

## Fiscal Year 2011 State of Ohio CAFR Overview

### Overview of the Financial Statements

The CAFR includes: Basic financial statements (Government-wide, Fund-level, and Component Unit) Required Supplementary Information	MD&A (unaudited) Notes (detail essential to understanding the financial statements) Combining statements for nonmajor funds
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#### Government-wide Financial Statements

- Include all of the State's assets and liabilities and its current year revenue and expenses.
- Report the State as a whole, including its component units.
- Primary government is presented as governmental activities and business-type activities.

#### Fund-level Financial Statements

- Governmental funds report on general government services.
- Proprietary funds report on the activities operated like private-sector businesses.
- Fiduciary funds provide information on activities in which the State acts solely as a trustee or agent.

### Financial Analysis of the State as a Whole

<u>Fiscal Year 2011 Ending Balance</u>		<u>Increase from Fiscal Year 2010 Ending Balance</u>	
Primary Government net assets	\$22.84 billion	\$2.64 billion	13.1%
Governmental Activities net assets	\$18.76 billion	\$668.2 million	3.7%
Governmental Activities revenue	\$50.11 billion	\$2.76 billion	5.8%
Governmental Activities expenses	\$50.39 billion	\$1.60 billion	3.3%
Governmental Activities general taxes	\$20.63 billion	\$1.68 billion	8.9%

### Financial Analysis of the State's Funds

<u>Fiscal Year 2011 Ending Balance</u>		<u>Increase from Fiscal Year 2010 Ending Balance</u>	
Governmental Funds fund balance	\$10.72 billion	\$1.05 billion	10.8%
General Fund fund balance	\$2.22 billion	\$1.73 billion	351.0%

- Categorized fund balance as nonspendable, restricted, committed, assigned, or unassigned (GASB 54).
- Reclassified approximately 150 individual funds within the governmental funds' categories (GASB 54).
- Federal revenue and federal spending decreased from the phase out of ARRA funding in Fiscal Year 2011.

### Capital Asset and Debt Administration

#### Capital Assets

<u>Fiscal Year 2011 Ending Balance</u>		<u>Increase from Fiscal Year 2010 Ending Balance</u>	
Capital Assets, Net of			
Accumulated Depreciation	\$25.72 billion	\$389.5 million	1.5%
Depreciation Expense	\$379.3 million	\$33.8 million	9.8%

- Land and highway network infrastructure acquisitions accounted for most of the increase in net capital assets.
- Construction completed for various state facilities projects of \$550.5 million during Fiscal Year 2011.

## Fiscal Year 2011 State of Ohio CAFR Overview *(continued)*

### Capital Asset and Debt Administration *(continued)*

#### Outstanding Debt

<u>Fiscal Year 2011 Ending Balance</u>	<u>Increase from Fiscal Year 2010 Ending Balance</u>	
Bonds and Certificates of Participation \$17.52 billion	\$679.6 million	4.0%

- Includes general obligation bonds (backed by the State's full faith and credit), revenue bonds (secured with pledged revenues), special obligation bonds, and certificate of participation financing arrangements.
- Issued more than \$1 billion in bonds in Fiscal Year 2011.
- Approximately half of the bonds issued in Fiscal Year 2011 (\$544.8 million) were refunding bonds.
- Essentially no change in Ohio's bond credit ratings from Fiscal Year 2010.

### Conditions Expected to Affect Future Operations, as of October 2011

- In early Fiscal Year 2012, the State deposited \$246.9 million into the Budget Stabilization Fund.
- The 2012-13 biennial appropriations bill includes
  - spending cuts at most State Agencies, new Medicaid reform, and cost containment measures,
  - GRF biennial appropriations of approximately \$55.78 billion (11% above 2010-11 actual expenditures),
  - GRF appropriation increases of 30% for Medicaid and 3% for elementary and secondary education from 2010-11 actual expenditures,
  - GRF appropriation decreases of 9% for higher education and 8% for mental health and developmental disabilities from 2010-11 actual expenditures, and
  - restructuring of \$440 million of FY 2012 GRF debt service expenditures into Fiscal Years 2013-2025.