOTE: Estimates in the revenue tables are based on the enacted version of H.B. 64 with the exception of federal grants which reflect actual receipts. Federal grants are driven primarily by reimbursements for Medicaid spending and as is the usual practice, disbursement estimates for the first fiscal year of the biennium will not be completed until late August.

July **GRF receipts totaled $3,027.6 million** and were $7.0 million (0.2%) above the estimate. Monthly tax receipts totaled $1,670.3 million and were $9.5 million (0.6%) above the estimate, while non-tax receipts totaled $1,194.3 million and were $2.5 million (0.2%) below the estimate. Variances for the fiscal year-to-date by category are identical to July and are provided in the following table ($ in millions).

Category	Includes:	YTD Variance	% Variance
Tax receipts	Sales & use, personal income, corporate franchise, financial institutions, commercial activity, MCF, public utility, kilowatt hour, foreign & domestic insurance, other business & property taxes, cigarette, alcoholic beverage, liquor gallonage, & estate	$9.5 million	0.6%
Non-tax receipts	Federal grants, earnings on investments, licenses & fees, other income, intrastate transfers	($2.5 million)	-0.2%
Transfers	Budget stabilization, liquor transfers, capital reserve, other	$0.0 million	0.0%
TOTAL REVENUE VARIANCE:		**$7.0 million**	**0.2%**

On a year-over-year basis, monthly receipts were $552.5 million (22.3%) higher than in July of the previous fiscal year, mainly due to growth in federal grants revenue ($309.3 million, 35.0%), transfers in ($158.0 million, 3,158.3%), and non-auto sales tax receipts ($63.7 million, 8.3%).

GRF Revenue Sources Relative to Monthly Estimates – July 2015
($ in millions)

Individual Revenue Sources Above Estimate		Individual Revenue Sources Below Estimate	
Non-Auto Sales and Use Tax	$23.3	Personal Income Tax	($19.1)
Cigarette and Other Tobacco Tax	$11.9	Commercial Activity Tax	($6.0)
Kilowatt Hour Tax	$1.5	Domestic Insurance Tax	($2.5)
Corporate Franchise Tax	$1.0	License & Fees	($2.4)
		Auto Sales and Use Tax	($1.1)
Other Sources Above Estimate	$0.6	Other Sources Below Estimate	($0.4)
Total above	**$38.3**	**Total below**	**($31.3)**

(Note: Due to rounding of individual sources, the combined sum of sources above and below estimate may differ slightly from the total variance.)

Non-Auto Sales and Use Tax

July non-auto sales and use tax collections totaled $828.0 million and were $23.3 million (2.9%) above the estimate. On a year-over-year basis, July 2015 receipts were $63.7 million (8.3%) above the same month in the previous fiscal year. Following the weakness experienced in the year-over-year growth of this tax source in the second half of fiscal year 2015, July's performance is encouraging.

The pattern of negative correlation between non-auto sales tax revenues and auto sales tax revenues, implying consumer substitution between automobile purchases and other consumer goods and services mentioned in previous reports and seemingly present throughout fiscal year 2015 appears to have continued, albeit weakly in the first month of the new fiscal year.

Auto Sales Tax

July auto sales and uses tax collections totaled $116.8 million and were $1.1 million (0.9%) below the estimate. Year-over-year auto sales and use tax receipts for July 2015 were $5.9 million (4.8%) below July 2014 levels. Auto sales nationwide posted one of the strongest July results on record, which may bode well for August auto sales tax collections.

Personal Income Tax

July personal income tax receipts totaled $619.7 million and were $19.1 million (3.0%) below the estimate. Higher than expected refunds totaling $61.0 million ($21.2 million, or 53.3%, above estimate) accounted for more than the entirety of the shortfall and offset a positive performance in trust payments ($3.3 million, or 475.8%), quarterly estimated payments ($2.4 million, or 17.4%), and payments associated with annual returns ($3.4 million, or 34.7%). Withholding ($3.1 million, or 0.5%) and miscellaneous revenues ($3.9 million, or 61.6%) also fell below the estimate.

On a year-over-year basis, July personal income tax receipts were $16.3 million (2.7%) above July 2014 collections. All personal income tax components, except for the miscellaneous category, exhibited growth compared to July 2014, with the strongest percentage growth coming in trust payments ($2.5 million, or 164.4%) and payments associated with annual returns ($3.6 million, or 37.6%). July 2015 refunds were also lower than the previous fiscal year by $0.2 million (0.4%), contributing to the total growth.

FY2016 PERSONAL INCOME TAX RECEIPTS BY COMPONENT ($ in millions)

	ESTIMATE JULY	ACTUAL JULY	$ VAR JULY	ACTUAL JULY 15	ACTUAL JULY 14	$ VAR Y-over-Y
Withholding	$678.9	$675.8	($3.1)	$675.8	$663.2	$12.6
Quarterly Est.	$14.0	$16.4	$2.4	$16.4	$13.6	$2.8
Trust Payments	$0.7	$4.0	$3.3	$4.0	$1.5	$2.5
Annual Returns & 40 P	$9.7	$13.1	$3.4	$13.1	$9.5	$3.6
Other	$6.4	$2.5	($3.9)	$2.5	$5.9	($3.4)
Less: Refunds	($39.8)	($61.0)	($21.2)	($61.0)	($61.2)	$0.2
Local Distr.	($31.1)	($31.1)	$0.0	($31.1)	($29.1)	($2.0)
Net to GRF	**$638.8**	**$619.7**	**($19.1)**	**$619.7**	**$603.4**	**$16.3**

Corporate Franchise Tax

As noted in previous months' reports, although the corporate franchise tax has been eliminated, prior year settlement activity continues. This results in some amount of monthly activity for this tax, whether settlement payments or refunds, which by definition create variances, since the estimate for this tax is now zero. July experienced some light settlement activity as receipts totaled $1.0 million.

Commercial Activity Tax

Commercial activity tax (CAT) July receipts deposited in the GRF totaled $34.8 million and were $6.0 million (14.8%) below the estimate of $40.8 million. As the first CAT payment of the fiscal year is due August 10th, we need to look at combined collections for July and August before determining if the July shortfall is substantive or simply a matter of timing. Despite the negative variance, July 2015 GRF CAT receipts were $7.6 million (27.8%) above collections for the same month in the previous fiscal year. This increase is due to a change in the allocation method contained in H.B. 64 (the biennial budget bill) that increased the GRF share of CAT receipts from 50 to 75 percent.

All funds July CAT receipts (net of refunds, attorney general fees, and deposits to the motor fuel fund), meanwhile totaled $46.8 million and were $8.1million (14.7%) below the estimate. The year-over-year change in all funds CAT receipts was a decline of $6.4 million (14.8%).

Kilowatt Hour Tax

July kilowatt hour tax receipts totaled $29.0 million and were $1.5 million (5.5%) above the estimate. On a year-over year basis, kilowatt hour tax receipts increased by $5.9 million (25.6%) compared to July 2014. This increase is partly attributable to allocation changes contained in H.B. 64 which increased the portion of kilowatt hour tax receipts deposited in the GRF from 88 percent to 100 percent.

Domestic Insurance Tax

July domestic insurance tax receipts were negligible and were $2.5 million (99.8%) below the monthly estimate of $2.5 million. Similarly, July 2015 receipts were $6.7 million (99.9%) lower than for the same month in the previous fiscal year. As revenue estimates for this tax are based on historic patterns, small payments that were received during this month in prior fiscal years but not repeated this year are the cause of the variance.

Cigarette and Other Tobacco Tax

The cigarette and other tobacco tax receipts experienced a strong performance in July as receipts totaled $30.1 million and were $11.9 million (65.6%) above the estimate of $18.2 million. Year-over-year cigarette tax receipts grew by $7.6 million (33.9%) from last July.

GRF Non-Tax Receipts

GRF non-tax receipts totaled $1,194.3 million in July and were $2.5 million (0.2%) below the estimate. While federal grants are by far the largest share of this category, the variance is attributable to lower than expected license and fees and other income. For July only, the actual federal grants receipt amount served as the estimate. This is due to the fact that almost all federal grant receipts result from reimbursements for Medicaid spending. As disbursement estimates are still being developed, a federal grant estimate was not available, so the estimate was deemed to be equal to actual collections.

July transfers in totaled $163.0 million and were equal to the estimate. Major July transfers were comprised of a $158.0 million transfer from the Medicaid Reserve Fund to the GRF, as well as a $5.0 million transfer in from the Insurance Operating Fund.

Table 1
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2016 VS ESTIMATE FY 2016
($ in thousands)

REVENUE SOURCE	MONTH ACTUAL JULY	MONTH ESTIMATE JULY	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL Y-T-D	YEAR-TO-DATE ESTIMATE Y-T-D	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	828,049	804,700	23,349	2.9%	828,049	804,700	23,349	2.9%
Auto Sales & Use	116,830	117,900	(1,070)	-0.9%	116,830	117,900	(1,070)	-0.9%
Subtotal Sales & Use	944,879	922,600	22,279	2.4%	944,879	922,600	22,279	2.4%
Personal Income	619,660	638,800	(19,140)	-3.0%	619,660	638,800	(19,140)	-3.0%
Corporate Franchise	1,041	0	1,041	N/A	1,041	0	1,041	N/A
Financial Institutions Tax	244	100	144	144.1%	244	100	144	144.1%
Commercial Activity Tax	34,781	40,800	(6,019)	-14.8%	34,781	40,800	(6,019)	-14.8%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	41	0	41	N/A	41	0	41	N/A
Kilowatt Hour	29,016	27,500	1,516	5.5%	29,016	27,500	1,516	5.5%
Natural Gas Distribution	1,230	1,200	30	2.5%	1,230	1,200	30	2.5%
Foreign Insurance	206	100	106	105.9%	206	100	106	105.9%
Domestic Insurance	5	2,500	(2,495)	-99.8%	5	2,500	(2,495)	-99.8%
Other Business & Property	16	0	16	N/A	16	0	16	N/A
Cigarette and Other Tobacco	30,147	18,200	11,947	65.6%	30,147	18,200	11,947	65.6%
Alcoholic Beverage	5,305	5,400	(95)	-1.8%	5,305	5,400	(95)	-1.8%
Liquor Gallonage	3,648	3,600	48	1.3%	3,648	3,600	48	1.3%
Estate	85	0	85	N/A	85	0	85	N/A
Total Tax Receipts	1,670,305	1,660,800	9,505	0.6%	1,670,305	1,660,800	9,505	0.6%
NON-TAX RECEIPTS								
Federal Grants	1,192,319	1,192,319	0	0.0%	1,192,319	1,192,319	0	0.0%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fees	908	3,308	(2,400)	-72.5%	908	3,308	(2,400)	-72.5%
Other Income	929	1,198	(269)	-22.5%	929	1,198	(269)	-22.5%
ISTV'S	171	0	171	N/A	171	0	171	N/A
Total Non-Tax Receipts	1,194,326	1,196,825	(2,498)	-0.2%	1,194,326	1,196,825	(2,498)	-0.2%
TOTAL REVENUES	2,864,631	2,857,625	7,006	0.2%	2,864,631	2,857,625	7,006	0.2%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	163,000	163,000	0	0.0%	163,000	163,000	0	0.0%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	163,000	163,000	0	0.0%	163,000	163,000	0	0.0%
TOTAL SOURCES	3,027,631	3,020,625	7,006	0.2%	3,027,631	3,020,625	7,006	0.2%

Table 2
GENERAL REVENUE FUND RECEIPTS
ACTUAL FY 2016 VS ACTUAL FY 2015
($ in thousands)

REVENUE SOURCE	MONTH JULY FY 2016	MONTH JULY FY 2015	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL FY 2016	YEAR-TO-DATE ACTUAL FY 2015	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
TAX RECEIPTS								
Non-Auto Sales & Use	828,049	764,354	63,695	8.3%	828,049	764,354	63,695	8.3%
Auto Sales & Use	116,830	122,735	(5,905)	-4.8%	116,830	122,735	(5,905)	-4.8%
Subtotal Sales & Use	944,879	887,089	57,790	6.5%	944,879	887,089	57,790	6.5%
Personal Income	619,660	603,432	16,227	2.7%	619,660	603,432	16,227	2.7%
Corporate Franchise	1,041	3,615	(2,574)	-71.2%	1,041	3,615	(2,574)	-71.2%
Financial Institutions Tax	244	112	132	117.1%	244	112	132	117.1%
Commercial Activity Tax	34,781	27,210	7,571	27.8%	34,781	27,210	7,571	27.8%
Petroleum Activity Tax	0	0	0	N/A	0	0	0	N/A
Public Utility	41	0	41	N/A	41	0	41	N/A
Kilowatt Hour	29,016	23,107	5,910	25.6%	29,016	23,107	5,910	25.6%
Natural Gas Distribution	1,230	1,324	(93)	-7.1%	1,230	1,324	(93)	-7.1%
Foreign Insurance	206	39	167	431.6%	206	39	167	431.6%
Domestic Insurance	5	6,754	(6,748)	-99.9%	5	6,754	(6,748)	-99.9%
Other Business & Property	16	0	16	N/A	16	0	16	N/A
Cigarette and Other Tobacco	30,147	22,515	7,632	33.9%	30,147	22,515	7,632	33.9%
Alcoholic Beverage	5,305	5,919	(614)	-10.4%	5,305	5,919	(614)	-10.4%
Liquor Gallonage	3,648	3,448	200	5.8%	3,648	3,448	200	5.8%
Estate	85	1,153	(1,068)	-92.7%	85	1,153	(1,068)	-92.7%
Total Tax Receipts	1,670,305	1,585,718	84,587	5.3%	1,670,305	1,585,718	84,587	5.3%
NON-TAX RECEIPTS								
Federal Grants	1,192,319	883,024	309,295	35.0%	1,192,319	883,024	309,295	35.0%
Earnings on Investments	0	0	0	N/A	0	0	0	N/A
License & Fee	908	640	269	42.0%	908	640	269	42.0%
Other Income	929	786	142	18.1%	929	786	142	18.1%
ISTV'S	171	2	169	10703.9%	171	2	169	10703.9%
Total Non-Tax Receipts	1,194,326	884,451	309,875	35.0%	1,194,326	884,451	309,875	35.0%
TOTAL REVENUES	2,864,631	2,470,169	394,462	16.0%	2,864,631	2,470,169	394,462	16.0%
TRANSFERS								
Budget Stabilization	0	0	0	N/A	0	0	0	N/A
Liquor Transfers	0	0	0	N/A	0	0	0	N/A
Transfers In - Other	163,000	5,003	157,997	3158.3%	163,000	5,003	157,997	3158.3%
Temporary Transfers In	0	0	0	N/A	0	0	0	N/A
Total Transfers	163,000	5,003	157,997	3158.3%	163,000	5,003	157,997	3158.3%
TOTAL SOURCES	3,027,631	2,475,171	552,460	22.3%	3,027,631	2,475,171	552,460	22.3%

DISBURSEMENTS

Consistent with the practice at the beginning of each biennium, OBM is currently working with state agencies to estimate and finalize a monthly schedule for disbursements, transfers, and outstanding encumbrances for fiscal year 2016. The fiscal year 2016 estimated disbursements will be completed in August and included in the September Monthly Financial Report. As a result, OBM has set disbursement estimates for July at the actual disbursement amounts for the month. Therefore, Table 3 in this report shows no monthly variances.

July GRF disbursements, across all uses, totaled $3,978.3 million and were without variation as a result of estimates being under development. On a year-over-year basis, July total uses were $988.1 million (33.0%) higher than those of the same month in the previous fiscal year.

Category	Description	YOY Variance	% Variance
Expenditures and transfers between agencies (ISTVs)	State agency operations, subsidies, tax relief, debt service payments, and pending payroll (if applicable)	$242.9 million	8.2%
Transfers	Temporary or permanent transfers out of the GRF that are not agency expenditures	$745.2 million	2,796.7%
TOTAL DISBURSEMENTS VARIANCE:		**$988.1 million**	**33.0%**

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

Primary and Secondary Education

This category contains GRF spending for the Ohio Department of Education, minus property tax reimbursements. July disbursements for this category totaled $667.4 million and were $39.3 million (5.6%) below disbursements for the same month of the previous fiscal year. Expenditures for the school foundation program totaled $648.5 million and were $48.8 million (7.0%) below disbursements for the same month of the previous fiscal year. This variance was primarily attributable to the timing of the annual $40.0 million Catastrophic Cost Supplement payment, which provides funding to support the higher costs associated with special education. The fiscal year 2014 payment was made in July of fiscal year 2015, rather than in fiscal year 2014 as originally estimated. As a result, foundation funding in July of fiscal year 2015 was $40.0 million higher than intended.

Higher Education

July disbursements for the Higher Education category, which includes non-debt service GRF spending by the Board of Regents, were $164.5 million and were $3.6 million (2.1%) below disbursements for the same month of the previous fiscal year. The variance was due to a temporary delay in distribution of a portion of the Board of Regents subsidy line items.

Other Education

This category includes non-debt service expenditures made by the Broadcast Education Media Commission, the Ohio Facilities Construction Commission, the Ohio State School for the Blind, the Ohio School for the Deaf, as well as disbursements made to libraries, cultural, and arts organizations.

July disbursements in this category totaled $6.9 million and were $0.3 million (4.2%) above disbursements for the same month of the previous fiscal year.

Medicaid

This category includes all Medicaid spending on services and program support by the following six agencies: the Department of Medicaid, the Department of Mental Health and Addiction Services, the Department of Developmental Disabilities, the Department of Health, the Department of Job and Family Services, and the Department of Aging.

Please note that beginning in fiscal year 2016 Medicaid GRF disbursements include expenditures related to persons enrolled under the “Group 8” expansion program, which were previously funded from non-GRF sources. Although these persons will be 100% federally-funded during fiscal year 2016, during the last six months of the biennium the state will be required to assume five percent of their costs. For this reason the costs and related federal reimbursements for these persons was shifted into the GRF for the biennium.

Expenditures

July GRF disbursements for the Medicaid Program totaled $1,746.5 million and were $259.4 million (17.4%) above disbursements for the same month of the previous fiscal year. This increase was attributed to the shifting of expenditures for persons enrolled under the “Group 8” expansion program to the GRF.

July all funds disbursements totaled $2,228.2 million and were $471.8 million (26.9%) above disbursements in the same month of the previous fiscal year. In addition to the GRF increase described above, the non-GRF increase of $212.4 million resulted from a Hospital Care Assurance Program (HCAP) payment that was budgeted to occur in the later months of fiscal year 2015, but did not occur until the first month of fiscal year 2016 due to a delay in receiving federal approval for the fiscal year 2015 HCAP payment plan.

The chart below shows the July disbursements in both fiscal years 2015 and 2016 by funding source.

(in millions, totals may not add due to rounding)

	July FY15	July FY16	Variance	Variance %
GRF	$ 1,487.1	$ 1,746.5	$ 259.4	17.4%
Non-GRF	$ 269.3	$ 481.7	$ 212.4	78.9%
All Funds	$ 1,756.4	$ 2,228.2	$ 471.8	26.9%

Enrollment

Total July enrollment across all categories was 3.03 million. The most significant components are the Covered Families and Children (CFC) category, which increased by 6,137 persons to a July total of 2.45 million persons, and the Aged, Blind and Disabled (ABD) category, which decreased by 3,087 persons to a July total of 403,451 covered lives.

Total enrollment across all categories for the same period last year was 2.80 million covered persons, including 2.15 million persons in the CFC category and 433,648 people in the ABD category.

Please note that these data are subject to revision.

Health and Human Services

This category includes non-debt service GRF expenditures for the following state agencies: Job and Family Services, Health, Aging, Developmental Disabilities, Mental Health and Addiction Services, and others. Examples of expenditures in this category include: child care, TANF, 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 the previous category.

July disbursements in this category totaled $127.9 million and were $21.0 million (14.1%) below disbursements for the same month of the previous fiscal year.

Department of Health

July disbursements for the Department of Health totaled $12.2 million and were $1.2 million (11.4%) above disbursements for the same month of the previous fiscal year. This variance was attributable to several lines. First, Help Me Grow program disbursements were $2.2 million (61.9%) above prior year disbursements due to subsidy payments for fiscal year 2016 scheduled to occur earlier in the fiscal year than in fiscal year 2015. Second, Immunizations disbursements were $1.2 million (1,350.1%) above prior year disbursements due to spending on prior year encumbrances in fiscal year 2016. Finally, Medically Handicapped Children disbursements were $1.0 million (34.3%) below prior year disbursements due to the timing of subsidy payments that for fiscal year 2016 are planned to occur later in the year.

Department of Job and Family Services

July disbursements for the Department of Job and Family Services totaled $66.5 million and were $10.3 million (13.4%) below disbursements for the same month of the previous fiscal year. This variance was primarily attributable to several lines. First, Child Care State/MOE disbursements were $4.5 million (100.0%) lower than in fiscal year 2015 due to a shift in disbursements in fiscal year 2015. Second, Information Technology Projects disbursements were $1.2 million (21.3%) lower than in fiscal year 2015 due to an IT optimization payment made against a prior year encumbrance in fiscal year 2015. Third, Food Banks disbursements were $1.4 million (100.0%) below fiscal year 2015 disbursements due to a shift in funding to non-GRF sources in fiscal year 2016. Finally, Program Support disbursements were $2.0 million (67.9%) higher than in fiscal year 2015 due to the payment of a Child and Family Review Program Improvement Plan penalty to the U.S. Department of Health and Human Services in fiscal year 2016.

Department of Mental Health and Addiction Services

July disbursements for the Department of Mental Health and Addiction Services totaled $23.1 million and were $11.3 million (32.8%) below disbursements for the same month of the previous fiscal year. This variance was primarily attributable to Continuum of Care Services disbursements being $12.9 million (89.5%) below disbursements for the same month of the previous fiscal year due to payments disbursed in July of fiscal year 2015 that in fiscal year 2016 are scheduled to be disbursed in later months.

Justice and Public Protection

This category includes non-debt service GRF expenditures by the Department of Rehabilitation & Correction, the Department of Youth Services, the Attorney General, judicial agencies, and other justice-related entities.

July disbursements in this category totaled $209.6 million and were $23.0 million (12.3%) above disbursements for the same month of the previous fiscal year.

Department of Rehabilitation & Correction

July disbursements for the Department of Rehabilitation and Correction totaled $139.1 million and were $17.2 million (14.1%) above disbursements for the same month of the previous fiscal year. This variance was primarily attributable to the timing of disbursements for Institutional Operations, Halfway Houses, Institutional Medical Services, and Community Nonresidential Programs grant payments.

Public Defender Commission

July disbursements for the Public Defender Commission totaled $5.2 million and were $4.8 million (1,048.1%) above disbursements for the same month of the previous fiscal year. This variance was attributable to the timing of County Reimbursement payments.

General Government

This category includes non-debt service GRF expenditures by the Department of Natural Resources, Development Services Agency, Department of Agriculture, Department of Taxation, Office of Budget and Management, non-judicial statewide elected officials, legislative agencies, and others.

July disbursements in this category totaled $43.9 million and were $17.8 million (68.0%) above disbursements for the same month of the previous fiscal year.

<u>Department of Administrative Services</u>
July disbursements for the Department of Administrative Services totaled $10.0 million and were $9.1 million (1,002.4%) above disbursements for the same month of the previous fiscal year. This variance was attributable to spending against a prior year encumbrance from a line item for agencies' GRF rent and vacant space in state buildings managed by DAS.

<u>Department of Transportation</u>
July disbursements for the Department of Transportation totaled $1.9 million and were $1.2 million (185.0%) above disbursements for the same month of the previous fiscal year. This variance was primarily attributable to Public Transportation-State disbursements being $1.5 million (565.8%) above disbursements for the same month of the previous fiscal year due to the timing of grant and project awards and disbursements.

Property Tax Reimbursements

Payments from the property tax reimbursement 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. July property tax reimbursements totaled $1.6 million and were $0.1 million (8.8%) below disbursements for the same month of the previous fiscal year.

Debt Service

July payments for debt service totaled $238.0 million and were $6.6 million (2.8%) higher than disbursements for the same month of the previous fiscal year. Primary contributors to year-over-year growth were higher education general obligation debt service payments totaling $139.8 million, which were $15.8 million (12.7%) higher than in July of the previous fiscal year. This growth was offset by an $11.5 million (12.2%) decline in state capital improvement general obligation debt service payments.

Transfers Out

July transfers out totaled $771.9 million with the major contributors being a $425.5 million transfer to the Budget Stabilization Fund (BSF), as well as $301.5 million in transfers of fiscal year 2015 surplus revenue prescribed in Am. Sub. H.B. 64 of the 131st General Assembly. Please note that an additional $101.1 million was transferred to the BSF from the Medicaid Reserve Fund, bringing the total BSF transfer to $526.6 million and the total BSF balance to $2.0 billion.

Table 3

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2016 VS ESTIMATE FY 2016
($ in thousands)

Functional Reporting Categories Description	MONTH ACTUAL JULY	MONTH ESTIMATED JULY	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE YTD ACTUAL	YEAR-TO-DATE YTD ESTIMATE	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary and Secondary Education	667,417	667,417	N/A	N/A	667,417	667,417	N/A	N/A
Higher Education	164,529	164,529	N/A	N/A	164,529	164,529	N/A	N/A
Other Education	6,913	6,913	N/A	N/A	6,913	6,913	N/A	N/A
Medicaid	1,746,480	1,746,480	N/A	N/A	1,746,480	1,746,480	N/A	N/A
Health and Human Services	127,927	127,927	N/A	N/A	127,927	127,927	N/A	N/A
Justice and Public Protection	209,635	209,635	N/A	N/A	209,635	209,635	N/A	N/A
General Government	43,883	43,883	N/A	N/A	43,883	43,883	N/A	N/A
Property Tax Reimbursements	1,550	1,550	N/A	N/A	1,550	1,550	N/A	N/A
Capital Outlay	0	0	N/A	N/A	0	0	N/A	N/A
Debt Service	238,031	238,031	N/A	N/A	238,031	238,031	N/A	N/A
Total Expenditures & ISTV's	3,206,365	3,206,365	N/A	N/A	3,206,365	3,206,365	N/A	N/A
Transfers Out:								
BSF Transfer Out	425,500	425,500	N/A	N/A	425,500	425,500	0	N/A
Operating Transfer Out	346,388	346,388	N/A	N/A	346,388	346,388	0	N/A
Temporary Transfer Out	0	0	N/A	N/A	0	0	0	N/A
Total Transfers Out	771,888	771,888	N/A	N/A	771,888	771,888	0	N/A
Total Fund Uses	3,978,253	3,978,253	N/A	N/A	3,978,253	3,978,253	0	N/A

Table 4

GENERAL REVENUE FUND DISBURSEMENTS
ACTUAL FY 2016 VS ACTUAL FY 2015
($ in thousands)

Functional Reporting Categories Description	MONTH JULY FY 2016	MONTH JULY FY 2015	MONTH $ VAR	MONTH % VAR	YEAR-TO-DATE ACTUAL FY 2016	YEAR-TO-DATE ACTUAL FY 2015	YEAR-TO-DATE $ VAR	YEAR-TO-DATE % VAR
Primary and Secondary Education	667,417	706,703	(39,287)	-5.6%	667,417	706,703	(39,287)	-5.6%
Higher Education	164,529	168,097	(3,568)	-2.1%	164,529	168,097	(3,568)	-2.1%
Other Education	6,913	6,633	280	4.2%	6,913	6,633	280	4.2%
Medicaid	1,746,480	1,487,118	259,362	17.4%	1,746,480	1,487,118	259,362	17.4%
Health and Human Services	127,927	148,976	(21,049)	-14.1%	127,927	148,976	(21,049)	-14.1%
Justice and Public Protection	209,635	186,680	22,955	12.3%	209,635	186,680	22,955	12.3%
General Government	43,883	26,114	17,769	68.0%	43,883	26,114	17,769	68.0%
Property Tax Reimbursements	1,550	1,700	(149)	-8.8%	1,550	1,700	(149)	-8.8%
Capital Outlay	0	0	0	N/A	0	0	0	N/A
Debt Service	238,031	231,467	6,564	2.8%	238,031	231,467	6,564	2.8%
Total Expenditures & ISTV's	3,206,365	2,963,488	242,877	8.2%	3,206,365	2,963,488	242,877	8.2%
Transfers Out:								
BSF Transfer	425,500	0	425,500	N/A	425,500	0	425,500	N/A
Operating Transfer Out	346,388	26,647	319,741	1199.9%	346,388	26,647	319,741	1199.9%
Temporary Transfer Out	0	0	0	N/A	0	0	0	N/A
Total Transfers Out	771,888	26,647	745,241	2796.7%	771,888	26,647	745,241	2796.7%
Total Fund Uses	3,978,253	2,990,135	988,118	33.0%	3,978,253	2,990,135	988,118	33.0%

FUND BALANCE

The Office of Budget and Management (OBM) is currently working to complete the analysis necessary for the preparation of the fiscal year 2016 General Revenue Fund (GRF) balance. As mentioned above, OBM is currently finalizing the fiscal year 2016 projections of disbursements, transfers, and encumbrances. This analysis will be completed in August and reflected in the September 2015 Monthly Financial Report. As discussed in the July Monthly Financial Report, the ending cash balance as of June 30, 2015 was $1,711.7 million. After reserving cash for outstanding encumbrances and making transfers out of the GRF, the remaining unencumbered cash balance is $550.4 million, which is greater than the required 0.5% carryover balance of $157.4 million.

OBM staff that contributed to the development of this report are:

Jason Akbar, Jim Bennett, Frederick Church, Jim Coons, Adam Damin, Paul DiNapoli, Catherine Hookway, Kurt Kauffman, Sári Klepacz, Matthew Martin, Ashley Nelson, Jeff Newman, Katherine Nickey, Steven Peishel, Ben Phillips, Katja Ryabtseva, Tara Schuler, Dex Stanger, Chris Whistler, and Andrew White.