2015-17 BIENNIUM REVENUE - MONTHLY SUMMARY

This memorandum provides a summary of general fund revenue; oil production, oil prices, and rig counts; and oil tax revenue collections and allocations. The first section compares actual and forecasted general fund revenue. The second section compares actual and forecasted oil production, oil prices, rig counts, and oil tax revenue allocations.

GENERAL FUND REVENUE

General Fund Revenue Collections

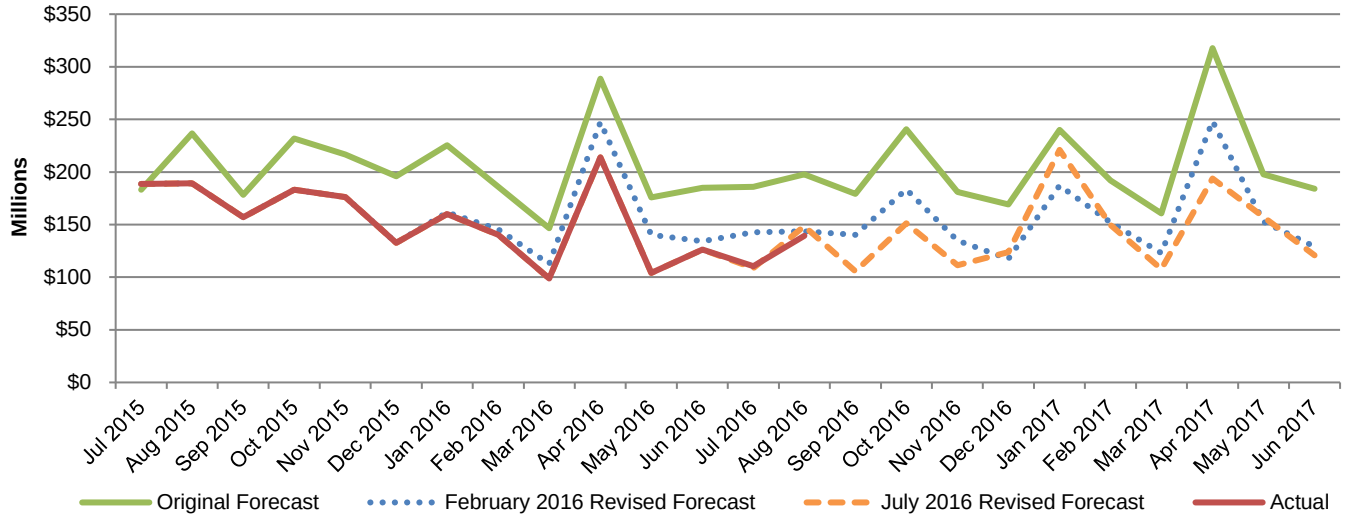
The schedule below provides a comparison of actual general fund revenue collections to the July 2016 revised forecast for the month of August 2016 and for the biennium-to-date.

	August 2016			Biennium-to-Date			
		Revised			Revised	Variance	
Category	Actual	Forecast[1]	Variance	Actual	Forecast[1]	Amount	Percentage
Ongoing Revenue							
Sales and use taxes	$93,255,120	$110,185,000	($16,929,880)	$1,083,902,397	$1,101,093,574	($17,191,177)	(1.6%)
Motor vehicle excise tax	11,402,552	8,308,000	3,094,552	126,106,478	122,703,785	3,402,693	2.8%
Individual income tax	21,092,105	18,433,000	2,659,105	405,165,258	401,229,749	3,935,509	1.0%
Corporate income tax	266,160	0	266,160	98,282,109	97,580,800	701,309	0.7%
Insurance premium tax	4,052,477	3,266,140	786,337	59,627,900	58,842,063	785,837	1.3%
Financial institutions tax	604,279	0	604,279	1,151,863	324,145	827,718	255.4%
Oil gross production tax	0	0	0	83,379,177	83,379,177	0	0.0%
Oil extraction tax	0	0	0	116,620,823	116,620,823	0	0.0%
Gaming tax	672,841	533,430	139,411	4,145,469	4,291,145	(145,676)	(3.4%)
Cigarette and tobacco tax	2,374,523	2,526,000	(151,477)	33,992,715	34,078,715	(86,000)	(0.3%)
Wholesale liquor tax	688,092	765,000	(76,908)	10,665,161	10,633,987	31,174	0.3%
Coal conversion tax	1,673,041	1,726,000	(52,959)	23,863,017	23,915,976	(52,959)	(0.2%)
Mineral leasing fees	1,087,514	819,488	268,026	16,085,222	15,440,552	644,670	4.2%
Departmental collections	1,915,030	1,625,456	289,574	44,686,709	44,916,012	(229,303)	(0.5%)
Interest income	247,384	376,842	(129,458)	12,687,297	12,887,205	(199,908)	(1.6%)
Total ongoing revenue	**$139,331,118**	**$148,564,356**	**($9,233,238)**	**$2,120,361,595**	**$2,127,937,708**	**($7,576,113)**	**(0.4%)**
Transfers							
Lottery	$0	$0	$0	$9,580,000	$9,580,000	$0	0.0%
State Mill profits	0	0	0	4,434,894	4,434,894	0	0.0%
Tax relief fund	0	0	0	657,000,000	657,000,000	0	0.0%
Other transfers	(39)	0	(39)	1,344,927	1,344,966	(39)	0.0%
Total transfers	**($39)**	**$0**	**($39)**	**$672,359,821**	**$672,359,860**	**($39)**	**0.0%**
Total revenue	**$139,331,079**	**$148,564,356**	**($9,233,277)**	**$2,792,721,416**	**$2,800,297,568**	**($7,576,152)**	**(0.3%)**

[1]The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the July 2016 revised revenue forecast for general fund revenue. The amounts shown for the gross production tax and the oil extraction tax forecast have been revised to reflect the actual allocations, because the allocations are limited to $300 million per biennium.

Ongoing General Fund Revenue

The chart and schedule below provide a comparison of actual ongoing general fund revenue collections to the original May 2015 legislative forecast, to the February 2016 revised forecast, and to the July 2016 revised forecast.



	Actual	Original Forecast		July 2016 Revised Forecast		
		Amount	Variance	Amount	Variance	Percentage
July 2015	$188,734,824	$183,033,628	$5,701,196	$188,734,824	$0	0.0%
August 2015	189,384,797	236,832,276	(47,447,479)	189,384,797	0	0.0%
September 2015	157,073,450	178,391,640	(21,318,190)	157,073,450	0	0.0%
October 2015	183,024,353	231,971,867	(48,947,514)	183,024,353	0	0.0%
November 2015	176,252,034	216,577,498	(40,325,464)	176,252,034	0	0.0%
December 2015	132,744,702	195,939,463	(63,194,761)	132,744,702	0	0.0%
January 2016	160,052,256	225,566,423	(65,514,167)	160,052,256	0	0.0%
February 2016	140,320,653	185,977,626	(45,656,973)	140,320,653	0	0.0%
March 2016	98,779,370	146,555,768	(47,776,398)	98,779,370	0	0.0%
April 2016	213,936,376	288,703,915	(74,767,539)	213,936,376	0	0.0%
May 2016	103,964,968	175,987,915	(72,022,947)	103,964,968	0	0.0%
June 2016	126,348,570	185,076,453	(58,727,883)	126,348,570	0	0.0%
July 2016	110,414,124	185,851,999	(75,437,875)	108,756,999	1,657,125	1.5%
August 2016	139,331,118	197,633,356	(58,302,238)	148,564,356	(9,233,238)	(6.2%)
Biennium-to-date	$2,120,361,595	$2,834,099,827	($713,738,232)	$2,127,937,708	($7,576,113)	(0.4%)

OIL TAX REVENUE ALLOCATIONS

Oil Production, Oil Prices, and Rig Counts

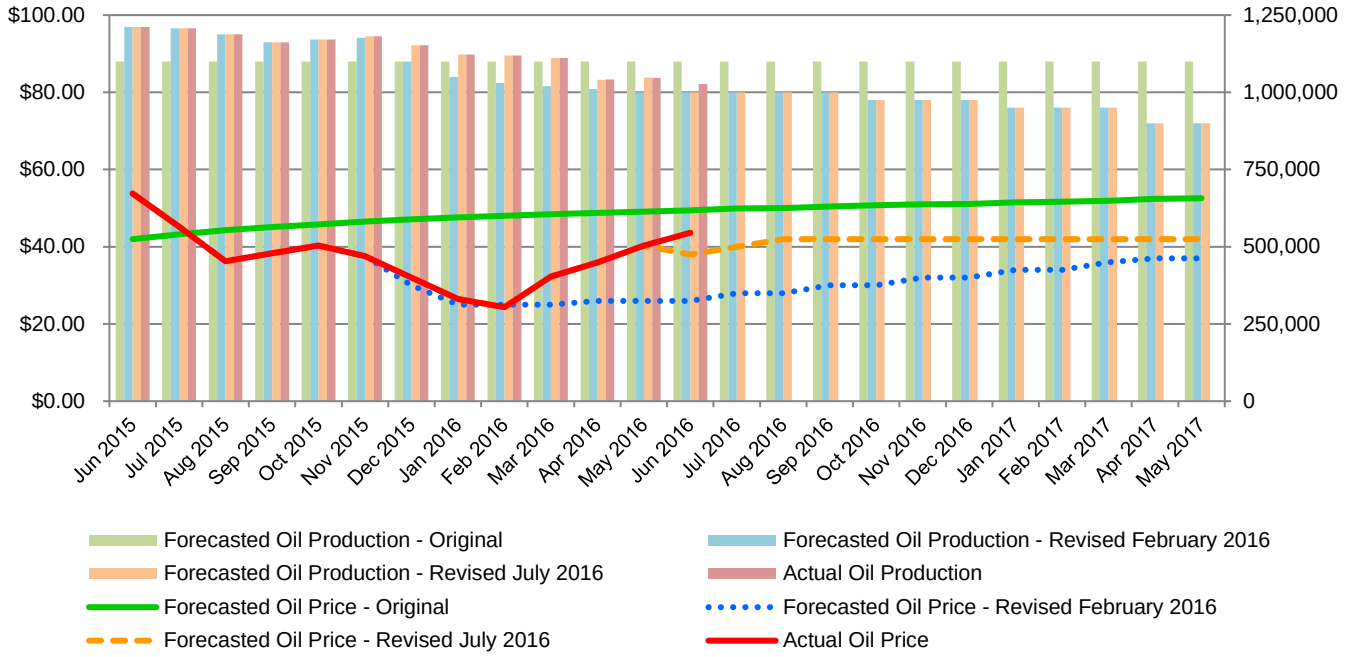
The schedule below provides a comparison of actual to forecasted amounts for oil production, oil prices, and rig counts for June 2016 and for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017.

	June 2016	Biennium-to-Date Average
Average daily production of oil in barrels		
Actual	1,026,584	1,134,020
Revised forecast[1]	1,000,000	1,131,928
Average daily oil price		
Actual - Flint Hills Resources (FHR)	$38.40	$31.52
Actual - West Texas Intermediate (WTI)	$48.84	$43.29
Actual - Average of FHR and WTI	$43.62	$37.41
Revised forecast[1]	$38.00	$36.98
Average daily rig counts		
Actual	28	54
Revised forecast (Unofficial - Reflects 30 drilling rigs per month for the second year of the biennium)	30	55

[1]The amounts shown for the forecast reflect estimates prepared by the Office of Management and Budget based on the July 2016 revised revenue forecast for oil tax revenue.

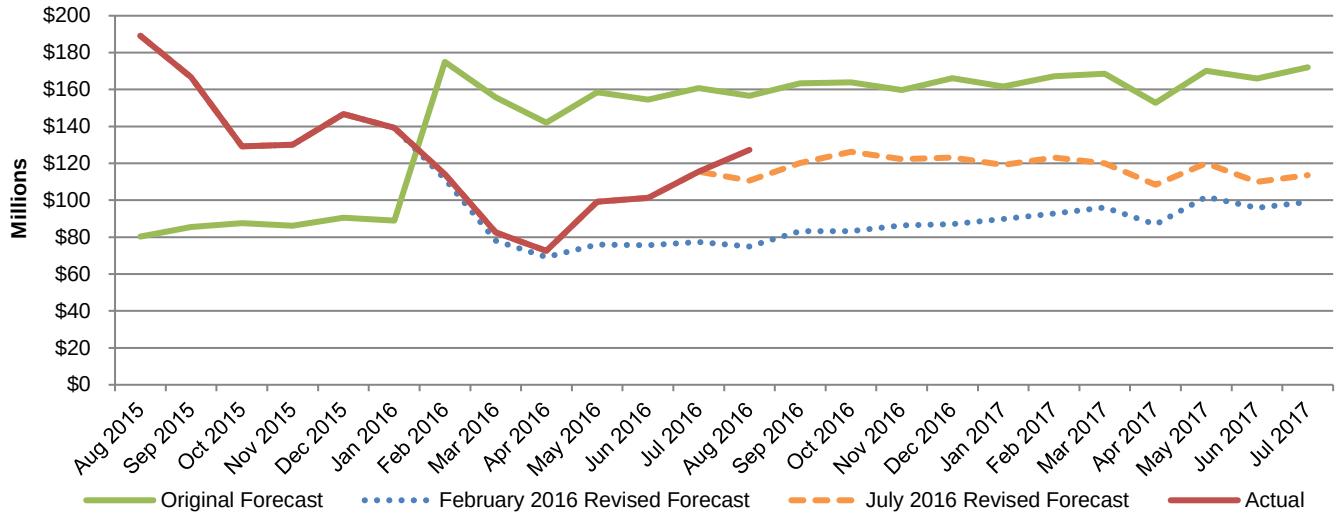
Oil Production and Prices

The chart below provides information on oil production and oil prices for the biennium-to-date. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil price and production are reported from June 2015 to May 2017. **The amounts shown for the actual oil price reflect the average of the FHR price and the WTI price.**



Oil Tax Revenue Collections

The chart and schedule below provide a comparison of actual to forecasted oil tax revenue collections for the biennium-to-date.



		Original Forecast		July 2016 Revised Forecast		
	Actual	Amount	Variance	Amount	Variance	Percentage
August 2015	$189,128,527	$80,330,580	$108,797,947	$189,128,527	$0	0.0%
September 2015	166,733,048	85,500,294	81,232,754	166,733,048	0	0.0%
October 2015	129,281,384	87,557,206	41,724,178	129,281,384	0	0.0%
November 2015	130,038,372	86,283,120	43,755,252	130,038,372	0	0.0%
December 2015	146,746,620	90,583,240	56,163,380	146,746,620	0	0.0%
January 2016	139,202,168	89,039,280	50,162,888	139,202,168	0	0.0%
February 2016	114,171,236	174,991,652	(60,820,416)	114,171,236	0	0.0%
March 2016	82,627,992	155,757,888	(73,129,896)	82,627,992	0	0.0%
April 2016	72,580,606	141,985,536	(69,404,930)	72,580,606	0	0.0%
May 2016	99,139,519	158,442,240	(59,302,721)	99,139,519	0	0.0%
June 2016	101,344,321	154,503,360	(53,159,039)	101,344,321	0	0.0%
July 2016	115,548,295	160,799,232	(45,250,937)	115,548,295	0	0.0%
August 2016	127,238,464	156,625,920	(29,387,456)	110,580,000	16,658,464	15.1%
Biennium-to-date	**$1,613,780,552**	**$1,622,399,548**	**($8,618,996)**	**$1,597,122,088**	**$16,658,464**	**1.0%**

Oil Tax Revenue Allocations

The schedule below provides a comparison of actual to forecasted oil tax revenue allocations for the period August 2015 through August 2016. Oil tax revenue allocations relate to oil price and production from 2 months prior. As a result, oil tax revenue allocations are reported from August 2015 to July 2017, and oil price and production are reported from June 2015 to May 2017. The amounts shown for the 2015-17 biennium forecast reflect the July 2016 revised revenue forecast.

	2015-17 Biennium-to-Date		Variance	
	Actual	Forecast	Amount	Percentage
Legacy fund	$448,806,611	$444,474,424	$4,332,187	1.0%
Three Affiliated Tribes	117,757,975	115,540,134	2,217,841	1.9%
Oil and gas research fund	10,000,000	10,000,000	0	0.0%
Oil and gas impact grant fund	34,861,268	33,076,001	1,785,267	5.4%
Political subdivisions	295,622,653	293,015,318	2,607,335	0.9%
Abandoned well reclamation fund	5,621,373	5,540,225	81,148	1.5%
North Dakota outdoor heritage fund	10,592,534	10,430,237	162,297	1.6%
Foundation aid stabilization fund	67,550,643	67,342,721	207,922	0.3%
Common schools trust fund	67,550,643	67,342,721	207,922	0.3%
Resources trust fund	135,101,286	134,685,442	415,844	0.3%
General fund	200,000,000	200,000,000	0	0.0%
Tax relief fund	220,315,033	215,674,332	4,640,701	2.2%
Strategic investment and improvements fund	533	533	0	0.0%
Political subdivision allocation fund	0	0	0	N/A
State disaster relief fund	0	0	0	N/A
Total oil and gas tax revenue allocations	**$1,613,780,552**	**$1,597,122,088**	**$16,658,464**	**1.0%**