Ohio Public Employees Deferred Compensation Program

Financial Statements and Supplemental Schedules for the Years Ended December 31, 2003 and 2002 and Independent Auditors' Report

Auditor of State
Betty Montgomery

Ohio Public Employees Deferred Compensation Program Board
Ohio Public Employees Deferred Compensation Program
250 Civic Center Drive, Suite 350
Columbus, Ohio 43215-5450

We have reviewed the Independent Auditor's Report of the Ohio Public Employees Deferred Compensation Program, Franklin County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2003 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Public Employees Deferred Compensation Program is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

June 23, 2004

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OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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INDEPENDENT AUDITORS' REPORT

Ohio Public Employees Deferred Compensation Board

We have audited the accompanying combined statements of net assets available for benefits of the Ohio Public Employees Deferred Compensation Program (the "Program") as of December 31, 2003 and 2002, and the related combined statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the combined net assets available for benefits of the Ohio Public Employees Deferred Compensation Program as of December 31, 2003 and 2002, and the combined changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 2-3 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Program's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Program's basic combined financial statements. The Supplemental Combining Schedules on pages 19-23 are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. This supplementary information is the responsibility of the Program's management. The Supplemental Combining Schedules on pages 19-23 have been subjected to the auditing procedures applied by us in the audit of the basic combined financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 30, 2004, on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

April 30, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ohio Public Employees Deferred Compensation Program, we offer this narrative overview of the financial statements contained in this Comprehensive Annual Financial Report. The financial statements consist of the Combined Statements of Net Assets Available for Benefits and the Combined Statements of Changes in Net Assets Available for Benefits. All assets and liabilities associated with the Program's operations are included on the statement of net assets available for benefits. The Program's economic inflows and outflows are reported on the statement of changes in net assets available for benefits. Additional information is presented in the Notes to the Combined Financial Statements and the Supplemental Information Schedules.

NET ASSETS

Net assets available for Program benefits at December 31, 2003 increased 18.8% over the previous year-end due to positive investment performance. Net assets available for Program benefits at December 31, 2002 decreased 4.5% over the previous year-end due to negative investment performance, and greater transfers to other plans..

	2003	2002	2001
Total Assets	$4,926,350,894	$4,145,559,116	$4,341,778,286
Total Liabilities	2,026,427	2,073,890	2,836,016
Net Assets Available for Benefits	$4,924,324,467	$4,143,485,226	$4,338,942,270

PROGRAM ADDITIONS

Total Program additions in 2003 increased over 2002 due to increases in net investment income, employee contributions, and greater transfers from other retirement plans. Program additions were reduced by negative earnings on equity mutual fund performance in both 2002 and 2001.

	2003	2002	2001
Net investment income	$ 621,993,946	$ (271,446,794)	$(268,122,955)
Employee contributions	365,012,189	356,857,437	323,887,138
Transfers from other plans	28,436,965	25,726,198	6,568,788
Recordkeeping income	3,920,234	4,077,556	3,327,167
Total Additions	$1,019,363,334	$ 115,214,397	$ 65,660,138

PROGRAM DEDUCTIONS

Total Program deductions in 2003 decreased over 2002 due mainly to lower transfers from the Program and lower distributions to participants. Total Program deductions in 2002 were much higher than 2001 because transfers to other qualified retirement plans were first allowed.

	2003	2002	2001
Distributions to participants	$166,798,525	$192,651,877	$185,126,141
Transfers to other plans	65,073,212	112,038,732	441,512
Other deduction	6,652,356	5,980,832	5,622,580
Total Deductions	$238,524,093	$310,671,441	$191,190,233

CHANGE IN NET ASSETS

The net assets available for benefits increased in 2003, primarily because of the positive performance of the stock market. After three consecutive down years of market performance, all categories of the Program's mutual funds had positive performance in 2003. In addition to investment income, new contributions and transfers into the Program also exceeded last year's levels. Participant distributions declined in 2003, as many participants took advantage of new pension rules and stopped or lowered their benefit payments. New pension rules also allowed transfers to other plans beginning in 2002. While initial transfer activity was high, it has dropped significantly and total transfers out declined by 41.9% from 2002.

PROGRAM ACTIONS

During 2002, the Program implemented provisions of the Economic Growth and Tax Relief Act of 2001. These provisions increased participant's ability to contribute to the Program and gave them added flexibility in managing their retirement assets. Many participants took advantage of the new rules by reducing or stopping their benefit payments, to allow their accounts to grow until they needed their funds. Others took advantage of new rules that allowed them to rollover other pre-tax retirement accounts into the deferred compensation account, or used their deferred compensation account assets to purchase permissible service credit with their governmental defined benefit plan.

The Program entered into a three-year contract extension with Nationwide Retirement Solutions to provide education, enrollment, and customer services until December 31, 2005. The extension includes provisions to increase the number of field and phone representatives dedicated to servicing Program participants.

During 2003, the Program further diversified the Guaranteed Return Option by hiring two additional investment managers, Banc One Investment Advisors and Goode Investment Management. Funds invested in these portfolios are covered by new guarantee agreements with Bank of America.

COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2003 and 2002

	2003	2002
Assets:		
Investments:		
Stable Value Option	$2,563,815,487	$2,432,915,816
Mutual Funds	2,301,833,472	1,647,619,869
Purchased Annuities	54,020,325	57,679,372
Total investments	4,919,669,284	4,138,215,057
Cash and cash equivalents	2,355,643	1,615,191
Contributions receivable and cash held for investment	3,217,563	4,745,440
Accounts and other receivables	976,093	804,839
Property and equipment, net	132,311	178,589
Total assets	$4,926,350,894	$4,145,559,116
Liabilities:		
Accounts payable	$ 1,821,558	$ 1,870,121
Accrued expenses	204,869	203,769
Total liabilities	2,026,427	2,073,890
Net Assets Available for Benefits	$4,924,324,467	$4,143,485,226

The accompanying notes are an integral part of the financial statements.

COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the years ended December 31, 2003 and 2002

	2003	2002
Additions:		
Net Investment Income:		
Net gain (loss) on variable investments	$ 489,044,158	$(409,520,080)
Stable value income	137,260,011	141,342,032
Investment expenses	(4,310,223)	(3,268,746)
Net Investment Income	621,993,946	(271,446,794)
Employee contributions	365,012,189	356,857,437
Transfers from other plans	28,436,965	25,726,198
Recordkeeping income	3,920,234	4,077,556
Total Additions	1,019,363,334	115,214,397
Deductions:		
Distributions to participants	166,798,525	192,651,877
Transfers to other plans	65,073,212	112,038,732
Administrative expenses	6,572,449	5,892,734
Life insurance premiums	79,907	88,098
Total Deductions	238,524,093	310,671,441
Increase (decrease) in net assets available for benefits	780,839,241	(195,457,044)
Net assets available for benefits beginning of year	4,143,485,226	4,338,942,270
Net assets available for benefits end of year	$4,924,324,467	$4,143,485,226

The accompanying notes are an integral part of the financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. General Description of the Program:

The following description of the Ohio Public Employees Deferred Compensation Program (the Program) is provided for general information only. Participants should refer to the Plan Document for complete information.

The Program is a voluntary defined contribution pension plan. The Program was established pursuant to Ohio Revised Code (the Code) Section 148. Under the Program provisions, any public employee within Ohio (as defined in Section 148.01(A)(1) of the Code) is eligible to contribute into the Program, through payroll deductions, any amount up to the maximum permitted under Section 457 of the Internal Revenue Code. Amounts contributed by employees are deferred for federal and state income tax purposes until such amounts are distributed by the Program. As of December 31, 2003 and 2002, there were 1,497 and 1,428 respectively, state and local governments actively participating in the Program.

Plan assets are not the property of the participating employees. All Plan assets and income are held by the Board in Trust on behalf of the employers for the exclusive benefit of participants and their beneficiaries. All assets, whenever contributed to the Plan, are assigned to the Trust established by the Board.

As of December 31, 2003, Program participants have the following investment options:

- A stable value option administered by the Program. Funds are managed and invested by Nationwide Life Insurance Company (Nationwide), Deutsche Asset Management (Deutsche), State Street Bank and Trust (State Street), Banc One Investment Advisors (Banc One), and Goode Investment Management, Inc. (Goode).

- Mutual funds managed by AIM Equity Funds (AIM), American Century Investment Management (American Century), Barclays Global Investors (BGI), Dodge & Cox Funds (Dodge & Cox), Fidelity Investment Company (Fidelity), First Pacific Advisors (FPA), Janus Equity Funds (Janus), Lazard Freres & Co. (Lazard), MFS Institutional Advisors (MFS), PBHG Funds, Inc. (PBHG), PIMCO Funds (PIMCO), Putnam Fiduciary Trust (Putnam), Franklin Templeton Funds (Templeton), and The Vanguard Group, Inc. (Vanguard).

- Universal life and whole life insurance contracts underwritten by Ohio National Life Insurance Company (Ohio National). Effective January 1, 1989, these life insurance contracts were no longer offered as new investment options to participants.

Participants may withdraw the value of their deferred account upon termination of employment, retirement, disability or unforeseeable financial emergency. Participants may select various payout options including lump-sum payments or payments over various periods. If a purchased annuity option is selected, the payments may be actuarially determined.

At termination of employment or retirement, participants investing in universal and whole life insurance contracts may continue to make premium payments directly to the insurance carrier or they may receive the cash surrender value of the contract less any applicable surrender charges. In the case of the death of a participant, the face value of the insurance contract is payable to their beneficiary as taxable ordinary income.

2. Summary of Significant Accounting Policies:

Organization:

The Ohio Revised Code Section 148.02 created the Deferred Compensation Board for the purpose of administering the Program for all eligible employees. However, under the criteria set forth in the Statement of Governmental Accounting Standards No. 14, the Program is not considered a component unit of the State of Ohio:

- The Program is a separate legal entity.
- The State does not appoint a voting majority of the Program's Board.
- The State does not approve the Program budget or set Program rates or charges.
- The Program provides services to Ohio local governments as well as to the State.

The Deferred Compensation Board is comprised of the members of the Ohio Public Employees Retirement System (OPERS) Board, a member of the House of Representatives and a member of the Senate who must be of different political parties, and are appointed by their respective leadership. Six of the nine members of the OPERS Board are elected by the groups they represent: retired employees, state employees, municipal employees, county employees, non-teaching employees of state colleges and universities, and miscellaneous employees. Three statutory Board members are the Auditor of State, Attorney General and Director of Administrative Services.

Basis of Accounting and Measurement Focus:

The activities of the Program are accounted for as a Pension Fund, and follow the accrual basis of accounting and reporting for defined contribution plans recommended by the American Institute of Certified Public Accountants' Audits of Employee Benefit Plans Audit Guide. The Program is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the Program's operations are included on the statement of net assets available for benefits.

Activities of the Program are accounted for in two funds which are combined for the purpose of financial reporting:

Program Fund: The Program Fund reflects all employee contributions, earnings or losses on investments and distributions to participants.

Administration Fund: The Administration Fund is used to account for customer service and administrative costs incurred by the Board. The Administration Fund recovers the costs of its operations through fees charged to the Program Fund and from recordkeeping reimbursements from certain investment providers.

Stable Value Option:

The Program administers the Guaranteed Return Option (GRO), which is the stable value investment option offered to participants. As of December 31, 2003, the Program has funds invested in five different pools, each of which earns a separate interest rate credited to the Program, which can change quarterly. The Program determines the quarterly interest rate credited to participants by calculating the net weighted average return. The Program is also responsible for calculating daily account balances, disbursing funds for benefit payments and processing investment exchanges. A cash reserve account is maintained to buffer the invested pools from daily cash outflows from the GRO.

Until December 14, 2003, one pool was invested in the Nationwide fixed annuity, which was commingled in the general investment account of Nationwide and managed based upon Nationwide investment guidelines. This pool was liquidated and used to fund the Banc One and Goode portfolios during 2003. The remaining pools of the GRO are separate portfolios managed by Nationwide, Deutsche, State Street, Banc One, and Goode. Investment guidelines, including asset class, credit rating, portfolio diversification and duration are specified by the Program.

Funds invested in the Deutsche, State Street, Banc One, and Goode portfolios are covered by guarantee agreements. The agreement with Nationwide includes an accumulation account guarantee for funds invested in the Nationwide separate account. These agreements provide the formulas for determining the quarterly interest rate earned by each portfolio, and provide for benefit withdrawals at the guaranteed value.

Investments Valuation:

Investments of the GRO are valued at contract value, which represents contributions received plus the interest credited, less applicable charges and amounts withdrawn.

Mutual fund investments are valued at the share prices of mutual funds as reported by the investment carriers, which represent contributions received plus appreciation (depreciation) of the underlying portfolio less applicable charges and amounts withdrawn.

Assets held for purchased annuities are valued at amounts reported by Nationwide which are actuarially determined. These amounts represent the reserves established by Nationwide and are based on actuarial assumptions as to anticipated mortality, withdrawals and investment yield. Nationwide periodically adjusts and updates these assumptions.

Life Insurance Contracts:

As previously disclosed, universal and whole life insurance options are no longer available as new investment options. The policy cash value before surrender charges or other assessments was $ 1,485,412 and $1,524,160 at December 31, 2003 and 2002, respectively. Premiums paid for these policies are expensed when made. The amount of life insurance in force was $18,400 984 and $18,941,188 at December 31, 2003 and 2002, respectively.

Stable Value Income:

Stable value income was recorded as earned for each of the investment components of the Guaranteed Return Option. The gross interest rates for each portfolio were adjusted quarterly and ranged from 3.28% to 6.22% during 2003, and from 5.95% to 6.63% during 2002.

Net Gain or Loss on Mutual Funds:

Mutual fund investment income or loss consists of dividends and capital gains paid and appreciation or depreciation on the mutual funds.

The assets held for purchased annuities were credited interest based upon reserve assumptions used by Nationwide at the participant's annuitization date. These annuitization rates ranged from -1.0% to 5.5% during 2003, and from 0.1% to 6.4% during 2002.

Historical Trend Information:

Unaudited historical trend information designed to provide information about the Program's progress is presented in the accompanying Statistical Section of this presentation.

Property and Equipment:

Property and equipment of the Board are stated at cost less accumulated depreciation. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Board Employees' Deferred Compensation Benefits:

All employees of the Board are eligible to participate in the Deferred Compensation Program which it administers. The Deferred Compensation Board Employees' assets in the Program were valued at fair value and are included as net assets available for benefits.

Reclassifications:

Certain prior year amounts have been reclassified to conform with the current year's presentation.

3. Tax Status:

The Program is an eligible deferred compensation program as defined by Section 457 of the Internal Revenue Code. Accordingly, any amount of compensation deferred under the Program and any income attributable to the amounts so deferred shall be included in the taxable income of the participant only for the taxable year in which such compensation or other income is paid or otherwise made available to the participant or his beneficiary.

4. Employee Contributions:

Participant contributions receivable and held for investment represent amounts withheld from participants but not remitted to the investment providers at year end.

The Program maintains a bank account for the purpose of consolidating the deposit of all participant contributions. Contributions are subsequently remitted to the investment providers as designated by the participants. Funds deposited but not remitted to the investment providers were $779,856 and $2,816,373 at December 31, 2003 and 2002, respectively.

5. Cash:

The Board's policy is to invest excess Administrative Fund cash in bank checking and money market accounts, certificates of deposit, a statewide investment pool managed by the Treasurer of the State of Ohio, or issues of the U.S. Government and its agencies, all with maturities of two years or less.

At December 31, 2003, the carrying amount of cash deposits was $2,355,643 and the bank balance was $2,436,102. Differences in these balances arise due to reconciling items, principally outstanding checks. Of the bank balance, $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1 risk as defined by the Government Accounting Standards Board). The remaining bank balances were uninsured and uncollateralized and were held in the name of the Program's pledging financial institution, as required by the Ohio Revised Code (Category 3).

At December 31, 2002, the carrying amount of cash deposits was $1,615,191 and the bank balance was $1,735,392. Differences in these balances arise due to reconciling items, principally outstanding checks. Of the bank balance, $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1 risk as defined by the Government Accounting Standards Board). The remaining bank balances were uninsured and uncollateralized and were held in the name of the Program's pledging financial institution, as required by the Ohio Revised Code (Category 3).

6. Program Investments:

A summary of Program investments is as follows:

	December 31, 2003	
	Carrying Value	Fair Value
Stable Value Option:		
Deutsche Asset Management	$1,049,570,365	$1,080,729,212
Nationwide Ohio Managed Fund	800,237,164	847,524,409
Banc One	356,556,452	353,794,308
State Street Bank and Trust	306,003,171	323,172,651
Goode Investment	51,448,335	51,301,436
Total Stable Value Option	2,563,815,487	2,656,522,016
Mutual Funds	2,301,833,472	2,301,833,472
Purchased Annuities	54,020,325	54,020,325
Total Investments	$4,919,669,284	$5,012,375,813

	December 31, 2002	
	Carrying Value	Fair Value
Stable Value Option:		
Deutsche Asset Management	$ 1,264,814,700	$ 1,315,321,744
Nationwide Ohio Managed Fund	755,074,134	810,912,942
State Street Bank and Trust	289,587,983	310,315,267
Nationwide Fixed Account	110,018,524	110,018,524
Banc One	13,420,475	13,420,475
Total Stable Value Option	2,432,915,816	2,559,988,952
Mutual Funds	1,647,619,869	1,647,619,869
Purchased Annuities	57,679,372	57,679,372
Total Investments	$4,138,215,057	$4,265,288,193

Stable Value Option:

The GRO funds that were invested in the Nationwide Fixed Account were commingled in the general account of Nationwide and not separately identifiable. Investments by Deutsche, Banc One, and in the Nationwide Ohio Managed Fund are held in custody for the Program. The quoted market prices of these investments have been used for disclosure purposes. Funds invested by State Street and Goode are in commingled passive bond index funds and reported at fair value. In addition, a money market account is maintained at Banc One to fund daily cash requirements.

The Program has entered into liquidity guarantee agreements with banks and insurance companies to fund any withdrawals for benefit payments at book value. The GRO book value represents participant contributions plus earnings based on guaranteed rates of return. The Program expects carrying and fair values of the GRO portfolio to converge, through amortization of these differences in future crediting rates.

Included in investment expenses are $2,668,229 and $2,377,771 related to premiums paid for the book value guarantee for the years ended December 31, 2003 and 2002, respectively.

A summary of the fair value of investments in the Guaranteed Return Option by investment category at December 31, 2003 and 2002 is as follows:

	2003	2002
Asset-Backed Securities	$ 573,531,525	$ 628,222,606
Corporate Bonds	464,644,478	335,477,311
Collateralized Mortgage Obligations	415,330,338	464,694,326
U.S. Treasury and Other Agency Obligations	380,487,041	412,731,678
Passive Bond Index Funds	374,474,087	310,315,267
Mortgage-Backed Securities	216,362,583	95,961,445
Cash and Cash Equivalents	124,364,216	83,508,298
Guaranteed Investment Contracts	68,823,257	76,756,783
Commercial Mortgages	38,504,491	42,302,714
Nationwide Fixed Account	0	110,018,524
Total Stable Value Investments	$2,656,522,016	$2,559,988,952

NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

Mutual Funds:

Shares of mutual funds are priced at the net asset value as calculated by the fund provider. A summary of year-end investments as of December 31, 2003 and 2002 is as follows:

	Mutual Funds-2003			Mutual Funds-2002		
	Fair Value	Share Price	No. Shares Outstanding (1,000's)	Fair Value	Share Price	No. Shares Outstanding (1,000's)
Fidelity:						
Contrafund	$ 423,185,797	$49.35	8,575	$ 327,131,443	$38.60	8,475
Equity Income Fund	240,268,795	49.75	4,830	187,592,252	39.67	4,729
Magellan Fund	219,467,126	97.74	2,245	177,385,458	78.96	2,247
Growth Company	181,135,940	50.07	3,618	89,583,976	35.42	2,529
Government Income	9,906,765	10.22	969	12,373,854	10.48	1,181
Total Fidelity Funds	1,073,964,423			794,066,983		
Dodge & Cox:						
Stock Fund	187,343,843	113.78	1,647	101,002,742	88.05	1,147
Balance Fund	145,416,379	73.04	1,991	83,011,076	60.75	1,367
Total Dodge & Cox Funds	332,760,222			184,013,818		
Janus:						
Janus Twenty	170,102,911	36.17	4,703	168,121,618	29.01	5,795
Janus Fund	71,360,832	23.47	3,041	66,665,744	17.82	3,741
Total Janus Funds	241,463,743			234,787,362		
Vanguard:						
Institutional Index Fund	127,965,081	101.78	1,257	90,893,094	80.45	1,130
Capital Opportunity	62,028,073	58.69	1,057	5,320,986	39.26	135
International Growth Fund	24,001,527	51.28	468	11,979,042	38.66	310
Total Vanguard Funds	213,994,681			108,193,122		
AIM Constellation Fund	102,442,834	23.15	4,425	77,678,323	17.81	4,362
American Century:						
Income & Growth Fund	45,945,749	27.70	1,659	32,336,969	21.74	1,487
Growth Fund	30,776,456	17.94	1,716	27,916,300	14.42	1,936
Total American Century	76,722,205			60,253,269		
Lazard Small Cap Fund	48,127,375	19.49	2,469	39,300,983	14.03	2,801
Templeton Foreign Fund	44,110,872	10.64	4,146	28,999,109	8.31	3,490
Putnam Investors Fund	43,665,492	11.18	3,906	47,219,631	8.80	5,366
PIMCO Total Return	34,016,689	10.71	3,176	28,421,846	10.67	2,664
FPA Capital Fund	29,773,656	36.85	808	0		
MFS New Discovery Fund	25,509,284	15.67	1,628	14,226,266	11.63	1,223
PBHG Growth Fund	18,484,051	17.81	1,038	25,148,165	14.18	1,773
Barclays Global Investors:						
LifePath 2010	5,421,633	12.30	441	1,654,546	10.82	153
LifePath 2020	7,110,222	14.13	503	1,509,997	11.89	127
LifePath 2030	3,131,189	14.13	222	366,763	11.56	32
LifePath 2040	1,134,901	15.47	73	177,275	12.27	14
Total Barclays Global Investors	16,797,945			3,708,581		
Nicholas Applegate International Core Growth Fund	0			1,602,411	13.56	118
Total Mutual Funds	$2,301,833,472			$1,647,619,869		

Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were $54,020,325 and $57,679,372 at December 31, 2003 and 2002, respectively.

7. Recordkeeping Income:

The Program is compensated by certain investment providers for performing recordkeeping responsibilities. The Administration Fund also recovered some administrative costs through charges made to the Program Fund. Beginning in 2000, the Program charges a $2.00 per quarter fee to each participant account, which replaced an asset-based fee charged in prior years. Beginning in 2003, the Program charges a 0.10% fee on all investment balances in the GRO, which effectively reduces the net crediting rate.

8. Investment Expenses:

Investment manager, custodian, and book value guarantee fees are charged on assets within the GRO pools. Fees associated with these portfolios are summarized as follows:

	2003	2002
Nationwide	$1,788,504	$1,683,702
Deutsche	1,529,581	1,287,316
Banc One	571,437	30,313
State Street	308,959	267,415
Goode	111,742	0
	$4,310,223	$3,268,746

9. Vacation and Sick Leave:

As of December 31, 2003 and 2002, $202,327 and $179,269 respectively, was accrued for unused vacation and sick leave for full-time employees of the Board. At termination or retirement, employees are entitled to full compensation for all unused vacation time. With two years of employment prior to termination, employees are entitled to 50% payment of unused sick leave at termination.

10. Leases:

The Board entered into an amended noncancelable five-year operating lease for office space that expired on December 31, 2001. Base rental expense in 2001 for this operating lease was $64,436. Allocated operating expenses, including real estate taxes, under this lease were $59,308 during 2001. This lease was extended until February 28, 2002 on month-to-month rental terms, with rent of $16,684 and operating expenses of $7,720 during 2002.

The Board entered into a ten-year lease agreement for new administrative office space effective in 2002. The lease has early termination options after the seventh and ninth years, upon payment of an early termination penalty. Base rental expense for this operating lease was $98,691 and $81,150 for 2003 and 2002 respectively. Allocated operating expenses and real estate taxes under this lease were $59,199 and $44,985 during 2003 and 2002 respectively.

Future scheduled minimum lease payments (base rental expense) under the office space operating lease at December 31, 2003 are as follows:

Year Ending December 31:	Amount:
2004	$101,023
2005	103,128
2006	105,157
2007	107,186
2008	109,214
2009 through 2012	359,089

11. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	Estimated Useful Life	2003	2002
Computer equipment	3-5 years	$270,490	$269,095
Furniture and fixtures	7 years	120,414	118,328
Office equipment	5 years	93,119	99,368
Leasehold improvements	4 years	0	0
		484,023	486,791
Less accumulated depreciation and amortization		351,712	308,202
		$132,311	$178,589

12. Insurance:

The Program is exposed to various risks of loss related to theft of, damage to, and destruction of assets; injuries to employees; and court challenges to fiduciary decisions. To cover these risks, the Program maintains commercial insurance and holds fidelity bonds on its employees. As required by state law, the Program is registered and insured through the state of Ohio Bureau of Workers' Compensation for injuries to employees. No insurance settlements exceeded coverages in the past three years.

The Program is self-insured under a professionally administered plan for general health and hospitalization employee benefits. The Program maintains specific stop loss coverage per employee for annual medical benefits in the amount of $250,000 for both 2003 and 2002. The Program also maintains a lifetime maximum stop loss coverage per employee for medical benefits in the amount of $2,500,000 for both 2003 and 2002. The outstanding claims liability was $8,600 and $22,000 as of December 31, 2003 and 2002 respectively.

13. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan - a cost-sharing multi-employer defined benefit plan: the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Employees covered by OPERS are required by Ohio statute to contribute 8.5% of their salary to the plan. The Board is required by the same statute to contribute 13.55% of covered payroll; 8.55% is the portion used to fund pension obligations, with the remaining used to fund the health care program for retirees. The required employer contributions for the current year and the two preceding years are as follows:

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2003	$128,700	100%
2002	$121,100	100%
2001	$125,600	100%

Historical trend information showing the progress of OPERS in accumulating sufficient assets to pay benefits when due is presented in the OPERS *Comprehensive Annual Financial Report.* OPERS issues a publicly available financial report for the plans. The report may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642.

In addition to retirement benefits, OPERS provides postemployment health care benefits. OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code, funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the fiscal year ended December 31, 2003, OPERS allocated 5.0% of the employer contribution rate to fund the health care program for retirees. Due to the continuing rise in health care costs, OPERS will offer a new health care choice plan to all persons newly hired under OPERS after January 1, 2003. This plan will offer a broad range of health care options with graded scale of costs dependent on the number of years of eligible service.

The actuarial value of assets available for health care benefits at December 31, 2002 was $10.0 billion. There were 365,000 active contributing participants eligible for postemployment benefits at that date.

14. Eliminations:

The Administration Fund recovers some customer service and administrative costs through charges made to the Program Fund. Charges of $3,717,434 and $1,166,382 were made during 2003 and 2002, respectively, for this purpose, including $225,708 and $6,275 payable to the Administrative Fund as of December 31, 2003 and 2002, respectively. These inter-fund charges and payables have been eliminated in the Combining Schedule of Net Assets Available for Benefits and the Combining Schedule of Changes in Net Assets Available for Benefits.

15. New Accounting Standards Not Yet Implemented:

In March 2003, the GASB issues Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment to GASB No. 3,* which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. The standard is effective for periods beginning after June 15, 2004. The Plan has not completed an analysis of the impact of this statement on its reported financial statements.

In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,* which establishes accounting and financial reporting standards for impairment of capital assets. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The standard is effective for the periods beginning after December 15, 2004. The Plan has not completed an analysis of the impact of this standard on its reported financial statements.

SUPPLEMENTAL SCHEDULES

SUPPLEMENTAL COMBINING SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2003
With Totals for 2002

	2003				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2002 TOTAL
Assets:					
Investments	$4,919,669,284			$4,919,669,284	$4,138,215,057
Cash and cash equivalents		2,355,643		2,355,643	1,615,191
Contributions receivable and cash held for investment	3,217,563			3,217,563	4,745,440
Accounts and other receivables		1,201,801	$(225,708)	976,093	804,839
Property and equipment, net		132,311		132,311	178,589
Total assets	$4,922,886,847	$3,689,755	$(225,708)	$4,926,350,894	$4,145,559,116
Liabilities:					
Accounts payable	$ 1,373,978	$ 673,288	$(225,708)	$1,821,558	$ 1,870,121
Accrued expenses		204,869		204,869	203,769
Total liabilities	1,373,978	878,157	$(225,708)	2,026,427	2,073,890
Net Assets Available for Benefits	$4,921,512,869	$2,811,598	$ 0	$4,924,324,467	$4,143,485,226

SUPPLEMENTAL COMBINING SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the year ended December 31, 2003
With Totals for 2002

	2003				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2002 TOTAL
Additions:					
Net investment income:					
Net gains (loss) on mutual funds	$ 489,044,158			$ 489,044,158	$(409,520,080)
Stable value income	137,246,584	$ 13,427		137,260,011	141,342,032
Investment expenses	(4,310,223)			(4,310,223)	(3,268,746)
Net investment income	621,980,519	13,427		621,993,946	(271,446,794)
Employee contributions	365,012,189			365,012,189	356,857,437
Transfers from other plans	28,436,965			28,436,965	25,726,198
Recordkeeping income		7,637,668	$(3,717,434)	3,920,234	4,077,556
Total Additions	1,015,429,673	7,651,095	$(3,717,434)	1,019,363,334	115,214,397
Deductions:					
Distributions to participants	166,798,525			166,798,525	192,651,877
Transfers to other plans	65,073,212			65,073,212	112,038,732
Administrative expenses	3,717,434	6,572,449	(3,717,434)	6,572,449	5,892,734
Life insurance premiums	79,907			79,907	88,098
Total Deductions	235,666,078	6,572,449	(3,717,434)	238,524,093	310,671,441
Increase (decrease) in net assets available for benefits	779,760,595	1,078,646		780,839,241	(195,457,044)
Net assets available for benefits beginning of year	4,141,752,274	1,732,952		4,143,485,226	4,338,942,270
Net assets available for benefits end of year	$4,921,512,869	$2,811,598	$ 0	$4,924,324,467	$4,143,485,226

SUPPLEMENTAL SCHEDULE OF ADMINISTRATION FUND DEDUCTIONS

for the years ended December 31, 2003 and 2002

	2003	2002
Customer Service	$3,982,367	$3,365,387
Salaries and benefits:		
Salaries and wages	976,962	945,121
Insurance	185,802	177,090
Retirement contributions	129,254	125,597
Other benefits	18,752	19,966
	1,310,770	1,267,774
Administration:		
Postage and delivery	334,937	325,341
Participant statements	156,168	150,441
	491,105	475,782
Professional Services:		
Consulting	216,543	206,077
Auditing	37,308	35,910
Data Processing	8,147	21,500
	261,998	263,487
Rents	171,842	164,683
Miscellaneous	85,780	80,390
Data processing expense	74,948	55,813
Depreciation and amortization	69,396	73,579
Insurance	55,182	47,556
Professional expense	35,279	41,792
Office supplies:		
Printing	20,156	31,176
Office supplies	10,955	18,713
Telephone and fax	2,671	6,602
	33,782	56,491
Total Administration Fund Deductions	$6,572,449	$5,892,734

SUPPLEMENTAL COMBINED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

for the years ended December 31, 2003 and 2002

	2003	2002
Cash and cash equivalents, beginning of year	$ 1,615,191	$ 2,052,843
Receipts:		
Employee contributions	366,540,066	356,451,020
Investment withdrawals	231,871,737	304,690,609
Transfers from other plans	28,436,965	25,726,198
Recordkeeping income	3,542,972	4,228,263
Total cash receipts	630,391,740	691,096,090
Disbursements:		
Investment purchases	387,465,822	377,653,447
Distributions to participants	166,798,525	192,651,877
Transfers to other plans	65,073,212	112,038,732
Administrative expenses	6,496,838	5,730,503
Investment expenses	3,713,869	3,269,291
Life insurance premiums	79,906	88,098
Purchase of property and equipment	23,116	101,794
Total cash disbursements	629,651,288	691,533,742
Cash and cash equivalents, end of year	$ 2,355,643	$ 1,615,191

Ohio Public Employees Deferred Compensation Program

Comprehensive Annual Financial Report

For the Year Ended December 31, 2003

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM
Comprehensive Annual Financial Report
For the year ended December 31, 2003

R. Keith Overly, Executive Director
Paul D. Miller, Assistant Director-Finance

250 Civic Center Drive, Suite 350, Columbus, Ohio 43215-5450

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ohio Public Employees Deferred Compensation Program

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2002

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.

President

Executive Director

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ORGANIZATION CHART

DEFERRED COMPENSATION BOARD

Ronald C. Alexander, State Employees
Charlie R. Adkins, State College and University Employees
Cinthia Sledz, Miscellaneous Employees
Sharon M. Downs, Retired Employees
Jay Hottinger, Senate
C. Scott Johnson, Director of Administrative Services
Betty D. Montgomery, Auditor of State
Jim Petro, Attorney General
Daniel Sferra, House of Representatives
Barbara J. Thomas, County Employees
Ken Thomas, Municipal Employees

EXECUTIVE DIRECTOR
R. Keith Overly

ASSISTANT DIRECTOR
ADMINISTRATION
Richard T. Wissler

ASSISTANT DIRECTOR
FINANCE
Paul D. Miller

ADVISORS TO THE BOARD

Independent Public Accountants
Deloitte & Touche LLP, Columbus, Ohio

Legal Counsel
Jim Petro, Attorney General

Consultants
William M. Mercer, Inc.
Ennis Knupp & Associates

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

April 30, 2004

Dear Chair and Members of the Board:

We are pleased to submit to you the Comprehensive Annual Financial Report for the Ohio Public Employees Deferred Compensation Program (the Program) for the year ended December 31, 2003. The Comprehensive Annual Financial Report was prepared to assist the user in understanding the functions of the Program and how participants use the Program to supplement their retirement income.

The Comprehensive Annual Financial Report (CAFR) consists of four sections: (1) an Introductory Section which contains this Letter of Transmittal, along with a list of the administrative organization and consulting services utilized by the Program, and a summary of plan provisions; (2) a Financial Section which includes the Independent Auditors' Report, Management's Discussion and Analysis, combined financial statements and supplemental information; (3) an Investment Section which includes investment values and performance; and (4) a Statistical Section which includes selected financial and demographic information, generally presented on a multi-year basis.

The Ohio Revised Code created the Deferred Compensation Board (the Board) to administer the Program for all eligible employees. However, the State created the Program as a legal entity separate from the State, and does not appoint a voting majority of the Program's governing Board. The Program is self-funded and governed by its own Board. The State does not approve the Program's budget or set Program rates or charges. The Program provides services to over 172,000 participants from 1,497 Ohio state and local governments, and is therefore not part of the State of Ohio reporting entity. A complete listing of participating employers is available upon request.

Plan History and Overview

The Ohio Public Employees Deferred Compensation Program first received deferrals in 1976 pursuant to Internal Revenue Code (IRC) Section 457 and Ohio Revised Code Section 148. Any public employee is eligible to contribute, on a pre-tax basis, a portion of their annual includable compensation. Funds may be withdrawn at retirement, death, or termination of employment, or due to certain qualifying unforeseeable emergencies. Participation is strictly voluntary and intended to supplement retirement benefits from the statutory retirement systems.

Economic Conditions and Outlook

Equity markets produced positive returns in 2003 after three negative years in a row. Seeing positive market performance in their accounts, participants regained some confidence in the equity markets, and initiated a slight reallocation from the stable value investment option into the mutual fund options. Total net assets available for benefits at year-end grew 18.8% over the prior year, and at $4.9 billion represent the highest year-end total for the Program.

In September 2003, the New York State Attorney General alleged that a hedge fund had engaged in improper trading practices with four mutual fund companies. In the wake of these allegations, further investigations were conducted by state and federal officials, eventually expanding to over 100 mutual fund companies. Some mutual fund companies used by the Program were implicated in these scandals, and based upon a complete review and recommendation from the Program's consultants, action was taken to close out the PBHG Growth Fund and the Putnam Investors Fund effective in February 2004. Also, participants were allowed to keep their investments in the two Janus Funds offered by the Program, but additional investments to these options were restricted. While this situation has caused investor confidence in mutual funds to decline, the Program still believes that mutual funds can provide diverse investment opportunities at low cost.

State and local tax revenues continue to lag, causing budget concerns for many of the Program's employers, and employment concerns for many Program participants. The number of participants actively deferring into the Program remained steady around 113,500. The total number of participant accounts at year-end rose 3.7%, due largely to new rollover accounts.

Major Initiatives

During 2002, the Program felt the effects of pension legislative reforms. Significant amounts of rollovers into and out of the Program were processed, in addition to transfers to defined benefit plans to purchase allowable service credit. Other major effects of the legislative changes were participants deferring more because of the higher annual limits, and participants taking lower benefit payments than projected, due to their newly allowed flexibility to change payment options as often as needed.

During 2003, the Program developed an Annual Statement to be sent to all actively employed participants. Designed to supplement the existing quarterly account statements, the Annual Statement is an educational mailing which contains personalized information about account performance, asset allocation, benefit projections, and beneficiaries. Participant feedback on the 2003 Annual Statements, which were mailed in the first quarter of 2004, was overwhelmingly positive.

Financial Information and the Internal Control Structure

Management of the Program is responsible for the information in this report and for establishing and maintaining a system of internal controls sufficient to provide integrity to all financial information and to permit reporting in conformity with accounting principles generally accepted in the United States of America. We believe the information presented in this CAFR is accurately and fairly presented in all material respects.

The net assets available for benefits and changes in net assets available for benefits of the Program are included as a Pension Fund in the Financial Section of this presentation. All financial activity is reported on the accrual basis of accounting. Additions are recorded in the period in which they are earned, and deductions are recorded when the liability is incurred.

Excess Administration Fund cash is held in money market accounts. Cash is held for capital acquisitions and is used to supplement monthly operations, if administrative expenses exceed revenues during a given month. Management seeks to maintain sufficient cash to cover three months of operating expenses.

Program Additions

Additions to Program assets come from investment income earned on participant accounts, employee contributions, transfers from other plans, and recordkeeping reimbursements. Net investment income was the largest addition in 2003, based upon positive performance in every mutual fund category. In 2002, global equity markets declined, causing net negative investment performance. The number of participants actively deferring remained relatively unchanged, but the average deferral rose 2.3% as participants chose to save more in their retirement accounts. Transfers from other plans into the Program via new rollover rules increased 10.5% in 2003 over 2002.

Program Deductions

During 2003, distributions to participants decreased 13.4% over the prior year. This decrease appears to have resulted from the new flexibility allowed by the pension reform legislation, as many participants have chosen to stop or lower their benefit payments. Transfers to other eligible retirement plans and purchases of service credit from defined benefit plans were first allowed in 2002. Because of high initial demand in the first year, the amount of these transfers dropped 41.9% in the second year of availability. Administrative expenses rose by 11.2% over the prior year due to higher customer services costs, which directly corresponded to an increase in the number of Program service representatives.

Investments

The Program offers participants a selection of investment options to which they may allocate their deferrals. The stable value investment option accounts for 53.6% of all invested funds, with the remainder invested in twenty-six mutual fund options. Investment performance results are reported to Program participants quarterly. A listing of investment options and their performance returns for 2003 and 2002 is included in the Investment Section of this report.

Independent Auditors

The financial statements of the Program for the years ended December 31, 2003 and 2002 were audited by Deloitte & Touche LLP under contract with the Auditor of State of Ohio.

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 Ohio Public Employees Deferred Compensation Program for the fiscal year ended December 31, 2002. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

Acknowledgments

The preparation of this report reflects the combined efforts of the Program's staff under the direction of the Deferred Compensation Board. Its purpose is to provide complete and reliable information as a basis for making decisions, and as a means for determining responsible stewardship over the assets contributed by participants.

Respectfully submitted,

R. Keith Overly	Paul D. Miller, CPA
Executive Director	Assistant Director-Finance

PLAN SUMMARY

The Ohio Public Employees Deferred Compensation Plan (the Plan) is established pursuant to Ohio Revised Code Section 148 and will at all times comply with the current Internal Revenue Code and Internal Revenue Service Regulations. The Plan is effective as to each eligible employee (i.e. public employees as defined in Section 148.01(A)(1) of the Ohio Revised Code) upon the date he or she becomes an active participant by executing a participation agreement with the employer.

This plan summary includes all plan revisions approved by the Board that were effective as of December 31, 2003. Participants should refer to the Plan Document for complete Plan information.

Delegation by Employer

The participating employers have delegated their powers, duties, and responsibilities under the Plan to the Ohio Public Employees Deferred Compensation Board.

Election to Defer Compensation

Commencement of Participation - Each eligible employee shall be permitted to participate under this Plan. An eligible employee shall elect to participate and become an active participant by executing a participation agreement with the employer. A participation agreement shall specify:

a. The amount of the active participant's compensation which the employer and the participant agree to defer, subject to limitations;

b. The date as of which reduction and deferral of compensation pursuant to the participation agreement shall begin, which date shall be as early as administratively practicable but no earlier than the first day of the first calendar month following the execution of the participation agreement; and

c. The investment option(s) selected by the participant.

Maximum and Minimum Deferrals - Normally, the maximum amount which may be deferred by an active participant in the Plan in any Plan year shall not exceed the lesser of (A) $12,000 for the year 2003, and increasing by $1,000 annually through 2006, and then indexed as allowed by law or (B) 100% of an active participant's includable compensation (as defined by the Internal Revenue Code). In addition, participants who have attained age 50 may defer an additional $2,000 for the year 2003, which increases by $1,000 annually through 2006, and then is indexed as allowed by law.

Under certain circumstances, participants may defer up to two times the normal annual deferral limit during each of the last three years prior to normal retirement age, if less than the maximum was contributed during earlier years.

The limitations on the maximum amount of deferral above shall be reduced by any amount excluded from the participant's gross income for the Plan year under any other Section 457 plan maintained by the employer or any employer.

The minimum deferral amount per pay shall be: (a) weekly pay $7.00, (b) bi-weekly pay $15.00, (c) semi-monthly pay $15.00 or (d) monthly pay $30.00. A minimum allocation to any investment option shall be $10.00 per pay, or the full deferral if it is less than $10.00.

Amendments of Participation Agreements - The election of an eligible employee to participate under the Plan is irrevocable as to all amounts actually deferred under the participation agreement. The participant may, by amendment of the participation agreement or other forms authorized by the administrator, do any of the following: (a) change the specification of any investment option as to the amounts to be deferred in the future; (b) terminate the election to be an active participant; or (c) change the amount of compensation to be deferred. An amendment or termination shall be effective as early as administratively practicable, but not earlier than the first day of the following calendar month.

Exchanges - A participant (or beneficiary, if the participant has died) may make exchanges between investment options. Any such exchange shall be effective at the price next computed following receipt of the exchange request and shall be subject to such restrictions as are established by the Plan administrator. Unlimited exchanges are currently permitted, however exchanges in excess of 15 per year are assessed a service charge determined by the Plan administrator.

Maintenance of Accounts

Maintenance of Accounts - The Plan administrator shall establish, on the employers' books and records, an account for each participant to which shall be credited or charged, as the case may be, amounts deferred under the Plan and any increase or decrease of the account value of the investment options specified in the participation agreement or any amendment thereto. All investment options offered under this Plan must be offered by persons, companies or entities authorized and duly licensed by the State of Ohio and appropriate federal agencies regulating such investments to do business in the State of Ohio. The employer shall not be responsible for any decrease in value of a participant's account resulting from capital or market changes or any other changes occurring in the investment option or the participant's account. The Plan administrator may from time to time assess reasonable service charges against all or any portion of the deferred amounts or accounts to defray costs associated with the implementation and administration of the Plan.

Crediting of Accounts - Each participant's account shall be credited with amounts authorized for deferral and received by the Plan administrator.

Report - A report of the total amount credited to a participant's account, in such form as the Plan administrator determines, shall be furnished to the participant not more than 60 days after the end of each calendar quarter. All reports to a participant shall be based on the net fair market value of the investment options as of the date of the report, to the extent such values are available to the Plan administrator.

Assets Held in Trust - Plan assets are not the property of participating employees. All Plan assets and income shall be held by the Board in trust on behalf of the employer for the exclusive benefit of participants and their beneficiaries. All assets, whenever contributed to the plan, are assigned to the trust established by the Board.

Rollovers - Any participant who has separated from service with an employer with which the participant maintained an account under an eligible retirement plan may, upon proper written request, rollover the account value from that account to their Ohio Public Employees Deferred Compensation Program account.

Any participant who has separated from service with an employer with which the participant maintained an account with the Ohio Public Employees Deferred Compensation Program may, upon proper written request, rollover the account value from that account directly to another eligible retirement plan.

Service Credit Purchase - Any participant may use all or a portion of their account balance as a direct trustee-to-trustee transfer to a governmental defined benefit system, which permits the purchase of permissive service credit or the repayment of service credits.

Distribution of Benefits

Election of Benefit Payment Date (a) Participant - Upon severance from employment, a participant may elect a date to begin receiving benefit payments from the Program. Benefit payments may begin after verification of severance, receipt of final deferral, and completion of the Benefit Payment Election Form. Payments must begin no later than December 31 of the year in which the participant attains age 70-1/2, or if the participant has not had a severance from employment as of such date, then no later than December 31 of the year in which the participant has a severance from employment.

(b) Beneficiary - If a participant dies before their account has been exhausted, then the remaining account balance shall be paid to their designated beneficiary. The beneficiary shall have the right to elect a benefit option, subject to the following limitations. (1) If a participant dies on or after the required minimum distribution date, payments shall continue to be paid to the beneficiary at least as rapidly as they were being paid to the participant. (2) If a participant dies before the required minimum distribution date, the beneficiary may elect a payment option subject to the following requirements: (a) if the beneficiary is the participant's surviving spouse, distribution may be delayed until December 31 of the year in which the participant would have attained age 70-1/2, or (b) if the beneficiary is someone other than the surviving spouse, distribution of the account must begin by December 31 of the year following the participant's death, or (c) if the beneficiary is not a person, such as a trust or estate, the entire account must be distributed by the end of the calendar year which contains the fifth anniversary of the participant's death.

Election of Benefit Payment Options - All distributions are subject to the requirements for IRC Sections 457(d) and 401(a)(9) and the regulations thereunder. The plan administrator will annually determine if the participant's or beneficiary's annual distributions meet their minimum distribution requirements and adjust the amount, if necessary, to comply with these provisions.

Initial benefit payment elections and subsequent changes will be effective only if made on forms provided or in the manner prescribed by the plan administrator and received by the date determined by the plan administrator. Purchased annuity benefit payments options may not be changed, once payments have begun. No benefit payment option shall be available which is not provided for on the benefit payment election form provided by the plan administrator or is not permitted by the plan document. Benefit payments are taxable income to participants and beneficiaries in the year of distribution and are subject to the applicable tax withholding rules.

Require Elections for Benefit Payment Date and Option (a) Participant- If a participant does not elect a benefit payment date, benefit payments shall begin by December 31 of the year the participant attains age 70-1/2. Benefits shall be paid for a fixed time period over the maximum number of years allowed by the required minimum distribution tables.

(b) Beneficiary-If a spousal beneficiary of a participant who dies before the required minimum distribution date does not elect a benefit payment date, benefit payments shall begin by December 31 of the year the participant would have attained age 70-1/2. If a non-spousal beneficiary of a participant does not elect a benefit payment date, benefit payments shall begin by December 31 of the year following the participant's death. Benefits shall be paid for a fixed time period for the maximum number of years allowed by the required minimum distribution tables.

Emergency Withdrawals - A participant may request an unforeseeable emergency withdrawal by submitting that request in writing on the approved form to the Plan administrator's staff. If the request is denied, a request for review of the staff determination may be made in writing. If this review fails to confirm a claim of unforeseeable emergency, an appeal may be made in writing to the Board's Unforeseeable Emergency Appeals Committee. The decision of the Appeals Committee may be appealed to the Ohio Public Employees Deferred Compensation Board. The decision of the Board shall be final and not subject to further appeal. If at any time a request for withdrawal is approved, the plan administrator may thereupon distribute so much of the participant’s account as is necessary to provide the amount approved to meet the unforeseeable emergency.

Acceleration - If upon a participant’s separation from service and the Board’s receipt of the last deferral, the participant’s account value is less than $2,000, the Plan administrator may accelerate the payment of benefits otherwise due in the future and pay to such participant the full account value in a lump sum less the required tax withholding.

Qualified Domestic Relations Order - The plan administrator shall comply with the provisions of a domestic relations order which the plan administrator determines to constitute a Qualified Domestic Relations Order, as defined by the Internal Revenue Code. The plan permits distributions at any time to an alternative payee under a Qualified Domestic Relations Order.

Small Balance Distribution - A participant may elect a small balance distribution if their account value is $5,000 or less, the full value of the account is to be distributed, the participant has not deferred into the Plan for two years, the participant agrees not to recommence deferrals to the Plan for one year, and there has been no prior distribution under this provision.

Benefit Payment Options - The following benefit payment options are available under the Plan. Definitions of each are provided on the benefit payment election form.

1. Life income with payment certain annuity
2. Joint and last survivor income (participant and spouse) annuity
3. Payments of a fixed annual percent.
4. Payments of a fixed dollar amount
5 Systematic withdrawals for a fixed time period
6. Partial lump sum and remainder paid as in items 1 through 5 above
7. Lump sum payout

Beneficiaries

Designation of Beneficiaries - At any time after commencing participation in the Plan, a participant may designate a beneficiary or joint annuitant for any benefits which the participant is entitled to receive under the Plan and which are unpaid at the time of his death, on a form filed with and accepted by the Plan administrator. A joint annuitant must be the participant's spouse. If a participant dies without having a proper beneficiary or joint annuitant form completed and on file, the benefits payable on or after the participant's death shall be paid to the fiduciary of the participant's probate estate; provided, however, that if the plan administrator does not receive notice that a fiduciary has been appointed and qualified within 90 days after the death of the participant, payment shall be made to those persons entitled to receive the participant's property under intestacy laws of the jurisdiction of his residence at the time of his death.

If a beneficiary dies while receiving a participant's Plan benefits, any remaining benefits which the beneficiary is entitled to receive under the Plan and which are unpaid at the time of his death shall be paid in a lump sum amount determined under each applicable investment option to the fiduciary of the beneficiary's probate estate; provided, however, that if the Plan administrator does not receive notice that a fiduciary has been appointed and qualified within 90 days after the death of the beneficiary, payment shall be made to those persons entitled to receive the beneficiary's property under the intestacy laws of the jurisdiction of his residence at the time of his death.

If a trust is named as beneficiary, satisfactory evidence must be furnished to the Plan that the trust is the only beneficiary qualified to receive payment. The Plan will be fully discharged of liability for any action taken by the trustee and for all amounts paid to the trustee. In all dealings with the trust, the Plan will be fully protected against the claims of every other person. The Plan will not recognize a change in the trust as beneficiary unless the change is documented on forms provided by the Plan administrator.

Designation Forms - A participant may change any beneficiary or joint annuitant at any time by filing with the Plan administrator a dated change of beneficiary form or joint annuitant form. These designations shall be on forms provided by the Plan administrator and shall be effective on the date filed with and accepted by the Plan administrator. Any change of joint annuitant must be made prior to commencement of annuity payments.

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Ohio Public Employees Deferred Compensation Board

We have audited the accompanying combined statements of net assets available for benefits of the Ohio Public Employees Deferred Compensation Program (the "Program") as of December 31, 2003 and 2002, and the related combined statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the respective financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the combined net assets available for benefits of the Ohio Public Employees Deferred Compensation Program as of December 31, 2003 and 2002, and the combined changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 19-20 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Program's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Program's basic combined financial statements. The Supplemental Information on pages 36-39, the Introductory Section on pages 2-16, Investment Section on pages 41-43 and the Statistical Section on page 45-48 are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. Such supplementary information is the responsibility of the Program's management. The Supplemental Information on pages 36-39 has been subjected to the auditing procedures applied by us in the audit of the basic combined financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole. The Introductory Section on pages 2-16, Investment Section on pages 41-43 and the Statistical Section on pages 45-48 have not been subjected to the auditing procedures applied in our audits of the basic combined financial statements and, accordingly, we express no opinion them.

Deloitte + Touche LLP

April 30, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Ohio Public Employees Deferred Compensation Program, we offer this narrative overview of the financial statements contained in this Comprehensive Annual Financial Report. The financial statements consist of the Combined Statements of Net Assets Available for Benefits and the Combined Statements of Changes in Net Assets Available for Benefits. All assets and liabilities associated with the Program's operations are included on the statement of net assets available for benefits. The Program's economic inflows and outflows are reported on the statement of changes in net assets available for benefits. Additional information is presented in the Notes to the Combined Financial Statements and the Supplemental Information Schedules.

NET ASSETS

Net assets available for Program benefits at December 31, 2003 increased 18.8% over the previous year-end due to positive investment performance. Net assets available for Program benefits at December 31, 2002 decreased 4.5% over the previous year-end due to negative investment performance, and greater transfers to other plans..

	2003	2002	2001
Total Assets	$4,926,350,894	$4,145,559,116	$4,341,778,286
Total Liabilities	2,026,427	2,073,890	2,836,016
Net Assets Available for Benefits	$4,924,324,467	$4,143,485,226	$4,338,942,270

PROGRAM ADDITIONS

Total Program additions in 2003 increased over 2002 due to increases in net investment income, employee contributions, and greater transfers from other retirement plans. Program additions were reduced by negative earnings on equity mutual fund performance in both 2002 and 2001.

	2003	2002	2001
Net investment income	$ 621,993,946	$ (271,446,794)	$(268,122,955)
Employee contributions	365,012,189	356,857,437	323,887,138
Transfers from other plans	28,436,965	25,726,198	6,568,788
Recordkeeping income	3,920,234	4,077,556	3,327,167
Total Additions	$1,019,363,334	$ 115,214,397	$ 65,660,138

PROGRAM DEDUCTIONS

Total Program deductions in 2003 decreased over 2002 due mainly to lower transfers from the Program and lower distributions to participants. Total Program deductions in 2002 were much higher than 2001 because transfers to other qualified retirement plans were first allowed.

	2003	2002	2001
Distributions to participants	$166,798,525	$192,651,877	$185,126,141
Transfers to other plans	65,073,212	112,038,732	441,512
Other deduction	6,652,356	5,980,832	5,622,580
Total Deductions	$238,524,093	$310,671,441	$191,190,233

CHANGE IN NET ASSETS

The net assets available for benefits increased in 2003, primarily because of the positive performance of the stock market. After three consecutive down years of market performance, all categories of the Program's mutual funds had positive performance in 2003. In addition to investment income, new contributions and transfers into the Program also exceeded last year's levels. Participant distributions declined in 2003, as many participants took advantage of new pension rules and stopped or lowered their benefit payments. New pension rules also allowed transfers to other plans beginning in 2002. While initial transfer activity was high, it has dropped significantly and total transfers out declined by 41.9% from 2002.

PROGRAM ACTIONS

During 2002, the Program implemented provisions of the Economic Growth and Tax Relief Act of 2001. These provisions increased participant's ability to contribute to the Program and gave them added flexibility in managing their retirement assets. Many participants took advantage of the new rules by reducing or stopping their benefit payments, to allow their accounts to grow until they needed their funds. Others took advantage of new rules that allowed them to rollover other pre-tax retirement accounts into the deferred compensation account, or used their deferred compensation account assets to purchase permissible service credit with their governmental defined benefit plan.

The Program entered into a three-year contract extension with Nationwide Retirement Solutions to provide education, enrollment, and customer services until December 31, 2005. The extension includes provisions to increase the number of field and phone representatives dedicated to servicing Program participants.

During 2003, the Program further diversified the Guaranteed Return Option by hiring two additional investment managers, Banc One Investment Advisors and Goode Investment Management. Funds invested in these portfolios are covered by new guarantee agreements with Bank of America.

COMBINED STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2003 and 2002

	2003	2002
Assets:		
Investments:		
Stable Value Option	$2,563,815,487	$2,432,915,816
Mutual Funds	2,301,833,472	1,647,619,869
Purchased Annuities	54,020,325	57,679,372
Total investments	4,919,669,284	4,138,215,057
Cash and cash equivalents	2,355,643	1,615,191
Contributions receivable and cash held for investment	3,217,563	4,745,440
Accounts and other receivables	976,093	804,839
Property and equipment, net	132,311	178,589
Total assets	$4,926,350,894	$4,145,559,116
Liabilities:		
Accounts payable	$ 1,821,558	$ 1,870,121
Accrued expenses	204,869	203,769
Total liabilities	2,026,427	2,073,890
Net Assets Available for Benefits	$4,924,324,467	$4,143,485,226

The accompanying notes are an integral part of the financial statements.

COMBINED STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the years ended December 31, 2003 and 2002

	2003	2002
Additions:		
Net Investment Income:		
Net gain (loss) on variable investments	$ 489,044,158	$ (409,520,080)
Stable value income	137,260,011	141,342,032
Investment expenses	(4,310,223)	(3,268,746)
Net Investment Income	621,993,946	(271,446,794)
Employee contributions	365,012,189	356,857,437
Transfers from other plans	28,436,965	25,726,198
Recordkeeping income	3,920,234	4,077,556
Total Additions	1,019,363,334	115,214,397
Deductions:		
Distributions to participants	166,798,525	192,651,877
Transfers to other plans	65,073,212	112,038,732
Administrative expenses	6,572,449	5,892,734
Life insurance premiums	79,907	88,098
Total Deductions	238,524,093	310,671,441
Increase (decrease) in net assets available for benefits	780,839,241	(195,457,044)
Net assets available for benefits beginning of year	4,143,485,226	4,338,942,270
Net assets available for benefits end of year	$4,924,324,467	$4,143,485,226

The accompanying notes are an integral part of the financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. General Description of the Program:

The following description of the Ohio Public Employees Deferred Compensation Program (the Program) is provided for general information only. Participants should refer to the Plan Document for complete information.

The Program is a voluntary defined contribution pension plan. The Program was established pursuant to Ohio Revised Code (the Code) Section 148. Under the Program provisions, any public employee within Ohio (as defined in Section 148.01(A)(1) of the Code) is eligible to contribute into the Program, through payroll deductions, any amount up to the maximum permitted under Section 457 of the Internal Revenue Code. Amounts contributed by employees are deferred for federal and state income tax purposes until such amounts are distributed by the Program. As of December 31, 2003 and 2002, there were 1,497 and 1,428 respectively, state and local governments actively participating in the Program.

Plan assets are not the property of the participating employees. All Plan assets and income are held by the Board in Trust on behalf of the employers for the exclusive benefit of participants and their beneficiaries. All assets, whenever contributed to the Plan, are assigned to the Trust established by the Board.

As of December 31, 2003, Program participants have the following investment options:

- A stable value option administered by the Program. Funds are managed and invested by Nationwide Life Insurance Company (Nationwide), Deutsche Asset Management (Deutsche), State Street Bank and Trust (State Street), Banc One Investment Advisors (Banc One), and Goode Investment Management, Inc. (Goode).

- Mutual funds managed by AIM Equity Funds (AIM), American Century Investment Management (American Century), Barclays Global Investors (BGI), Dodge & Cox Funds (Dodge & Cox), Fidelity Investment Company (Fidelity), First Pacific Advisors (FPA), Janus Equity Funds (Janus), Lazard Freres & Co. (Lazard), MFS Institutional Advisors (MFS), PBHG Funds, Inc. (PBHG), PIMCO Funds (PIMCO), Putnam Fiduciary Trust (Putnam), Franklin Templeton Funds (Templeton), and The Vanguard Group, Inc. (Vanguard).

- Universal life and whole life insurance contracts underwritten by Ohio National Life Insurance Company (Ohio National). Effective January 1, 1989, these life insurance contracts were no longer offered as new investment options to participants.

Participants may withdraw the value of their deferred account upon termination of employment, retirement, disability or unforeseeable financial emergency. Participants may select various payout options including lump-sum payments or payments over various periods. If a purchased annuity option is selected, the payments may be actuarially determined.

At termination of employment or retirement, participants investing in universal and whole life insurance contracts may continue to make premium payments directly to the insurance carrier or they may receive the cash surrender value of the contract less any applicable surrender charges. In the case of the death of a participant, the face value of the insurance contract is payable to their beneficiary as taxable ordinary income.

2. Summary of Significant Accounting Policies:

Organization:

The Ohio Revised Code Section 148.02 created the Deferred Compensation Board for the purpose of administering the Program for all eligible employees. However, under the criteria set forth in the Statement of Governmental Accounting Standards No. 14, the Program is not considered a component unit of the State of Ohio:

- The Program is a separate legal entity.
- The State does not appoint a voting majority of the Program's Board.
- The State does not approve the Program budget or set Program rates or charges.
- The Program provides services to Ohio local governments as well as to the State.

The Deferred Compensation Board is comprised of the members of the Ohio Public Employees Retirement System (OPERS) Board, a member of the House of Representatives and a member of the Senate who must be of different political parties, and are appointed by their respective leadership. Six of the nine members of the OPERS Board are elected by the groups they represent: retired employees, state employees, municipal employees, county employees, non-teaching employees of state colleges and universities, and miscellaneous employees. Three statutory Board members are the Auditor of State, Attorney General and Director of Administrative Services.

Basis of Accounting and Measurement Focus:

The activities of the Program are accounted for as a Pension Fund, and follow the accrual basis of accounting and reporting for defined contribution plans recommended by the American Institute of Certified Public Accountants' Audits of Employee Benefit Plans Audit Guide. The Program is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the Program's operations are included on the statement of net assets available for benefits.

Activities of the Program are accounted for in two funds which are combined for the purpose of financial reporting:

Program Fund: The Program Fund reflects all employee contributions, earnings or losses on investments and distributions to participants.

Administration Fund: The Administration Fund is used to account for customer service and administrative costs incurred by the Board. The Administration Fund recovers the costs of its operations through fees charged to the Program Fund and from recordkeeping reimbursements from certain investment providers.

Stable Value Option:

The Program administers the Guaranteed Return Option (GRO), which is the stable value investment option offered to participants. As of December 31, 2003, the Program has funds invested in five different pools, each of which earns a separate interest rate credited to the Program, which can change quarterly. The Program determines the quarterly interest rate credited to participants by calculating the net weighted average return. The Program is also responsible for calculating daily account balances, disbursing funds for benefit payments and processing investment exchanges. A cash reserve account is maintained to buffer the invested pools from daily cash outflows from the GRO.

Until December 14, 2003, one pool was invested in the Nationwide fixed annuity, which was commingled in the general investment account of Nationwide and managed based upon Nationwide investment guidelines. This pool was liquidated and used to fund the Banc One and Goode portfolios during 2003. The remaining pools of the GRO are separate portfolios managed by Nationwide, Deutsche, State Street, Banc One, and Goode. Investment guidelines, including asset class, credit rating, portfolio diversification and duration are specified by the Program.

Funds invested in the Deutsche, State Street, Banc One, and Goode portfolios are covered by guarantee agreements. The agreement with Nationwide includes an accumulation account guarantee for funds invested in the Nationwide separate account. These agreements provide the formulas for determining the quarterly interest rate earned by each portfolio, and provide for benefit withdrawals at the guaranteed value.

Investments Valuation:

Investments of the GRO are valued at contract value, which represents contributions received plus the interest credited, less applicable charges and amounts withdrawn.

Mutual fund investments are valued at the share prices of mutual funds as reported by the investment carriers, which represent contributions received plus appreciation (depreciation) of the underlying portfolio less applicable charges and amounts withdrawn.

Assets held for purchased annuities are valued at amounts reported by Nationwide which are actuarially determined. These amounts represent the reserves established by Nationwide and are based on actuarial assumptions as to anticipated mortality, withdrawals and investment yield. Nationwide periodically adjusts and updates these assumptions.

Life Insurance Contracts:

As previously disclosed, universal and whole life insurance options are no longer available as new investment options. The policy cash value before surrender charges or other assessments was $ 1,485,412 and $1,524,160 at December 31, 2003 and 2002, respectively. Premiums paid for these policies are expensed when made. The amount of life insurance in force was $18,400 984 and $18,941,188 at December 31, 2003 and 2002, respectively.

Stable Value Income:

Stable value income was recorded as earned for each of the investment components of the Guaranteed Return Option. The gross interest rates for each portfolio were adjusted quarterly and ranged from 3.28% to 6.22% during 2003, and from 5.95% to 6.63% during 2002.

Net Gain or Loss on Mutual Funds:

Mutual fund investment income or loss consists of dividends and capital gains paid and appreciation or depreciation on the mutual funds.

The assets held for purchased annuities were credited interest based upon reserve assumptions used by Nationwide at the participant's annuitization date. These annuitization rates ranged from -1.0% to 5.5% during 2003, and from 0.1% to 6.4% during 2002.

Historical Trend Information:

Unaudited historical trend information designed to provide information about the Program's progress is presented in the accompanying Statistical Section of this presentation.

Property and Equipment:

Property and equipment of the Board are stated at cost less accumulated depreciation. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Board Employees' Deferred Compensation Benefits:

All employees of the Board are eligible to participate in the Deferred Compensation Program which it administers. The Deferred Compensation Board Employees' assets in the Program were valued at fair value and are included as net assets available for benefits.

Reclassifications:

Certain prior year amounts have been reclassified to conform with the current year's presentation.

3. Tax Status:

The Program is an eligible deferred compensation program as defined by Section 457 of the Internal Revenue Code. Accordingly, any amount of compensation deferred under the Program and any income attributable to the amounts so deferred shall be included in the taxable income of the participant only for the taxable year in which such compensation or other income is paid or otherwise made available to the participant or his beneficiary.

4. Employee Contributions:

Participant contributions receivable and held for investment represent amounts withheld from participants but not remitted to the investment providers at year end.

The Program maintains a bank account for the purpose of consolidating the deposit of all participant contributions. Contributions are subsequently remitted to the investment providers as designated by the participants. Funds deposited but not remitted to the investment providers were $779,856 and $2,816,373 at December 31, 2003 and 2002, respectively.

5. Cash:

The Board's policy is to invest excess Administrative Fund cash in bank checking and money market accounts, certificates of deposit, a statewide investment pool managed by the Treasurer of the State of Ohio, or issues of the U.S. Government and its agencies, all with maturities of two years or less.

At December 31, 2003, the carrying amount of cash deposits was $2,355,643 and the bank balance was $2,436,102. Differences in these balances arise due to reconciling items, principally outstanding checks. Of the bank balance, $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1 risk as defined by the Government Accounting Standards Board). The remaining bank balances were uninsured and uncollateralized and were held in the name of the Program's pledging financial institution, as required by the Ohio Revised Code (Category 3).

At December 31, 2002, the carrying amount of cash deposits was $1,615,191 and the bank balance was $1,735,392. Differences in these balances arise due to reconciling items, principally outstanding checks. Of the bank balance, $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1 risk as defined by the Government Accounting Standards Board). The remaining bank balances were uninsured and uncollateralized and were held in the name of the Program's pledging financial institution, as required by the Ohio Revised Code (Category 3).

6. Program Investments:

A summary of Program investments is as follows:

	December 31, 2003	
	Carrying Value	Fair Value
Stable Value Option:		
Deutsche Asset Management	$1,049,570,365	$1,080,729,212
Nationwide Ohio Managed Fund	800,237,164	847,524,409
Banc One	356,556,452	353,794,308
State Street Bank and Trust	306,003,171	323,172,651
Goode Investment	51,448,335	51,301,436
Total Stable Value Option	2,563,815,487	2,656,522,016
Mutual Funds	2,301,833,472	2,301,833,472
Purchased Annuities	54,020,325	54,020,325
Total Investments	$4,919,669,284	$5,012,375,813

	December 31, 2002	
	Carrying Value	Fair Value
Stable Value Option:		
Deutsche Asset Management	$ 1,264,814,700	$ 1,315,321,744
Nationwide Ohio Managed Fund	755,074,134	810,912,942
State Street Bank and Trust	289,587,983	310,315,267
Nationwide Fixed Account	110,018,524	110,018,524
Banc One	13,420,475	13,420,475
Total Stable Value Option	2,432,915,816	2,559,988,952
Mutual Funds	1,647,619,869	1,647,619,869
Purchased Annuities	57,679,372	57,679,372
Total Investments	$4,138,215,057	$4,265,288,193

Stable Value Option:

The GRO funds that were invested in the Nationwide Fixed Account were commingled in the general account of Nationwide and not separately identifiable. Investments by Deutsche, Banc One, and in the Nationwide Ohio Managed Fund are held in custody for the Program. The quoted market prices of these investments have been used for disclosure purposes. Funds invested by State Street and Goode are in commingled passive bond index funds and reported at fair value. In addition, a money market account is maintained at Banc One to fund daily cash requirements.

The Program has entered into liquidity guarantee agreements with banks and insurance companies to fund any withdrawals for benefit payments at book value. The GRO book value represents participant contributions plus earnings based on guaranteed rates of return. The Program expects carrying and fair values of the GRO portfolio to converge, through amortization of these differences in future crediting rates.

Included in investment expenses are $2,668,229 and $2,377,771 related to premiums paid for the book value guarantee for the years ended December 31, 2003 and 2002, respectively.

A summary of the fair value of investments in the Guaranteed Return Option by investment category at December 31, 2003 and 2002 is as follows:

	2003	**2002**
Asset-Backed Securities	$ 573,531,525	$ 628,222,606
Corporate Bonds	464,644,478	335,477,311
Collateralized Mortgage Obligations	415,330,338	464,694,326
U.S. Treasury and Other Agency Obligations	380,487,041	412,731,678
Passive Bond Index Funds	374,474,087	310,315,267
Mortgage-Backed Securities	216,362,583	95,961,445
Cash and Cash Equivalents	124,364,216	83,508,298
Guaranteed Investment Contracts	68,823,257	76,756,783
Commercial Mortgages	38,504,491	42,302,714
Nationwide Fixed Account	0	110,018,524
Total Stable Value Investments	$2,656,522,016	$2,559,988,952

NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

Mutual Funds:

Shares of mutual funds are priced at the net asset value as calculated by the fund provider. A summary of year-end investments as of December 31, 2003 and 2002 is as follows:

	Mutual Funds-2003			Mutual Funds-2002		
	Fair Value	Share Price	No. Shares Outstanding (1,000's)	Fair Value	Share Price	No. Shares Outstanding (1,000's)
Fidelity:						
Contrafund	$ 423,185,797	$ 49.35	8,575	$ 327,131,443	$ 38.60	8,475
Equity Income Fund	240,268,795	49.75	4,830	187,592,252	39.67	4,729
Magellan Fund	219,467,126	97.74	2,245	177,385,458	78.96	2,247
Growth Company	181,135,940	50.07	3,618	89,583,976	35.42	2,529
Government Income	9,906,765	10.22	969	12,373,854	10.48	1,181
Total Fidelity Funds	1,073,964,423			794,066,983		
Dodge & Cox:						
Stock Fund	187,343,843	113.78	1,647	101,002,742	88.05	1,147
Balance Fund	145,416,379	73.04	1,991	83,011,076	60.75	1,367
Total Dodge & Cox Funds	332,760,222			184,013,818		
Janus:						
Janus Twenty	170,102,911	36.17	4,703	168,121,618	29.01	5,795
Janus Fund	71,360,832	23.47	3,041	66,665,744	17.82	3,741
Total Janus Funds	241,463,743			234,787,362		
Vanguard:						
Institutional Index Fund	127,965,081	101.78	1,257	90,893,094	80.45	1,130
Capital Opportunity	62,028,073	58.69	1,057	5,320,986	39.26	135
International Growth Fund	24,001,527	51.28	468	11,979,042	38.66	310
Total Vanguard Funds	213,994,681			108,193,122		
AIM Constellation Fund	102,442,834	23.15	4,425	77,678,323	17.81	4,362
American Century:						
Income & Growth Fund	45,945,749	27.70	1,659	32,336,969	21.74	1,487
Growth Fund	30,776,456	17.94	1,716	27,916,300	14.42	1,936
Total American Century	76,722,205			60,253,269		
Lazard Small Cap Fund	48,127,375	19.49	2,469	39,300,983	14.03	2,801
Templeton Foreign Fund	44,110,872	10.64	4,146	28,999,109	8.31	3,490
Putnam Investors Fund	43,665,492	11.18	3,906	47,219,631	8.80	5,366
PIMCO Total Return	34,016,689	10.71	3,176	28,421,846	10.67	2,664
FPA Capital Fund	29,773,656	36.85	808	0		
MFS New Discovery Fund	25,509,284	15.67	1,628	14,226,266	11.63	1,223
PBHG Growth Fund	18,484,051	17.81	1,038	25,148,165	14.18	1,773
Barclays Global Investors:						
LifePath 2010	5,421,633	12.30	441	1,654,546	10.82	153
LifePath 2020	7,110,222	14.13	503	1,509,997	11.89	127
LifePath 2030	3,131,189	14.13	222	366,763	11.56	32
LifePath 2040	1,134,901	15.47	73	177,275	12.27	14
Total Barclays Global Investors	16,797,945			3,708,581		
Nicholas Applegate International Core Growth Fund	0			1,602,411	13.56	118
Total Mutual Funds	$2,301,833,472			$1,647,619,869		

Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were $54,020,325 and $57,679,372 at December 31, 2003 and 2002, respectively.

7. Recordkeeping Income:

The Program is compensated by certain investment providers for performing recordkeeping responsibilities. The Administration Fund also recovered some administrative costs through charges made to the Program Fund. Beginning in 2000, the Program charges a $2.00 per quarter fee to each participant account, which replaced an asset-based fee charged in prior years. Beginning in 2003, the Program charges a 0.10% fee on all investment balances in the GRO, which effectively reduces the net crediting rate.

8. Investment Expenses:

Investment manager, custodian, and book value guarantee fees are charged on assets within the GRO pools. Fees associated with these portfolios are summarized as follows:

	2003	2002
Nationwide	$1,788,504	$1,683,702
Deutsche	1,529,581	1,287,316
Banc One	571,437	30,313
State Street	308,959	267,415
Goode	111,742	0
	$4,310,223	$3,268,746

9. Vacation and Sick Leave:

As of December 31, 2003 and 2002, $202,327 and $179,269 respectively, was accrued for unused vacation and sick leave for full-time employees of the Board. At termination or retirement, employees are entitled to full compensation for all unused vacation time. With two years of employment prior to termination, employees are entitled to 50% payment of unused sick leave at termination.

10. Leases:

The Board entered into an amended noncancelable five-year operating lease for office space that expired on December 31, 2001. Base rental expense in 2001 for this operating lease was $64,436. Allocated operating expenses, including real estate taxes, under this lease were $59,308 during 2001. This lease was extended until February 28, 2002 on month-to-month rental terms, with rent of $16,684 and operating expenses of $7,720 during 2002.

The Board entered into a ten-year lease agreement for new administrative office space effective in 2002. The lease has early termination options after the seventh and ninth years, upon payment of an early termination penalty. Base rental expense for this operating lease was $98,691 and $81,150 for 2003 and 2002 respectively. Allocated operating expenses and real estate taxes under this lease were $59,199 and $44,985 during 2003 and 2002 respectively.

Future scheduled minimum lease payments (base rental expense) under the office space operating lease at December 31, 2003 are as follows:

Year Ending December 31:	Amount:
2004	$101,023
2005	103,128
2006	105,157
2007	107,186
2008	109,214
2009 through 2012	359,089

11. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	Estimated Useful Life	2003	2002
Computer equipment	3-5 years	$270,490	$269,095
Furniture and fixtures	7 years	120,414	118,328
Office equipment	5 years	93,119	99,368
Leasehold improvements	4 years	0	0
		484,023	486,791
Less accumulated depreciation and amortization		351,712	308,202
		$132,311	$178,589

12. Insurance:

The Program is exposed to various risks of loss related to theft of, damage to, and destruction of assets; injuries to employees; and court challenges to fiduciary decisions. To cover these risks, the Program maintains commercial insurance and holds fidelity bonds on its employees. As required by state law, the Program is registered and insured through the state of Ohio Bureau of Workers' Compensation for injuries to employees. No insurance settlements exceeded coverages in the past three years.

The Program is self-insured under a professionally administered plan for general health and hospitalization employee benefits. The Program maintains specific stop loss coverage per employee for annual medical benefits in the amount of $250,000 for both 2003 and 2002. The Program also maintains a lifetime maximum stop loss coverage per employee for medical benefits in the amount of $2,500,000 for both 2003 and 2002. The outstanding claims liability was $8,600 and $22,000 as of December 31, 2003 and 2002 respectively.

13. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the Traditional Pension Plan - a cost-sharing multi-employer defined benefit plan: the Member -Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan.

OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Employees covered by OPERS are required by Ohio statute to contribute 8.5% of their salary to the plan. The Board is required by the same statute to contribute 13.55% of covered payroll; 8.55% is the portion used to fund pension obligations, with the remaining used to fund the health care program for retirees. The required employer contributions for the current year and the two preceding years are as follows:

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2003	$128,700	100%
2002	$121,100	100%
2001	$125,600	100%

Historical trend information showing the progress of OPERS in accumulating sufficient assets to pay benefits when due is presented in the OPERS *Comprehensive Annual Financial Report*. OPERS issues a publicly available financial report for the plans. The report may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642.

In addition to retirement benefits, OPERS provides postemployment health care benefits. OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code, funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the fiscal year ended December 31, 2003, OPERS allocated 5.0% of the employer contribution rate to fund the health care program for retirees. Due to the continuing rise in health care costs, OPERS will offer a new health care choice plan to all persons newly hired under OPERS after January 1, 2003. This plan will offer a broad range of health care options with graded scale of costs dependent on the number of years of eligible service.

The actuarial value of assets available for health care benefits at December 31, 2002 was $10.0 billion. There were 365,000 active contributing participants eligible for postemployment benefits at that date.

14. Eliminations:

The Administration Fund recovers some customer service and administrative costs through charges made to the Program Fund. Charges of $3,717,434 and $1,166,382 were made during 2003 and 2002, respectively, for this purpose, including $225,708 and $6,275 payable to the Administrative Fund as of December 31, 2003 and 2002, respectively. These inter-fund charges and payables have been eliminated in the Combining Schedule of Net Assets Available for Benefits and the Combining Schedule of Changes in Net Assets Available for Benefits.

15. New Accounting Standards Not Yet Implemented:

In March 2003, the GASB issues Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment to GASB No. 3,* which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. The standard is effective for periods beginning after June 15, 2004. The Plan has not completed an analysis of the impact of this statement on its reported financial statements.

In November 2003, GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,* which establishes accounting and financial reporting standards for impairment of capital assets. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The standard is effective for the periods beginning after December 15, 2004. The Plan has not completed an analysis of the impact of this standard on its reported financial statements.

SUPPLEMENTAL COMBINING SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2003
With Totals for 2002

	2003				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2002 TOTAL
Assets:					
Investments	$4,919,669,284			$4,919,669,284	$4,138,215,057
Cash and cash equivalents		2,355,643		2,355,643	1,615,191
Contributions receivable and cash held for investment	3,217,563			3,217,563	4,745,440
Accounts and other receivables		1,201,801	$(225,708)	976,093	804,839
Property and equipment, net		132,311		132,311	178,589
Total assets	$4,922,886,847	$3,689,755	$(225,708)	$4,926,350,894	$4,145,559,116
Liabilities:					
Accounts payable	$ 1,373,978	$ 673,288	$(225,708)	$1,821,558	$ 1,870,121
Accrued expenses		204,869		204,869	203,769
Total liabilities	1,373,978	878,157	$(225,708)	2,026,427	2,073,890
Net Assets Available for Benefits	$4,921,512,869	$2,811,598	$ 0	$4,924,324,467	$4,143,485,226

SUPPLEMENTAL COMBINING SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the year ended December 31, 2003

With Totals for 2002

	2003				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2002 TOTAL
Additions:					
Net investment income:					
Net gains (loss) on mutual funds	$ 489,044,158			$ 489,044,158	$(409,520,080)
Stable value income	137,246,584	$ 13,427		137,260,011	141,342,032
Investment expenses	(4,310,223)			(4,310,223)	(3,268,746)
Net investment income	621,980,519	13,427		621,993,946	(271,446,794)
Employee contributions	365,012,189			365,012,189	356,857,437
Transfers from other plans	28,436,965			28,436,965	25,726,198
Recordkeeping income		7,637,668	$(3,717,434)	3,920,234	4,077,556
Total Additions	1,015,429,673	7,651,095	$(3,717,434)	1,019,363,334	115,214,397
Deductions:					
Distributions to participants	166,798,525			166,798,525	192,651,877
Transfers to other plans	65,073,212			65,073,212	112,038,732
Administrative expenses	3,717,434	6,572,449	(3,717,434)	6,572,449	5,892,734
Life insurance premiums	79,907			79,907	88,098
Total Deductions	235,666,078	6,572,449	(3,717,434)	238,524,093	310,671,441
Increase (decrease) in net assets available for benefits	779,760,595	1,078,646		780,839,241	(195,457,044)
Net assets available for benefits beginning of year	4,141,752,274	1,732,952		4,143,485,226	4,338,942,270
Net assets available for benefits end of year	$4,921,512,869	$2,811,598	$ 0	$4,924,324,467	$4,143,485,226

SUPPLEMENTAL SCHEDULE OF ADMINISTRATION FUND DEDUCTIONS

for the years ended December 31, 2003 and 2002

	2003	2002
Customer Service	$3,982,367	$3,365,387
Salaries and benefits:		
Salaries and wages	976,962	945,121
Insurance	185,802	177,090
Retirement contributions	129,254	125,597
Other benefits	18,752	19,966
	1,310,770	1,267,774
Administration:		
Postage and delivery	334,937	325,341
Participant statements	156,168	150,441
	491,105	475,782
Professional Services:		
Consulting	216,543	206,077
Auditing	37,308	35,910
Data Processing	8,147	21,500
	261,998	263,487
Rents	171,842	164,683
Miscellaneous	85,780	80,390
Data processing expense	74,948	55,813
Depreciation and amortization	69,396	73,579
Insurance	55,182	47,556
Professional expense	35,279	41,792
Office supplies:		
Printing	20,156	31,176
Office supplies	10,955	18,713
Telephone and fax	2,671	6,602
	33,782	56,491
Total Administration Fund Deductions	$6,572,449	$5,892,734

SUPPLEMENTAL COMBINED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

for the years ended December 31, 2003 and 2002

	2003	2002
Cash and cash equivalents, beginning of year	$ 1,615,191	$ 2,052,843
Receipts:		
Employee contributions	366,540,066	356,451,020
Investment withdrawals	231,871,737	304,690,609
Transfers from other plans	28,436,965	25,726,198
Recordkeeping income	3,542,972	4,228,263
Total cash receipts	630,391,740	691,096,090
Disbursements:		
Investment purchases	387,465,822	377,653,447
Distributions to participants	166,798,525	192,651,877
Transfers to other plans	65,073,212	112,038,732
Administrative expenses	6,496,838	5,730,503
Investment expenses	3,713,869	3,269,291
Life insurance premiums	79,906	88,098
Purchase of property and equipment	23,116	101,794
Total cash disbursements	629,651,288	691,533,742
Cash and cash equivalents, end of year	$ 2,355,643	$ 1,615,191

INVESTMENT SECTION

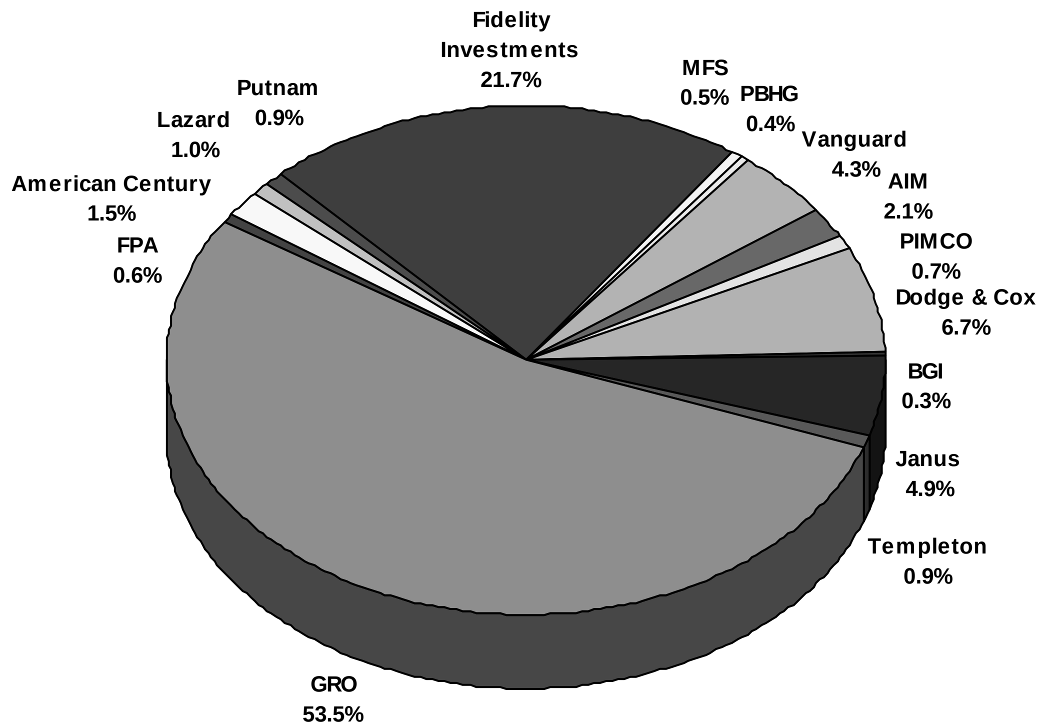
SCHEDULE OF INVESTMENTS AND PERFORMANCE

Investment Option	Fair Value 12/31/03	Net Investment Return 2003	Fair Value 12/31/02	Net Investment Return 2002
Guaranteed Return Option	$2,656,522,016	5.17%	$2,559,988,952	6.10%
Fidelity:				
Contrafund	423,185,797	27.94	327,131,443	(9.62)
Equity Income	240,268,795	29.97	187,592,252	(17.17)
Magellan	219,467,126	24.83	177,385,458	(23.66)
Growth Company	181,135,940	41.36	89,583,976	(33.44)
Government Income	9,906,765	2.22	12,373,854	10.93
Total Fidelity Funds	1,073,964,423		794,066,983	
Dodge & Cox:				
Stock Fund	187,343,843	32.34	101,002,742	(10.54)
Balanced Fund	145,416,379	24.42	83,011,076	(2.94)
Total Dodge & Cox Funds	332,760,222		184,013,818	
Janus:				
Janus Twenty	170,102,911	25.31	168,121,618	(24.02)
Janus Fund	71,360,832	31.71	66,665,744	(27.56)
Total Janus Funds:	241,463,743		234,787,362	
Vanguard:				
Institutional Index Fund	127,965,081	28.66	90,893,094	(22.03)
Capital Opportunity	62,028,073	49.69	5,320,986	(27.88)
International Growth Fund	24,001,527	34.66	11,979,042	(17.64)
Total Vanguard Funds:	213,994,681		108,193,122	
AIM Constellation Fund	102,442,834	29.98	77,678,323	(24.37)
American Century:				
Income & Growth Fund	45,945,749	29.63	32,336,969	(19.37)
Growth Fund	30,776,456	24.40	27,916,300	(26.13)
Total American Century Funds:	76,722,205		60,253,269	
Lazard Small Cap Fund	48,127,375	38.91	39,300,983	(17.96)
Templeton Foreign Fund	44,110,872	30.50	28,999,109	(8.65)
Putnam Investors Fund	43,665,492	27.61	47,219,631	(23.80)
PIMCO Total Return	34,016,689	5.31	28,421,846	9.91
FPA Capital Fund	29,773,656	38.53	0	n/a
MFS New Discovery Fund	25,509,284	34.73	14,226,266	(33.28)
PBHG Growth Fund	18,484,051	25.60	25,148,165	(30.35)
Barclays Global Investors:				
LifePath 2010	5,421,633	15.66	1,654,546	(8.31)
LifePath 2020	7,110,222	20.59	1,509,997	(12.60)
LifePath 2030	3,131,189	23.86	366,763	(15.73)
LifePath 2040	1,134,901	27.64	177,275	(18.73)
Total Barclays Global Investors	16,797,945		3,708,581	
Nicholas Applegate International Core Growth Fund	0	n/a	1,602,411	(19.42)
Total Invested Funds [1]	$4,958,355,488		$4,207,608,821	

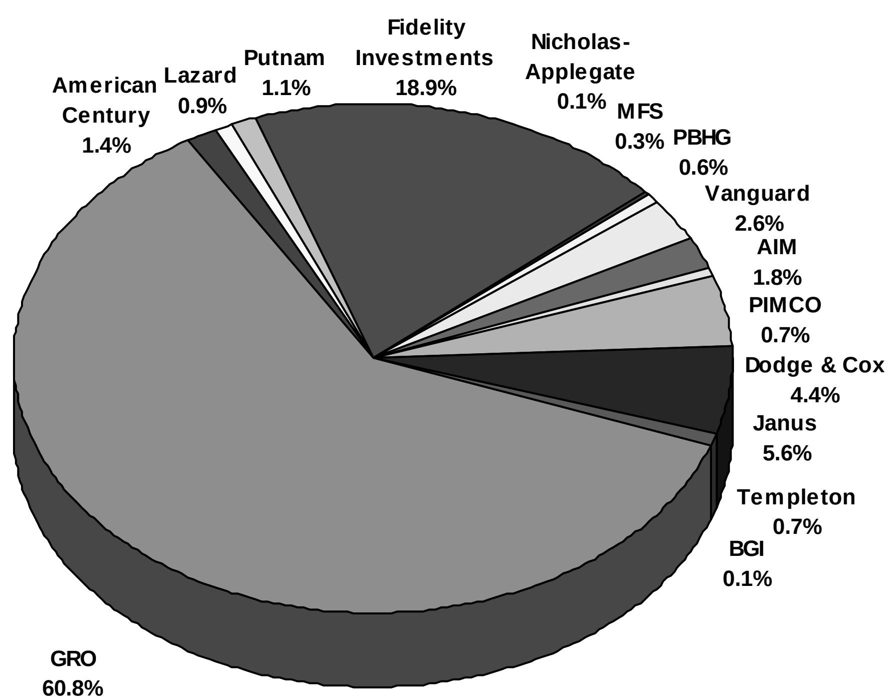
[1] Does not include amounts held for purchased annuities by Nationwide.

INVESTMENT MIX

December 31, 2003

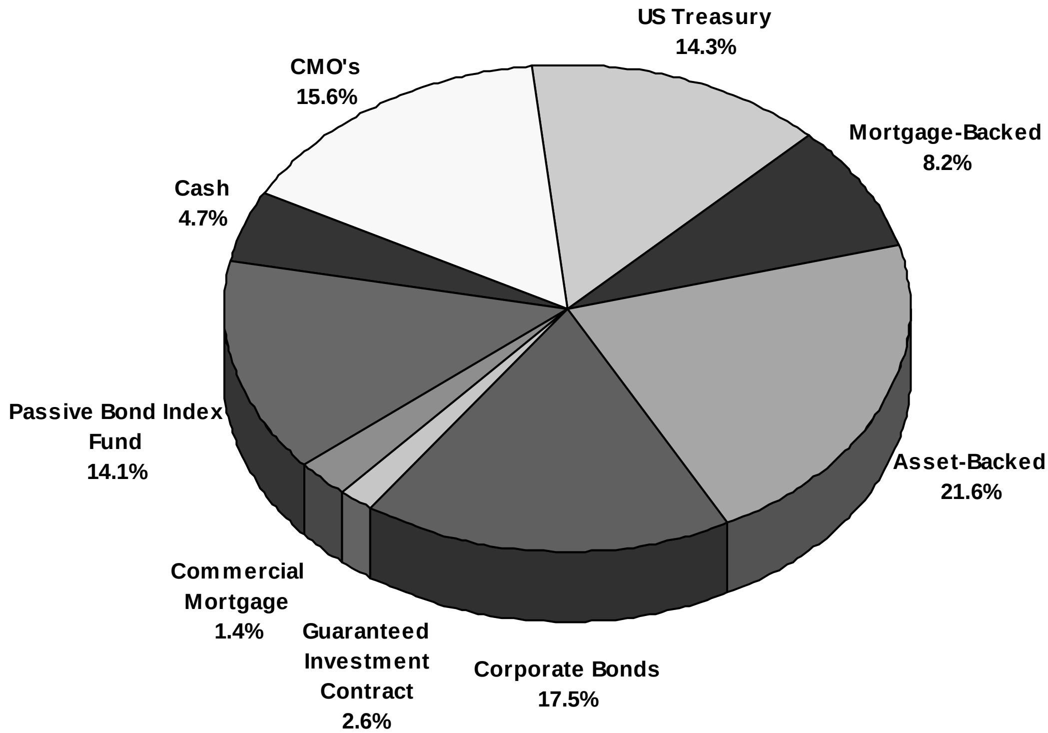


December 31, 2002

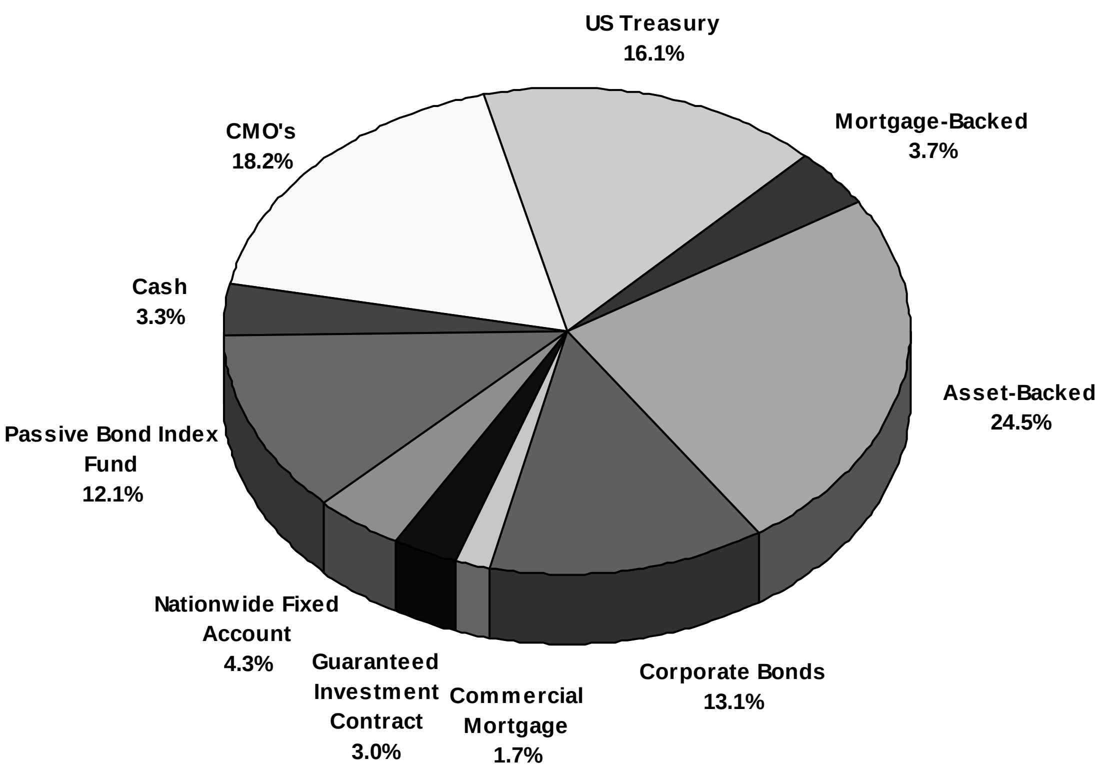


GRO DIVERSIFICATION

December 31, 2003



December 31, 2002



Ohio Public Employees Deferred Compensation Program

STATISTICAL SECTION

NET ASSETS AVAILABLE FOR BENEFITS

1994	$1,823,628,619
1995	2,185,210,155
1996	2,554,514,834
1997	3,044,512,643
1998	3,694,176,461
1999	4,574,291,046
2000	4,464,472,365
2001	4,338,942,270
2002	4,143,485,226
2003	4,924,324,467

ADDITIONS BY TYPE

	Employee Contributions	Stable Value Income	Net Gain (Loss) On Variable Investments	Transfers From Other Plans (1)	Administrative Recordkeeping Income (2)	Total
1994	$204,267,003	$ 95,199,984	$ 156,115	$ 1,739,599	$ 663,485	$ 302,026,186
1995	224,548,555	108,246,532	118,122,535	2,001,694	630,598	453,549,914
1996	248,665,052	118,128,030	109,619,347	1,754,335	625,621	478,792,385
1997	268,826,344	123,493,898	219,785,702	2,045,637	1,287,157	615,438,738
1998	295,353,085	123,364,445	371,827,484	1,980,985	2,270,312	794,796,311
1999	305,282,184	123,984,026	604,806,148	4,357,182	3,227,395	1,041,656,935
2000	314,399,046	127,059,019	(373,724,224)	2,174,042	3,892,787	73,800,670
2001	323,887,138	135,813,712	(401,049,597)	6,568,788	3,327,167	68,547,208
2002	356,857,437	141,342,032	(409,520,080)	25,726,198	4,077,556	118,483,143
2003	365,012,189	137,260,011	489,044,158	28,436,965	3,920,234	1,023,673,557

(1) Prior to 2002, the Program only accepted transfers from other IRC Section 457 plans and from the Program's life insurance option. Beginning in 2002, the Program allowed rollover transfers from all other types of qualified retirement plans.

(2) Beginning in 1994, the Program was compensated by the former fixed annuity provider for assuming recordkeeping responsibilities. Beginning in 1997, the Program was compensated by certain mutual fund providers for assuming recordkeeping responsibilities.

DEDUCTIONS BY TYPE

	Distributions To Participants	Administrative Expenses	Life Insurance Premiums	Investment Expenses	Transfers To Other Plans (1)	Total
1994	$70,123,634	$4,796,799	$217,610	$ 984,127		$ 76,122,170
1995	84,963,073	4,940,966	196,493	1,867,846		91,968,378
1996	101,225,015	5,326,163	177,361	2,702,929	$ 56,238	109,487,706
1997	116,573,938	5,204,081	158,456	2,869,160	635,294	125,440,929
1998	136,723,588	5,289,181	141,071	2,441,818	536,835	145,132,493
1999	152,673,102	5,410,773	125,955	2,617,590	714,930	161,542,350
2000	174,979,885	5,156,588	113,113	2,506,114	863,651	183,619,351
2001	185,126,141	5,523,275	99,305	2,887,070	441,512	194,077,303
2002	192,651,877	5,892,734	88,098	3,268,746	112,038,732	313,940,187
2003	166,798,525	6,572,449	79,907	4,310,223	65,073,212	242,834,316

(1) The Program did not permit transfers to other plans prior to 1996. Between 1996 and 2001, only transfers to other IRC Section 457 plans were permitted. Beginning in 2002, the Program allowed rollover transfers to other types of qualified retirement plan and transfers to defined benefit plans to purchase allowable service credits.

EMPLOYEE PARTICIPATION AND DEFERRAL TRENDS

	Eligible Employees	Total Participant Accounts	Participants Currently Contributing	Average Annual Deferrals	Total Annual Deferrals	Net Assets Available for Benefits
1994	671,329	118,638	89,849	$2,273	$204,267,003	$1,823,628,619
1995	685,113	127,117	95,275	2,357	224,548,555	2,185,210,155
1996	666,512	135,092	100,398	2,477	248,665,052	2,554,514,834
1997	668,901	142,823	105,587	2,546	268,826,344	3,044,513,643
1998	680,137	147,451	108,784	2,715	295,353,085	3,694,176,461
1999	698,845	150,412	109,217	2,795	305,282,184	4,574,291,046
2000	705,023	156,798	112,795	2,787	314,399,046	4,464,472,365
2001	720,831	159,066	111,832	2,896	323,887,138	4,338,942,270
2002	719,880	165,993	113,521	3,144	356,857,437	4,143,485,226
2003	687,669	172,098	113,536	3,215	365,012,189	4,924,324,467

NUMBER OF EMPLOYERS CONTRIBUTING

	State	County	City	Metro Housing	Village	Library	Medical Center	Education	Misc	Township	Total
1994	1	88	212	30	94	125	31	180	74	123	958
1995	1	88	215	31	104	128	31	207	80	131	1,016
1996	1	88	218	33	118	131	33	218	89	142	1,071
1997	1	88	221	36	129	137	33	236	95	151	1,127
1998	1	88	224	39	137	145	33	251	101	161	1,180
1999	1	88	226	41	140	150	33	265	103	170	1,217
2000	1	88	231	43	152	158	33	272	106	188	1,272
2001	1	88	237	45	156	169	34	297	116	207	1,350
2002	1	88	241	45	165	176	30	362	112	208	1,428
2003	1	88	244	46	167	179	30	408	121	213	1,497

Auditor of State
Betty Montgomery

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OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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
JULY 8, 2004