



# Introductory Section

Ash Cave Hocking Hills State Forest  
Logan, Ohio



[THIS PAGE LEFT BLANK INTENTIONALLY]



# Office of Budget and Management

John R. Kasich  
Governor

Timothy S. Keen  
Director

December 22, 2016

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, 2016, 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 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, 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 to GASB 14 and Statement 61, the Financial Reporting Entity: Omnibus, an amendment to 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 develop-

ment, 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, except for judicial liability which is self-insured. 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 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. 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**

### **The Economy in 2016**

The U.S. economy expanded for the seventh consecutive calendar year in 2016, extending to seven and one half years the expansion that began in mid-2009. At 90 months in length as of December, the current expansion is the fourth longest of the eleven expansions since the end of World War II. By a number of important measures, this expansion is the weakest of the four expansions that have lasted as long.

Real GDP increased at an annual rate of 2.1% during the twenty-nine quarters ending in the third quarter of 2016, compared with an average growth rate of 4.5% during the first twenty-nine quarters of the three other expansions that lasted as long. Real final sales increased at a 1.9% annual rate during the period, compared with the average of 4.3% during the three previous expansions of similar length. Nonfarm payroll employment has increased at an annual rate of 1.3% – less than one half of the prior average of 2.7%. Real disposable personal income has increased at an annual rate of only 2.0%, compared with an average of 4.2% in the prior similar-length expansions.

During 2016, real GDP has remained volatile, rising at an annual rate of 1.1% in the first half and then increasing 3.2% in the third quarter. Major monthly indicators point to continued growth in the fourth quarter, although manufacturing activity remains flat. Personal consumption expenditures contributed 2.0 percentage points of the growth in real GDP from the fourth quarter of 2015 through the third quarter of 2016. Government spending made no contribution and gross private domestic investment subtracted 0.5 percentage points. Exports managed to contribute 0.5 percentage points despite the appreciation of the dollar in recent years. Imports, which are included among the other categories and subtracted separately, subtracted 0.1 percentage point.

Spending on services accounted for more than one-half of growth in overall personal consumption expenditures. Health care purchases accounted for just over one-half of the contribution from services. The contribution from durable goods was about twice as large as that from nondurable goods. The largest contributor within durable goods was recreational goods and vehicles. Purchases of new light motor vehicles made no net contribution. Purchases of food and beverages (off-premises) accounted for most of the increase in nondurable goods spending.

Investment in intellectual property was the only major positive contributor to investment during the first three quarters of 2016. Investment in equipment subtracted 0.3 percentage points from growth and investment in nonresidential structures made no contribution. Investment in residential structures subtracted slightly from growth and the change in business inventories subtracted 0.4 percentage points.

Real personal consumption expenditures, which increased at an annual rate of 2.9% during the first three quarters of 2016, were financed by a 2.6% rate of increase in real disposable personal income. The gap between the increase in consumption and in disposable personal income was made up by a small decrease in the saving rate from 6.0% of disposable personal income in the fourth quarter of 2015 to 5.9% in the third quarter of 2016.

Inflation remained tame throughout 2016, but started to rise in the second half of the year. The Consumer price index increased at an annual rate of 1.3% from the fourth quarter of 2015 to the third quarter of 2016, up from 0.4% during the four quarters of 2015. The primary reason for the pickup is the stabilization in the price of oil after the large drop starting in mid-2014. The underlying rate of inflation is higher still, as indicated by the 2.2% annualized increase in the CPI excluding food and energy and the 2.6% annualized rate of increase in the Median CPI from the Federal Reserve Bank of Cleveland during the first ten months of the year.

Monetary policy remained extraordinarily accommodative throughout 2016, even after the Federal Reserve increased its federal funds rate target by a quarter of a percentage point in December 2015. In light of recent improvements in labor markets, policy makers no longer view the extremely low rate target as necessary, and plan additional rate increases starting as soon as December 2016.

Fiscal policy continued to add directly to aggregate demand in Fiscal Year 2016, as the federal budget deficit increased by 34% to \$587 billion or 3.2% of GDP. This was the first increase in the deficit as a percent of GDP since 2009, and was brought on by a 5% increase in outlays but only a 1% increase in receipts.

In line with trends across the country, labor markets across Ohio strengthened further in 2016, although Ohio employment growth has slowed. Nonfarm payroll employment in Ohio increased by 21,200 jobs, or 0.5% annualized, from December 2015 to October 2016. In addition, the annual benchmark revisions to historical data released by the U.S. Bureau of Labor Statistics in early 2016 revealed stronger growth in employment during 2014-2015 than had been previously reported. Ohio employment growth during the two-year period was revised up by 22,100 jobs from 154,500 jobs to 176,600 jobs.

Employment activity was mixed across economic sectors during the year-to-date through October 2016. Growth was concentrated in educational and health services (+9,000), financial activities (+7,900), and leisure and hospitality (+6,300). Employment increased by 17,600 jobs in the private sector. Employment declined through October in professional and business services (-8,900), manufacturing (-3,000), and natural resources and mining (-1,400).

The Ohio unemployment rate was trendless through October 2016, edging up by 0.1 percentage point from December 2015 to 4.9%. The increase reflected an increase of 28,100 or 0.5% in total employment, an increase of 6,500 or 2.4% in unemployed people, and an increase of 34,600 or 0.6% in the labor force.

In response to the ongoing growth in labor markets, Ohio personal income increased at an annual rate of 1.5% from the second half of 2015 to the first half of 2016. Personal income increased at an annual rate of 3.9% across the country. Wage and salary disbursements in Ohio increased at an annual rate of 1.4%, compared with 4.5% across the country.

### **The Economic Outlook**

The U.S. economy is likely to continue expanding in 2017, despite the recent sluggishness in the manufacturing sector. Economic expansions do not die of old age. Past expansions have been cut short by unexpected events that have often included some mix of rising inflation, tightening monetary policy, and an upward spike in energy costs – none of which has recently occurred or appears likely in the near-term. Leading economic indicators that in the past have provided some warning of oncoming recessions are almost uniformly signaling growth at least at a moderate pace.

The pace of overall economic growth is projected to accelerate somewhat in 2017. Real GDP will expand by a projected 1.5% in 2016 and 2.2% in 2017, according to the November 2016 forecast by IHS Markit. Despite recent indicators that point to sluggish growth in Ohio in 2016, the Ohio economy is also expected to grow in 2017, according to the November 2016 IHS Markit forecast. Ohio employment is projected to grow 0.5% in 2017 after a projected 1.3% increase in 2016 on an average annual basis. Personal income growth is projected to accelerate from 2.8% in 2016 to 3.8% in 2017. Nominal Gross State Product is projected to accelerate from 3.2% in 2016 to 4.0% in 2017.

As always, unexpected events will play a role in shaping future economic performance. In particular, the pending change of administrations in Washington, D.C. is likely to bring shifts in economic policy that could change the economic outlook in significant ways. The economy could benefit from the following:

- Tax reform that includes reductions in marginal rates;
- A large federal infrastructure spending program;
- Reductions in regulations that impede free market activity; and
- The still extraordinarily accommodative monetary policy.

However, risks to the economic outlook include:

- Disruptions to international trade;
- A more rapid than anticipated rise in interest rates by the Federal Reserve; and

- Additional increases in the foreign exchange value of the dollar and an intensification of the economic slowdown overseas.

## MAJOR INITIATIVES AND PROJECTS

### Transforming Ohio for Growth – Fiscal Years 2016 and 2017

Consistent with state law, the Governor's biennial Executive Budget for fiscal years 2016 and 2017 was released in February 2015 and introduced in the General Assembly as H.B. 64. After extended hearings and review, the 2016-17 biennial appropriations budget was passed by the General Assembly and signed (with selective vetoes) by the Governor on June 30, 2015.

Among major policy initiatives undertaken by the Kasich Administration in conjunction with the biennial operating budget for fiscal years 2016 and 2017:

- Preserving Ohio's Growth: After hard work and tough choices helped get Ohio back on its feet, many have called for relaxing Ohio's budget discipline but Gov. Kasich has been through this challenge before and steadfastly refused. As chair of the U.S. House of Representatives Budget Committee, Kasich was the architect of the first balanced federal budget in a generation, but watched with frustration and amazement as, after he left Congress, Washington backslid from conservative budget principles and blew a projected \$5 trillion surplus in just two years. He is committed to making sure Ohio does not go down this path and this budget keeps conservative budgeting principles firmly in place with conservative revenue estimates and spending projections, tax cuts and a stronger rainy day fund.
- Eliminating Taxes on Small Businesses: The budget continues the current 75 percent tax cut for small businesses earning under \$250,000 in business income and, in FY2017, eliminates these taxes altogether. For small business income above that level, Ohio established a new, low flat tax rate of three percent.
- Lower Income Taxes, Again: Personal income tax rates were cut for all Ohio taxpayers by 6.3 percent. This means Ohio's top marginal income tax rate has been cut from 5.925 percent when Gov. Kasich came into office in 2011 to 4.997 percent in tax year 2016, the lowest top marginal tax rate in effect in Ohio since 1982. With the \$1.9 billion in net tax cuts in this budget, Ohio has reduced taxes by approximately \$5 billion since Gov. Kasich took office.
- Continued Strong Support for K-12 Education: For the second straight budget, Ohio will significantly increase funding to K-12 education — providing record funding for K-12 education in this budget. Additionally, by building on a practice Kasich first proposed two years ago and giving greater consideration to the income of local residents, Ohio will more effectively drive state support to school districts with a series of carefully targeted aid categories.
- Making College More Affordable: The budget freezes tuition at two- and four-year state-supported schools, assuring that Ohio remains a leader in holding down the growth of tuition and general fees. A new nine-member Task Force on Affordability and Efficiency is working to help public colleges and universities examine ways to reduce costs. Following the work of the Task Force, Ohio's public colleges and universities will conduct an efficiency review to improve efficiencies and reduce costs.
- Better Support for Ohioans with Disabilities: The budget makes historic new investments to ensure that every Ohioan with a developmental disability who wants to live and work in the community can do so. This budget invests \$286 million over two years to increase home- and community-based services, support community work opportunities and create new options for individuals who want to leave institutions.



- Combating Infant Mortality: More than 1,000 Ohio babies die before their first birthday. It is one of the worst infant mortality rates in the country. The budget provides enhanced maternal services through Medicaid health plans for every woman living in neighborhoods most at risk for poor infant health outcomes. Working to engage local community leaders, health plans will connect women in high-risk neighborhoods to health care services.
- Transforming Welfare: The budget creates a person-centered case management system where services are wrapped around an individual's needs in order to better support them as they move toward self-sufficiency. New initiatives will initially focus on those ages 16-24 in order to have the greatest impact and prevent the poverty cycle at an early age. To help in the effort, the budget also works to soften the benefit "cliffs" by allowing families to keep subsidized child care on a gradually reducing scale up to 300 percent of the federal poverty level.
- Reducing Recidivism and Treating Addictions in Ohio's Prisons: Approximately 80 percent of Ohio's prison inmates have past histories of drug and alcohol addiction and those who don't overcome their addiction have a higher likelihood of re-entering prison after their release. By leveraging the clinical expertise of the Department of Mental Health and Addiction Services, Ohio can get inmates the help they need to overcome their addiction while they are serving their sentences and provide a seamless transition of services and supports to ensure sustained recovery after their release. In addition, the state will begin transferring low-level, non-violent inmates with addictions to serve their short-term sentence in a community treatment facility.

### **Mid-Biennium Review**

Soon after passage of the fiscal year 2016 and 2017 biennial operating budget in June 2015, the Kasich Administration embarked on a third 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:

- Giving More Individuals Opportunities to Live and Work in Their Communities: Ohioans with developmental disabilities want the opportunity to live and work in their communities. The most recent budget contained an historic investment of nearly \$300 million in new funds. HB 483, signed by the Governor on July 13, 2016, will support the continued transformation of Ohio's developmental disabilities by ensuring continuity of care as children grow older, and by making it easier for caretakers to tend to individuals' medical needs.
- Protecting Ohioans from Lead in the Drinking Water: Part of the MBR, HB 512 proposes new state standards to protect public health – backed by tighter deadlines and administrative fines to make public water systems notify and educate the public in a much timelier manner. The law, signed by the governor on June 9, 2016, provides new funding mechanisms to help communities replace lead service lines and help schools identify and replace outdated, lead-based water-service fixtures.
- A Common Sense Approach to Serving Ohio Boaters: The Ohio Department of Natural Resources (ODNR) continues its efforts to reduce the costly and inefficient overlap that exists between its nine divisions while improving service for its customers. Consolidation of ODNR's divisions of Watercraft and State Parks, will not only offer Ohioans improved services and cost savings, but also enable ODNR law enforcement to provide greater protections for visitors at Ohio's state parks, natural areas, rivers and lakes. Governor Kasich signed SB 293 on June 14, 2016.

Nearly every one of Ohio's 74 state parks is home to a lake or river that is used for recreational boating and the Ohio State Parks system maintains most of the docks, marinas and access points for boaters at these locations. By bringing together these two operations, Ohio will provide watercraft and parks users with a single office and a unified corps of officers to assist with service

requests. Work already is underway to consolidate office space and share services, so that avid boaters and paddlers will be able to register their vessels and conduct other business in the same place where they intend to go boating.

### **Capital Budget**

Fiscal year 2016 also saw the passage of a capital budget proposal for 2017 and 2018. The resulting legislation (S.B. 310) was enacted by the General Assembly and signed by the Governor on May 17, 2016. This capital budget allocates more than \$2.62 billion in fiscal year 2017 and 2018 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 \$2.62 billion appropriation, \$2.18 billion will come from general revenue backed debt and while the remaining \$0.44 billion will come from other funding sources. Specific investments include \$1.19 billion for renovation and construction of primary, secondary, and higher educational facilities, \$500.4 million for local infrastructure projects, and \$323.1 million for state park, dam, and other natural resource related improvement projects.

### **Interactive Budget and Transparency**

Significant in Fiscal Year 2016 was the launch of [Ohio's Interactive Budget 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, 2015.

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

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

### **Acknowledgments**

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Timothy S. Keen". The signature is fluid and cursive, with the first name "Timothy" and last name "Keen" clearly legible.

Timothy S. Keen  
Director

# **STATE OF OHIO OFFICIALS**

As of June 30, 2016

## **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**

Keith Faber  
President of the Senate

Clifford Rosenberger  
Speaker of the House

## **JUDICIAL**

Maureen O'Connor  
Chief Justice  
Supreme Court

# STATE OF OHIO ORGANIZATION CHART

FINANCIAL REPORTING ENTITY		
PRIMARY GOVERNMENT		
<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>	

COMPONENT UNITS		
<b>Blended Component Units:</b> Buckeye Tobacco Settlement Financing Authority (included as Governmental Activities)	<b>Discretely Presented Component Units</b>	
	<b>(continued):</b>	
	<b><i>State Universities:</i></b>	
	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
<b>Fiduciary Component Unit:</b> State Highway Patrol Retirement System		
<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		
<i>Nonprofit Organizations:</i> Jobs Ohio		

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



Government Finance Officers Association

**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, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO