



# Office of Budget and Management

John R. Kasich  
Governor

Timothy S. Keen  
Director

December 21, 2018

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, 2018, 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 2018**

The U.S. economy expanded for the ninth consecutive calendar year in 2018, extending to nine and a half years the expansion that began in mid-2009. At 114 months in length as of December, the current expansion is the second longest of the eleven expansions since the end of World War II. Economic growth, however, has been very slow compared with previous expansions, reflecting slower growth in both labor input and productivity.

Real GDP increased at an annual rate of 2.3% during the thirty-seven quarters ending in the third quarter of 2018, a much lower rate of growth than during previous long-lived expansions. Real final sales increased at a 2.1% annual rate during the period, also a much slower pace. Nonfarm payroll employment has increased at an annual rate of 1.4%, and real disposable personal income has increased at an annual rate of only 2.3%, both also slower than the historical norms.

During 2018, real GDP accelerated from 2.2% in the first quarter to an average of approximately 3.8% in the middle two quarters. In addition, key monthly indicators suggest that growth continued at a similar or somewhat slower pace in the fourth quarter. Real GDP expanded at an annual rate of 3.3% during the first three quarters of 2018.

Personal consumption expenditures contributed 1.8 percentage points of the 3.3% growth rate in real GDP during the first three quarters. Nonresidential fixed investment contributed 1.1 points, with investment in intellectual property (+0.4), equipment (+0.4), and structures (+0.2) all making positive contributions. The change in business inventories added 0.5 points and government spending added 0.4 points. Net exports subtracted slightly (-0.3), as did investment in residential structures (-0.1).

The 2.6% annualized rate of increase in real personal consumption expenditures during the first three quarters of 2018 was financed by a 2.8% rate of increase in real disposable personal income, with the saving rate unchanged at 6.3% from the fourth quarter of 2017 to the third quarter of 2018.

Inflation picked up during 2018 but remained modest. The Consumer price index increased at an annual rate of 2.4% from the fourth quarter of 2017 to the third quarter of 2018, up from a rate of 1.8% during the four quarters of 2017. The core rate of inflation also quickened, judging by the 2.3% annualized rate of increase in the CPI excluding food and energy, which was up from 1.6% during the four quarters of 2017. The Federal Reserve's preferred measure of inflation also increased from 1.6% in 2017 but to only 1.9% during the first three quarters of 2018 – in line with the Fed's stated target of 2%.

Monetary policy became progressively less accommodative throughout 2018, as the Federal Reserve raised its target for the federal funds rate by three-quarters of a percentage point, with an additional quarter-point increase widely expected at the December meeting. Considering the recent pickup in economic growth and improvements in labor markets, policy makers no longer view an extremely low rate target as necessary, but it is unclear how many more, if any, increases in the target rate during 2019 will be consistent with its objectives.

Fiscal policy continued to add directly to aggregate demand in (federal) Fiscal Year 2018, as the federal budget deficit increased by 17.0% to \$779 billion, or 3.8% of GDP. This was the second increase in a row as a percent of GDP and the largest deficit relative to GDP since 2013. The increase in the deficit resulted from a 3.2% increase in outlays compared to a 0.4% increase in receipts, both which reached record highs.

In line with trends across the country, labor markets across Ohio strengthened further in 2018. Nonfarm payroll employment in Ohio increased by 112,900 jobs, or 2.5% annualized, from December 2017 to an all-time high of 5.65 million in October 2018. The annual benchmark revisions to historical data released by the U.S. Bureau of Labor Statistics in early 2018 revealed modestly lower growth in employment during 2016-2017 than had been previously reported. Ohio employment growth during the two-year period was revised down by 64,400 jobs.

Employment activity was positive across economic sectors during the year-to-date through October 2018. Growth was widespread, but especially strong in trade, transportation and utilities (+25,600), educational and health services (+21,200), leisure and hospitality (+14,400), construction (+11,700), and manufacturing (+6,900). Employment increased by 103,600 jobs in the private sector. Employment declined through October only in the information sector (-100).

The Ohio unemployment rate trended down slightly through October 2018, falling by 0.3 percentage points from December 2017 to 4.6%. The decrease reflected an increase of 3,800, or 0.1%, in total employment, a decrease of 15,200, or 5.4%, in unemployed people, and a decrease of 11,400, or 0.2%, in the labor force. The much smaller increase in employment described here compared to the prior paragraph results from the use of employment figures from a different survey.

In response to the ongoing growth in labor markets, Ohio personal income increased at an annual rate of 3.6% from the second half of 2017 to the first half of 2018. In comparison, personal income increased at an annual rate of 4.7% across the country. Ohio wage and salary disbursements also lagged behind the national trend, rising at an annual rate of 3.4%, compared with 4.6% growth actually.

### **The Economic Outlook**

The economy is likely to continue expanding in 2019, despite the path toward tighter monetary policy and heightened uncertainty over foreign trade. Past expansions have been ended by unexpected events that have typically included some mix of rising inflation, an overly tight monetary policy, and an upward spike in energy costs. Today, inflation is up, but still modest. The Federal Reserve is tightening monetary policy, but credit remains widely available at moderate cost. The price of oil increased by a large percentage in recent years, but has fallen significantly since summer to a moderate level.

In addition, fiscal policy is expansionary, resulting from the corporate tax rate cut and increase in spending that widened the deficit. Leading economic indicators that in the past have provided some warning of oncoming recessions are now almost uniformly signaling growth at least at a moderate pace.

The national economy is projected to slow from the recent above-trend pace of an estimated 3.1% in 2018 to 2.4% in 2019, according to the November 2018 forecast by IHS Markit. The Ohio economy is also expected to grow, with employment growth remaining essentially stable at 1.4% in 2018 and 1.3% in 2019 on an average annual basis, according to IHS Markit. Personal income growth is projected to accelerate from an estimated 3.7% in 2018 to 4.3% in 2019. Real Gross State Product growth also is projected to accelerate from 1.8% in 2018 to 2.3% in 2019.

As always, unexpected events will influence future economic performance. In particular, heightened political uncertainty has accompanied the new administration in Washington, D.C. Corporate taxes were cut, and regulations have been pared back, but health care and immigration remain hotly contested and trade negotiations appear volatile.

The economy could do better than the baseline forecast due to the following:

- Ongoing effects of corporate tax rate cuts and fiscal policy stimulus;
- Additional reductions in regulations that impede free market activity;
- A rebound in economic growth overseas; and
- Wide availability of credit at affordable cost despite the ongoing process of tightening monetary policy.

However, risks to the economic outlook include:

- Potential disruptions to international trade and/or increased costs from changes to international agreements or trade patterns;
- Strong demand combined with limited excess capacity in labor and capital markets raises costs and reduces corporate profit margins and/or fuels higher inflation;
- A more rapid than anticipated increase in interest rates by the Federal Reserve in 2019 causes equity prices to drop and has negative effect on both consumer spending and business investment.

## 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.

Midway through the second year of the biennial budget, the Kasich Administration continues to pursue many of the major policy initiatives that were included in 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. The Kasich tradition of conservative budgeting and restrained spending has served Ohio well for the past seven years.

Strengthening Ohio's Jobs-Friendly Business Climate: Ohioans have enjoyed one of the biggest tax cuts in the nation over the past seven 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.

Shrinking the Number of Tax Brackets: The 2018-19 budget reduced 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 remained too complex and costly as businesses were forced to comply with hundreds of different tax systems. Provisions in this budget streamlined 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 processed those payments and distributed 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 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 is 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 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 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.

Strengthening Pathways to a Low-Cost Degree: The state's 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 continues 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.

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 is creating 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.

Supporting Our Most Vulnerable Ohioans: The state 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 the 2018-19 budget included an additional \$65 million that continues 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 2018-19 budget maintained a strong funding commitment in order to provide continued access to health care to Ohioans struggling with addiction.

Supporting Mental Health Services: The 2018-19 budget maintains the Kasich Administration's 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 2018 and 2019 include:

Continuing Ohio's Record-Breaking Pace for Highway Repairs and Improvement: Over the past eight 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 transportation budget continues that progress by investing in 43 major projects, 446 bridge projects, 615 pavement projects and 356 safety projects during the biennium.

Creating Smart Highways as Testing Corridors for New Transportation Technologies: Ohio is creating and implementing 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 continues to work 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 Text 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 continue to provide job creators with a stable environment for growth. At the same time, embracing innovation knowing the jobs of tomorrow will keep Ohio economically competitive and at least one step ahead of others with emerging technologies.

### **Capital Budget**

Fiscal Year 2018 also saw the passage of a capital budget for 2019 and 2020. The resulting legislation (H.B. 529) was enacted by the General Assembly and signed by the Governor on March 30, 2018. This Capital Budget allocates \$2.63 billion in fiscal year 2019 and 2020 to maintain and improve the state's educational and public service infrastructure in ways that help keep Ohio a leader in the competitive world economy. Of the \$2.63 billion appropriation, the state will invest \$625 million in school construction, \$483.4 million in projects at Ohio's colleges and universities, \$439 million for local infrastructure projects, \$221.9 million for mental health, addition, developmental disabilities and youth services facilities, and \$220 million for construction and improvements at state prisons.

### **Interactive Budget and Transparency**

Following the launch of [Ohio's Interactive Budget website](#) in FY 2016, OBM continues 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, 2017.

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 written in a cursive style with a large initial 'T' and a long, sweeping underline.

Timothy S. Keen  
Director

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# STATE OF OHIO OFFICIALS

As of June 30, 2018

## **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

Ryan Smith  
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>                  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</p> <p><i>State Community Colleges:</i>                  Cincinnati State                          Owens State                  Clark State                                  Southern State                  Columbus State                          Terra State                  Edison State                                Washington State                  Northwest State</p>
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**FIDUCIARY**

Star Ohio Variable College Savings Plan Agency Funds
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**JOINT VENTURES**

**RELATED ORGANIZATIONS**

Great Lakes Protection Fund Local Community Colleges Technical Colleges	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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Government Finance Officers Association

**Certificate of  
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Presented to

**State of Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO