



Financial Section

Required Supplementary Information

North Bank Park
Columbus, Ohio



Infrastructure Assets Accounted for Using the Modified Approach

Pavement Network

The Ohio Department of Transportation conducts annual condition assessments of its Pavement Network. The State manages its pavement system by means of annual, visual inspections by trained pavement technicians. Technicians rate the pavement using a scale of 1 (minimum) to 100 (maximum) based on a Pavement Condition Rating (PCR). This rating examines items such as cracking, potholes, deterioration of the pavement, and other factors. It does not include a detailed analysis of the pavement's subsurface conditions.

Ohio accounts for its pavement network in two subsystems: *Priority*, which comprises interstate highways, freeways, and multi-lane portions of the National Highway System, and *General*, which comprises two-lane routes outside of cities.

For the Priority Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 65, and to allow no more than 25 percent of the pavement to fall below a 65 PCR level. For the General Subsystem, it is the State's intention to maintain at least 75 percent of the pavement at a PCR level of at least 55, and to allow no more than 25 percent of the pavement to fall below a 55 PCR level.

**Pavement Network
Condition Assessment Data**

Priority Subsystem

| Fiscal Year | Pavement Condition Ratings (PCR) | | | | | | | | Total | |
|----------------|----------------------------------|-------|---------------------|-------|---------------------|------|------------------------|------|----------------|--------|
| | Excellent PCR = 85-100 | | Good PCR = 75-84 | | Fair PCR = 65-74 | | Poor PCR = Below 65 | | | |
| | Lane- Miles | % | Lane- Miles | % | Lane- Miles | % | Lane- Miles | % | Lane- Miles | % |
| 2017 | 8,103 | 59.06 | 4,345 | 31.67 | 990 | 7.22 | 282 | 2.05 | 13,720 | 100.00 |
| 2016 | 8,245 | 59.97 | 4,309 | 31.34 | 933 | 6.79 | 261 | 1.90 | 13,748 | 100.00 |
| 2015 | 8,724 | 63.51 | 3,944 | 28.71 | 901 | 6.56 | 168 | 1.22 | 13,737 | 100.00 |
| 2014 | 9,172 | 67.19 | 3,528 | 25.85 | 797 | 5.84 | 153 | 1.12 | 13,650 | 100.00 |
| 2013 | 9,177 | 67.98 | 3,299 | 24.44 | 786 | 5.82 | 237 | 1.76 | 13,499 | 100.00 |

General Subsystem

| Fiscal Year | Pavement Condition Ratings (PCR) | | | | | | | | Total | |
|----------------|----------------------------------|-------|---------------------|-------|---------------------|-------|------------------------|------|----------------|--------|
| | Excellent PCR = 85-100 | | Good PCR = 75-84 | | Fair PCR = 55-74 | | Poor PCR = Below 55 | | | |
| | Lane- Miles | % | Lane- Miles | % | Lane- Miles | % | Lane- Miles | % | Lane- Miles | % |
| 2017 | 14,022 | 47.58 | 8,472 | 28.74 | 6,755 | 22.92 | 224 | 0.76 | 29,473 | 100.00 |
| 2016 | 12,940 | 43.91 | 8,884 | 30.15 | 7,480 | 25.38 | 166 | 0.56 | 29,470 | 100.00 |
| 2015 | 14,213 | 48.25 | 8,556 | 29.04 | 6,506 | 22.08 | 186 | 0.63 | 29,461 | 100.00 |
| 2014 | 15,341 | 51.98 | 7,838 | 26.56 | 6,087 | 20.63 | 246 | 0.83 | 29,512 | 100.00 |
| 2013 | 14,841 | 50.15 | 8,038 | 27.16 | 6,403 | 21.64 | 309 | 1.05 | 29,591 | 100.00 |



Infrastructure Assets Accounted for Using the Modified Approach (Continued)

Pavement Network
Comparison of Estimated-to-Actual Maintenance and Preservation Costs
(dollars in thousands)

Priority Subsystem

| Fiscal Year | Estimated | Actual |
|-------------|-----------|-----------|
| 2017 | \$416,249 | \$491,309 |
| 2016 | 619,382 | 533,788 |
| 2015 | 482,291 | 526,202 |
| 2014 | 504,669 | 482,849 |
| 2013 | 454,299 | 521,908 |

General Subsystem

| Fiscal Year | Estimated | Actual |
|-------------|-----------|-----------|
| 2017 | \$314,433 | \$427,531 |
| 2016 | 283,059 | 369,117 |
| 2015 | 287,411 | 361,582 |
| 2014 | 266,985 | 344,005 |
| 2013 | 285,563 | 352,769 |

Bridge Network

The Ohio Department of Transportation conducts annual inspections of all bridges in the State's Bridge Network. The inspections cover major structural items such as piers and abutments, and assign a General Appraisal Condition Rating (GACR) from 0 (minimum) to nine (maximum) based on a composite measure of these major structural items.

It is the State's intention to maintain at least 85 percent of the square feet of deck area at a general appraisal condition rating level of at least five, and to allow no more than 15 percent of the number of square feet of deck area to fall below a general appraisal condition rating level of five.

Bridge Network
Condition Assessment Data
(square feet in thousands)

| Fiscal Year | General Appraisal Condition Ratings (GACR) | | | | | | | | Total | |
|----------------|--|-------|-----------------------|-------|-----------------------|------|-----------------------|------|---------|--------|
| | Excellent GACR = 7-9 | | Good GACR = 5-6 | | Fair GACR = 3-4 | | Poor GACR = 0-2 | | | |
| | Sq Ft Deck Area | % | Sq Ft Deck Area | % | Sq Ft Deck Area | % | Sq Ft Deck Area | % | | |
| | | | | | | | | | | |
| 2017 | 69,581 | 64.73 | 35,891 | 33.39 | 2,017 | 1.88 | 0 | 0.00 | 107,489 | 100.00 |
| 2016 | 67,201 | 63.05 | 37,216 | 34.92 | 2,163 | 2.03 | 0 | 0.00 | 106,580 | 100.00 |
| 2015 | 64,945 | 61.15 | 38,702 | 36.44 | 2,541 | 2.39 | 18 | 0.02 | 106,206 | 100.00 |
| 2014 | 62,239 | 58.46 | 40,626 | 38.15 | 3,609 | 3.39 | 0 | 0.00 | 106,474 | 100.00 |
| 2013 | 58,649 | 55.49 | 43,129 | 40.81 | 3,908 | 3.70 | 4 | 0.00 | 105,690 | 100.00 |



Infrastructure Assets Accounted for Using the Modified Approach (Continued)

Bridge Network
Comparison of Estimated-to-Actual Maintenance and Preservation Costs
(dollars in thousands)

| Fiscal Year | Estimated | Actual |
|--------------------|------------------|---------------|
| 2017 | \$469,804 | \$526,003 |
| 2016 | 499,522 | 552,021 |
| 2015 | 534,578 | 571,689 |
| 2014 | 550,629 | 528,001 |
| 2013 | 484,103 | 513,637 |

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STATE OF OHIO

SCHEDULE OF NET PENSION LIABILITY/ASSET

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST THREE YEARS ^(A)

(dollars in thousands)

| Traditional Plan: | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|
| Employer's Proportion of the Collective Net Pension Liability..... | 20.95% | 20.65% | 20.73% |
| Employer's Proportionate Share of the Collective Net Pension Liability..... | \$ 4,736,652 | \$ 3,561,458 | \$ 2,496,359 |
| Covered Payroll..... | \$ 2,754,860 | \$ 2,589,575 | \$ 2,608,075 |
| Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll..... | 171.94% | 137.53% | 95.72% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability..... | 77.25% | 81.08% | 86.45% |
| Combined Plan: | | | |
| Employer's Proportion of the Collective Net Pension Asset..... | 19.67% | 19.64% | 20.23% |
| Employer's Proportionate Share of the Collective Net Pension Asset..... | \$ 10,623 | \$ 9,355 | \$ 7,577 |
| Covered Payroll..... | \$ 77,885 | \$ 72,010 | \$ 69,383 |
| Employer's Proportionate Share of the Collective Net Pension Asset as a Percentage of the Employer's Covered Payroll..... | 13.64% | 12.99% | 10.92% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Asset..... | 116.55% | 116.90% | 114.83% |

Notes:

^(A) This table will present ten years of information as it becomes available.



STATE OF OHIO

SCHEDULE OF EMPLOYER CONTRIBUTIONS OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM FOR THE LAST THREE FISCAL YEARS ^{(A)(B)}

(dollars in thousands)

| Traditional Plan: | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|
| Statutorily Required Employer Contribution..... | \$ 343,330 | \$ 314,599 | \$ 308,797 |
| Actual Employer Contributions Received..... | 343,330 | 314,599 | 308,797 |
| Difference..... | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll..... | \$ 2,794,847 | \$ 2,613,331 | \$ 2,573,692 |
| Actual Employer Contributions Received as a Percentage of Covered Payroll..... | 12.28% | 12.04% | 12.00% |
| Combined Plan: | | | |
| Statutorily Required Employer Contribution..... | \$ 9,977 | \$ 9,366 | \$ 8,587 |
| Actual Employer Contributions Received..... | 9,977 | 9,366 | 8,587 |
| Difference..... | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll..... | \$ 81,219 | \$ 77,801 | \$ 71,573 |
| Actual Employer Contributions Received as a Percentage of Covered Payroll..... | 12.28% | 12.04% | 12.00% |

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Starting in fiscal year 2017, the 2015 and 2016 data presented was adjusted to reflect fiscal year rather than measurement date.



STATE OF OHIO

SCHEDULE OF NET PENSION LIABILITY

STATE TEACHERS RETIREMENT SYSTEM

AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST THREE YEARS ^(A)

(dollars in thousands)

| | 2016 | 2015 | 2014 |
|--|------------|------------|-----------|
| Employer's Proportion of the Collective Net Pension Liability..... | 0.38% | 0.39% | 0.41% |
| Employer's Proportionate Share of the Collective Net Pension Liability..... | \$ 126,919 | \$ 107,522 | \$ 99,431 |
| Covered Payroll..... | \$ 39,990 | \$ 40,509 | \$ 41,996 |
| Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll..... | 317.38% | 265.43% | 236.76% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability..... | 66.78% | 72.10% | 74.71% |

Notes:

^(A) This table will present ten years of information as it becomes available.



STATE OF OHIO

SCHEDULE OF EMPLOYER CONTRIBUTIONS

STATE TEACHERS RETIREMENT SYSTEM

FOR THE LAST THREE FISCAL YEARS ^{(A)(B)}

(dollars in thousands)

| | 2017 | 2016 | 2015 |
|--|-----------|-----------|-----------|
| Statutorily Required Employer Contribution..... | \$ 5,863 | \$ 5,692 | \$ 5,671 |
| Actual Employer Contributions Received..... | 5,863 | 5,692 | 5,671 |
| Difference..... | \$ - | \$ - | \$ - |
| Covered Payroll..... | \$ 41,881 | \$ 39,990 | \$ 40,509 |
| Actual Employer Contributions Received as a Percentage of Covered Payroll..... | 14.00% | 14.23% | 14.00% |

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Starting in fiscal year 2017, the 2015 and 2016 data presented was adjusted to reflect the State's fiscal reporting year rather than measurement date.

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STATE OF OHIO

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

STATE HIGHWAY PATROL RETIREMENT SYSTEM

AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST THREE YEARS ^(A)

(dollars in thousands)

| | 2016 | 2015 | 2014 |
|---|---------------------|---------------------|---------------------|
| Total Pension Liability: | | | |
| Service Cost..... | \$ 18,094 | \$ 17,805 | \$ 17,657 |
| Interest on the Total Pension Liability..... | 84,195 | 81,577 | 79,175 |
| Benefit Changes..... | - | - | - |
| Difference between Expected and Actual Experience..... | (8,633) | (6,366) | - |
| Assumption Changes..... | - | 40,773 | - |
| Benefit Payments..... | (65,720) | (66,213) | (64,526) |
| Refunds..... | (1,731) | (858) | (2,177) |
| Net Change in Total Pension Liability..... | 26,205 | 66,718 | 30,129 |
| Total Pension Liability - Beginning..... | 1,111,064 | 1,044,346 | 1,014,217 |
| Total Pension Liability - Ending (a)..... | <u>\$ 1,137,269</u> | <u>\$ 1,111,064</u> | <u>\$ 1,044,346</u> |
| Plan Fiduciary Net Position: | | | |
| Employer Contributions..... | \$ 25,384 | \$ 22,895 | \$ 22,325 |
| Employee Contributions..... | 14,101 | 13,686 | 11,577 |
| Pension Plan Net Investment Income..... | 46,423 | (5,702) | 45,105 |
| Benefit Payments..... | (65,721) | (66,213) | (64,526) |
| Refunds..... | (1,731) | (858) | (2,177) |
| Pension Plan Administrative Expense..... | (1,353) | (1,084) | (1,031) |
| Other..... | 357 | 839 | 421 |
| Net Change in Plan Fiduciary Net Position..... | 17,460 | (36,437) | 11,694 |
| Plan Fiduciary Net Position - Beginning..... | 704,225 | 740,662 | 728,968 |
| Plan Fiduciary Net Position - Ending (b)..... | <u>\$ 721,685</u> | <u>\$ 704,225</u> | <u>\$ 740,662</u> |
| Net Pension Liability - Ending (a) - (b)..... | <u>\$ 415,584</u> | <u>\$ 406,839</u> | <u>\$ 303,684</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability..... | 63.46% | 63.38% | 70.92% |
| Covered Employee Payroll..... ^(B) | \$ 108,789 | \$ 99,983 | \$ 99,212 |
| Net Pension Liability as a Percentage of Covered Employee Payroll..... | 382.01% | 406.91% | 306.10% |

Notes:

^(A) This table will present ten years of information as it becomes available.

^(B) Covered payroll includes Deferred Retirement Option Program (DROP) employees.



STATE OF OHIO

SCHEDULE OF EMPLOYER CONTRIBUTIONS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
FOR THE LAST TEN CALENDAR YEARS
(dollars in thousands)

| | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|-----------------|-----------------|-----------------|------------------|-----------------|
| Actuarially Determined Contribution..... | \$ 24,407 | \$ 22,446 | \$ 29,767 | \$ 35,430 | \$ 30,488 |
| Actual Employer Contributions Received..... | 25,383 | 22,895 | 22,325 | 22,908 | 23,766 |
| Difference..... | <u>\$ (976)</u> | <u>\$ (449)</u> | <u>\$ 7,442</u> | <u>\$ 12,522</u> | <u>\$ 6,722</u> |
| Covered Payroll..... (A) | \$ 108,789 | \$ 99,983 | \$ 99,212 | \$ 98,520 | \$ 98,117 |
| Actual Employer Contributions Received as a Percentage of Covered Payroll..... | 23.33% | 22.90% | 22.50% | 23.25% | 24.22% |

Notes:

(A) Covered payroll includes Deferred Retirement Option Program (DROP) employees.

Actuarial Assumptions

| | |
|-------------------------------|--|
| Valuation Date | December 31, 2015 |
| Notes | Actuarially determined contribution rates are calculated as of December 31, which is one day prior to the beginning of the fiscal year in which contributions are reported. |
| Actuarial Cost Method | Entry Age |
| Amortization Method | Level-Percentage Closed |
| Remaining Amortization Period | 30 years |
| Asset Valuation Method | Four-year smoothed market |
| Inflation | 3.5 percent wage inflation; 2.75 percent price inflation |
| Salary Increases | 3.8 percent to 13.5 percent including inflation |
| Investment Rate of Return | 7.75 percent |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition. |
| Mortality | RP-2014 Mortality Tables for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for females was then established to be 2012. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. |
| Other Information | There were no benefit changes during the year. |



STATE OF OHIO
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

JUNE 30, 2017

| 2011 | 2010 | 2009 | 2008 | 2007 |
|-----------------|-----------------|-----------------|---------------|-----------------|
| \$ 26,956 | \$ 22,872 | \$ 19,978 | \$ 21,221 | \$ 21,666 |
| 22,966 | 21,212 | 20,454 | 20,302 | 19,957 |
| <u>\$ 3,990</u> | <u>\$ 1,660</u> | <u>\$ (476)</u> | <u>\$ 919</u> | <u>\$ 1,709</u> |
| \$ 93,126 | \$ 94,768 | \$ 94,825 | \$ 94,302 | \$ 93,753 |
| 24.66% | 22.38% | 21.57% | 21.53% | 21.29% |



STATE OF OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(dollars in thousands)

| | GENERAL | | | VARIANCE WITH FINAL BUDGET POSITIVE/ (NEGATIVE) |
|---|----------------|----------------|--------------|--|
| | BUDGET | | | |
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES: | | | | |
| Income Taxes..... | \$ 8,634,498 | \$ 7,964,498 | \$ 7,980,950 | \$ 16,452 |
| Sales Taxes..... | 11,025,438 | 10,782,838 | 10,832,412 | 49,574 |
| Corporate and Public Utility Taxes..... | 2,683,685 | 2,668,485 | 2,676,140 | 7,655 |
| Motor Vehicle Fuel Taxes..... | 1,129,599 | 1,129,599 | 1,129,599 | — |
| Cigarette Taxes..... | 970,000 | 972,000 | 980,506 | 8,506 |
| Other Taxes..... | 712,270 | 736,670 | 706,861 | (29,809) |
| Licenses, Permits and Fees..... | 726,999 | 729,299 | 729,607 | 308 |
| Sales, Services and Charges..... | 119,094 | 119,094 | 119,237 | 143 |
| Federal Government..... | 12,840,031 | 12,036,851 | 11,918,234 | (118,617) |
| Tobacco Settlement..... | 3,296 | 3,296 | 3,296 | — |
| Investment Income..... | 47,328 | 59,628 | 61,060 | 1,432 |
| Other..... | 1,669,627 | 1,672,227 | 1,637,924 | (34,303) |
| TOTAL REVENUES..... | 40,561,865 | 38,874,485 | 38,775,826 | (98,659) |
| BUDGETARY EXPENDITURES: | | | | |
| CURRENT OPERATING: | | | | |
| Primary, Secondary and Other Education..... | 9,767,709 | 9,770,134 | 9,604,681 | 165,453 |
| Higher Education Support..... | 3,364,230 | 3,367,699 | 2,841,873 | 525,826 |
| Public Assistance and Medicaid..... | 20,583,943 | 20,452,565 | 19,013,840 | 1,438,725 |
| Health and Human Services..... | 844,386 | 860,294 | 791,181 | 69,113 |
| Justice and Public Protection..... | 2,699,263 | 2,794,927 | 2,701,824 | 93,103 |
| Environmental Protection and Natural Resources..... | 146,397 | 151,484 | 129,849 | 21,635 |
| Transportation..... | 24,374 | 24,386 | 23,899 | 487 |
| General Government..... | 1,273,631 | 1,579,797 | 1,305,491 | 274,306 |
| Community and Economic Development..... | 3,583,749 | 3,601,177 | 2,570,271 | 1,030,906 |
| CAPITAL OUTLAY..... | — | — | — | — |
| DEBT SERVICE..... | 1,400,778 | 1,402,047 | 1,322,657 | 79,390 |
| TOTAL BUDGETARY EXPENDITURES..... | 43,688,460 | 44,004,510 | 40,305,566 | 3,698,944 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES..... | (3,126,595) | (5,130,025) | (1,529,740) | 3,600,285 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bonds, Notes, and COPs Issued..... | 544,264 | 544,264 | 544,264 | — |
| Transfers-in..... | 1,530,830 | 1,669,430 | 993,093 | (676,337) |
| Transfers-out..... | (2,108,000) | (2,108,000) | (1,416,323) | 691,677 |
| TOTAL OTHER FINANCING SOURCES (USES)..... | (32,906) | 105,694 | 121,034 | 15,340 |
| NET CHANGE IN FUND BALANCES..... | \$ (3,159,501) | \$ (5,024,331) | (1,408,706) | \$ 3,615,625 |
| BUDGETARY FUND BALANCES (DEFICITS), JULY 1..... | | | 4,822,253 | |
| Outstanding Encumbrances at Beginning of Fiscal Year..... | | | 1,005,500 | |
| BUDGETARY FUND BALANCES (DEFICITS), JUNE 30..... | | | \$ 4,419,047 | |

| JOB, FAMILY AND OTHER HUMAN SERVICES | | | |
|--------------------------------------|-------|------------------|-------------------------------------|
| BUDGET | | | VARIANCE WITH FINAL BUDGET |
| ORIGINAL | FINAL | ACTUAL | POSITIVE/ (NEGATIVE) |
| | | \$ — | |
| | | — | |
| | | — | |
| | | — | |
| | | 1,273 | |
| | | 1,298,245 | |
| | | — | |
| | | 4,942,122 | |
| | | — | |
| | | 5,206 | |
| | | 1,635,798 | |
| | | <u>7,882,644</u> | |

| | | | |
|---------------------|----------------------|------------------|-------------------|
| \$ 267 | \$ 267 | 262 | \$ 5 |
| 538 | 538 | 374 | 164 |
| 9,099,889 | 9,513,913 | 8,609,728 | 904,185 |
| 381,582 | 392,681 | 351,256 | 41,425 |
| 78,392 | 79,394 | 75,113 | 4,281 |
| — | — | — | — |
| — | — | — | — |
| 2,435 | 2,858 | 2,670 | 188 |
| — | — | — | — |
| 27,302 | 27,302 | 3,341 | 23,961 |
| — | — | — | — |
| <u>\$ 9,590,405</u> | <u>\$ 10,016,953</u> | <u>9,042,744</u> | <u>\$ 974,209</u> |

(1,160,100)

—
4,560

(45,622)

(41,062)

(1,201,162)

(781,550)
1,252,727

\$ (729,985)



Note: GAAP versus NON-GAAP BUDGETARY BASIS

In the accompanying *Schedule of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — General Fund and Major Special Revenue Fund*, actual revenues, transfers-in, expenditures, encumbrances, and transfers-out reported on the non-GAAP budgetary basis do not equal those reported on the GAAP basis in the *Statement of Revenues, Expenditures and Changes in Fund Balances — Major Governmental Funds*.

This inequality results primarily from basis differences in the recognition of accruals, deferred resources, interfund transactions, and loan transactions, and from timing differences in the budgetary basis of accounting for encumbrances. On the non-GAAP budgetary basis, the State recognizes encumbrances as expenditures in the year encumbered, while on the modified accrual basis, the State recognizes expenditures when goods or services are received regardless of the year encumbered.

Original Budget amounts in the accompanying budgetary schedules have been taken from the first complete appropriated budget for fiscal year 2017. An appropriated budget is the expenditure authority created by appropriation bills that are signed into law and related estimated revenues. The original budget also includes actual appropriation amounts automatically carried over from prior years by law, including the automatic rolling forward of appropriations to cover prior-year encumbrances.

Final Budget amounts represent original appropriations modified by authorized transfers, supplemental and amended appropriations, and other legally authorized legislative and executive changes applicable to fiscal year 2017, whenever signed into law or otherwise legally authorized.

For fiscal year 2017, no excess expenditures over appropriations were reported in individual funds.

A reconciliation of the fund balances reported under the GAAP basis and budgetary basis for the General Fund and the major special revenue fund is presented on the following page.



Note: GAAP versus NON-GAAP BUDGETARY BASIS (Continued)

Primary Government
Reconciliation of GAAP Basis Fund Balances to Non-GAAP Budgetary Basis Fund Balances
For the General Fund and Major Special Revenue Fund
As of June 30, 2017
(dollars in thousands)

| | General | Job, Family & Other Human Services |
|---|--------------|--|
| Total Fund Balances — GAAP Basis | \$ 5,388,605 | \$ 432,082 |
| Less: Nonspendable Fund Balances | 43,576 | - |
| Less: Restricted Fund Balances | 1,370,010 | 326,271 |
| Less: Committed Fund Balances | 739,749 | 107,129 |
| Less: Assigned Fund Balances | 2,995,792 | - |
| Unassigned Fund Balances — GAAP Basis | 239,478 | (1,318) |
| BASIS DIFFERENCES | | |
| Revenue Accruals/Adjustments: | | |
| Cash Equity with Treasurer | (26,564) | (5,910) |
| Taxes Receivable | (1,577,136) | - |
| Intergovernmental Receivable | (741,084) | (202,758) |
| Loans Receivable, Net | (1,083,539) | - |
| Other Receivables | (266,809) | (476,365) |
| Unearned Revenue | - | 449,810 |
| Total Revenue Accruals/Adjustments | (3,695,132) | (235,223) |
| Expenditure Accruals/Adjustments: | | |
| Cash Equity with Treasurer | (29,032) | (4,418) |
| Inventories | (20,744) | - |
| Other Assets | (62) | - |
| Accounts Payable | 290,728 | 132,328 |
| Accrued Liabilities | 172,345 | 24,340 |
| Medicaid Claims Payable | 1,084,469 | - |
| Intergovernmental Payable | 748,056 | 116,131 |
| Interfund Payable | 440,805 | 14,006 |
| Payable to Component Units | 19,501 | - |
| Refund and Other Liabilities | 919,293 | 6,108 |
| Liability for Escheat Property | 276,034 | - |
| Total Expenditure Accruals/Adjustments | 3,901,393 | 288,495 |
| Deferred Inflows of Resources | 1,251,086 | 69,250 |
| Other Adjustments: | | |
| Fund Balance Reclassifications: | | |
| From Unassigned (Non-GAAP Budgetary Basis) to: | | |
| Nonspendable | 43,576 | - |
| Restricted | 1,370,010 | 326,271 |
| Committed | 739,749 | 107,129 |
| Assigned | 2,995,792 | - |
| Cash and Investments Held Outside State Treasury | (1,447,407) | (3,457) |
| Total Other Adjustments | 3,701,720 | 429,943 |
| Total Basis Differences | 5,159,067 | 552,465 |
| TIMING DIFFERENCES | | |
| Encumbrances | (979,498) | (1,281,132) |
| Budgetary Fund Balances (Deficits) — Non-GAAP Basis | \$ 4,419,047 | \$ (729,985) |

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