Introductory Section
March 21, 2013

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, 2012, 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 unqualified 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 conformity 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) Circular A-133. 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 x and xi.

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 (blended component units), 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 (discrete component units). The criteria set forth in GASB Statement No. 14, The Financial Reporting Entity, 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; liquor control; 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 1P. to the financial statements, the State’s primary government is self-insured for claims under its healthcare plan as well as its vehicle liability plan. Public official fidelity bonding is placed 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.

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 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 the Job, Family and Other Human Services Special Revenue Fund, these comparisons are presented as part of the basic financial statements. 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. A reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in NOTE 3 to the financial statements.

**ECONOMIC OVERVIEW AND OUTLOOK**

**Overview**

The recovery from the Great Recession of 2007-09 continued at a moderate pace through 2012, with the third quarter of 2012 representing the thirteenth consecutive quarter of growth in real GDP. Following the longest and most severe recession since World War II, the economy has mounted the weakest recovery during that time, with real GDP increasing at an annual rate of only 2.2 percent. In sharp contrast, real GDP grew at a 3.9 percent annual rate on average during the first thirteen quarters immediately following the three previous recessions of 1981-82, 1990-91, and 2001.

A number of factors have combined to make this current recovery weaker than average, as the reactions to the financial crisis of 2008-09 by households, businesses and the federal government have played a role in the slow recovery. The borrowing by households, especially related to the housing bubble, that boosted economic growth during much of the 2000’s has given way to the paying down of debt, which has been subtracting from the pace of economic growth. In reaction to the crisis and generally weak demand thereafter, many businesses have used cash to restructure and strengthen their balance sheets instead of expanding faster and hiring more workers.

As a result, the economy is still operating well below its potential across an array of measures. Total U.S. employment decreased by 8.7 million jobs, or a record 6.3 percent, during the recession and remains 3.2 million jobs, or 2.3 percent, below the pre-recession peak reached almost five years ago. The unemployment rate spiked to 10.0 percent – the highest since 10.8 percent in the 1981-82 recession — and now remains at a still-lofty 7.9 percent.

Despite the recent improvement in labor markets, the situation of unemployed workers has been more severe than at any time in the post-war period. The average duration of unemployment was a record 38.1 weeks at the end of 2012, down from the all-time high of 44.7 weeks at the end of 2011, but well above the 1948-2007 average of 13.5 weeks. Although down from the record high reached during the recession, the percentage of unemployed people not on temporary layoff remained above the peaks reached in previous cycles during the past 45 years. Including discouraged workers and those working part-time for economic reasons, the unemployment rate was 14.4 percent at the end of 2012 – well above normal.

Industrial production fell by a record 17.2 percent in the recession and still remained 2.6 percent below its pre-recession peak at the end of 2012, with factories operating at only 77.0 percent of capacity. Housing construction and sales decreased by record amounts in the recession, reducing household net worth and damaging the balance sheets of many banks and financial institutions. Expectations of little price appreciation and large supplies of unoccupied homes that have restrained construction in many markets have improved recently, as prices have finally started increasing in most markets and the inventory of houses for sale has decreased almost back to the historical norm.

The Ohio economy has followed a similar course. The decrease in Ohio employment was steeper relative to the rest of the country during the recession, but the rebound has been slightly stronger. Incomes have recovered somewhat faster in Ohio than for the rest of the county. Both Ohio wage and salary income and total personal income recovered at a faster pace through the third quarter of 2012 than they declined during the recession and at a faster pace than across the country. For example, although incomes decreased more rapidly in Ohio than across the country in the recession, incomes have recovered somewhat faster. Wage and salary income, which is an important variable and a key determinant of revenues from both the income tax and the sales tax, has recovered at a faster pace through the third quarter of 2012 than it declined
during the recession. It has also increased at a faster pace than the average across the country. U.S. wage and salary income decreased by 5.3 percent from peak to trough (a 3.5 percent annualized pace) and since then has grown by 10.0 percent (a 3.2 percent annualized pace). In contrast, Ohio wage and salary income decreased by 6.2 percent from peak to trough (an annual rate of 3.6 percent) but since then has grown by 10.8 percent (a 3.8 percent annualized pace).

Outlook
As 2013 gets underway, the U.S. and Ohio economies are more than three years into modest recoveries, and recent patterns in leading economic indicators point toward continued, but moderate growth. The 12-month rate of change in the composite leading economic index from the Conference Board slowed from a peak of 10.2 percent in April 2010 to 1.8 percent in November 2012, but – along with other leading indicators – remains consistent with continued moderate economic growth. The weekly leading economic index from the Economic Cycle Research Institute has traced out a similar pattern. Both indexes are comprised of a number of separate indicators that tend to move in advance of the overall economy.

Leading indicators for Ohio are also consistent with continued, though modest economic growth. The Ohio coincident economic index, compiled by the Federal Reserve Bank of Philadelphia, increased for the 35th consecutive month in November 2012, and since then has grown by 10.0 percent (a 3.2 percent annualized pace). In contrast, Ohio wage and salary income decreased by 6.2 percent from peak to trough (an annual rate of 3.6 percent) but since then has grown by 10.8 percent (a 3.8 percent annualized pace).

The consensus among forecasters is that economic growth will pick up in 2013 and 2014, but not reach 3.0 percent until late in 2014. Activity is expected to remain somewhat weaker than potential across most measures.

The macroeconomic forecasting firm IHS Global Insight predicted in December 2012 that after remaining at 2.0 percent in fiscal year 2013, primarily due to the drag on consumer spending from the payroll tax rate increase, real GDP will be about the same at 2.1 percent in fiscal year 2014 before accelerating to 3.2 percent in fiscal year 2015. Consumer spending, business investment in equipment and software and exports are expected to be key drivers of growth. Investment in residential structures is expected to make a rising contribution to growth, while government spending is expected to be a drag as federal, state, and local governments continue to wrestle the with the multi-year task of aligning spending with reduced levels of revenue.

The forecast is based on the assumption that monetary policy would remain supportive of economic growth well into 2015, that federal government spending would stay at an elevated percentage of GDP and that federal deficit financing would continue at a high, but progressively declining, rate. It is also assumed that the price of oil would decrease to an average of $85 per barrel on in fiscal year 2015, reflecting the potential for large increases in domestic oil and gas production.

IHS Global Insight expects inflation to remain below 2.0 percent throughout the forecast period. The substantial slack in the economy, in terms of the number of unemployed workers and the gap between observed and potential GDP – even after three years of economic recovery – are expected to prevent a broad and sustained rise in inflation within the forecast period.

U.S. retail sales are projected to rise by a moderate 3.0 percent in fiscal year 2014 and 3.1 percent in fiscal year 2015, as higher taxes, low inflation and modest employment growth restrain the ability and willingness of consumers to spend. Sales of light motor vehicles are projected to continue rising, reaching 15.3 million units in fiscal year 2014 and 16.0 million units in fiscal year 2015, as pent up demand from the lean years is finally met. Corporate profits are expected to continue slackening, as reduced profit margins combine with sluggish demand growth, rising only 3.0 percent in fiscal year 2014 and falling 1.5 percent in fiscal year 2015.

In Ohio, employment is projected to increase 1.4 percent in fiscal year 2014 and 1.3 percent in fiscal year 2015, down from 1.7 percent in fiscal year 2012, but among the best growth rates in many years. The unemployment rate, which is currently approximately a full percentage point below the national average, is projected to continue declining gradually, averaging 6.7 percent in fiscal year 2014 and 6.6 percent in fiscal year 2015. Ohio wage and salary disbursements are projected to accelerate moderately from an estimated 3.2 percent in fiscal year 2013 to 3.7 percent in fiscal year 2014 and 4.0 percent in fiscal year 2015.

Risks to the Outlook
Negative risks to the outlook include:

- Economic policy issues, including the potential for a prolonged impasse on federal debt ceiling extension leading to a loss of economic confidence and disruption of financial markets, a failure to restrain growth in government spending relative to the size of the economy, and/or additional new taxes or tax rate increases.
Positive risks to the outlook include:

- A faster than anticipated recovery by financial markets in response to the aggressive actions by the Federal Reserve, leading to greater confidence among households and businesses.
- The ongoing repair of household and business balance sheets and restructuring of state and local government activities and finances could provide a significant and enduring boost to economic activity.
- A boom in energy production in Ohio and other states with vast, emerging supplies of lower-cost oil and natural gas. Just as the oil embargo of the 1970’s ushered in a period of sharply higher energy prices and declining productivity and economic growth, new energy finds could boost productivity and standards of living through lower energy costs.

**MAJOR INITIATIVES AND PROJECTS**

The “Jobs Budget” – Fiscal Years 2012 and 2013
Consistent with state law, the Governor’s biennial Executive Budget for fiscal years 2012 and 2013 was released in March 2011 and introduced in the General Assembly as H.B. 153. After extended hearings and review, the 2012-13 biennial appropriations budget was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2011.

Among major policy initiatives undertaken by the Kasich Administration in conjunction with the biennial operating budget for fiscal years 2012 and 2013:

- **Renewing Fiscal Stability and Reining-in Spending:** H.B. 153 closed an historic $7.7 billion budget gap that had been projected for fiscal years 2012-2013 by asking every state agency to tighten its belt – and asking the same of local governments as well. In the wake of a budget that relied heavily on one-time resources and budgeting strategies that made GRF spending appear artificially lower, the fiscal year 2012-2013 budget virtually eliminated reliance on one-time funds by the second year and returned Ohio to more transparent and standard budgeting practices. The fiscal year 2012-2013 budget reduced non-Medicaid appropriations in the GRF by nearly $700 million compared to actual spending in the previous biennium. Through this and other cost-reduction strategies in H.B. 153, government spending was restrained and aligned with ongoing resources.

- **Making Ohio Jobs Friendly:** In January 2011, H.B. 1 created JobsOhio, a private, nonprofit corporation designed to lead Ohio’s job-creation efforts. Provisions in H.B. 153 authorized a stable revenue stream for JobsOhio, a source of funding not subject to the vagaries of a budget bill. These efforts were further supported in H.B. 153 with several jobs-friendly initiatives. Through its InvestOhio initiative, the budget bill provided a 10 percent tax credit for long-term investments of up to $10 million in an Ohio small business. Elimination of Ohio’s estate tax now provides more than $300 million in tax relief annually, helping farmers and small-business owners keep enterprises in the family from generation to generation. In addition, the existing refundable Job Retention Tax Credit (JRTC) was expanded by H.B. 153, allowing the State to issue up to $25 million of new refundable tax credits between 2011 and 2013 and from 2014 to 2028, up to $25 million per fiscal year. The budget is providing $60 million for incumbent worker training to help prevent layoffs created by a skills deficit and to help ensure that Ohio businesses have the workforce they need to be globally competitive.

- **Transforming State Healthcare Programs to Achieve Cost Savings and Improve Their Operation:** Governor Kasich created the Office of Health Transformation (OHT) in January 2011 in order to immediately address Medicaid spending issues, plan for the long-term, efficient administration of Ohio’s Medicaid program and improve overall healthcare system performance in Ohio.

- **Improving Educational Opportunities for Ohio Students:** H.B. 153 expanded education choices by more than doubling the number of EdChoice scholarships (from 14,000 to 30,000 in fiscal year 2012 and to 60,000 in fiscal year 2013) and lifted the cap on the number of charter schools. The budget required failing schools to implement practices that will turn the school around by replacing staff, hiring an independent organization to run the school or by closing it. A new teacher evaluation system, based on multiple measures, gives students the opportunity to learn from the best, when seniority is no longer the primary focus of teacher employment and compensation. Instead, high-quality educators are receiving better recognition and lower-performing teachers are now able to improve or face removal. A 3.5 percent tuition cap enacted in the budget bill helps make higher education affordable. Additionally, the budget works to keep students in Ohio by extending the in-state resident tuition break to ten years if an Ohio high school graduate leaves the state and wants to return.
Maximizing the Value of Existing State Assets: As part of the Kasich Administration’s budget-balancing strategy, H.B. 153 authorized the sale or lease of existing state assets in order to maximize their value for Ohio citizens. The budget bill authorized the State to enter into a long-term lease of its liquor enterprise to JobsOhio, described above, providing an ongoing source of funding for the private-sector agency’s economic development efforts. H.B. 153 also addressed projected shortfalls in federal and state highway funding that threaten the future of Ohio’s transportation system as a fundamental generator of jobs and commerce. The bill authorized leveraging of the Ohio Turnpike, a plan that when fully implemented by future legislation will provide needed support for new transportation projects and required maintenance that will keep Ohio’s job-creating infrastructure moving.

Additional discussion of the 2012-13 biennial budget is provided in the General Fund Budgetary Highlights section of the MD&A.

Mid-Biennium Review
Soon after passage of the fiscal year 2012 and 2013 biennial operating budget in June 2011, the Kasich Administration embarked on an unprecedented Mid-Biennium Review (MBR), a top-to-bottom analysis of state agency budgets, operations and programs.

This effort, led by the Office of Budget and Management, produced hundreds of recommendations for reforms designed to reduce the cost of government and revitalize Ohio’s ability to keep and attract jobs.

Proposals generated by the MBR included efficiencies and reform initiatives affecting education, energy policy, healthcare, tax reform, workforce development, veterans’ services and cost-saving tools for local governments and schools. Together, these proposals were enacted in seven pieces of legislation passed by the General Assembly in the spring of 2012. Among the MBR’s initiatives were those aimed at:

- Reducing the Cost of State Agency Operations: Among its achievements, the MBR identified ways to cut more than $113 million from agency budgets in the following fiscal year, while making significant changes that streamline government operations and improve delivery of services. Many reductions and reforms – including those focused on state healthcare and human services programs – were enacted by the General Assembly in House Bill 487, the Management Efficiency Plan, which was signed by Governor Kasich on June 11, 2012. Management-efficiency reforms included replacing the separate offices of the State Architect and Engineer, and the Office of Energy Services with an Ohio Facilities Construction Commission (OFCC) to administer the design and construction of state public facilities. The Ohio School Facilities Commission was retained as an independent agency within the OFCC and sharing employees and facilities.

- Advancing Education and Workforce Training in Ohio: Education and workforce training initiatives produced by the MBR included those for strengthening Ohio’s “third grade reading guarantee,” career education, a new school performance measuring system and expansion of digital and online learning. Other measures provided flexibility for teacher evaluations, new standards for dropout recovery schools, assessments of all publicly funded early childhood programs, and support for a reform plan for the City of Cleveland schools. In the realm of workforce development, the MBR led to legislation creating programs to help provide job opportunities for the developmentally disabled, implement an improved workforce development program allowing those undergoing training with an employer to continue collecting unemployment benefits and match skilled veterans to the most in-demand jobs.

- Reforming Taxation of Financial Institutions: As further implementation of the MBR, the General Assembly enacted, and the Governor signed into law on December 20, 2012, a new financial institutions tax to take effect for tax year 2014. The tax will apply to many companies that are currently subject to Ohio’s corporate franchise tax, primarily banks and other corporations classified as financial institutions, and also generally subjects “dealers in intangibles” (e.g., mortgage brokers, stockbrokers, finance and loan companies that are not classified as financial institutions) to the commercial activity tax. The financial institutions tax will replace the current corporate franchise tax on financial institutions and the current dealers in intangibles tax. The proceeds of those current taxes are, and the proceeds from the new financial institutions tax will be, deposited in the GRF. Based on revenue targets and mechanisms established in this legislation, OBM projects the effect of these tax changes to be revenue neutral to the GRF.

Capital Budget – Fiscal Years 2013 and 2014
Fiscal year 2012 also saw passage of the Kasich Administration’s capital budget proposal for the 2013 and 2014 fiscal biennium – the state’s first capital budget in four years. The resulting legislation (HB 482) was enacted by the General Assembly and signed by the Governor on April 2, 2012. Focusing on schools, higher education, technological research and workforce development, this capital budget will invest more than $1.74 billion in fiscal years 2013 and 2014 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.
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, 2011. 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 staffs of OBM and various other 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,

Timothy S. Keen
Director
STATE OF OHIO OFFICIALS
As of June 30, 2012

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

Thomas E. Niehaus
President of the Senate

William G. Batchelder
Speaker of the House

JUDICIAL

Maureen O’Connor
Chief Justice
Supreme Court
# STATE OF OHIO ORGANIZATION CHART

## FINANCIAL REPORTING ENTITY

### PRIMARY GOVERNMENT

#### 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 Developmental Disabilities
- Department of Veteran Services
- Hispanic-Latino Affairs Commission
- Legal Rights Service
- Minority Health Commission
- Rehabilitation Services Commission

#### 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
### PRIMARY GOVERNMENT (Continued)

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<td>Public Works Commission</td>
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**Business-Type Activities:**
- Bureau of Workers’ Compensation and Industrial Commission
- Capitol Square Review & Advisory Board
- Department of Commerce—Liquor Control Division
- Department of Job and Family Services—Unemployment Compensation Program
- Lottery Commission
- Office of the Auditor of State
- Tuition Trust Authority

### COMPONENT UNITS

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

#### Discretely Presented Component Units:
- **Financing Authorities:**
  - Ohio Air Quality Development Authority
  - Ohio Water Development Authority
  - Ohio Capital Fund

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

#### Discretely Presented Component Units (continued):
- **State Universities:**
  - Bowling Green State University
  - Cleveland State University
  - Miami University
  - Ohio University
  - University of Akron
  - University of Toledo
  - Youngstown State University

- **State Community Colleges:**
  - Cincinnati State
  - Columbus State
  - Northwest State
  - Southern State
  - Washington State
  - Clark State
  - Edison State
  - Owens State
  - Terra State

### JOINT VENTURES
- Great Lakes Protection Fund
- Local Community Colleges
- Technical Colleges

### RELATED ORGANIZATIONS
- Higher Education Facility Commission
- Ohio Housing Finance Agency
- Ohio Legal Assistance Foundation
- Ohio Turnpike Commission
- Petroleum Underground Storage Tank Release Compensation Board
Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Christopher P. Morell
President

Jeffrey P. Ecker
Executive Director