



**TREASURER OF STATE
FRANKLIN COUNTY**

AGREED-UPON PROCEDURES REPORT

AS OF JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TREASURER OF STATE
FRANKLIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Exhibit A Schedule of Cash and Investments State Treasury, Custodial Accounts and Securities Held In Trust	5

THIS PAGE INTENTIONALLY LEFT BLANK



REPORT OF INDEPENDENT ACCOUNTANTS

The Honorable Joseph Deters
Treasurer of the State of Ohio
30 East Broad Street, 9th Floor
Columbus, Ohio 43266

Dear Mr. Deters:

We have performed the procedures enumerated below solely to comply with the requirements of Section 117.15 of the Ohio Revised Code. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Count of Cash and Securities Held in Trust

1. We performed a count of cash and securities physically held by the Treasurer of State in the Cashiers Department, vault, and Trust Department areas, as of June 30, 2000.

Cash held in the cashier drawers and cashier vault in the TOS Cashiers section as of June 30, 2000, was accounted for and agreed with the financial records of the TOS.

In our count of physical securities held in the Trust Department, we found all securities physically held by the TOS Trust Department as custodian for other state agencies were accounted for and agreed with the custodial records of the TOS. In addition, we verified the existence of all negotiable securities (i.e. bearer bonds) held in the TOS vault as of June 30, 2000, by the Trust Department as custodian for other agencies, and verified the disposition of all negotiable securities held in the TOS vault as of June 30, 1999, which were no longer in the vault as of June 30, 2000. We noted three instances where securities held in trust were being held by the TOS but were not present on the agency's internal ledgers and three instances where the carrying value of the security was different from the amount recorded by the TOS. Additionally, we noted a \$10,000 U.S. Treasury Note, which had been removed without authorization from the agency prior to June 30, 2000, present on the TOS internal records.

Confirmation of Accounts

1. We confirmed deposit balances in the Treasurer of State's regular, consolidated check clearing, zero balance accounts, and custodial accounts with the financial institutions holding these accounts, as of June 30, 2000.

Deposit balances in the TOS regular, consolidated check clearing, zero balance, and custodial accounts as of June 30, 2000, were confirmed with no significant exceptions.

Confirmation of Special Purpose Investments

1. We selected 50 linked deposits, 25 agri-linked deposits, 5 Linked Ag 99 deposits, 20 Linked Y2K deposits, and 40 Bid Ohio deposits and confirmed the balances with the financial institutions holding these deposits, as of June 30, 2000.

Confirmations were received for all of the Linked, Agri-linked, Linked Ag 99, Linked Y2K and Bid Ohio deposits noted above. Thirty-two minor exceptions were noted where the amounts reported by the banks did not agree with the amounts shown in the TOS' records. However, these exceptions could be attributed to confusion among the banks as to the proper amounts to confirm. The banks would report the value of the loan made with the deposited funds or accrued interest earned on the deposit, either of which could have caused a fluctuation from the amounts reflected on the Treasurer of State's internal records.

Confirmation of Non-Special Purpose Investments

1. We confirmed investments held by the Treasurer of State in its regular account, structured account and other agency custodial accounts with the financial institutions holding these investments, as of June 30, 2000.

Investments in the regular, structured and agency custodial accounts as of June 30, 2000, were confirmed, with fourteen insignificant variances noted. These variances were found to have been caused by transaction timing or reporting differences.

On March 2, 2001, we held an exit conference with the following Treasurer of State Personnel:

Jim Harper - Deputy Treasurer of State
Kevin Talty - Director, Quality Control
Jennifer Day - Director, Revenue Management Department
Tom McFarland - Director, Accounting Department
Jackie Leisenheimer - Director, Human Resources & Fiscal Services Department
M.C. Adams - Director, Information Systems & Services Department
Cindy Beck - Director, Trust Department
Toni Powell - Director, Internal Audit Department
Scott Miller - Auditor-in-Charge, Internal Audit Department

The attendees were given an opportunity to respond to this Agreed-Upon Procedures Report. Their verbal response was evaluated and changes were made where we deemed appropriate.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Treasurer of State's assets, assets of custodial funds or securities held in trust, as of June 30, 2000, which is attached as Exhibit A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the Treasurer of State, Governor, Attorney General and Secretary of State and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

JIM PETRO
Auditor of State

December 22, 2000

THIS PAGE INTENTIONALLY LEFT BLANK

TREASURER OF STATE

EXHIBIT A

SCHEDULE OF CASH AND INVESTMENTS
STATE TREASURY, CUSTODIAL ACCOUNTS AND SECURITIES HELD IN TRUST
AS OF JUNE 30, 2000
(unaudited)

State Treasury

Cash		\$	2,365,823
Investments			
Agri-Linked Deposits	\$	88,549,102	
Linked Deposits		402,690,548	
Main Street Deposits		26,036	
Bid Ohio Deposits		255,000,000	
Interim Deposits - Regular (Non-Special Purpose)		7,312,922,085	
Interim Deposits - Structured (Non-Special Purpose)		1,011,063,368	
Total Investments			<u>9,070,251,139</u>
Total State Treasury		\$	<u><u>9,072,616,962</u></u>

Custodial Funds¹

Cash		\$	119,217,521
Investments			<u>128,844,428,164</u>
Total Custodial Funds		\$	<u><u>128,963,645,685</u></u>

Total Securities Held in Trust² \$ 152,466,688

(See Report of Independent Accountants)

¹The cash and investment amounts shown are summarizations of 79 individual account balances held as custodial funds by the Treasurer of State

²The Securities Held in Trust amount shown is summarized from 33 individual accounts held by the Treasurer of State.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

TREASURER OF STATE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 27, 2001**