



# Office of Budget and Management

John R. Kasich  
Governor

Timothy S. Keen  
Director

December 22, 2017

To the Honorable John R. Kasich, Governor;  
Members of the Ohio General Assembly; and  
Citizens of Ohio:

It is my privilege to present the State of Ohio's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017, prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Office of Budget and Management (OBM) prepared this report pursuant to Section 126.21, Ohio Revised Code. The report includes the basic financial statements, which provide an overview of the State's financial position and the results of financial operations. Responsibility for the accuracy of the data presented, as well as the completeness and fairness of the presentation, including all disclosures, rests with OBM.

To the best of our knowledge and belief, the information presented is accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the State of Ohio. All disclosures necessary for a reasonable understanding of the State's financial activities have been included.

This letter of transmittal is intended to complement management's discussion and analysis (MD&A) and should be read in conjunction with it. The MD&A provides an overview of the State's financial activities addressing both governmental and business-type activities reported in the government-wide financial statements.

The reporting format for our CAFR is significantly different from the way the State more typically presents its finances on a non-GAAP budgetary basis. The most obvious difference is that the "General Fund" in the CAFR includes more than just the State's General Revenue Fund (GRF). The General Fund also includes other funds such as the reimbursement-supported funds used for activities administered by state agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate.

The State's management is responsible for establishing and maintaining internal control designed to ensure that the State's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

## **INDEPENDENT AUDIT RESULTS**

In compliance with Ohio Revised Code, an annual financial audit has been performed by the Office of the Auditor of State. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. The auditor's unmodified opinion is included in the Financial Section of this report. This opinion indicates there was no limitation on the scope of the auditors' examination and the financial statements were presented fairly, in all material respects, in accordance with GAAP.

Additionally, the State's Single Audit report is audited by the Office of the Auditor of State to meet the requirements of the federal Single Audit Act Amendments of 1996 and related Office of Management and Budget (OMB) Uniform Guidance. The Single Audit report will be issued separately from the State's CAFR.

## **PROFILE OF THE GOVERNMENT**

### **History**

Ohio's first constitution was adopted in 1802, and Ohio entered the union in 1803. Ohio's present constitution was modified by a state constitutional convention in 1851 and has since been amended on numerous occasions. The Constitution establishes a state governmental structure similar to the federal model, with three separate branches of government — executive, legislative, and judicial.

### **Governmental Structure**

The executive branch consists of the Governor and Lieutenant Governor, who are jointly elected, and four additional statewide elected officials: the Attorney General, the Auditor of State, the Secretary of State, and the Treasurer of State. All of these officials are elected to four-year terms. The State Board of Education is also part of the executive branch.

Approximately 100 departments, agencies, boards, and commissions are part of the executive branch of government and receive appropriations from the legislature, along with several judicial and legislative agencies. An organizational chart of state government can be found on pages xii and xiii.

The state legislature in Ohio is referred to as the General Assembly and consists of two separate chambers, the Senate, a 33-member body, and the House of Representatives, a 99-member body. Each member of the General Assembly is elected to represent the residents of a geographical district for a specified term. Members of Ohio's General Assembly are subject to term-limits; senators are restricted to serving two consecutive four-year terms, and representatives are restricted to serving four consecutive two-year terms. Each chamber has a presiding officer to call the chamber to order and direct the calendar of events. The presiding officer in the Senate is the President of the Senate, and the presiding officer of the House of Representatives is the Speaker of the House. A new General Assembly is convened in January of each odd-numbered year.

Within the Judicial system, the Supreme Court is the court of last resort in Ohio. Most of its cases are appeals from the twelve district courts of appeal. The chief justice and six justices are elected to six-year terms on a nonpartisan ballot.

### **Reporting Entity and Its Services**

For financial reporting purposes, the State's reporting entity consists of (1) the primary government, (2) component units for which the primary government is financially accountable, and (3) other component units for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria set forth in Governmental Accounting Standards Board's (GASB) Statement 14, the Financial Reporting Entity, Statement 39, Determining Whether Certain Organizations are Component Units, an amendment of GASB 14, Statement 61, the Financial Reporting Entity: Omnibus, an amendment of GASB 14 and Statement 80, Blending Requirements for Certain Component Units, an amendment of GASB 14, are used to determine the organizations for which the State is financially accountable. NOTE 1A to the financial statements explains more fully which financial activities are included in the State's reporting entity.

The State provides a wide range of services and support to its citizenry that are accounted for in the following functions or programs: primary, secondary and other education, higher education support, public assistance and Medicaid, health and human services, justice and public protection, environmental protection and natural resources, transportation, general government, community and economic development, workers' compensation, lottery, unemployment compensation, tuition credits, and other business-type activities.

## **Retirement Systems**

Employees of the primary government or its component units may be eligible to participate in the Ohio Public Employees Retirement System, the State Teachers Retirement System of Ohio, the State Highway Patrol Retirement System, or the Alternative Retirement Plan. Further information on the State's participation in the different retirement systems can be found in NOTE 9 to the financial statements.

## **Risk Management**

As discussed in NOTE 1Q to the financial statements, the State's primary government is self-insured for claims under its traditional healthcare plan as well as its vehicle liability plan. Employee and public official fidelity bonding is placed with a private insurer. Tort liability is self-funded; however, several state agencies have also acquired private insurance. State owned buildings are covered under a catastrophic property policy for both real and personal property losses. All other liability risk to State property is self-funded on a pay-as-you-go basis. The State's primary government and its component units participate in a public entity risk pool, which is accounted for in the Workers' Compensation Enterprise Fund, for the financing of their workers' compensation liability.

## **Budgetary Control and Accounting System**

Ohio's Constitution requires the State to have a balanced budget. The State's biennium budget begins on July 1 of odd-numbered years and ends 24 months later on June 30. The State maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the General Assembly. Budgets are entered on the statewide accounting system once the appropriations bill becomes law. Controls are maintained first at the agency level, with additional control at the fund and appropriation level to ensure that expenditures do not exceed authorized limits.

The State's non-GAAP budgetary schedules are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority as of June 30, the end of the State fiscal year, are reflected as expenditures on the budgetary basis of accounting.

Budget-to-actual comparisons can be found in this report for each governmental fund for which an appropriated annual budget has been adopted. For the General Fund and the Job, Family and Other Human Services Special Revenue Fund, these comparisons are presented as part of the required supplementary information. For other budgeted non-major governmental funds with appropriated annual budgets, budget-to-actual comparisons are in the non-major governmental funds section of the CAFR.

Additional discussion of the budgetary and GAAP bases of accounting is provided in NOTE 1 to the financial statements.

The accounting system maintains all non-GAAP budgetary basis transactions and most GAAP basis adjustments. In addition to the information obtained from the accounting system for financial reporting, selected financial information provided by the State's agencies and departments is compiled to complete the GAAP basis financial statements.

Differences between the two bases of accounting (GAAP vs. non-GAAP budgetary) include: 1) entity differences — the GAAP reporting entity may include organizations such as financing authorities and other component units that are not included in the State's budget; 2) basis differences — the GAAP basis results in the reporting of accruals while the non-GAAP budgetary basis results in the reporting of cash transactions; and 3) timing differences — for example, GAAP recognizes expenditures for payables for goods and services received, whereas the non-GAAP budgetary basis considers unliquidated encumbrances as expenditures. Reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in the CAFR as a note to the budgetary section of required supplementary information.

## **ECONOMIC OVERVIEW AND OUTLOOK**

### **The Economy in 2017**

The U.S. economy expanded for the eighth consecutive calendar year in 2017, extending to eight and a half years the expansion that began in mid-2009. At 102 months in length as of December, the current expansion is the third longest of the eleven expansions since the end of World War II. Economic growth, however, has been very slow compared with previous expansions.

Real Gross Domestic Product (GDP) increased at an annual rate of 2.2% during the thirty-three quarters ending in the third quarter of 2017, compared with an average growth rate of 4.4% during the first thirty-three quarters of the two other expansions that lasted as long. Real final sales increased at a 2.0% annual rate during the period, compared with the average of 4.3% during the two previous expansions. Nonfarm payroll employment has increased at an annual rate of 1.3% – about half the average rate of 2.7% in the prior two expansions. Real disposable personal income has increased at an annual rate of only 1.8%, compared with an average of 4.2% in the prior two expansions.

During 2017, real GDP growth accelerated from 1.2% in the first quarter to an average of approximately 3.0% in the middle two quarters. In addition, key monthly indicators suggest that growth continued at a similar pace in the fourth quarter. Real GDP has expanded at an annual rate of 2.5% during the first three quarters.

Personal consumption expenditures contributed 1.7 percentage points of the 2.5% growth rate in real GDP during the first three quarters. Nonresidential fixed investment contributed 0.8 points. Investment in equipment (+0.4), intellectual property (+0.2), and structures (+0.1) all made positive contributions. Net exports added 0.3 points. The change in business inventories subtracted 0.2 points. Government spending subtracted slightly, as did investment in residential structures.

Spending on services accounted for over half of growth in overall personal consumption expenditures. Health care purchases accounted for almost one-third of the contribution from services, with financial services and insurance accounting for over one-fifth. The contribution from durable goods was larger than that from nondurable goods. The largest contributor within durable goods was recreational goods and vehicles. Purchases of new light motor vehicles made essentially no contribution. The increase in nondurable goods spending was widely diffused across categories.

The 2.5% annualized rate of increase in real personal consumption expenditures during the first three quarters of 2017 was financed by a 2.0% rate of increase in real disposable personal income. The shortfall between the increase in consumption and in disposable personal income was made up by a small decrease in the saving rate from 3.6% of disposable personal income in the fourth quarter of 2016 to 3.3% in the third quarter of 2017.

Inflation remained low in 2017. The Consumer price index (CPI) increased at an annual rate of 1.6% from the fourth quarter of 2016 to the third quarter of 2017, little changed from 1.8% during the four quarters of 2016. The core rate of inflation is also low, judging by the 1.6% annualized rate of increase in the CPI excluding food and energy. But the 2.3% annualized rate of increase in the Median CPI from the Federal Reserve Bank of Cleveland during the first ten months of the year suggests that the underlying rate of inflation may be higher.

Monetary policy remained extraordinarily accommodative throughout 2017, even after the Federal Reserve increased its federal funds rate target by a quarter of a percentage point in March and again in September and despite a widely expected third increase in December. In light of recent improvements in labor markets, policy makers no longer view an extremely low rate target as necessary, and expect that additional rate increases during 2018 will be consistent with its objectives.

In addition, the Federal Reserve began in September the process of shrinking its balance sheet by not reinvesting a portion of maturing assets. The amount of maturing principal not reinvested is planned to rise

over time. The purpose is to gradually eliminate extraordinary support for the economy and financial markets that was put in place during and in the years immediately following the 2008-2009 financial crisis.

Fiscal policy continued to add directly to aggregate demand in Fiscal Year 2017, as the federal budget deficit increased by 7.3% to \$666 billion, or 3.5% of GDP. This was the first increase in the deficit as a percent of GDP since 2009 and the largest deficit since 2013, both in dollar terms and relative to GDP. The increase in the deficit resulted from a 3.3% increase in outlays and a 1.4% increase in receipts, both of which reached record highs.

In line with trends across the country, labor markets across Ohio strengthened further in 2017. Nonfarm payroll employment in Ohio increased by 47,200 jobs, or 1.0% annualized, from December 2016 to October 2017. The annual benchmark revisions to historical data released by the U.S. Bureau of Labor Statistics in early 2017 revealed modestly lower growth in employment during 2015-2016 than had been previously reported. Ohio employment growth during the two-year period was revised down by 11,900 jobs from 122,300 jobs to 110,400 jobs.

Employment activity was mixed across economic sectors during the year-to-date through October 2017. Growth was widespread, but especially strong in educational and health services (+16,100), leisure and hospitality (+13,200), and construction (+8,900). Employment increased by 46,200 jobs in the private sector. Employment declined through October only in trade, transportation, and utilities (-5,600) and information (-2,600).

The Ohio unemployment rate was trendless through October 2017, edging up by 0.1 percentage point from December 2016 to 5.1%. The increase reflected an increase of 63,900, or 1.2%, in total employment, an increase of 11,600, or 4.1%, in unemployed people, and an increase of 75,500, or 1.3%, in the labor force.

In response to the ongoing growth in labor markets, Ohio personal income increased at an annual rate of 2.8% from the second half of 2016 to the first half of 2017. In comparison, personal income increased at an annual rate of 3.5% across the country. Ohio wage and salary disbursements nearly kept pace with wage and salary disbursements across the nation, rising at an annual rate of 3.1%, compared with 3.3% for the U.S.

### **The Economic Outlook**

The economy is likely to continue expanding in 2018, despite uncertainty over domestic economic policy and apparent geopolitical threats. Past expansions have been ended by unexpected events that have typically included some mix of rising inflation, tightening monetary policy, and an upward spike in energy costs. Although the federal funds rate is expected to increase in 2018, the path of interest rates does not fit the pattern of monetary tightening that has led to prior recessions. Neither of the other two factors has recently occurred or appears likely in the near-term. Leading economic indicators that in the past have provided some warning of oncoming recessions are almost uniformly signaling growth at least at a moderate pace. In fact, some recent signs indicate that the economy might be accelerating.

The overall economy is projected to grow somewhat faster in 2018. Real GDP will expand by a projected 2.2% in 2017 and 2.5% in 2018, per the November 2017 forecast by IHS Markit. The Ohio economy is also expected to grow in 2017, according to the November 2017 IHS Markit forecast. Ohio employment is projected to grow 1.0% in 2018 after a projected 0.9% increase in 2017 on an annualized basis. Ohio personal income is projected to accelerate from 2.6% in 2017 to 5.2% in 2018. On the other hand, nominal Gross State Product is projected to decelerate from 4.5% in 2017 to 4.0% in 2018.

As always, unexpected events will influence future economic performance. Heightened political uncertainty has accompanied the change of administrations in Washington, D.C., so far without legislative action on major issues from the campaign, such as health care, taxes, trade, and immigration (although the Senate and House have each passed versions of a major tax reform bill).

The economy could benefit from the following:

- A health care reform that introduces competition into the market place for medical goods and services;
- Tax reform that includes reductions in marginal rates without offsetting disincentives through other changes;
- A large federal infrastructure spending program;
- Reductions in regulations that impede free market activity;
- A continuation in the rebound in economic growth overseas; and
- A continuation of accommodative monetary policy.

However, risks to the economic outlook include:

- Potential disruptions to international trade from changes to international agreements or military conflict;
- Continued substantial rise in the price of oil – recently up more than 100% from the daily low set in February 2016; and
- A more rapid than anticipated increase in interest rates by the Federal Reserve, which is currently expected to raise the target for the federal funds rate to the 2.00% to 2.25% range or higher by the end of 2018.

## **MAJOR INITIATIVES AND PROJECTS**

### **Building for Ohio's Next Generation – Fiscal Years 2018 and 2019**

Consistent with state law, the Governor's biennial Executive Budget for fiscal years 2018 and 2019 was released in late January 2017 and introduced in the General Assembly as H.B. 49. After extended hearings and review, the 2018-19 biennial appropriations budget was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2017.

Among major policy initiatives undertaken by the Kasich Administration in conjunction with the biennial operating budget for fiscal years 2018 and 2019:

Maintaining Fiscal Discipline: The essential foundation of Ohio's economic turnaround and improved business climate is state government's fiscal stability. As a result, Governor John R. Kasich's budgets have been among the strongest in the nation, and world-class corporations and small business operators alike are realizing that Ohio's stable state finances make it a welcoming place to do business and to have that business succeed.

Preserving Ohio's Fiscal Stability: A climate of fiscal balance and stability continues to be the most important signal Ohio can send to job creators as they look to do business in a state that's on solid financial footing. This budget continues the Kasich tradition of conservative budgeting and restrained spending that has served Ohio well for the past six years.

Strengthening Ohio's Jobs-Friendly Business Climate: Ohioans have enjoyed one of the biggest tax cuts in the nation over the past six years with more than \$5 billion in tax relief. These tax cuts have helped spur our state's economic recovery and made Ohio one of the nation's top states for job creation. At the same time, Ohio has made regulatory reform a key priority within state government. Despite this progress, many elements of Ohio's tax system remain irrational and align poorly with today's consumer-driven economy. That is why this budget builds upon the Kasich Administration's previously enacted reforms.

Shrinking the Number of Tax Brackets: This budget reduces the number of state income tax brackets from nine to just seven, making Ohio's tax system simpler.

Simplifying Tax Filing for Businesses to Encourage More Economic Growth: Despite significant progress to address long-standing problems in Ohio's municipal tax structure, some aspects of the system remain too complex and costly as businesses are forced to comply with hundreds of different tax systems. Provisions

in this budget streamline that process by giving businesses the option of filing just one form for their municipal taxes and make a single payment through the Ohio Business Gateway. The Ohio Department of Taxation will process those payments and distribute revenues back to the appropriate local government, just as it does for county sales taxes and school district income taxes.

Helping Ohioans Better Prepare for Career and College: Continual education and workforce training are crucial in today's economy if we are to help Ohioans be better prepared when technology forces profound changes for industries and their workforce needs.

Record Resources for K-12 Education: Gov. Kasich has again made K-12 education a priority by increasing base support to Ohio schools by more than \$166 million. As a result, under the governor's leadership, Ohio will be spending \$1.5 billion more for K-12 education than in 2011 – the strongest level ever at nearly \$10.6 billion.

Awarding Degrees and Certificates Based on Competency Instead of Classroom Time: Ohio's community colleges recently partnered with Western Governors University to provide a flexible option for adult learners. The multi-state, online institution awards college credit and degrees based on a student's demonstrated knowledge instead of just the amount of time spent in the classroom. To build upon that relationship, Ohio will now formalize Western Governors University.

Offering Bachelor's Degrees at Community Colleges Where Demand Is Not Being Met: A new budget provision allows applied bachelor's degree programs to be offered through Ohio's community colleges in areas where Ohio's public and private universities do not offer specialized degree programs. This provides another low-cost pathway for students and strengthens Ohio's ability to meet workforce demands in the Knowledge Economy.

Strengthening Pathways to a Low-Cost Degree: The state's new budget encourages more agreements between community colleges and four-year universities to allow students to complete three years of their coursework at a community college and finish their degree at a four-year university.

Taking Ohio to Where it Needs to Be in the 21<sup>st</sup> Century by Embracing Technology: Ohio state government has been working to stay ahead of the curve with advances in technology with innovative, forward-looking improvements in its programs and strategic investments in technologies that encourage economic growth. Gov. Kasich continues to build on that progress with several new or expanded initiatives.

Tackling Complex Problems through Data Analytics: By better connecting and correlating state government's data resources through applying advanced analytical technologies, the state can tackle complex problems – such as infant mortality and child welfare – with solutions that improve Ohioans' health, security and well-being.

Improving Cybersecurity: To ensure that Ohio's government, education and research infrastructure is protected against outside cybersecurity threats, Ohio will create a "cyber range" – a virtual environment used for cybersecurity training and IT infrastructure testing. At the same time, Ohio will work with the business community to develop a program to increase the number of students who pursue certificates or degrees in cybersecurity.

Using Innovation and New Technologies to Improve Transportation for Those Seeking Health Services: Ohio will modernize its existing non-emergency medical transportation system for Ohioans seeking medical treatment.

Supporting Our Most Vulnerable Ohioans: The new state budget continues to prioritize necessary support for Ohio's most vulnerable, including the mentally ill, drug addicted and developmentally disabled.

Better Choices for Ohioans with Developmental Disabilities: The last budget invested a historic \$286 million in additional dollars in Ohio's developmental disabilities system, and this budget includes an additional \$65

million that will continue the Kasich Administration's push to provide more opportunities for individuals with developmental disabilities to receive care in the community.

Strengthening Ohio's Fight Against Drug Abuse: Ohio invests nearly \$1 billion each year to help fight drug abuse and addiction. The new budget maintains this strong funding commitment in order to provide continued access to health care for many Ohioans struggling with addiction, plus other necessary treatment and recovery supports.

Supporting Mental Health Services: The new budget maintains the Kasich Administration's strong commitment to support Ohioans with mental health needs, including the continued integration of Ohio's behavioral and physical health systems, support for children in crisis and mental health hospital bed capacity.

Getting a Jump on the Future of Transportation: The Kasich Administration is committed to embracing the future of transportation with new investments and forward-looking policies to ensure that Ohio maintains its leadership role within the automotive and aviation industries in order to benefit from the business investments and jobs that follow. Highlights of the state transportation budget for FYs 2018 and 2019 – passed earlier this year – include:

Continuing Ohio's Record-Breaking Pace for Highway Repairs and Improvement: Over the past seven years, at the same time many states have fallen behind in repairs and improvements to highway infrastructure, Ohio has invested an unprecedented \$14 billion on nearly 7,000 projects – an increase of \$3 billion. The state's new transportation budget continues that progress by investing in 43 major projects, 446 bridge projects, 615 pavement projects and 356 safety projects over the next two years.

Creating Smart Highways as Testing Corridors for New Transportation Technologies: Ohio will create and instrument two additional smart highway projects – on the Interstate 270 beltway in Columbus and Interstate 90 in northeast Ohio for innovators to test and refine jobs-creating technologies. These will complement the state's other research corridors on a stretch of U.S. Route 33 in central Ohio and the Ohio Turnpike.

Investing in the Transportation Research Center, America's Foremost Independent Automotive Proving Ground: Funding in the transportation budget, together with commitments from other partners, invests \$45 million for expanded research capabilities at the independent Transportation Research Center in East Liberty – the continent's most advanced independent automotive test facility and an ideal environment for autonomous vehicle and smart highway research.

Developing the Nation's First "Sense and Avoid" Test Site for Drones: Ohio is working with the U.S. Air Force Research Laboratory to develop a ground-based "sense-and avoid-system" for unmanned aircraft and has already invested in a \$5 million cooperative effort. The state remains committed to advancing work underway at the Ohio Unmanned Aircraft System Center and Test Complex in Springfield for further research that gives Ohio a major advantage as drones become the basis for new industries and economic growth.

Bottom Line: By maintaining Ohio's fiscal strength through conservative budgeting and smart management, we can continue to provide job creators with a stable environment for growth. At the same time, embracing innovation and the jobs of tomorrow will keep Ohio economically competitive and at least one step ahead of others with emerging technologies that can help us reap the benefits and jobs that follow.

### **Interactive Budget and Transparency**

Following the launch of [Ohio's Interactive Budget website](#) in FY 2016, FY2017 was a year to tweak and improve this transparency website. This website is a first of its kind, comprehensive open checkbook that enables visitors to see how state money is spent, but also how revenue is generated and allocated via the state budget. Ohio's Interactive Budget website - an extension of the state accounting system - provides the public with access to the financial and transactional data maintained in the state's accounting system.

## **AWARDS AND ACKNOWLEDGEMENTS**

### **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Ohio for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

In conclusion, I wish to express my appreciation to the Financial Reporting staff of OBM's State Accounting Section and staffs of the various state agencies whose time and dedicated efforts made this report possible. I encourage you to access Ohio's Comprehensive Annual Financial Report at <http://www.obm.ohio.gov>.

Respectfully submitted,

A handwritten signature in blue ink that reads "Timothy S. Keen". The signature is fluid and cursive, with the first name being the most prominent.

Timothy S. Keen  
Director

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# **STATE OF OHIO OFFICIALS**

As of June 30, 2017

## **EXECUTIVE**

John Kasich  
Governor

Mary Taylor  
Lieutenant Governor

Mike DeWine  
Attorney General

Dave Yost  
Auditor of State

Josh Mandel  
Treasurer of State

Jon Husted  
Secretary of State

## **LEGISLATIVE**

Larry Obhof  
President of the Senate

Clifford Rosenberger  
Speaker of the House

## **JUDICIAL**

Maureen O'Connor  
Chief Justice  
Supreme Court

# STATE OF OHIO ORGANIZATION CHART

<b>FINANCIAL REPORTING ENTITY</b>
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<b>PRIMARY GOVERNMENT</b>		
<p style="text-align: center;"><b>LEGISLATIVE</b></p> <p style="text-align: center;"><b>Senate</b> (33 Members)</p> <p style="text-align: center;"><b>House of Representatives</b> (99 Members)</p>	<p style="text-align: center;"><b>EXECUTIVE</b></p> <p style="text-align: center;"><b>Governor</b> <b>Lieutenant Governor</b> <b>Attorney General</b> <b>Auditor of State</b> <b>Secretary of State</b> <b>Treasurer of State</b> <b>State Board of Education</b> (11 Elected Members, and 8 At-Large Members)</p>	<p style="text-align: center;"><b>JUDICIAL</b></p> <p style="text-align: center;"><b>Supreme Court</b> Chief Justice and 6 Justices</p>
<p><b>Governmental Activities:</b> <i>General Government:</i> Senate House of Representatives Legislative Service Commission Legislative Committees</p>	<p><b>Governmental Activities:</b> <i>Primary, Secondary and Other Education:</i> Arts Council Broadcast Educational Media Commission Department of Education School for the Blind School for the Deaf State Library Board</p> <p><i>Higher Education Support:</i> Department of Higher Education State Board of Career Colleges and Schools</p> <p><i>Public Assistance and Medicaid:</i> Department of Job and Family Services Department of Medicaid</p> <p><i>Health and Human Services:</i> Commission on Hispanic/Latino Affairs Commission on Minority Health Department of Aging Department of Developmental Disabilities Department of Health Department of Mental Health and Addiction Services Department of Veteran Services Opportunities for Ohioans with Disabilities</p> <p><i>Justice and Public Protection:</i> Adjutant General's Department Board of Tax Appeals Civil Rights Commission Department of Public Safety Department of Rehabilitation and Correction Department of Youth Services Ethics Commission Office of the Attorney General Public Defender Commission</p> <p><i>Environmental Protection and Natural Resources:</i> Department of Natural Resources Environmental Protection Agency Environmental Review Appeals Commission Lake Erie Commission</p> <p><i>Transportation:</i> Department of Transportation</p>	<p><b>Governmental Activities:</b> <i>Justice and Public Protection:</i> Supreme Court Judicial Conference Judiciary Court of Claims</p>

**PRIMARY GOVERNMENT (Continued)**

	<p><i>General Government:</i>                  Capitol Square Review &amp; Advisory Board                  Consumers' Counsel                  Department of Administrative Services                  Department of Commerce                  Department of Insurance                  Department of Taxation                  Office of Budget and Management                  Office of the Governor                  Office of the Inspector General                  Office of the Lieutenant Governor                  Office of the Secretary of State                  Office of the Treasurer of State                  Public Utilities Commission                  Sinking Fund Commission                  State Racing Commission                  Other Boards and Commissions</p> <p><i>Community and Economic Development:</i>                  Department of Agriculture                  Development Services Agency                  Expositions Commission                  Public Works Commission                  Southern Ohio Agricultural &amp; Community Development Foundation</p> <p><b>Business-Type Activities:</b>                  Bureau of Workers' Compensation and Industrial Commission                  Department of Job and Family Services—Unemployment Compensation Program                  Lottery Commission                  Office of the Auditor of State                  Tuition Trust Authority</p>	
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**COMPONENT UNITS**

<p><b>Blended Component Units:</b>                  Buckeye Tobacco Settlement Financing Authority                  (included as Governmental Activities)</p> <p><b>Fiduciary Component Unit:</b>                  State Highway Patrol Retirement System</p> <p><b>Discretely Presented Component Units:</b>  <i>Financing Authorities and Commissions:</i>                  Ohio Air Quality Development Authority                  Ohio Capital Fund                  Ohio Facilities Construction Commission                  Ohio Turnpike and Infrastructure Commission</p> <p><i>Nonprofit Organizations:</i>                  Jobs Ohio</p>	<p><b>Discretely Presented Component Units (continued):</b>  <i>State Universities:</i></p> <table border="0" style="width: 100%;"> <tr> <td>Bowling Green State University</td> <td>Ohio University</td> </tr> <tr> <td>Central State University</td> <td>Shawnee State University</td> </tr> <tr> <td>Cleveland State University</td> <td>University of Akron</td> </tr> <tr> <td>Kent State University</td> <td>University of Cincinnati</td> </tr> <tr> <td>Miami University</td> <td>University of Toledo</td> </tr> <tr> <td>Northeast Ohio Medical University</td> <td>Wright State University</td> </tr> <tr> <td>Ohio State University</td> <td>Youngstown State University</td> </tr> </table> <p><i>State Community Colleges:</i></p> <table border="0" style="width: 100%;"> <tr> <td>Cincinnati State</td> <td>Owens State</td> </tr> <tr> <td>Clark State</td> <td>Southern State</td> </tr> <tr> <td>Columbus State</td> <td>Terra State</td> </tr> <tr> <td>Edison State</td> <td>Washington State</td> </tr> <tr> <td>Northwest State</td> <td></td> </tr> </table>	Bowling Green State University	Ohio University	Central State University	Shawnee State University	Cleveland State University	University of Akron	Kent State University	University of Cincinnati	Miami University	University of Toledo	Northeast Ohio Medical University	Wright State University	Ohio State University	Youngstown State University	Cincinnati State	Owens State	Clark State	Southern State	Columbus State	Terra State	Edison State	Washington State	Northwest State	
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**FIDUCIARY**

Star Ohio  
 Variable College Savings Plan  
 Agency Funds

**JOINT VENTURES**

Great Lakes Protection Fund  
 Local Community Colleges Technical Colleges

**RELATED ORGANIZATIONS**

Higher Educational Facility Commission  
 Ohio Housing Finance Agency  
 Ohio Legal Assistance Foundation  
 Ohio Water Development Authority  
 Petroleum Underground Storage Tank  
 Release Compensation Board



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**June 30, 2016**

Executive Director/CEO