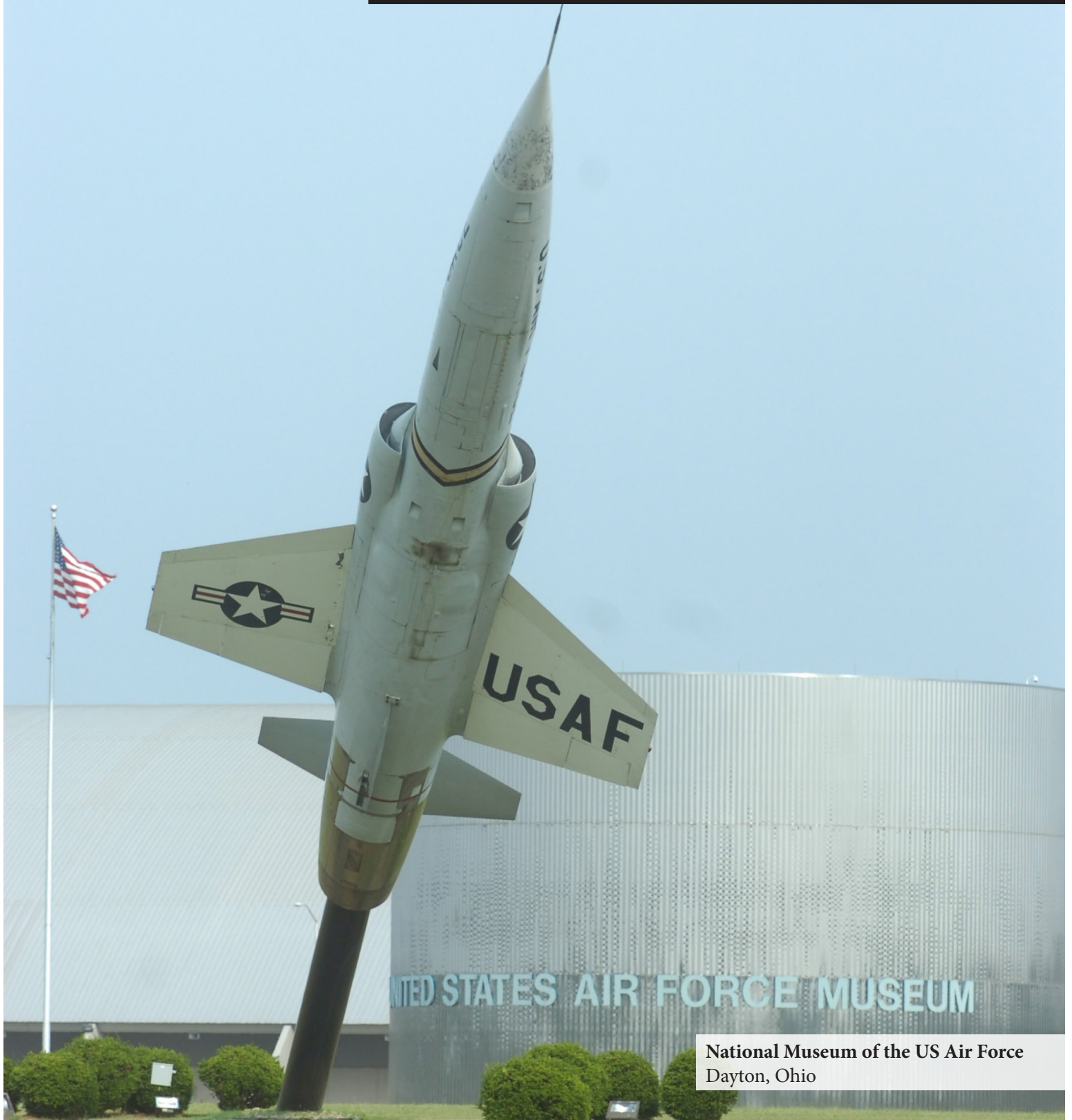


Financial Section

# Required Supplementary Information



**National Museum of the US Air Force**  
Dayton, 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	%
2018	8,236	59.47	3,856	27.85	1,331	9.61	426	3.07	13,849	100.00
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

##### 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	%
2018	15,589	52.87	7,395	25.08	6,090	20.65	413	1.40	29,487	100.00
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



**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
2018	\$447,590	\$504,877
2017	416,249	491,309
2016	619,382	533,788
2015	482,291	526,202
2014	504,669	482,849

**General Subsystem**

Fiscal Year	Estimated	Actual
2018	\$303,715	\$404,677
2017	314,433	427,531
2016	283,059	369,117
2015	287,411	361,582
2014	266,985	344,005

**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)									
	Excellent GACR = 7-9		Good GACR = 5-6		Fair GACR = 3-4		Poor GACR = 0-2		Total	
	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%	Sq Ft Deck Area	%
2018	70,768	65.91	34,831	32.44	1,772	1.65	0	0.00	107,371	100.00
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



***Infrastructure Assets Accounted for Using the Modified Approach (Continued)***

<b>Bridge Network</b>		
<b>Comparison of Estimated-to-Actual Maintenance and Preservation Costs</b>		
<i>(dollars in thousands)</i>		
<b>Fiscal Year</b>	<b>Estimated</b>	<b>Actual</b>
2018	\$462,821	\$452,276
2017	469,804	526,003
2016	499,522	552,021
2015	534,578	571,689
2014	550,629	528,001

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## STATE OF OHIO

### SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY/ASSET

#### OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

#### AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST FOUR YEARS <sup>(A)</sup>

(dollars in thousands)

	2017	2016	2015
<b>Traditional Plan:</b>			
Employer's Proportion of the Collective Net Pension Liability.....	20.85%	20.95%	20.65%
Employer's Proportionate Share of the Collective Net Pension Liability.....	\$ 3,271,382	\$ 4,736,652	\$ 3,561,458
Covered Payroll.....	\$ 2,791,773	\$ 2,754,860	\$ 2,589,575
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll.....	117.18%	171.94%	137.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	84.66%	77.25%	81.08%
<b>Combined Plan:</b>			
Employer's Proportion of the Collective Net Pension (Asset).....	19.13%	19.67%	19.64%
Employer's Proportionate Share of the Collective Net Pension (Asset).....	\$ (26,038)	\$ (10,623)	\$ (9,355)
Covered Payroll.....	\$ 81,048	\$ 77,885	\$ 72,010
Employer's Proportionate Share of the Collective Net Pension (Asset) as a Percentage of the Employer's Covered Payroll.....	32.13%	13.64%	12.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset.....	137.28%	116.55%	116.90%

#### Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.



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2014
20.73%
\$ 2,496,359
\$ 2,608,075
95.72%
86.45%
20.23%
\$ (7,577)
\$ 69,383
10.92%
114.83%

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# STATE OF OHIO

## SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

### OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

#### FOR THE LAST FOUR FISCAL YEARS <sup>(A)(B)</sup>

(dollars in thousands)

#### Traditional Plan:

	2018	2017	2016
Statutorily Required Employer Contribution.....	\$ 383,973	\$ 343,330	\$ 314,599
Actual Employer Contributions Received.....	383,973	343,330	314,599
Difference.....	\$ -	\$ -	\$ -
Covered Payroll.....	\$ 2,834,015	\$ 2,794,847	\$ 2,613,331
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	13.55%	12.28%	12.04%

#### Combined Plan:

Statutorily Required Employer Contribution.....	\$ 11,345	\$ 9,977	\$ 9,366
Actual Employer Contributions Received.....	11,345	9,977	9,366
Difference.....	\$ -	\$ -	\$ -
Covered Payroll.....	\$ 83,734	\$ 81,219	\$ 77,801
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	13.55%	12.28%	12.04%

#### Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.

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





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2015
<u>\$ 308,797</u>
<u>308,797</u>
<u>\$ -</u>
\$ 2,573,692
12.00%
\$ 8,587
<u>8,587</u>
<u>\$ -</u>
\$ 71,573
12.00%

---



## STATE OF OHIO

### SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY

#### STATE TEACHERS RETIREMENT SYSTEM

#### AS OF THE CURRENT MEASUREMENT DATE FOR THE LAST FOUR YEARS <sup>(A)</sup>

(dollars in thousands)

	2017	2016	2015
Employer's Proportion of the Collective Net Pension Liability.....	0.38%	0.38%	0.39%
Employer's Proportionate Share of the Collective Net Pension Liability.....	\$ 90,418	\$ 126,919	\$ 107,522
Covered Payroll.....	\$ 41,881	\$ 39,990	\$ 40,509
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered Payroll.....	215.89%	317.38%	265.43%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability.....	75.29%	66.78%	72.10%

#### Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.



2014

0.41%

\$ 99,431

\$ 41,996

236.76%

74.71%



# STATE OF OHIO

## SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS

### STATE TEACHERS RETIREMENT SYSTEM

#### FOR THE LAST FOUR FISCAL YEARS <sup>(A)(B)</sup>

(dollars in thousands)

	2018	2017	2016
Statutorily Required Employer Contribution.....	\$ 5,888	\$ 5,863	\$ 5,692
Actual Employer Contributions Received.....	5,888	5,863	5,692
Difference.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll.....	\$ 42,066	\$ 41,881	\$ 39,990
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	14.00%	14.00%	14.23%

#### Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.

<sup>(B)</sup> 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.



2015	
\$	5,671
	5,671
\$	-
<hr/>	
\$	40,509
	14.00%

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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 FOUR YEARS <sup>(A)</sup>

(dollars in thousands)

	2017	2016	2015
<b>Total Pension Liability:</b>			
Service Cost.....	\$ 19,635	\$ 18,094	\$ 17,805
Interest on the Total Pension Liability.....	85,936	84,195	81,577
Benefit Changes.....	(5,681)	-	-
Difference between Expected and Actual Experience.....	17,854	(8,633)	(6,366)
Assumption Changes.....	-	-	40,773
Benefit Payments.....	(75,393)	(65,720)	(66,213)
Refunds.....	(1,075)	(1,731)	(858)
Net Change in Total Pension Liability.....	41,276	26,205	66,718
Total Pension Liability - Beginning.....	1,137,269	1,111,064	1,044,346
Total Pension Liability - Ending (a).....	<u>\$ 1,178,545</u>	<u>\$ 1,137,269</u>	<u>\$ 1,111,064</u>
<b>Plan Fiduciary Net Position:</b>			
Employer Contributions.....	\$ 26,110	\$ 25,384	\$ 22,895
Employee Contributions.....	14,505	14,101	13,686
Pension Plan Net Investment Income.....	101,482	46,423	(5,702)
Benefit Payments.....	(75,393)	(65,721)	(66,213)
Refunds.....	(1,075)	(1,731)	(858)
Pension Plan Administrative Expense.....	(1,437)	(1,353)	(1,084)
Other.....	479	357	839
Net Change in Plan Fiduciary Net Position.....	64,671	17,460	(36,437)
Plan Fiduciary Net Position - Beginning.....	721,685	704,225	740,662
Plan Fiduciary Net Position - Ending (b).....	<u>\$ 786,356</u>	<u>\$ 721,685</u>	<u>\$ 704,225</u>
Net Pension Liability - Ending (a) - (b).....	<u>\$ 392,189</u>	<u>\$ 415,584</u>	<u>\$ 406,839</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability.....	66.72%	63.46%	63.38%
Covered Employee Payroll..... <sup>(B)</sup>	\$ 112,705	\$ 108,789	\$ 99,983
Net Pension Liability as a Percentage of Covered Employee Payroll.....	347.98%	382.01%	406.91%

#### Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.

<sup>(B)</sup> Covered payroll includes Deferred Retirement Option Program (DROP) employees.



---

2014

---

\$ 17,657  
79,175  
-  
-  
-  
(64,526)  
(2,177)  

---

30,129  
1,014,217  

---

\$ 1,044,346

---

\$ 22,325  
11,577  
45,105  
(64,526)  
(2,177)  
(1,031)  
421  

---

11,694  
728,968  

---

\$ 740,662

---

\$ 303,684

---

70.92%  
\$ 99,212  
306.10%

---



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

	2017	2016	2015	2014	2013
Actuarially Determined Contribution.....	\$ 25,349	\$ 24,407	\$ 22,446	\$ 29,767	\$ 35,430
Actual Employer Contributions Received.....	26,110	25,383	22,895	22,325	22,908
Difference.....	<u>\$ (761)</u>	<u>\$ (976)</u>	<u>\$ (449)</u>	<u>\$ 7,442</u>	<u>\$ 12,522</u>
Covered Payroll..... (A)	\$ 112,705	\$ 108,789	\$ 99,983	\$ 99,212	\$ 98,520
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	23.17%	23.33%	22.90%	22.50%	23.25%

**Notes:**

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

**Actuarial Assumptions**

Valuation Date	December 31, 2016
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	29 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 Table and RP-2014 Healthy Annuitant mortality table 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 assumption changes during the year.  There were benefit changes beginning with the December 31, 2017 annual actuarial valuation, which include changes to age and service pension eligibility, off-duty disability, and survivor benefits.





2012	2011	2010	2009	2008
\$ 30,488	\$ 26,956	\$ 22,872	\$ 19,978	\$ 21,221
23,766	22,966	21,212	20,454	20,302
<u>\$ 6,722</u>	<u>\$ 3,990</u>	<u>\$ 1,660</u>	<u>\$ (476)</u>	<u>\$ 919</u>
\$ 98,117	\$ 93,126	\$ 94,768	\$ 94,825	\$ 94,302
24.22%	24.66%	22.38%	21.57%	21.53%



## STATE OF OHIO

**SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY/ASSET  
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM  
AS OF THE CURRENT MEASUREMENT DATE <sup>(A)</sup>**

(dollars in thousands)

<b>All Plans:</b>	<u>2017</u>
Employer's Proportion of the Collective Net OPEB Liability.....	20.74%
Employer's Proportionate Share of the Collective Net OPEB Liability.....	\$ 2,252,428
Covered Payroll.....	\$ 2,915,630
Employer's Proportionate Share of the Collective Net OPEB Liability as a Percentage of the Employer's Covered Payroll.....	77.25%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability.....	54.14%

---

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.



**STATE OF OHIO**  
**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS**  
**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**FOR THE CURRENT FISCAL YEAR <sup>(A)</sup>**

*(dollars in thousands)*

	2018
Actuarially Determined Employer Contribution.....	\$ 153,362
Actual Employer Contributions Received.....	18,802
Difference.....	<u>\$ 134,560</u>
Covered Payroll.....	\$ 2,994,040
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	0.63%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.



## STATE OF OHIO

**SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY**  
**STATE TEACHERS RETIREMENT SYSTEM**  
**AS OF THE CURRENT MEASUREMENT DATE <sup>(A)</sup>**

(dollars in thousands)

	2017
Employer's Proportion of the Collective Net OPEB Liability.....	0.38%
Employer's Proportionate Share of the Collective Net OPEB Liability.....	\$ 14,850
Covered Payroll.....	\$ 40,918
Employer's Proportionate Share of the Collective Net OPEB Liability as a Percentage of the Employer's Covered Payroll.....	36.29%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability.....	47.11%

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**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.



**STATE OF OHIO**  
**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS**  
**STATE TEACHERS RETIREMENT SYSTEM**  
**FOR THE CURRENT FISCAL YEAR <sup>(A)</sup>**

*(dollars in thousands)*

	2018
Actuarially Determined Employer Contribution.....	\$ 910
Actual Employer Contributions Received.....	-
Difference.....	<u>\$ 910</u>
Covered Payroll.....	\$ 42,066
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	0.00%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.



## STATE OF OHIO

### SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

#### STATE HIGHWAY PATROL RETIREMENT SYSTEM

#### AS OF THE CURRENT MEASUREMENT DATE <sup>(A)</sup>

(dollars in thousands)

	2017
<b>Total OPEB Liability:</b>	
Service Cost.....	\$ 23,657
Interest on the Total OPEB Liability.....	19,243
Benefit Changes.....	709
Difference between Expected and Actual Experience.....	(1,204)
Assumption Changes.....	46,862
Benefit Payments, including refunds of employee contributions.....	(9,434)
Net Change in Total OPEB Liability.....	79,833
Total OPEB Liability - Beginning.....	486,297
Total OPEB Liability - Ending (a).....	<u>\$ 566,130</u>
<b>Plan Fiduciary Net Position:</b>	
Employer Contributions.....	\$ 4,640
Employee Contributions.....	-
Net Investment Income.....	14,467
Benefit Payments, including refunds of employee contributions.....	(9,433)
Administrative Expense.....	(204)
Net Change in Plan Fiduciary Net Position.....	9,470
Plan Fiduciary Net Position - Beginning.....	102,329
Plan Fiduciary Net Position - Ending (b).....	<u>\$ 111,799</u>
Net OPEB Liability - Ending (a) - (b).....	<u>\$ 454,331</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability.....	19.75%
Covered Employee Payroll..... <sup>(B)</sup>	\$ 112,705
Net OPEB Liability as a Percentage of Covered Employee Payroll.....	403.11%

#### Notes:

<sup>(A)</sup> This table will present ten years of information as it becomes available.

<sup>(B)</sup> Covered payroll includes Deferred Retirement Option Program (DROP) employees.



**STATE OF OHIO**  
**SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS**  
**STATE HIGHWAY PATROL RETIREMENT SYSTEM**  
**AS OF THE CURRENT CALENDAR YEAR <sup>(A)</sup>**  
*(dollars in thousands)*

	2017
Actuarially Determined Contribution.....	\$ 30,774
Actual Employer Contributions Received.....	4,640
Difference.....	<u>\$ 26,134</u>
Covered Payroll..... <sup>(B)</sup>	\$ 112,705
Actual Employer Contributions Received as a Percentage of Covered Payroll.....	4.12%

**Notes:**

<sup>(A)</sup> This table will present ten years of information as it becomes available.

<sup>(B)</sup> Covered payroll includes Deferred Retirement Option Program (DROP) employees.

**Actuarial Assumptions**

Valuation Date	December 31, 2015 and December 31, 2016
Notes	Actuarially determined contribution rate for the period July 1, 2016 through June 30, 2017 was based upon the December 31, 2015 valuation. The actuarially determined contribution rate for the period July 1, 2017 through June 30, 2018 was based upon the December 31, 2016 valuation. The calendar year actuarially determined contribution is an average
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level percent of pay - open
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	5.00 percent, net of OPEB plan investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2014 Mortality Table and RP-2014 Healthy Annuitant mortality table 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.



## 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, 2018**

(dollars in thousands)

	GENERAL			VARIANCE WITH FINAL BUDGET
	BUDGET			POSITIVE/ (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Income Taxes.....	\$ 8,362,165	\$ 8,362,165	\$ 8,795,985	\$ 433,820
Sales Taxes.....	10,248,155	10,248,155	10,368,428	120,273
Corporate and Public Utility Taxes.....	2,720,224	2,720,224	2,767,784	47,560
Motor Vehicle Fuel Taxes.....	1,121,304	1,121,304	1,121,415	111
Cigarette Taxes.....	944,400	944,400	939,757	(4,643)
Other Taxes.....	717,724	717,724	694,837	(22,887)
Licenses, Permits and Fees.....	1,182,615	1,182,615	1,184,666	2,051
Sales, Services and Charges.....	143,637	143,637	162,993	19,356
Federal Government.....	9,819,350	9,819,350	9,545,226	(274,124)
Tobacco Settlement.....	117	117	117	—
Investment Income.....	78,053	78,053	82,516	4,463
Other.....	2,011,325	2,011,325	1,931,752	(79,573)
TOTAL REVENUES.....	37,349,069	37,349,069	37,595,476	246,407
BUDGETARY EXPENDITURES:				
CURRENT OPERATING:				
Primary, Secondary and Other Education.....	9,657,550	9,658,123	9,604,279	53,844
Higher Education Support.....	3,228,371	3,231,929	2,797,419	434,510
Public Assistance and Medicaid.....	16,552,926	16,843,333	16,406,094	437,239
Health and Human Services.....	834,345	840,855	800,798	40,057
Justice and Public Protection.....	3,276,758	3,294,612	3,228,986	65,626
Environmental Protection and Natural Resources.....	137,072	139,850	121,440	18,410
Transportation.....	27,207	27,207	26,896	311
General Government.....	1,431,568	1,549,415	1,388,962	160,453
Community and Economic Development.....	3,340,751	3,554,037	2,830,444	723,593
CAPITAL OUTLAY.....	—	—	—	—
DEBT SERVICE.....	1,378,350	1,378,350	1,346,339	32,011
TOTAL BUDGETARY EXPENDITURES.....	39,864,898	40,517,711	38,551,657	1,966,054
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES.....				
	(2,515,829)	(3,168,642)	(956,181)	2,212,461
OTHER FINANCING SOURCES (USES):				
Bonds, Notes, and COPs Issued.....	575,007	575,007	574,981	(26)
Transfers-in.....	1,921,957	1,921,957	1,117,711	(804,246)
Transfers-out.....	(1,912,719)	(1,912,719)	(1,204,999)	707,720
TOTAL OTHER FINANCING SOURCES (USES).....	584,245	584,245	487,693	(96,552)
NET CHANGE IN FUND BALANCES.....	\$ (1,931,584)	\$ (2,584,397)	(468,488)	\$ 2,115,909
BUDGETARY FUND BALANCES (DEFICITS), JULY 1.....				
			4,419,047	
Outstanding Encumbrances at Beginning of Fiscal Year...			979,498	
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30.....				
			\$ 4,930,057	

The notes to the financial statements are an integral part of this statement.



**JOB, FAMILY AND OTHER HUMAN SERVICES**

<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET</b>
<b>ORIGINAL</b>	<b>FINAL</b>		<b>POSITIVE/ (NEGATIVE)</b>
		\$ —	
		—	
		—	
		—	
		1,276	
		2,098,411	
		—	
		7,374,149	
		—	
		7,858	
		1,638,897	
		<b>11,120,591</b>	
\$ 38	\$ 38	37	\$ 1
628	628	618	10
12,628,167	12,737,267	11,635,482	1,101,785
390,264	396,472	334,001	62,471
73,619	73,968	72,130	1,838
—	—	—	—
—	—	—	—
3,226	3,227	2,686	541
—	—	—	—
26,072	26,072	2,688	23,384
—	—	—	—
<b>\$ 13,122,014</b>	<b>\$ 13,237,672</b>	<b>12,047,642</b>	<b>\$ 1,190,030</b>

**(927,051)**

—

10,741

(360,677)

**(349,936)**

**(1,276,987)**

(729,985)

1,281,132

**\$ (725,840)**



**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 2018. 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 2018, whenever signed into law or otherwise legally authorized.

For fiscal year 2018, 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, 2018**  
*(dollars in thousands)*

	General	Job, Family & Other Human Services
Total Fund Balances — GAAP Basis .....	\$ 5,497,549	\$ 273,489
Less: Nonspendable Fund Balances.....	52,267	-
Less: Restricted Fund Balances.....	1,465,460	151,494
Less: Committed Fund Balances.....	772,528	123,932
Less: Assigned Fund Balances.....	2,539,407	-
Unassigned Fund Balances — GAAP Basis .....	667,887	(1,937)
<b>BASIS DIFFERENCES</b>		
Revenue Accruals/Adjustments:		
Cash Equity with Treasurer .....	16,926	(47,782)
Taxes Receivable .....	(1,591,195)	-
Intergovernmental Receivable .....	(729,206)	(187,555)
Loans Receivable, Net .....	(1,103,092)	-
Other Receivables .....	(260,433)	(505,776)
Unearned Revenue .....	-	397,543
Total Revenue Accruals/Adjustments .....	(3,667,000)	(343,570)
Expenditure Accruals/Adjustments:		
Cash Equity with Treasurer .....	(32,877)	(4,365)
Inventories .....	(21,478)	-
Other Assets .....	(82)	-
Accounts Payable .....	266,181	161,703
Accrued Liabilities .....	165,162	22,323
Medicaid Claims Payable .....	1,064,641	7,456
Intergovernmental Payable .....	727,551	117,337
Interfund Payable .....	425,715	11,903
Payable to Component Units .....	19,174	538
Refund and Other Liabilities .....	1,237,506	6,658
Liability for Escheat Property .....	317,173	-
Total Expenditure Accruals/Adjustments .....	4,168,666	323,553
Deferred Inflows of Resources.....	1,214,003	62,943
Other Adjustments:		
Fund Balance Reclassifications:		
From Unassigned (Non-GAAP Budgetary Basis) to:		
Nonspendable .....	52,267	-
Restricted.....	1,465,460	151,494
Committed .....	772,528	123,932
Assigned.....	2,539,407	-
Cash and Investments Held Outside State Treasury .....	(1,365,063)	(3,329)
Other .....	(1)	-
Total Other Adjustments .....	3,464,598	272,097
Total Basis Differences .....	5,180,267	315,023
<b>TIMING DIFFERENCES</b>		
Encumbrances .....	(918,097)	(1,038,926)
Budgetary Fund Balances (Deficits) — Non-GAAP Basis .....	\$ 4,930,057	\$ (725,840)