



**Auditor of State
Betty Montgomery**



Auditor of State Betty Montgomery

REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING AGREED-UPON PROCEDURES

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

Dear Mr. Deters:

We have performed the procedures enumerated below, which were agreed to by the Treasurer of State (TOS), solely to comply with the requirements of Section 117.15 of the Ohio Revised Code, as of June 28, 2002. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements. The sufficiency of the procedures is solely the responsibility of the Treasurer of State. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Count of Cash and Securities Held in Trust

We performed a count of cash and securities physically held by the Treasurer of State in the Cashier's Department, Vault, and Trust Department areas as of June 28, 2002.

Cash held in the cashier drawers and cashier vault in the TOS Cashiers section as of June 28, 2002 was accounted for and agreed with the Treasurer of State's Schedule of Cash and Investments.

In our count of physical securities held in the Trust Department, we found all securities physically held by the TOS Trust Department as custodian for other state agencies were accounted for and agreed to the custodial records of the TOS. Our procedures in this regard included verifying the existence of all negotiable securities (i.e. bearer bonds) held in the TOS vault as of June 28, 2002 by the Trust Department as custodian for other agencies, and verifying the disposition of all negotiable securities held in the TOS vault as of June 29, 2001 which were no longer in the vault as of June 28, 2002.

Confirmation of Accounts

We confirmed deposit balances in the Treasurer of State's regular, consolidated check clearing, zero balance accounts, and custodial accounts with the financial institutions holding these accounts, as of June 28, 2002.

Deposit balances in the TOS regular, consolidated check clearing, zero balance, and custodial accounts as of June 28, 2002 were confirmed with no reportable exceptions.

Confirmation of Special Purpose Investments

We selected 50 Linked deposits, 20 Agri-linked deposits, 20 Linked Y2K deposits, and 40 Bid Ohio deposits and confirmed the balances with the financial institutions holding these deposits, as of June 28, 2002.

Deposit balances for the selected Linked, Agri-linked, Linked Y2K and Bid Ohio deposits as of June 28, 2002 were confirmed with no reportable exceptions.

Confirmation of Non-Special Purpose Investments

We confirmed investments held by the Treasurer of State in its regular account, structured account and other agency custodial accounts with the financial institutions holding these investments, as of June 28, 2002.

All investments in the regular, structured and agency custodial accounts as of June 28, 2002 were confirmed, with no reportable exceptions noted.

On March 18, 2003, we held an exit conference with the Treasurer of State's management and discussed the contents of this report. The Treasurer of State chose not to respond to the issues addressed in this report.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Treasurer of State's assets, assets of custodial funds or securities held in trust, as of June 28, 2002 which is attached as Exhibit A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



BETTY MONTGOMERY
Auditor of State

January 17, 2003

Exhibit A

Treasurer of State
 Schedule of Cash and Investments
 State Treasury, Custodial Accounts and Securities Held In Trust
 As of June 28, 2002
 (unaudited)

| | | | |
|------------------------------------|---|---------------|--------------------|
| State Treasury | | | |
| | Cash | | \$ 100,714,761 |
| | Investments | | |
| | Agri-Linked Deposits | \$68,587,296 | |
| | Linked Deposits | 250,419,156 | |
| | Linked Deposits - Y2K | 3,047,108 | |
| | Linked Deposits - Access Ohio | 423,491 | |
| | Bid Ohio Deposits | 254,900,000 | |
| | Interim Deposits - Regular (Non-Special Purpose) | 5,076,364,153 | |
| | Interim Deposits - Structured (Non-Special Purpose) | 781,580,985 | |
| | Total Investments | | 6,435,322,189 |
| | Total State Treasury | | \$ 6,536,036,950 |
| Custodial Funds¹ | | | |
| | Cash | | \$ 179,488,880 |
| | Investments | | 132,183,373,300 |
| | Total Custodial Funds | | \$ 132,362,862,180 |
| | | | |

(See Report of Independent Accountants.)

¹ The cash and investment amounts shown are summarizations of 80 individual account balances held as custodial funds by the Treasurer of State



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

TREASURER OF STATE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 8, 2003**