Ohio Office of Budget and Management

State of Ohio
Ted Strickland
Governor

OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006
March 23, 2007

To the Governor, the Honorable Members of the General Assembly, and the Citizens of Ohio:

It is my privilege to issue the Ohio Comprehensive Annual Financial Report (CAFR) on the financial condition of the State of Ohio for the fiscal year ended June 30, 2006. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Ohio Office of Budget and Management (OBM) pursuant to Section 126.21, Ohio Revised Code, which requires that an official financial report of the State be issued annually, prepared this report. The report includes the basic financial statements, which provide an overview of the State’s financial position and the results of financial operations.

OBM is responsible for the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the State of Ohio. All disclosures necessary to enable the reader to gain an understanding of the State’s financial activities have been included.

The State’s basic financial statements include all funds that comprise the State’s legal entity or primary government. The State’s reporting entity is also comprised of its component units for which the elected officials of the State’s primary government are financially accountable. We followed the criteria of GASB Statement No. 14, The Financial Reporting Entity, 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 CAFR includes the following: introductory section; financial section that presents the management’s discussion and analysis (MD&A), basic financial statements, required supplementary information, combining financial statements, supporting schedules, and fund descriptions; and a statistical section that presents data for the State of Ohio regarding financial trends, revenue and debt capacities, demographics, the economy, and operations.

The MD&A, which is required under GAAP to accompany the basic financial statements, provides a narrative, introduction, overview, and analysis. The MD&A should be read in conjunction with the State’s financial statements and this letter.

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.

INDEPENDENT AUDIT RESULTS
The basic financial statements have been audited by the Office of the Auditor of State. The outcome of the audit conducted by the Auditor of State, in accordance with generally accepted auditing standards, was an unqualified auditors’ 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 conformity with GAAP.

PROFILE OF THE GOVERNMENT
The State of 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.

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 ix and x.

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 four-year terms, and representatives are restricted to serving four 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.

Along with the establishment of our state governmental structure, the Constitution requires Ohio to have a balanced budget. Ohio’s budget is prepared for a period of two years – a biennium –, which begins on July 1 of odd-numbered years and ends 24 months later on June 30.

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, liquor control, and other business-type activities.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL
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.

A series of executive orders established the Internal Accounting Control Program (IACP), beginning in fiscal year 1992 and ending in December 2006. The IACP established written guidelines for state agencies to follow during periodic management reviews of their accounting operations. Under the program, agencies were required to formally establish, maintain, and annually evaluate and report on internal accounting control.

The State’s Central Accounting System (CAS) achieves budgetary control over the various accounts of the State’s funds. The General Assembly authorizes expenditures by appropriating funds in biennial and supplemental appropriation acts. OBM uses the CAS to control departmental obligation and expenditure activity to ensure authorized appropriations are not exceeded.

The State’s non-GAAP budgetary financial statements 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 major special revenue funds, these comparisons are presented as part of the basic financial statements. For other budgeted governmental funds with appropriated annual budgets, budget-to-actual comparisons are in the nonmajor 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 CAS maintains all non-GAAP budgetary basis transactions and most GAAP basis adjustments. In addition to the information obtained from the CAS 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. A reconciliation be-
tween the GAAP basis and non-GAAP budgetary basis fund balances is presented in NOTE 3 to the financial statements.

CASH MANAGEMENT
In Ohio, with the exception of certain organizations within the State’s reporting entity that have independent powers to manage and invest their funds, the Treasurer of State is responsible for investing the State’s cash and investments pool.

During fiscal year 2006, cash management and investment transactions made by the Treasurer of State’s Office, in accordance with the Uniform Depository Act, were limited to checking accounts and certificates of deposit with qualified public depositories, U.S. government and agency obligations, bonds and other direct obligations of the State of Ohio, obligations of a board of education, as authorized under Sections 133.10 or 133.301, Ohio Revised Code, commercial paper, repurchase agreements, no-load money market mutual funds, bankers’ acceptances, bonds of U.S. corporations or of foreign nations diplomatically recognized by the United States, security lending agreements, and the Treasurer’s investment pool, STAR Ohio. Legal requirements for the investment of funds maintained in the State’s cash and investments pool are discussed in NOTE 4 to the financial statements.

Quarterly, OBM allocates the investment income earned on the cash and investments pool to the various funds designated by law to receive the earnings. The allocation is calculated in accordance with a formula based on average daily cash balances invested over the quarter. The Ohio Lottery Commission’s investment portfolio, which is dedicated to the payment of deferred lottery prizes and is accounted for as part of the cash and investments pool, however, is not part of the investment earnings allocation just described. Instead, the Treasurer of State credits the investment earnings from the dedicated portfolio directly to the credit of the fund that accounts for this activity.

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 1P. to the financial statements, the State’s primary government is self-insured for claims under the Ohio Med Health and United Healthcare plans and for vehicle liability while it has placed public official fidelity bonding with a private insurer. The State self-funds tort liability and most property losses on a pay-as-you-go basis; however, selected state agencies have acquired private insurance for their property losses. Also, 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.

ECONOMIC OVERVIEW AND OUTLOOK
The economic expansion continued through 2006 and into 2007. Real gross domestic product (GDP) increased 3.3 percent in 2006, compared with a 3.2 percent increase in 2005. Core inflation ratcheted higher, despite a large decline in energy prices that pulled down overall inflation. The Federal Reserve raised short-term interest rates by another 100 basis points, and then paused. Market interest rates fluctuated in a relatively narrow range, ending the year little changed.

Ohio employment increased by 8,900 jobs in 2006, compared with gains of 15,600 jobs and 28,000 jobs in 2004 and 2005, respectively. The decline in manufacturing employment intensified during the year, especially in primary metals and transportation equipment. Outside manufacturing, employment at general merchandise stores and in local education posted declines. Employment expanded in accommodation and food service, health care and social assistance, professional and technical services, and transportation and warehousing.

Despite the weakening in Ohio labor markets, personal income accelerated for the third consecutive year. Personal income during the four quarters ending in the third quarter of 2006 was 4.3 percent higher than during the year earlier period. U.S. personal income increased 6.1 percent during the same time. On a per capita basis, personal income grew approximately 4.2 percent in Ohio and 5.2 percent in the U.S. Wage and salary disbursements grew 3.7 percent in Ohio and 6.3 percent in the U.S.

Economic growth nationally was driven primarily by consumer spending, which was fueled by continued solid growth in personal income. Steady growth in employment and faster growth in hourly earnings pushed incomes higher. Total employment increased 189,000 jobs per month on average during 2006, compared with 212,000 during 2005, as the unemployment rate fell to the lowest level since the beginning of the 2001 recession. Average hourly earnings grew by 4.3 percent from December 2005 to December 2006, up from 3.1 percent in 2005.
Nonetheless, growth in real consumer spending slowed during the middle two quarters of the year due to:

- a rise in financing costs that lifted the prime rate, for example, by a full percentage point during the year, on top of the 3¼ percentage point increase during the previous two years,
- a more than 50 percent increase in the price of gasoline during the previous four years that contributed to a faster rate of price increase for a variety of consumer goods and services, and
- the reversal of the boom in housing construction, sales, and prices.

Real business fixed investment accelerated from 5.6 percent in 2005 on a fourth quarter to fourth quarter basis to 6.2 percent in 2006. The cause was a surge in growth in investment in nonresidential structures from 1.8 percent in 2005 to 10.7 percent during 2006. Investment was fueled by:

- growth in corporate cash flow of 12.5 percent and a widening in profit margins,
- an abundant supply of credit on largely favorable terms,
- continued growth in employment, and
- expanding markets overseas as well as domestically.

However, growth in investment in equipment and software slowed from seven percent to 4.4 percent.

One of the defining developments in the economy during 2006 was the reversal of the housing boom. Real investment in residential structures decreased 12.6 percent in 2006, after rising 8.4 percent at a compound annual rate from the fourth quarter of 2001 to the fourth quarter of 2005. Even though investment in residential structures comprises only about one-twentieth of total GDP, the effects of fluctuations in housing activity spread throughout the economy to:

- suppliers to the construction industry,
- the realtor industry,
- retailers in the home furnishings and related segments, and
- consumer spending beyond home-related purchases, as slower home price appreciation and outright declines in home values in some locations create a negative wealth effect.

The U.S. trade deficit was little changed in 2006, after widening by about 50 percent during 2001-2004 and stabilizing in 2005. Reflecting strengthening economic growth overseas, slowing growth domestically, and some further depreciation in the dollar, export growth increased and import growth slowed in 2006. The growth rate of U.S. exports has exceeded the growth rate of imports on a year-over-year basis since the second quarter of 2005. The dollar is projected to remain weak in 2007, as:

- U.S. interest rates remain stable or fall and foreign interest rates continue to rise and
- growth in foreign economies improves relative to the U.S.

The trend inflation rate ratcheted higher in 2006, as energy price increases began to spread to non-energy goods and services. The consumer price index (CPI) increased 1.9 percent from the fourth quarter of 2005 to the fourth quarter of 2006 – down from 3.7 percent in 2005 – due to decreases in energy-related prices during the second half of the year. The core CPI, which excludes volatile food and energy prices accelerated to 2.7 percent in 2006 from 2.1 percent in 2005.

Both overall and core inflation are projected to be 2.1 percent in 2007, reflecting the pull-back in energy prices and the lagged effects of tighter monetary policy. The course of short-term interest rates will depend heavily on the actual path of inflation. Federal Reserve policymakers stopped raising short-term interest rates in mid-2006, due to signs that economic growth was slowing and the perceived likelihood that inflation would turn lower as a result. Market yields on fixed income securities incorporate expectations of a modest decline in short-term interest rates in 2007.

The consensus is for below-trend growth during 2007, but no recession, as the effects of the housing slump spread through the economy.

Global Insight predicts that real GDP will increase by 2.7 percent in 2007, down from 3.3 percent in 2006, and rebound to three percent in 2008. The negative effects from the downturns in housing and autos are not serious enough to cause a recession, in the estimation of most forecasters. But weakness in recent months in nonresidential construction, capital goods orders and shipments, and the ISM manufacturing index suggest the economy was losing momentum as 2006 came to a close.

Two keys to the outlook will be the effects of the downturn in housing on consumer spending and the extent of the slowdown in business investment. Consumer spending is expected to continue at approximately the same pace in 2007 as in 2006, before slowing a bit in 2008. Supporting spending will be steady growth in employment and earnings and the continued availability of credit on agreeable terms.
Business investment is expected to slow in 2007 and 2008, but remain faster than overall growth. Investment slowed sharply late in 2006, perhaps in part due to the delay in computer orders ahead of the release of the new Vista operating system. Corporate cashflow is abundant and credit is widely available; however, slower growth in demand is expected to reduce profit growth and investment spending.

Trade is projected to add significantly to growth in 2007 and 2008, as growth in exports handily outpaces growth in imports. The multi-year decline in the foreign exchange value of the dollar, coupled with strong overseas economies, will bolster U.S. exports, while slower growth in demand in the U.S. will restrain growth in imports.

Global Insight also expects the foreign exchange value of the dollar to decrease further. Even with a stable trade deficit, the very large outflow of dollars leaves the currency vulnerable to a small decrease in the demand by foreign investors for dollar-denominated assets, which could weaken as growth, inflation and interest differentials between the U.S. and other major economies turn against the U.S.

The Federal Reserve is projected to reduce short-term interest rates by one 25 basis point step late in the third quarter in response to weaker economic growth and improving inflation. Long-term interest rates are projected to remain near recent levels on average in 2007. The Federal Reserve has some room to reduce short-term interest rates, but is constrained by weakness in the dollar and lingering concern about inflation.

Ohio employment growth is projected to increase 0.9 percent in 2007 and one percent in 2008 on a fourth quarter to fourth quarter basis, according to Global Insight. Those would be the best growth rates for Ohio employment since 1999. Employment in professional and business services and education and health services are expected to grow rapidly. Employment in construction and manufacturing is projected to decline in 2007.

Personal income is expected to benefit from more-rapidly rising employment and additional gains in productivity-led increases in wages and salaries. Even so, growth is projected to slow from an estimated 4.7 percent for all of 2006 to 4.3 percent in 2007, rising to 4.6 percent in 2008. The projected slowdown in income growth is due entirely to lower inflation. Real personal income is projected to accelerate in both 2007 and 2008.

Ohio retail sales are projected to slow from an estimated 4.9 percent increase in 2006 to 2.1 percent in 2007 and 2.8 percent in 2008. Car registrations are projected to fall 2.4 percent in 2007 and increase 1.2 percent in 2008, after falling by an estimated six percent in 2006. Housing starts are projected to decline 20 percent in 2007, before rebounding 11 percent in 2008. Ohio housing starts fell an estimated 22.4 percent in 2006.

The cumulative effects of tax reform in Ohio are expected to support hiring and production by increasing economic efficiency and reducing disincentives to do business in the state. The second year of a five-year 21 percent reduction in marginal personal income tax rates and the replacement of the corporate franchise tax and tangible personal property tax with a broad, low commercial activities tax will bring tax rates more in line with those in other states.

Following a temporary rebound in early 2006 from the negative effects of the late 2005 hurricanes, the U.S. economy decelerated during the middle two quarters of the year. The slowdown was concentrated in housing and motor vehicles, but started to affect other sectors. Economic growth nationally and in Ohio is projected to remain below trend during much of 2007, resulting in somewhat lower inflation and one interest rate decrease by the Federal Reserve.

Economic activity will be supported by flexible labor and product markets, rising worker productivity, relatively low inflation expectations, favorable tax policy, and strengthening foreign demand for U.S. goods and services. Risks to the economy include the Fed holding short-term interest rates too high, a renewed and prolonged rise in energy prices, and a global economic slump. The consensus among forecasters is that these risks are unlikely to impede economic growth in the near term.

MAJOR INITIATIVES – Living Within Our Means and Investing in What is Most Important

Comprehensive Tax Reform

In June 2005, Amended Substitute House Bill 66 (HB 66), the biennial budget bill, was signed into law. As described extensively in prior financial reports, this tax reform was a significant overhaul of Ohio’s state and local tax structure. The entire tax reform package was designed to spur strong business development and new jobs. The reforms are phased-in between FY 2006 and FY 2010 and include:

- A 21 percent reduction in the income tax, phased in over five years;
- Elimination of the tangible personal property tax for general businesses and for telecommunications companies, phased in over four- and five-year periods, respectively;
- Elimination of the corporate franchise tax (except for financial institutions and...
their affiliates) over a five-year period; and

- Enactment of a commercial activity tax (CAT), phased in over five years.

By FY 2010, the estimated reductions in state taxes will reach $2.4 billion. State taxes are not the only taxes reduced in this reform. The elimination of the local general business tangible personal property tax increases the size of the overall tax cut. Total tax reductions will reach $3.7 billion by FY 2010 when the reform package is fully phased in.

State Operating Budget
GRF appropriations for FY 2006 – FY 2007 in HB 66 will result in the two slowest growing fiscal years of the last 40 years, with GRF growth rates of 1.9 percent in FY 2006 and 2.6 percent in FY 2007. Many agencies will spend less from the GRF in FY 2007 than they spent in FY 2000. The majority of GRF spending increases over this time period can be attributed to increased investment in primary and secondary education and Medicaid, and ongoing costs for debt service and property tax relief programs.

As in the FY 2004-2005 budget, the FY 2006-2007 budget reduced or held flat many of the State’s GRF-funded agencies and consolidated functions or activities of several state agencies. Of the State’s 64 GRF-funded agencies, 24 remain at FY 2005 GRF levels or have decreased their reliance on GRF funding.

Improved Financial Management
In response to the profound changes in Ohio’s tax structure, the State will need to fundamentally change the way in which it manages scarce resources to reflect pending budget constraints. Over the coming four years, state spending reforms will include increased transparency, a focus on accountability and performance, improved financial systems management, improved cash management, precise debt management, and targeted investment of scarce resources.

Increased Transparency
Ohio will enhance the transparency of its financial position for its citizens and investors. OBM will pursue awards for excellence in budget and financial reporting through the Government Financial Officers Association (GFOA). For the first time, the FY 2008-FY 2009 executive budget will present revenue and spending projections for four years (FY 2008 through FY 2011). Prior executive budgets presented only two years of financial data. The revenue constraint enacted in HB 66 tax reforms require a clear presentation of Ohio’s near term financial position. Ohio has not received the GFOA award for budget reporting since the FY 2002 – FY 2003 executive budget.

OBM will also pursue the GFOA award for financial reporting for its FY 2006 CAFR. For FY 2005, Ohio didn’t receive the award due to challenges in concluding audits related to the Bureau of Workers’ Compensation within reporting deadlines. This is an area in which the administration has pledged to improve its performance.

Accountability and Performance
Ohio will manage financial resources using a variety of accountability and performance measures to improve efficiency, accountability, and results of government programs. It will focus on clear goal setting in the budget process, identifying increased efficiency in the state’s regulatory process, improving inter-agency collaborations and performance contracts for state agencies, and enhancing performance reporting.

Improved Financial Systems Management
Ohio will improve its financial management and decision making when it completes deployment of a comprehensive enterprise information system throughout state government. When complete, the enterprise installation will be the most comprehensive enterprise IT system operating at a state level in the nation. OBM is in the second of three stages in the deployment of the Ohio Administrative Knowledge System (OAKS). The initial stage of OAKS, went live in January 2007 and implemented a new human resource system for state agencies to manage payroll and personnel. The second stage of OAKS implementation, scheduled to go live in July 2007, will provide OBM with new, enhanced financial management and reporting tools. The final stage of OAKS implementation, scheduled for January 2008, will deploy new, enhanced budget decision and management tools. In addition to providing new decision and management tools to public managers, OAKS implementation will require that the State works to upgrade skills and invests in human capital development in the workforce across agencies.

To enhance collections and revenue management, the Department of Taxation will deploy the State Taxation Revenue and Accounting System (STARS). STARS provides an integrated tax collection and audit system and replaces the state’s existing separate tax software and administration systems for the twenty-four different taxes collected by the state. STARS will make it possible for the Department of Taxation to provide an improved quality of taxpayer services and enhance the compliance activities of the Department.

Cash Management
The Treasurer of State and OBM are working cooperatively to update the State’s cash flow models and procedures to maximize resources available. The two Offices will examine seasonal revenue collections in the State’s various funds and unique spending patterns by each state agency to develop an up-
dated cash flow model. The updated cash flow model will enable the Treasurer of State and OBM to revise their investment strategies for improved return on investment of State resources.

**Aggressive Management of Ohio Debt Structure and Bond Rating**
Ohio’s long history of strong financial management is reflected in its top ranked bond rating position. Ohio is among the top ten states in achieving a AA1 bond rating from Moody’s. Recently, three issues have resulted in a negative outlook for the state: (1) reporting issues related to the Bureau of Workers’ Compensation; (2) tax changes; and (3) performance of the overall economy. We are committed to taking aggressive action to deal with these issues and assure that the State remains at this top notch position with rapid recognition of financial challenges and tight controls over State resources.

**Investment in Strategic Priorities**
Ohio’s investments in strategic priorities are focused tightly on two overarching goals critical to the long term stability and growth of the economy: (1) to boost personal income and (2) to increase the education attainment level of Ohioans. These two strategies will begin to turnaround Ohio’s economy and propel the state into the 21st century. To do so, Ohio will invest in Ohio’s traditional economic strengths, such as energy production and entrepreneurship, and programs that ensure Ohio has the most educated workforce possible. Targeted investment priorities include access to high-quality early care and education; schools that work for every child; expanded access to Ohio’s colleges and universities, Ohio’s regional economies, and globally competitive industries; and access to affordable health care.

**ADDITIONAL INFORMATION**

**ACKNOWLEDGMENTS**
In conclusion, I wish to express my appreciation to the staffs of the various state agencies whose time and dedicated efforts made this report possible.

Sincerely,

J. Pari Sabety
Director

J. Pari Sabety
Director
STATE OF OHIO
OFFICIALS
As of June 30, 2006

EXECUTIVE

Bob Taft
Governor

Bruce Johnson
Lieutenant Governor

Jim Petro
Attorney General

Betty Montgomery
Auditor of State

Jennette Bradley
Treasurer of State

J. Kenneth Blackwell
Secretary of State

LEGISLATIVE

Bill Harris
President of the Senate

Jon Husted
Speaker of the House

JUDICIAL

Thomas J. Moyer
Chief Justice
Supreme Court
### LEGISLATIVE

- **Senate**
  - (33 Members)

- **House of Representatives**
  - (99 Members)

### EXECUTIVE

- **Governor**
- **Lieutenant Governor**
- **Attorney General**
- **Auditor of State**
- **Secretary of State**
- **Treasurer of State**
- **State Board of Education**
  - (11 Elected Members, and 6 At-Large Members)

### JUDICIAL

- **Supreme Court**
  - Chief Justice and 6 Justices

### Governmental Activities:

#### General Government:
- Senate
- House of Representatives
- Legislative Service Commission
- Legislative Committees

#### Primary, Secondary and Other Education:
- Arts Council
- Department of Education
- Educational Telecommunications
- School for the Blind
- School for the Deaf
- State Library Board

#### Higher Education Support:
- Board of Regents
- Career Colleges and Schools Board

#### Public Assistance and Medicaid:
- Department of Job and Family Services

#### Health and Human Services:
- Department of Aging
- Department of Alcohol and Drug Addiction Services
- Department of Health
- Department of Mental Health
- Department of Mental Retardation
- Hispanic-Latino Affairs Commission
- Legal Rights Service
- Minority Health Commission
- Rehabilitation Services Commission
- Tobacco Use Prevention and Control Foundation
- Veterans’ Home

#### Justice and Public Protection:
- Adjutant General
- 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

#### Environmental Protection and Natural Resources:
- Department of Natural Resources
- Environmental Protection Agency
- Environmental Review Appeals
- Lake Erie Commission

#### Transportation:
- Department of Transportation

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# PRIMARY GOVERNMENT (Continued)

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## COMPONENT UNITS

### Blended Component Units:
- Ohio Building Authority (included in Governmental and Business-Type Activities)
- State Highway Patrol Retirement System (included as Fiduciary Activities)

### Discretely Presented Component Units:

#### Financing Authorities:
- Ohio Air Quality Development Authority
- Ohio Water Development Authority

#### Commissions:
- Cultural Facilities Commission
- School Facilities Commission
- eTech Ohio Commission

### Related Organizations

#### Joint Ventures:
- Great Lakes Protection Fund
- Local Community Colleges
- Technical Colleges

#### Higher Education Facility Commission
- Ohio Housing Finance Agency
- Ohio Legal Assistance Foundation
- Ohio Turnpike Commission
- Petroleum Underground Storage Tank Release Compensation Board