



## OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM



# Comprehensive Annual Financial Report

*For the Year Ended December 31, 2000*





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43215

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Board of Trustees  
Ohio Public Employees Deferred Compensation Program

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, 2000 through December 31, 2000. Based upon this review, we have accepted this report 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.

JIM PETRO  
Auditor of State

July 10, 2001

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**OHIO PUBLIC EMPLOYEES  
DEFERRED COMPENSATION PROGRAM  
Comprehensive Annual Financial Report  
For the year ended December 31, 2000**

Prepared by: Virginia Shimrock  
Executive Director

Paul D. Miller  
Assistant Director-Finance

# 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, 1999

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.



*Anne Spray Kinney*  
President

*Jeffrey L. Esler*  
Executive Director

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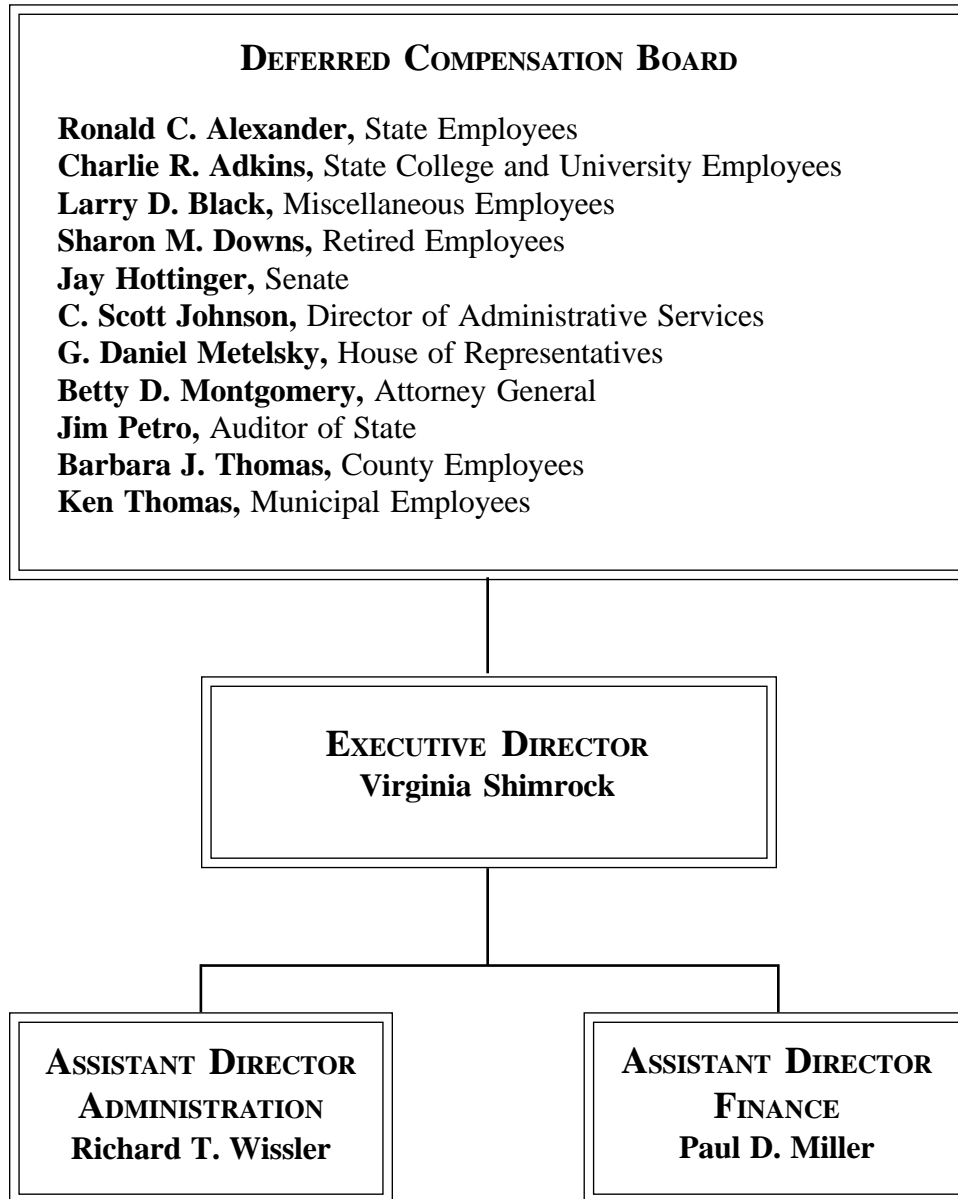




OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

# INTRODUCTORY SECTION

# ORGANIZATION CHART



## ADVISORS TO THE BOARD

**Independent Public Accountants**  
Deloitte & Touche LLP, Columbus, Ohio

**Legal Counsel**  
Attorney General Betty D. Montgomery

**Consultants**  
William M. Mercer, Inc.



## OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

March 30, 2001

Dear Chairman 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, 2000. 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, 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 156,000 participants from 1,272 Ohio state and local governments, and is therefore not part of the State of Ohio reporting entity.

### **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 145.71-145.76. Any public employee is eligible to contribute, on a pre-tax basis, 33-1/3% of their annual includable compensation, not to exceed \$8,000 (\$8,500 in 2001). 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**

The Program has experienced steady growth in participants and assets since its inception. Interest in the Program was enhanced by the exceptional performance of the U.S. stock market during the 1990's. This performance, combined with efforts to educate participants about the long-term benefits of equity investments in retirement savings plans, has continually increased the amount invested in mutual funds and variable annuities.

The downturn in the U.S. equity markets produced annual losses in 2000 on Program variable investments for the first time since 1990. The Program believes that down market cycles are inevitable in equity investing, and that over the long-term, these investments are appropriate for retirement assets.

Although diversification into equity investments has increased, the largest investment of the Programs' participants is the Guaranteed Return Option (GRO). The GRO is the fixed return investment option administered by the Board office, while professional managers invest these funds. The GRO's net investment return was 6.46% in 2000 and 6.39% in 1999.

The continued growth of the Program's asset base has allowed the Program to reduce the fees charged against participant accounts. The asset fee was reduced to 0.05% effective April 1, 1999. Beginning in 2000, participants pay \$2.00 per quarter in administrative fees, and the asset fee was eliminated.

## **Major Initiatives**

In July 1999, the Program began offering enrollment, education, and customer services to participants through Public Employees Benefit Services Corporation (PEBSCO), a division of Nationwide Retirement Solutions. With this change, the Program sought to provide more educational opportunities to its participants, and utilize technological advances to better service participants. Many participants are now initiating transactions through the telephone voice-response system and internet web site with no paperwork or signatures necessary.

Many of the Program's critical data processing systems required revisions to accommodate the year 2000. A complete project plan was developed to identify, fix and test the affected systems. This project was completed in February 1999, when the Program put year 2000 compliant systems into place.

During 2000, the Program's legal statutes were moved from Section 145 to Section 148 of the Ohio Revised Code. This change was made to give the Program its own unique code section, and remove it from the middle of the code section relating to the Public Employees Retirement System of Ohio.

## 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. Deductions are recorded when the liability is incurred, and additions are recorded in the period in which they are earned.

Excess Administration Fund cash is held in money market accounts or issues of the U.S. Government. Cash is held for capital acquisitions and may be used to supplement monthly operations, if administrative expenses exceed revenues during a given month. Program management maintains a sufficient cash balance to cover approximately three months of operating expenses.

### Program Additions

Additions to Program assets available for benefits come from employee contributions remitted by employers, income earned on participant accounts and changes in carrying values. A summary of Program additions for 2000 and 1999 follows:

	<u>2000</u>	<u>1999</u>	<u>% Change</u>
Net gains on variable investments	\$ 0	\$ 604,806,148	(100.0)%
Employee contributions	314,399,046	305,282,184	3.0
Fixed investment income	127,059,019	123,984,026	2.5
Other additions	<u>6,066,829</u>	<u>7,584,577</u>	(20.0)
Total program additions	<u>\$447,524,894</u>	<u>\$1,041,656,935</u>	(57.0)%

The U.S. equity markets declined in 2000 as growth and technology stocks fell out of favor. Most of the Program's investment options are growth oriented, so net investment performance was negative for the year. Employee contributions increased due to higher numbers of actively contributing participants. Fixed income investments had a successful year in contrast to equity investments, which translated into a slight increase in fixed investment income to the Program. Transfer from other plans into the Program declined from last year, resulting in the decreased in other additions.

## Program Deductions

Distributions to participants historically have been the largest deduction from Program assets available for benefits. In 2000, net losses on variable investments became the largest deduction. A summary of Program deductions follows:

	<u>2000</u>	<u>1999</u>	<u>% Change</u>
Net losses on variable investments	\$373,724,224	\$ 0	100.0%
Distributions to participants	174,979,885	152,673,102	14.6
Administrative, marketing and other deductions	<u>8,639,466</u>	<u>8,869,248</u>	(2.6)
Total program deductions	<u>\$557,343,575</u>	<u>\$161,542,350</u>	245.0%

The increase in distributions to participants resulted from an increase in the number of participants receiving benefit payments, and those participants having higher average account balances.

## Investments

The Program offers participants a selection of investment options to which they may allocate their deferrals. The fixed interest investment option (GRO) accounts for 44.6% of all invested funds, with the remainder invested in thirteen mutual funds and a variable annuity composed of eight mutual funds. During 2000, two mutual funds were added to widen the range of investment options. During 1999, three mutual funds and three variable annuity options were discontinued due to under-performance or low levels of participation.

Investment performance results are reported to participants quarterly. A listing of investments by option and the return for 2000 and 1999 is included in the Investment Section of this presentation.

## Independent Auditors

The financial statements of the Program for the years ended December 31, 2000 and 1999 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, 1999. 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.

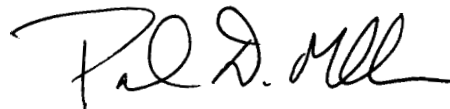
## Acknowledgments

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,



Virginia Shimrock, CPA, CFP  
Executive Director



Paul D. Miller, CPA  
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.

### **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 options 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) \$8,000, indexed as allowed by law (increasing to \$8,500 in 2001) or (B) 33-1/3% of an active participant's includable compensation. However, under certain circumstances up to \$15,000 per year can be contributed 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 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; (c) change the amount of compensation to be deferred; (d) change the benefit commencement date until 60 days after separation from service at which time the benefit commencement date becomes official; or (e) change the benefit payment option until 60 days before the benefit commencement date at which time the benefit payment option becomes irrevocable. 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 active 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.

**Plan-to-Plan Transfers** -- Any participant who has separated from service with an employer with which he/she had an account may, upon proper written request, transfer the account value from that account to another Ohio Public Employees Deferred Compensation Program IRC 457 account established with the same or a different employer participating in the Ohio Public Employees Deferred Compensation Program, providing benefit payments have not begun from either account.

The Plan will accept plan-to-plan transfers from other IRC 457 plans upon receipt of proper written request and actual transfer of funds. The Plan will execute plan-to-plan transfers to other IRC 457 plans whose sponsor is not an employer eligible to adopt the Ohio Public Employees Deferred Compensation Plan.

### **Distribution of Benefits**

**Election of Benefit Commencement Date** (a) Participant--Not later than 60 days following the participant's separation from service, a participant may elect to defer payment of such deferred compensation until a fixed future time that is consistent with the requirement below. Such election will be effective only if made on forms provided by the Plan administrator, and received in the office of the Board not later than 60 calendar days after the official date of separation from service. The elected benefit commencement date is recorded as official 60 days after separation from service. Benefit payments will commence no earlier than 61 days after separation from service and no later than April 1 of the Plan year following the Plan year in which the participant attains age 70-1/2 or, if the participant has not separated from service as of such date, then no earlier than 61 days after separation, and not later than April of the plan year in which the employee retires. Absent such election, the participant shall commence receiving payments as designated by the Plan document. The participant may elect to further defer the benefit commencement date one time, if such election is made prior to the month that benefit payments are scheduled to begin.

(b) Beneficiary--If the participant dies after benefit payments have commenced, the beneficiary may not defer the receipt of future benefits. If the participant dies before benefit payments have commenced, a beneficiary must elect a benefit commencement date not later than 60 days following notice to the Plan administrator of the participant's death. Such election will be effective only if made on forms provided by the Plan administrator. The elected benefit commencement date is recorded as official 60 days after notice to the Plan administrator of the participant's death. Benefit payments to a spousal beneficiary must begin not later than 60 days after the close of the Plan year in which the participant would have attained age 70 1/2, and benefit payments to a non-spousal beneficiary must begin not later than December 31 of the calendar year following the calendar year in which the participant dies. Absent an election of a benefit commencement date, the beneficiary shall commence receiving payments as designated by the Plan document. A spousal beneficiary may elect to further defer the benefit commencement date one time, if such election is made prior to the month that benefit payments are scheduled to begin.

**Election of Benefit Payment Options** (a) Participant--Not less than 60 days prior to the benefit commencement date, a participant may elect the benefit payment option pursuant to which benefits will be paid or change any such election previously made. Absent such election, the participant shall receive benefits as designated by the Plan document. No benefit payment option shall be provided which (a) is expected to result in the participant's receipt of less than (i) two-thirds of the maximum amount that could have been payable while the participant is less than age 70 1/2, (ii) one hundred percent of the maximum amount that could have been payable when the participant is at least age 70 1/2, (b) is not provided for on the benefit payment option election form provided by the Plan administrator, or (c) is not permitted in the Plan document. Provided, however, the participant may elect to receive a joint and survivor annuity if (i) the participant's spouse is the joint annuitant, (ii) such annuity is provided for on the benefit payment option election form provided by the Plan administrator, and (iii) such annuity is permitted under the Plan document.

(b) Beneficiary--If a participant has made a benefit payment option election and has specified that such election may not be modified by the beneficiary, then the beneficiary shall not have the rights to select or change the benefit payment option. If a participant has made an election and has not specified that it is irrevocable by the beneficiary, or if the participant has not made an election, then the beneficiary shall have, after the participant's death and prior to the date in which benefits are first paid, the rights to elect a benefit payment option. Such election will be effective only if made on forms provided by the Plan administrator and received in the office of the Board not later than 60 days prior to the benefit commencement date. Absent such election, the beneficiary shall receive benefits as designated by the Plan document. If payments have begun to a participant, those payments may be continued or, if allowed, the balance paid in a lump sum. In no event shall any option be available to a beneficiary which (a) provides benefits payable over any period extending beyond (i) for a non-spousal

beneficiary, 15 years from the date of the participant's death, or (ii) for a spousal beneficiary, the beneficiary's life expectancy, or (b) is not provided for on the benefit payment option election form provided by the Plan administrator. Any amount not distributed to the participant during the participant's life will be distributed after their death at least as rapidly as under the method of distribution being used as the date of death. Whenever distribution is made to a minor or person under legal disability, such distribution shall be made only pursuant to the order of the court having jurisdiction over the distributee, and in such cases, all costs incurred by the Plan administrator in securing the order of the court, shall be paid from the amounts available for distribution.

**Failure to Elect Benefit Commencement Date or Benefit Payment Option** (a) Participant--If a participant fails to elect a benefit commencement date by 60 days after separation from service, benefit payments shall begin on the payday 12 months following separation from service. If a participant fails to elect a payment option, benefits shall be paid as systematic withdrawals for a fixed time period of 5 years.

(b) Beneficiary--If a spousal beneficiary of a participant who had not commenced benefit payments fails to elect a benefit commencement date, benefit payments shall begin on the payday 12 months following notice to the Plan administrator of the participant's death. If a non-spousal beneficiary fails to elect a benefit commencement date, benefit payments must begin not later than the December payday of the calendar year following the calendar year in which the participant dies. If a beneficiary fails to elect a payment option, benefits shall be paid as systematic withdrawals for a fixed time period of 5 years.

**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 employer 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 will 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.

**Small Balance Distribution** -- A participant may elect 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 option election form. Benefits payable over a period of more than one year will be made in substantially non-increasing amounts and will be paid no less frequently than annually.

1. Life income with payment certain annuity
2. Joint and last survivor income (participant and spouse) annuity
3. Designated period purchased annuity
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 employer 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.

**Revised Plan Document** -- This plan summary includes all plan revisions approved by the Board as of December 31, 2000.



OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

# FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

The 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, 2000 and 1999, and the related combined statements of changes in net assets available for benefits for the years then ended, listed in the foregoing table of contents. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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, the financial statements referred to above 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, 2000 and 1999, 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.

Our audits were performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The additional information listed in the Table of Contents as supplemental information, which is also the responsibility of the Program's management, is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. The supplemental combining statements of net assets available for benefits and of changes in net assets available for benefits are presented for the purpose of additional analysis of the basic consolidated financial statements rather than to present the financial position and results of operations of the individual funds, and are not a required part of the basic consolidated financial statements. This additional information has been subjected to the auditing procedures applied in our audits of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

The Investment Section and the Statistical Section listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. This additional information is the responsibility of the Program's management. Such information has not been subjected to the auditing procedures applied in our audits of the combined financial statements and, accordingly, we express no opinion on such information.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2001, on our consideration of the Program's 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.

A handwritten signature in black ink that reads "Deloitte & Touche LLP".

March 26, 2001

Deloitte  
Touche  
Tohmatsu



**COMBINED STATEMENTS OF NET ASSETS  
AVAILABLE FOR BENEFITS**

**December 31, 2000 and 1999**

	<u>2000</u>	<u>1999</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 2,749,674	\$ 2,743,102
Investments	4,455,778,991	4,568,084,504
Contributions receivable and held for investment	8,141,793	4,860,368
Accounts and other receivables	932,526	856,002
Property and equipment, net	<u>116,964</u>	<u>165,386</u>
Total assets	<u>\$4,467,719,948</u>	<u>\$4,576,709,362</u>
<b>Liabilities:</b>		
Accounts payable	\$ 3,079,832	\$ 2,276,012
Accrued expenses	<u>167,751</u>	<u>142,304</u>
Total liabilities	<u>3,247,583</u>	<u>2,418,316</u>
<b>Net Assets Available for Benefits</b>	<u><u>\$4,464,472,365</u></u>	<u><u>\$4,574,291,046</u></u>

*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, 2000 and 1999**

	<u>2000</u>	<u>1999</u>
<b>Additions:</b>		
Net gains on variable investments		\$ 604,806,148
Employee contributions	\$ 314,399,046	305,282,184
Fixed investment income	127,059,019	123,984,026
Administrative fees	3,892,787	3,227,395
Transfers from other plans and from Ohio National Life Insurance Company	<u>2,174,042</u>	<u>4,357,182</u>
Total Additions	<u>447,524,894</u>	<u>1,041,656,935</u>
<b>Deductions:</b>		
Net losses on variable investments	373,724,224	
Distributions to participants	174,979,885	152,673,102
Administrative expenses	5,156,588	5,410,773
Sales and asset charges	2,506,114	2,617,590
Transfers to other plans	863,651	714,930
Life insurance premiums	<u>113,113</u>	<u>125,955</u>
Total Deductions	<u>557,343,575</u>	<u>161,542,350</u>
Increase(Decrease) in net assets available for benefits	(109,818,681)	880,114,585
Net assets available for benefits beginning of year	<u>4,574,291,046</u>	<u>3,694,176,461</u>
<b>Net assets available for benefits end of year</b>	<u><u>\$4,464,472,365</u></u>	<u><u>\$4,574,291,046</u></u>

*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 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 (\$8,000, indexed as allowed by law or 33-1/3% of includable annual compensation, increasing to \$8,500 in 2001). 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, 2000 and 1999, there were 1,272 and 1,217 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.

Participants electing to contribute to the Program have the following investment options:

- A fixed return option administered by the Program. Funds are managed and invested by Nationwide Life Insurance Company (Nationwide), Bankers Trust Company (Bankers Trust), State Street Bank and Trust (State Street), and Bank One, NA.
- Variable annuities underwritten by Nationwide.
- Mutual funds managed by American Century Investment Management (American Century), Dodge & Cox Funds (Dodge & Cox), Fidelity Investment Company (Fidelity), Lazard Freres & Co. (Lazard), MFS Institutional Advisors (MFS), Nicholas-Applegate Securities (Nicholas-Applegate), PBHG Funds, Inc. (PBHG) 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.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

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 Public Employees Retirement System (PERS) of Ohio 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 PERS 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.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

### **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 Accountant's 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 (Note 5).

### **Guaranteed Return Option:**

The Program administers the Guaranteed Return Option (GRO), which is the fixed return option offered to participants. As of December 31, 2000, the Program has funds invested in four 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.

One pool is invested in the Nationwide fixed annuity, which is commingled in the general investment account of Nationwide, and managed based upon Nationwide investment guidelines. The remaining pools of the GRO are separate portfolios managed by Nationwide, Bankers Trust, and State Street. Investment guidelines, including asset class, credit rating, portfolio diversification and duration are specified by the Program.

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued**

Funds invested in the Bankers Trust and State Street 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.

Units of variable investments are valued at unit prices of the variable annuity and share prices of mutual funds as reported by the investment carriers, which represent contributions received plus variable investment income 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 \$1,733,782 and \$1,785,855 at December 31, 2000 and 1999, respectively. Premiums paid for these policies are expensed. The amount of life insurance in force was \$21,028,042 and \$21,541,619 at December 31, 2000 and 1999, respectively.

### **Fixed Interest Income:**

Fixed interest income was recorded as earned for each of the investment components of the Guaranteed Return Option. The gross interest rates were adjusted quarterly and ranged from 6.25% to 6.84% during 2000, and from 6.07% to 6.99% during 1999.

## **NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued**

### **Net Gains or Losses on Variable Investments:**

Variable investment income or loss consists of dividends and capital gains paid and appreciation or depreciation of the underlying investments of the mutual funds supporting the variable earnings investments underwritten by Nationwide. Mutual fund 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 3.0% to 6.5% during 2000, and from 3.5% to 7.0% during 1999.

### **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.

### **3. 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 \$4,652,002 and \$610,745 at December 31, 2000 and 1999, respectively.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

### 4. 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, 2000, the carrying amount of cash deposits was \$2,749,674 and the bank balance was \$2,878,547. 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, 1999, the carrying amount of cash deposits was \$2,743,102 and the bank balance was \$2,800,344. 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).

### 5. Administrative Fees:

The Administration Fund recovered customer service and administrative costs through charges made to the Program Fund. Asset charges were based on the net asset value of participant balances. Charges were remitted to the Administration Fund as follows:

April 1, 1998 to March 31, 1999	0.10%
April 1, 1999 to December 31, 1999	0.05%

Beginning in 2000, the Program began charging a \$2.00 per quarter fee to each participant account and eliminated the asset charge.



## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

### 6. Program Investments:

A summary of Program investments is as follows:

	<b>December 31, 2000</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
Guaranteed Return Option:		
Nationwide Ohio Managed Fund	\$ 664,838,519	\$ 668,906,251
Nationwide Fixed Account	438,892,816	438,892,816
Bankers Trust Company	585,167,612	591,200,562
State Street Bank and Trust	255,578,060	258,969,492
Bank One, NA	9,572,525	9,572,525
Total Guaranteed Return Option	1,954,049,532	1,967,541,646
Mutual Funds	1,470,426,262	1,470,426,262
Variable Annuity	971,033,191	971,033,191
Purchased Annuities	60,270,006	60,270,006
Total Investments	\$4,455,778,991	\$4,469,271,105

	<b>December 31, 1999</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
Guaranteed Return Option:		
Nationwide Fixed Account	\$ 649,965,140	\$ 628,621,823
Nationwide Ohio Managed Fund	579,658,104	579,658,104
Bankers Trust Company	481,402,096	471,524,341
State Street Bank and Trust	239,410,065	231,904,984
Bank One, NA	17,186,754	17,186,754
Total Guaranteed Return Option	1,967,622,159	1,928,896,006
Mutual Funds	1,380,034,274	1,380,034,274
Variable Annuity	1,161,347,280	1,161,347,280
Purchased Annuities	59,080,791	59,080,791
Total Investments	\$4,568,084,504	\$4,529,358,351

**NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued**

**Guaranteed Return Option:**

The GRO funds that are invested in the Nationwide Fixed Account are commingled in the general account of Nationwide, are reported at fair value, and are not separately identifiable. Funds invested by Bankers Trust and in the Nationwide Ohio Managed Fund are held in custody by the respective companies for the Program. The quoted market prices of these investments have been used for disclosure purposes. Funds invested by State Street are in a bank commingled passive bond index fund and reported at fair value. A cash account is maintained at Bank One to fund daily cash requirements.

The Program has entered into liquidity guarantee agreements 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 sales and assets charges are \$1,597,504 and \$1,437,637 related to premiums paid for this book value guarantee for the years ended December 31, 2000 and 1999, respectively.

A summary of the fair value of investments in the Guaranteed Return Option by investment category at December 31, 2000 and 1999 is as follows:

	<u>2000</u>	<u>1999</u>
Nationwide Fixed Account	\$ 438,892,816	\$ 579,658,104
Asset-Backed Securities	298,252,132	239,154,242
Collateralized Mortgage Obligations	295,744,939	288,310,644
Passive Bond Index Fund	258,969,492	0
Corporate Bonds	216,388,292	267,230,947
U.S. Treasury and Other		
Agency Obligations	214,820,108	286,678,237
Mortgage-Backed Securities	85,077,670	120,300,766
Guaranteed Investment Contracts	64,042,523	41,817,056
Cash and Cash Equivalents	54,281,092	64,438,322
Commercial Mortgages	<u>41,072,582</u>	<u>41,307,688</u>
 Total Investments	 <u>\$1,967,541,646</u>	 <u>\$1,928,896,006</u>

## 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 mutual fund investments for the years ended December 31, 2000 and 1999 is as follows:

	<u>Mutual Funds-2000</u>			<u>Mutual Funds-1999</u>		
	<u>Fair Value</u>	<u>Share Price</u>	<u>No. of Shares Outstanding (1,000's)</u>	<u>Fair Value</u>	<u>Share Price</u>	<u>No. of Shares Outstanding (1,000's)</u>
Fidelity:						
Contrafund	\$440,718,319	\$ 49.17	8,963	\$ 477,709,288	\$ 60.02	7,959
Magellan Fund	301,384,093	119.30	2,526	339,883,887	136.63	2,488
Equity Income Fund	271,154,740	53.43	5,075	287,900,701	53.48	5,383
Growth Company	199,716,001	71.43	2,796	130,587,097	84.30	1,549
Government Income	<u>7,623,685</u>	9.87	772	<u>6,364,627</u>	9.35	681
Total Fidelity Funds	<u>1,220,596,838</u>			<u>1,242,445,600</u>		
PBHG Growth Fund	<u>89,915,042</u>	31.10	2,891	<u>23,365,076</u>	47.38	493
Dodge & Cox:						
Stock Fund	33,356,138	96.67	345	26,038,559	100.52	259
Balance Fund	<u>29,586,899</u>	63.42	466	<u>20,740,174</u>	65.71	316
Total Dodge & Cox Funds	<u>62,943,037</u>			<u>46,778,733</u>		
American Century						
Income & Growth Fund	<u>44,606,579</u>	30.19	1,478	<u>38,907,890</u>	34.05	1,143
Lazard Small Cap Fund	<u>18,427,028</u>	18.07	1,020	<u>15,984,360</u>	16.57	965
Vanguard International						
Growth Fund	<u>16,816,062</u>	18.87	891	<u>12,552,615</u>	22.49	558
MFS New Discovery Fund	<u>15,605,757</u>	18.31	852			
Nicholas Applegate International						
Core Growth Fund	<u>1,515,919</u>	23.42	65			
Total Mutual Funds	<u>\$1,470,426,262</u>			<u>\$1,380,034,274</u>		

### Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were \$60,270,006 and \$59,080,791 at December 31, 2000 and 1999, respectively.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

### Variable Annuity:

Units of variable investments are priced at unit values of the Nationwide Deferred Compensation Variable Annuity. A summary of variable annuity investments for the years ended December 31, 2000 and 1999 is as follows:

	<u>Variable Annuity-2000</u>			<u>Variable Annuity-1999</u>		
	<u>Fair Value</u>	<u>Unit Price</u>	<u>No. of Units Outstanding (1,000's)</u>	<u>Fair Value</u>	<u>Unit Price</u>	<u>No. of Units Outstanding (1,000's)</u>
Janus Twenty	\$346,736,050	\$4.10	84,627	\$ 508,832,962	\$6.06	83,933
Janus Fund	144,116,234	3.52	40,983	137,921,842	4.13	33,373
AIM Constellation	141,809,206	2.82	50,323	131,217,051	3.13	41,918
SEI S&P 500 Index	130,045,660	5.61	23,201	129,718,314	6.18	20,977
Putnam Investors Growth	103,778,814	26.59	3,904	130,783,666	32.62	4,009
American Century Growth	61,951,493	9.37	6,609	80,252,513	10.99	7,301
Templeton Foreign	30,645,940	1.76	17,396	31,404,735	1.83	17,172
Bond Fund of America	<u>11,949,794</u>	2.72	4,390	<u>11,216,197</u>	2.56	4,375
Total Nationwide Variable Annuity	<u>\$971,033,191</u>			<u>\$1,161,347,280</u>		

### 7. Sales and Asset Charges:

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:

	<u>2000</u>	<u>1999</u>
Nationwide	\$1,498,798	\$1,421,891
Bankers Trust	687,270	580,204
State Street	303,367	416,181
Bank One	<u>16,679</u>	<u>0</u>
	<u>\$2,506,114</u>	<u>\$2,418,276</u>

In addition to the fees remitted to the Administrative Fund, an annual fee was charged on assets in the Variable Annuity and retained by Nationwide. The annual Variable Annuity fee was 0.05% from July 1, 1997 until it was discontinued on June 30, 1999. Variable Annuity fees were \$199,314 for 1999.

### 8. Vacation and Sick Leave:

As of December 31, 2000 and 1999, \$149,285 and \$124,722, 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.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

### 9. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	<b><u>Estimated Useful Life</u></b>	<b><u>2000</u></b>	<b><u>1999</u></b>
Furniture and fixtures	7 years	\$114,524	\$103,808
Office equipment	5 years	132,670	125,614
Computer equipment	3-5 years	345,315	324,241
Leasehold improvements	4 years	<u>12,600</u>	<u>12,600</u>
		605,109	566,263
Less accumulated depreciation and amortization		<u>488,145</u>	<u>400,877</u>
		<u>\$116,964</u>	<u>\$165,386</u>

### 10. 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 gross 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.

### 11. Leases:

The Board has entered into an amended noncancelable operating lease for office space that began December 1, 1996 and expires December 31, 2001. The amended lease changed the allocation between base rent and operating expenses. Base rental expense for operating leases was \$58,229 and \$55,939 during 2000 and 1999, respectively. Operating expenses and real estate taxes allocated under the lease agreement were \$60,582 and \$56,971 during 2000 and 1999, respectively.

Future scheduled minimum lease payments under the noncancelable office space operating lease at December 31, 2000 are \$57,533 for the year ending December 31, 2001.

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

### 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.

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 medical benefits in the amount of \$250,000 for both 2000 and 1999. The Program also maintains a lifetime maximum stop loss coverage per employee for medical benefits in the amount of \$2,500,000 for both 2000 and 1999.

### 13. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Public Employees Retirement System of Ohio (PERS). PERS is a cost-sharing, multiple-employer public employee retirement system, which provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefits is provided to PERS by Chapter 145 of the Ohio Revised Code.

Eligible employees are entitled to a retirement benefit, payable monthly for life, equal to 2.2% of their final average salary for each year of credited service up to 30 years and 2.5% for each year of service over 30 years. Final average salary is the employee's average salary over the highest three years of earnings. Benefits fully vest on reaching five years of service. Vested employees may retire at any age with 30 years of credited service, at age 55 with a minimum of 25 years of accredited service, and at age 60 with a minimum of 5 years of service. Employees retiring with less than 30 years of service and under age 65 receive reduced retirement benefits. Benefits are established by state statute.

Employees covered by PERS 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; 9.35% is the portion used to fund pension obligations, with the remaining used to fund the health care program for retirees. During 2000, the PERS Board instituted a temporary employer contribution rate rollback. The contribution rate for local government employers including the Program was 10.84% of covered payroll. The required employer contributions for the current year and the two preceding years are as follows:

## NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

<u>Year Ended December 31</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
2000	\$88,900	100%
1999	\$110,600	100%
1998	\$108,100	100%

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

In addition to pension benefits, PERS provides Other Post Employment Benefits (OPEB), in accordance with state statutes, to all employees who retire with 10 or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants, as well as to disability recipients.

A portion of each employer's contribution to PERS is set aside for the advanced funding of post employment health care. Of the 10.84% of employee payroll contributed by the Board to PERS, 4.3% or approximately \$35,300 was the portion used to fund health care. Statutory rates equal the actuarially determined contribution requirements.

OPEB is financed through employer contributions and investment earnings there on. The contributions allocated to retiree health and Medicare, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

### **14. Eliminations:**

The Administration Fund recovers customer service and administrative costs through charges made to the Program Fund. Charges of \$1,106,779 and \$2,244,756 were made during 2000 and 1999, respectively, for this purpose, including \$15,390 and \$12,680 payable to the Administrative Fund as of December 31, 2000 and 1999, respectively. These inter-fund charges and payables have been eliminated in the Combining Statement of Net Assets Available for Benefits and the Combining Statement of Changes in Net Assets Available for Benefits.

**SUPPLEMENTAL COMBINING STATEMENTS OF NET ASSETS  
AVAILABLE FOR BENEFITS**

**December 31, 2000  
With Totals for 1999**

	<b>2000</b>				<b>1999 TOTAL</b>
	<b>PROGRAM FUND</b>	<b>ADMINIS- TRATION FUND</b>	<b>ELIMINATIONS</b>	<b>TOTAL</b>	
<b>Assets:</b>					
Cash and cash equivalents		\$2,749,674		\$2,749,674	\$ 2,743,102
Investments	\$4,455,778,991			4,455,778,991	4,568,084,504
Contributions receivable and held for investment	8,141,793			8,141,793	4,860,368
Accounts and other receivables		947,916	\$(15,390)	932,526	856,002
Property and equipment, net		116,964		116,964	165,386
Total assets	\$4,463,920,784	\$3,814,554	\$(15,390)	\$4,467,719,948	\$4,576,709,362
<b>Liabilities:</b>					
Accounts payable	\$2,657,399	437,823	\$(15,390)	\$3,079,832	\$ 2,276,012
Accrued expenses		167,751		167,751	142,304
Total liabilities	2,657,399	605,574	(15,390)	3,247,583	2,418,316
<b>Net Assets Available for Benefits</b>	\$4,461,263,385	\$3,208,980	\$ 0	\$4,464,472,365	\$4,574,291,046



**SUPPLEMENTAL COMBINING STATEMENTS OF CHANGES  
IN NET ASSETS AVAILABLE FOR BENEFITS**

**for the year ended December 31, 2000  
With Totals for 1999**

	2000				
	PROGRAM FUND	ADMINIS- TRATION FUND	ELIMINATIONS	TOTAL	1999 TOTAL
<b>Additions:</b>					
Net gains on variable investments					\$ 604,806,148
Employee contributions	\$314,399,046			\$314,399,046	305,282,184
Fixed interest income	126,820,050	\$238,969		127,059,019	123,984,026
Administrative fee		4,999,566	\$(1,106,779)	3,892,787	3,227,395
Transfers from other plans and from Ohio National Life Insurance Company	2,174,042			2,174,042	4,357,182
	443,393,138	5,238,535	(1,106,779)	447,524,894	1,041,656,935
<b>Deductions:</b>					
Net losses on variable investments	373,724,224			373,724,224	
Distributions to participants	174,979,885			174,979,885	152,673,102
Administrative fees	1,106,779	5,156,588	(1,106,779)	5,156,588	5,410,773
Sales and asset charges	2,506,114			2,506,114	2,617,590
Transfers to other plans	863,651			863,651	714,930
Life insurance premiums	113,113			113,113	125,955
	553,293,766	5,156,588	(1,106,779)	557,343,575	161,542,350
Increase(Decrease) in net assets available for benefits	(109,900,628 )	81,947		(109,818,681)	880,114,585
Net assets available for benefits beginning of year	4,571,164,013	3,127,033		4,574,291,046	3,694,176,461
<b>Net assets available for benefits end of year</b>	<b>\$4,461,263,385</b>	<b>\$3,208,980</b>	<b>\$ 0</b>	<b>\$4,464,472,365</b>	<b>\$4,574,291,046</b>

**SUPPLEMENTAL SCHEDULE OF  
ADMINISTRATION FUND DEDUCTIONS**

**for the years ended December 31, 2000 and 1999**

	<u>2000</u>	<u>1999</u>
Marketing and Customer Service	\$3,035,880	\$3,366,452
Salaries and benefits:		
Salaries and wages	848,926	831,913
Insurance	89,400	120,962
Retirement contributions	89,021	110,649
Other benefits	33,116	13,145
	<u>1,060,463</u>	<u>1,076,669</u>
Administration:		
Postage and delivery	309,927	325,538
Participant statements	116,062	133,511
	<u>425,989</u>	<u>459,049</u>
Professional Services:		
Consulting	100,718	34,281
Auditing	45,514	60,318
Data Processing	0	75,599
	<u>146,232</u>	<u>170,198</u>
Rents	118,811	112,910
Miscellaneous	99,069	(55,446)
Depreciation and amortization	86,923	105,222
Data processing expense	58,241	55,027
Office supplies:		
Printing	25,628	21,086
Office supplies	19,444	16,575
Telephone and fax	3,931	6,027
	<u>49,003</u>	<u>43,688</u>
Insurance	46,284	45,514
Professional expense	<u>29,693</u>	<u>31,490</u>
Total Administration Fund Deductions	<u>\$5,156,588</u>	<u>\$5,410,773</u>

**SUPPLEMENTAL COMBINED SCHEDULE OF  
CASH RECEIPTS AND DISBURSEMENTS**

**for the years ended December 31, 2000 and 1999**

	<u>2000</u>	<u>1999</u>
Cash and cash equivalents, beginning of year	\$ 2,743,102	\$ 2,515,133
<b>Receipts:</b>		
Employee contributions	311,117,621	305,428,610
Investment withdrawals for distribution	174,979,885	152,673,102
Administrative fees and income	4,052,522	3,229,045
Transfers from other plans	<u>2,174,042</u>	<u>4,357,182</u>
Total cash receipts	<u>492,324,070</u>	<u>465,687,939</u>
<b>Disbursements:</b>		
Investment purchases	308,735,359	304,075,952
Distributions to participants	174,979,885	152,673,102
Administrative fees	5,124,944	5,218,182
Sales and asset charges	2,472,761	2,624,199
Transfers to other plans	863,651	714,930
Life insurance premiums	113,113	125,955
Purchase of property and equipment	<u>27,785</u>	<u>27,650</u>
Total cash disbursements	<u>492,317,498</u>	<u>465,459,970</u>
Cash and cash equivalents, end of year	<u>\$ 2,749,674</u>	<u>\$ 2,743,102</u>



OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

# INVESTMENT SECTION

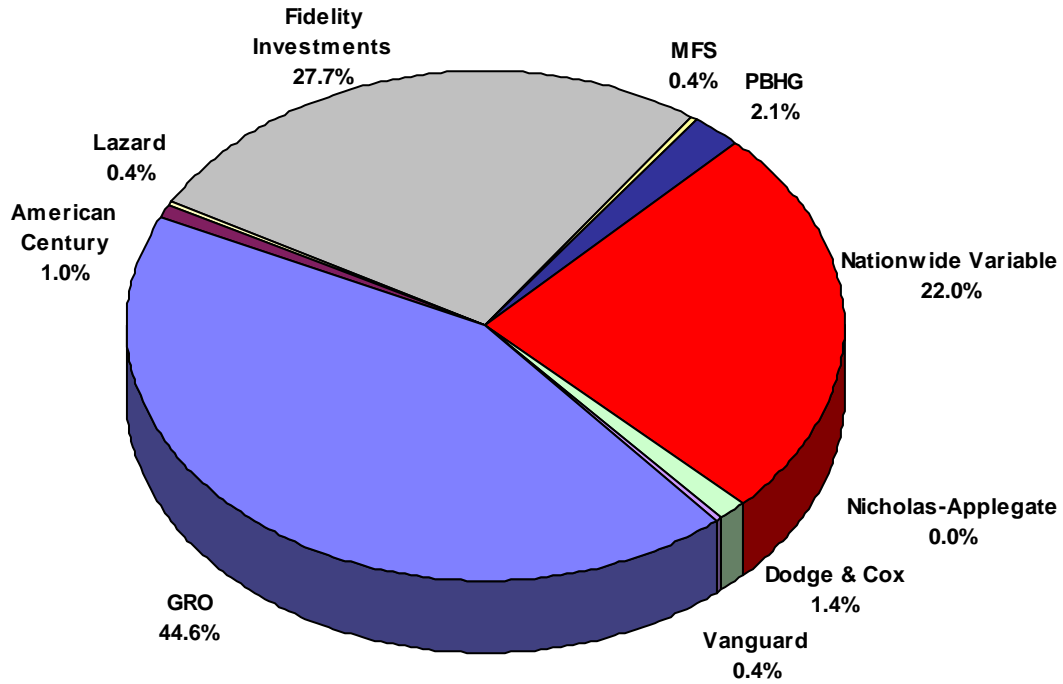
## SCHEDULE OF INVESTMENTS AND PERFORMANCE

Investment Option	Fair Value <u>12/31/00</u>	Net Investment Return 2000	Fair Value <u>12/31/99</u>	Net Investment Return 1999
Guaranteed Return Option	\$1,967,541,646	6.46%	\$1,928,896,006	6.39%
Fidelity Funds:				
Contrafund	440,718,319	(6.81)	477,709,288	24.94
Magellan	301,384,093	(9.31)	339,883,887	23.98
Equity Income	271,154,740	8.54	287,900,701	7.09
Growth Company	199,716,001	(6.32)	130,587,097	79.37
Government Income	<u>7,623,685</u>	12.63	<u>6,364,627</u>	(2.32)
Total Fidelity Funds	<u>1,220,596,838</u>		<u>1,242,445,600</u>	
Nationwide Variable Annuity:				
Janus Twenty	346,736,050	(32.42)	508,832,962	64.77
Janus Fund	144,116,234	(14.91)	137,921,842	47.01
AIM Constellation	141,809,206	(9.98)	131,217,051	44.95
SEI S&P 500 Index	130,045,660	(9.35)	129,718,314	20.72
Putnam Investors	103,778,814	(18.50)	130,783,666	30.04
American Century Growth	61,951,493	(14.71)	80,252,513	34.57
Templeton Foreign	30,645,940	(3.67)	31,404,735	39.10
Bond Fund of America	<u>11,949,794</u>	6.19	<u>11,216,197</u>	2.21
Total Variable Annuity	<u>971,033,191</u>		<u>1,161,347,280</u>	
PBHG Growth Fund	89,915,042	(22.99)	23,365,076	92.34
Dodge & Cox Funds:				
Stock Fund	33,356,138	16.30	26,038,559	20.13
Balanced Fund	<u>29,586,899</u>	15.14	<u>20,740,174</u>	12.02
Total Dodge & Cox Funds	<u>62,943,037</u>		<u>46,778,733</u>	
American Century Income & Growth Fund	44,606,579	(10.53)	38,907,890	17.88
Lazard Small Cap Fund	18,427,028	15.89	15,984,360	1.72
Vanguard International Growth Fund	16,816,062	(8.60)	12,552,615	26.26
MFS New Discovery Fund	15,605,757	(0.08)	0	0.00
Nicholas Applegate International Core Growth Fund	<u>1,515,919</u>	(23.22)	<u>0</u>	0.00
Total Invested Funds (1)	<u>\$4,409,001,099</u>		<u>\$4,470,277,560</u>	

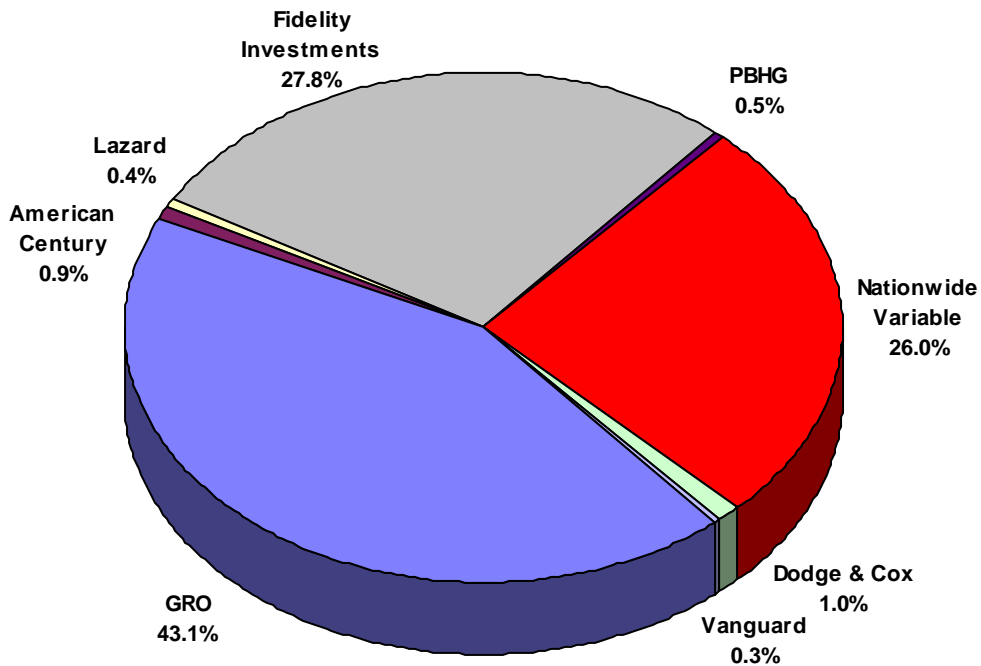
(1) Does not include amounts held for purchased annuities by Nationwide.

# INVESTMENT MIX

December 31, 2000

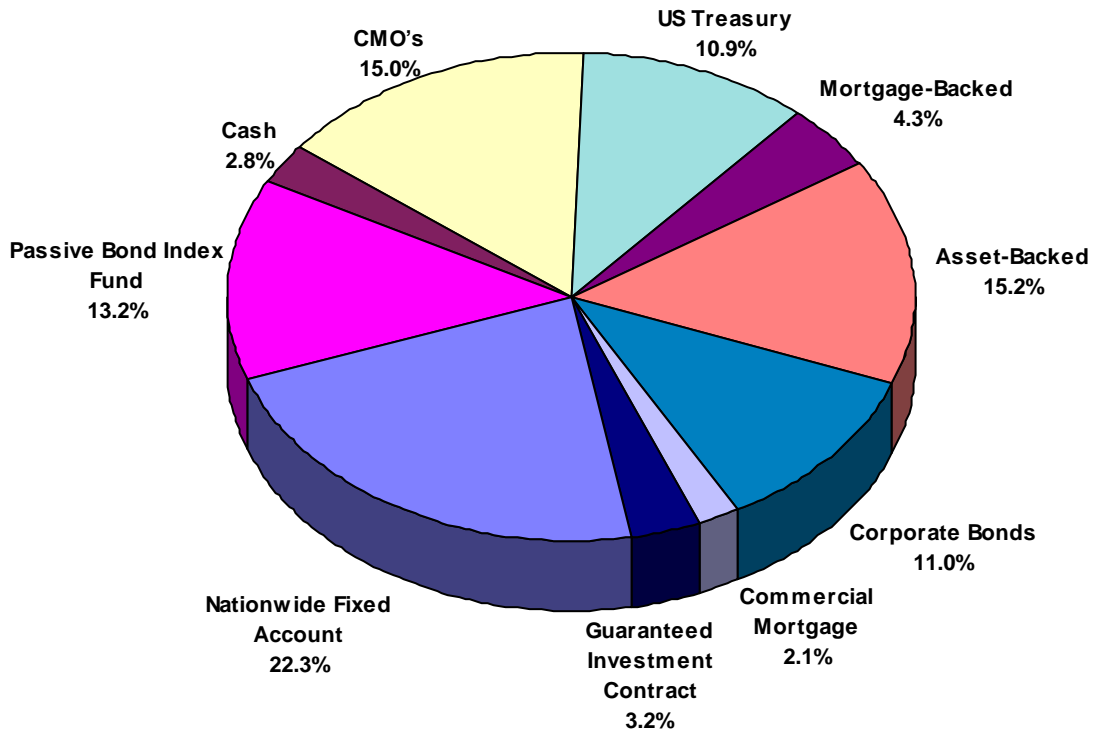


December 31, 1999

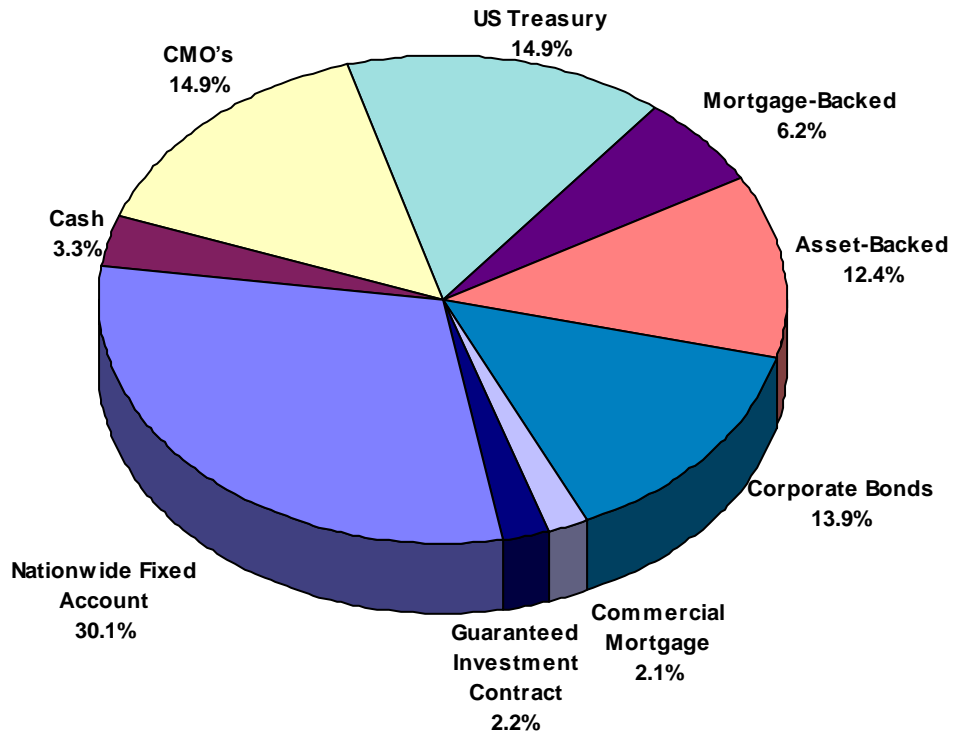


# GRO DIVERSIFICATION

## December 31, 2000



## December 31, 1999





OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

# STATISTICAL SECTION



## NET ASSETS AVAILABLE FOR BENEFITS

1991	\$1,159,726,638
1992	1,358,683,745
1993	1,597,724,603
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

## ADDITIONS BY TYPE

	Employee Contributions	Fixed Investment Income	Net Gain (Loss) On Variable Investments	Transfers From Life Insurance & Other Plans	Administrative Recordkeeping Fees (1)	Total
1991	\$140,421,626	\$ 74,575,953	\$ 44,880,884	\$1,270,913		\$ 261,149,376
1992	159,977,352	81,958,515	15,757,623	2,115,956		259,809,446
1993	180,948,399	89,758,775	38,436,027	1,195,633		310,338,834
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

- (1) 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	Sales and Asset Charges	Transfers To Other Plans (1)	Total
1991	\$ 47,477,489	\$3,717,807	\$305,781	\$ 523,342		\$ 52,024,419
1992	55,585,106	4,331,720	272,138	663,375		60,852,339
1993	65,570,966	4,619,133	239,978	867,899		71,297,976
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

- (1) The Program did not permit transfers to other "457" plans prior to 1996.

## EMPLOYEE PARTICIPATION AND DEFERRAL TRENDS

	<b>Eligible Employees</b>	<b>Total Participants</b>	<b>Participants Currently Contributing</b>	<b>Average Annual Deferrals</b>	<b>Total Annual Deferrals</b>	<b>Net Assets Available for Benefits</b>
1991	563,321	91,919	68,019	\$2,064	\$140,421,626	\$1,159,726,638
1992	636,254	100,528	75,628	2,115	159,977,352	1,358,683,745
1993	639,583	110,445	84,068	2,152	180,948,399	1,597,724,603
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

## NUMBER OF EMPLOYERS CONTRIBUTING

	State	County	City	Metro		Library	Medical			Township	Total
				Housing	Village		Center	Education	Misc		
1991	1	88	190	19	43	86	30	70	56	88	671
1992	1	88	198	22	62	103	30	107	61	95	767
1993	1	88	204	26	80	113	30	140	68	110	860
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

# LISTING OF EMPLOYERS CONTRIBUTING

## State of Ohio

### Counties

Adams  
Allen  
Ashland  
Ashtabula  
Athens  
Auglaize  
Belmont  
Brown  
Butler  
Carroll  
Champaign  
Clark  
Clermont  
Clinton  
Columbiana  
Coshocton  
Crawford  
Cuyahoga  
Darke  
Defiance  
Delaware  
Erie  
Fairfield  
Fayette  
Franklin  
Fulton  
Gallia  
Geauga  
Greene  
Guernsey  
Hamilton  
Hancock  
Hardin  
Harrison  
Henry  
Highland  
Hocking  
Holmes  
Huron  
Jackson  
Jefferson  
Knox  
Lake  
Lawrence  
Licking  
Logan  
Lorain  
Lucas  
Madison

Mahoning  
Marion  
Medina  
Meigs  
Mercer  
Miami  
Monroe  
Montgomery  
Morgan  
Morrow  
Muskingum  
Noble  
Ottawa  
Paulding  
Perry  
Pickaway  
Pike  
Portage  
Preble  
Putnam  
Richland  
Ross  
Sandusky  
Scioto  
Seneca  
Shelby  
Stark  
Summit  
Trumbull  
Tuscarawas  
Union  
Van Wert  
Vinton  
Warren  
Washington  
Wayne  
Williams  
Wood  
Wyandot

### Cities

Akron  
Alliance  
Amherst  
Ashland  
Ashtabula  
Athens  
Aurora  
Avon Lake  
Barberton  
Bay Village  
Beachwood  
Beavercreek

Bedford  
Bedford Heights  
Bellbrook  
Bellefontaine  
Bellevue  
Belpre  
Berea  
Bexley  
Bowling Green  
Brecksville  
Broadview Heights  
Brooklyn  
Brook Park  
Brookville  
Brunswick  
Bryan  
Cambridge  
Campbell  
Canton  
Celina  
Centerville  
Cheviot  
Chillicothe  
Cincinnati  
Circleville  
Clayton  
Cleveland  
Cleveland Heights  
Clyde  
Columbus  
Conneaut  
Cortland  
Coshocton  
Cuyahoga Falls  
Dayton  
Deer Park  
Defiance  
Delaware  
Delphos  
Dover  
Dublin  
East Cleveland  
East Liverpool  
East Palestine  
Eastlake  
Eaton  
Elyria  
Englewood  
Euclid  
Fairborn  
Fairfield  
Fairlawn  
Fairview Park  
Findlay

**Cities**

Forest Park  
Fostoria  
Franklin  
Fremont  
Gahanna  
Galion  
Gallipolis  
Garfield Heights  
Geneva  
Girard  
Grandview Heights  
Green  
Greenfield  
Greenville  
Grove City  
Hamilton  
Harrison  
Heath  
Highland Heights  
Hilliard  
Hubbard  
Huber Heights  
Hudson  
Huron  
Independence  
Ironton  
Jackson  
Kent  
Kenton  
Kettering  
Kirtland  
Lakewood  
Lancaster  
Lebanon  
Lima  
Logan  
London  
Lorain  
Louisville  
Loveland  
Lyndhurst  
Macedonia  
Mansfield  
Maple Heights  
Marietta  
Marion  
Marysville  
Mason  
Massillon  
Maumee  
Mayfield Heights  
Medina

Mentor  
Mentor-On-The-Lake  
Miamisburg  
Middleburg Heights  
Middletown  
Milford  
Montgomery  
Moraine  
Mount Healthy  
Mount Vernon  
Munroe Falls  
Napoleon  
New Philadelphia  
Newark  
Newton Falls  
Niles  
North Canton  
North College Hill  
North Olmsted  
North Ridgeville  
North Royalton  
Northwood  
Norton  
Norwalk  
Norwood  
Oakwood  
Oberlin  
Olmstead Falls  
Oregon  
Orrville  
Oxford  
Painesville  
Parma  
Parma Heights  
Pataskala  
Pepper Pike  
Perrysburg  
Pickerington  
Piqua  
Port Clinton  
Portsmouth  
Ravenna  
Reading  
Reynoldsburg  
Richmond Heights  
Rittman  
Riverside  
Rocky River  
Rossford  
Salem  
Sandusky  
Sebring  
Seven Hills  
Shaker Heights

Sharonville  
Sheffield Lake  
Shelby  
Sidney  
Silverton  
Solon  
South Euclid  
Springboro  
Springdale  
Springfield  
Saint Bernard  
Saint Clairsville  
Saint Marys  
Steubenville  
Stow  
Streetsboro  
Strongsville  
Struthers  
Sylvania  
Tallmadge  
Tiffin  
Tipp City  
Toledo  
Toronto  
Trenton  
Trotwood  
Troy  
Twinsburg  
University Heights  
Upper Arlington  
Upper Sandusky  
Urbana  
Van Wert  
Vandalia  
Vermilion  
Wadsworth  
Wapakoneta  
Warren  
Warrensville Heights  
Washington Courthouse  
Wauseon  
Waverly  
West Carrollton  
West Milton  
Westerville  
Westlake  
Whitehall  
Wickliffe  
Willard  
Willoughby  
Willoughby Hills  
Willowick  
Wilmington  
Wooster

**Cities**

Worthington  
Wyoming  
Xenia  
Youngstown  
Zanesville

**Metropolitan Housing  
Authorities**

Akron  
Allen  
Ashtabula  
Athens  
Belmont  
Butler  
Cambridge  
Cincinnati  
Clermont  
Columbus  
Coshocton  
Cuyahoga  
Dayton  
Deleware  
Erie  
Fairfield  
Gallia  
Geauga  
Greene  
Harrison  
Hocking  
Ironton  
Jackson  
Jefferson  
Knox  
Lake  
Licking  
Lorain  
Lucas  
Mansfield  
Marion  
Medina  
Morgan  
Pike  
Portage  
Portsmouth  
Sandusky  
Springfield  
Stark  
Trumbull  
Wayne  
Youngstown

Zanesville

**Villages**

Andover  
Ansonia  
Apple Creek  
Arcanum  
Archbold  
Arlington Heights  
Barnesville  
Bellville  
Bentleyville  
Bloomville  
Blufton  
Bradner  
Bratenahl  
Brooklyn Heights  
Buckeye Lake  
Burton  
Cadiz  
Canal Fulton  
Canal Winchester  
Carey  
Carlisle  
Carrollton  
Centerburg  
Chagrin Falls  
Chardon  
Clayton  
Cleves  
Coal Grove  
Coldwater  
Columbiana  
Columbus Grove  
Crestline  
Creston  
Crooksville  
Cuyahoga Heights  
Delta  
Deshler  
Doylestown  
Elida  
Elmore  
Evendale  
Fairport Harbor  
Fort Loramie  
Fort Recovery  
Garrettsville  
Gates Mills  
Geneva-on-the-Lake  
Genoa  
Georgetown  
Germantown

Gibsonburg  
Glenwillow  
Glouster  
Golf Manor  
Grafton  
Greenhills  
Groveport  
Hartville  
Hebron  
Hicksville  
Highland Hills  
Hiram  
Holgate  
Holland  
Indian Hill  
Jackson Center  
Jefferson  
Jeffersonville  
Kalida  
Kelleys Island  
Kirtland Hills  
Lagrange  
Leetonia  
Leipsic  
Lexington  
Lincoln Heights  
Lisbon  
Lockland  
Lodi  
Lordstown  
Loudonville  
Madison  
Malvern  
Mantua  
Marblehead  
Mariemont  
Mayfield  
McArthur  
McClure  
McComb  
McDonald  
Middlefield  
Milan  
Millbury  
Millersburg  
Mingo Junction  
Minster  
Monroeville  
Moreland Hills  
Mount Sterling  
New Albany  
New Boston  
New Bremen  
New Concord

**Villages**

New London  
New Paris  
New Richmond  
North Baltimore  
North Kingsville  
North Randall  
Oakwood  
Obetz  
Ontario  
Orange  
Ottawa  
Ottawa Hills  
Ottoville  
Paulding  
Pemberville  
Perrysville  
Plymouth  
Powell  
Reminderville  
Republic  
Richfield  
Richwood  
Roaming Shores  
Russells Point  
Sabina  
Seville  
Shadyside  
Sheffield  
Silver Lake  
South Russell  
South Zanesville  
Saint Henry  
Saint Paris  
Swanton  
Syracuse  
Terrace Park  
Valley View  
Versailles  
Waite Hill  
Walbridge  
Walton Hills  
Waynesville  
Wellington  
West Jefferson  
Wintersville  
Woodlawn  
Woodville  
Woodmere

**Libraries**

Akron/Summit County  
Amherst Public  
Amos Memorial Public  
Archbold Community  
Ashland Public  
Ashtabula County District  
Auglaize County Public  
Avon Lake Public  
Barberton  
Barnesville Hutton Memorial  
Bellevue Public  
Bexley Public  
Birchard Public  
Briggs Lawrence County  
Bristol Public  
Bucyrus Public  
Burton Public  
Carnegie Public/Fayette  
County  
Carnegie Public/East  
Liverpool  
Chillicothe/Ross County  
Public  
Cincinnati/Hamilton County  
Public  
Clark County Public  
Clermont County Law  
Clermont County Public  
Cleveland Heights/University  
Heights Public  
Cleveland Law  
Cleveland Public  
Coldwater Public  
Columbiana Public  
Columbus Law  
Columbus Metropolitan  
Coshocton Public  
Cuyahoga County Public  
Dayton Law  
Dayton/Montgomery County  
Public  
Defiance Public  
Delaware County District  
East Palestine Memorial  
Ella M. Everhard Public  
Elyria Public  
Euclid Public  
Fairfield County District  
Fairport Harbor Public  
Findlay/Hancock County  
Public

Franklin Public  
Galion Public  
Gallia County District  
Geauga County Public  
Germantown Public  
Girard Free  
Grandview Heights Public  
Granville Public  
Greene County Public  
Greenville Public  
Harbor-Topky  
Henderson Memorial Public  
Herrick Memorial  
Highland County  
Holmes County District  
Hubbard  
Huron Public  
Ida Rupp Public  
Jackson City  
Kaubisch Memorial  
Kent Free  
Kinsman Free  
Lakewood Public  
Lane Public  
Lebanon Public  
Lima Public  
Logan County District  
Logan/Hocking County  
District  
London Public  
Lorain Public  
Loudonville Public  
Madison Public  
Mansfield/Richland County  
Marion Public  
Martins Ferry Public  
Marvin Memorial  
Mary L. Cook Public  
Marysville Public  
Mason Public  
Massillon Public  
McComb Public  
McKinley Memorial  
Medina County District  
Meigs County Public  
Mentor Public  
Middletown Public  
Milton-Union Public  
Minerva Public  
Molo Regional  
Montpelier Public  
Morley  
Mount Vernon/Knox County  
Public



## **Libraries**

Muskingum County  
Nelsonville Public  
New Madison Public  
Newark Public  
Newton Falls Public  
NOLA Regional  
North Baltimore  
North Canton Public  
Northwest  
Norwalk Public  
Oak Harbor Public  
Oberlin Public  
Ohio Valley Area  
Orrville Public  
Pataskala Public  
Paulding County/Carnegie  
Perry Public  
Pickaway County District  
Pickerington Public  
Pike County  
Portage County District  
Porter Public  
Portsmouth Public  
Putnam County District  
Ritter Public  
Rock Creek Public  
Rocky River Public  
Rossford Public  
Sandusky  
Shaker Heights Public  
Southeastern Ohio Library  
Organization  
Southwest Public  
Saint Clairesville Public  
Saint Mary's Community  
Stark County District  
Steubenville/Jefferson County  
Swanton Local School  
District Public  
Tiffin-Seneca Public  
Tipp City Public  
Toledo-Lucas County Public  
Troy-Miami County Public  
Trumbull County Law  
Tuscarawas County Public  
Twinsburg Public  
Upper Arlington Public  
Warren-Trumbull County  
Public  
Washington-Centerville  
Washington County Public  
Way Public

Wayne County Public  
Wayne Public  
West Jefferson Public  
Westerville Public  
Wickliffe Public  
Willard Memorial  
Williams County Public  
Willoughby-Eastlake Public  
Wilmington-Clinton County  
Wood County District Public  
Worthington Public  
Wright Memorial  
Youngstown-Mahoning  
County Public

## **Medical Centers**

Adams County  
Behavioral Health  
Generations  
Berger  
Brown County General  
Butler Behavioral Health  
Services  
Clinton Memorial  
Community Memorial  
Drake Center Inc.  
Edwin Shaw  
Fairfield County Drug and  
Alcohol Center  
Fairfield Medical Center  
Fayette County Memorial  
Franklin County Mental  
Health  
Health Alliance  
Highland District  
Hocking Valley Community  
Pomerene Memorial Hospital  
Marion General  
Mary Rutan Health  
Association  
Mercer County Community  
Metrohealth Medical Center  
Metrohealth Center for  
Skilled Nursing  
Morrow County  
Paulding County Memorial  
Quadco Rehabilitation Center  
River Valley Health System  
Robinson Memorial  
Stillwater Health Center  
Union County Memorial  
Warren County Mental  
Health Center

Warren County Board of  
MR/DD  
Wooster City  
Wyandot Memorial

## **Schools/Universities**

Adams County/Ohio Valley  
School District  
Adena Board of Education  
Akron City Schools  
Apollo Career Center  
Arcadia Local School District  
Archbold Area Local Schools  
Ashland City School District  
Ashland County-West  
Holmes JVSD  
Athens City Schools  
Athens Meigs Education  
Service Center  
Auburn Vocational School  
District  
Auglaize County Board of  
Education  
Avon Lake City Schools  
Ayersville Local Schools  
Bay Village City Schools  
Beachwood Board of  
Education  
Beavercreek Board of  
Education  
Bedford Board of Education  
Bellefontaine City Schools  
Belmont Technical College  
Belpre City Schools  
Big Walnut Local Schools  
Bloom-Vernon Schools  
Bowling Green City Board of  
Education  
Bowling Green State  
University  
Brooklyn City School District  
Brunswick City Schools  
Buckeye Joint Vocational  
School  
Buckeye Valley Local Schools  
Bucyrus City Schools  
Caldwell Exempted Village  
Schools  
Cambridge City Schools  
Canal Winchester Schools  
Canton City Schools  
Canton Local Schools

**Schools/Universities**

Carey Exempted Village Schools  
Carrollton Exempted Village Schools  
Centerburg Local Schools  
Central Ohio Technical College  
Central State University  
Chagrin Falls Village Schools  
Chardon Board of Education  
Chesapeake Exempted Village Schools  
Chillicothe City Schools  
Cincinnati State Technical College  
Circleville City Schools  
Clay Local Schools  
Claymont City Schools  
Clear Fork Valley Schools  
Cleveland State University  
Columbia Local Board of Education  
Columbiana County Board of Education  
Columbiana County Career Center  
Columbus City School District  
Columbus Grove Local Schools  
Columbus State Community College  
Copley Fairlawn City Schools  
Crestview Local School District  
Cuyahoga Community College  
Danville Local School District  
Darke County Board of Education  
Dawson Bryant Schools  
Dayton Board of Education  
Delaware Joint Vocational School  
Delaware Union Education Service Center  
East Holmes Local Schools  
East Knox Local Schools  
Eastern Local School District  
Eastern Local Schools-Reedsville

Eastland Vocational School  
Elida Local School District  
Elyria City Schools  
Erie Huron Ottawa Education Service Center  
Evergreen Local Schools  
Fairbanks Local School District  
Fairfield City Schools  
Fairport Harbor Schools  
Fairview Park Board of Education  
Federal Hocking Local Schools  
Findlay City School District  
Four County Career Center  
Franklin City Schools  
Franklin County Board of Education  
Franklin Local Schools  
Fredericktown Local Schools  
Frontier Local Schools  
Gallia County Local Schools  
Gallia Jackson Vinton JVS District  
Gallia Vinton Education Service Center  
Georgetown Exempted Village Schools  
Gorham Fayette Local Schools  
Green Local Board of Education  
Green Local School District  
Greene County Education Service Center  
Groveport-Madison Local Schools  
Hamilton Local Schools  
Hancock County Education Service Center  
Heath City Schools  
Hilliard City Schools  
Hocking Valley Technical-SEPTA Center  
Hudson Local School District  
Huntington Local School  
Huron City Schools  
Huron County Education Service Center  
Ironton City Board of Education  
Indian Creek School District  
Jackson City School District

Jefferson County Schools  
Jefferson Community College  
Johnstown-Monroe Board of Education  
Kalida Local Schools  
Kent State University  
Kings Local Schools  
Knox County Schools  
Knox County Career Center  
Lake County Community College  
Lakewood City Schools  
Lakewood Local Schools  
Lakota Local School District  
Lancaster City Schools Education Service Center  
Lawrence County Education Service Center  
Lawrence County Joint Vocational School  
Lebanon City Schools  
Lexington Local Schools  
Liberty-Benton Local Schools  
Licking Heights Local Schools  
Lima City Schools  
Lima Technical College  
Logan Elm Local School District  
Logan County Education Service Center  
Logan-Hocking School District  
Lorain County Community College  
Lorain County Education Service Center  
Lordstown Board of Education  
Loudonville-Perrysville Schools  
Madison Champaign Education Service Center  
Mansfield City Schools  
Mapleton Local Schools  
Marietta City Schools  
Marion Technical College  
Marlington Local Schools  
Mayfield Board of Education  
Maysville Local Schools  
Medical College of Ohio  
Meigs Local Schools  
Miami University  
Miamisburg City Schools

## **Schools/Universities**

Mid-East Ohio Vocational School	Pickaway-Ross County Joint Vocational School	Springfield Local Board of Education
Mid-Ohio Educational Service Center	Pickerington Local Board of Education	Springfield Local Schools
Minerva Local Schools	Pike County Joint Vocational School District	Stark Area Vocational School District
Minford Local School District	Pioneer Career and Technology Center	Stark State College of Technology
Mohawk Local Schools	Plain Local Schools	Strongsville City Schools
Monroeville Local Schools	Pleasant Local Schools	Summit County Board of Education
Morgan Local School District	Plymouth Local Schools	Swanton Local Schools
Mount Vernon City Schools	Poland Local School District	Switzerland Schools
Muskingum Valley Education Service Center	Polaris Career Center	Sylvania City Board of Education
NE Ohio Universities College of Medicine	Portage County Board of Education	Symmes Valley Local School District
Nelsonville-York City Board of Education	Portsmouth City Schools	Talawanda Board of Education
New Boston Local Schools	Preble County Educational Service Center	Teays Valley Local Schools
Newark City Schools	Putnam County Education Service Center	Teresa A. Dowd School
Newcomerstown Board of Education	Ridgedale Local Schools	Terra State Community College
North Central State College	Ridgewood Local Schools	Tiffin City Schools
North Fork Local Schools	River View Local Schools	Toledo City Schools
North Ridgeville City Schools	Riverdale Local Schools	Tri-County Joint Vocational School
Northern Buckeye Education Council	Ross/Pike County Board of Education	Tri-County Education Service Center
Northwest Local School District	Ross Local School District	Tri-Valley Local Schools
Northwest Ohio Educational Service Center	Saint Clairsville-Richland City Schools	Trimble Local School District
Norwalk City School District	Saint Marys City Schools	Trumbull Board of Education
Oak Hills Local Schools	Sandusky County Education Service Center	Tuslaw Local School District
Ohio Hi-Point Joint Vocational District	Sandy Valley Local Schools	Union-Scioto Local Schools
Ohio State University	Scioto County Joint Vocational School	University of Akron
Ohio University	Scioto Valley Board of Education	University of Cincinnati
Olentangy Local Schools	Scioto Valley Local School District	University of Toledo
Ontario Local School District	Shadyside Local Schools	Upper Arlington Board of Education
Osnaburg Local Schools	Shawnee State University	Van Buren Local Schools
Otsego Local Schools	Shelby City Board of Education	Vantage Career Center
Ottawa-Glandorf Local Schools	Sinclair Community College	Vermilion Local Schools
Owens Community College	South Central Local Schools	Vinton County Board of Education
Painesville City Schools	South Central Ohio Education Service Center	Vinton County Local Schools
Paint Valley Local School District	Southeast Ohio Voluntary Education Co-op	Wapakoneta City Schools
Parma City Schools	South Point Local Schools	Washington State Community College
Perkins Local Schools	South Range Local Schools	Wauseon Exempted Village Schools
Perry Hocking Education Service Center	Southwest Licking Local Schools	Waverly City Schools
Pickaway County Education Service Center	Springfield City Schools	West Geauga Local Schools
		West Holmes Local Schools
		Western Local School District

**Schools/Universities**

Western Reserve Local Schools  
Westerville City Schools  
Westfall Local School District  
Wheelersburg Local Schools  
Whitehall City Schools  
Willard City School District  
Windham Exempted Village Schools  
Worthington City School District  
Wright State University  
Youngstown State University  
Zane Trace Local Schools  
Zanesville Board of Education

**Miscellaneous**

Akron Canton Regional Airport  
Allen County Regional Transit  
Ashtabula-Geauga JPTA  
Buckeye Hills-Hocking Valley Regional Development  
Carroll Water and Sewer District  
Centerville-Washington Park District  
Central Ohio Rural Consortium  
Central Ohio Transit Authority  
Cleveland/Cuyahoga County Port Authority  
Cleveland Metroparks System  
Cleveland Regional Transit Authority  
Columbiana County Port Authority  
Columbus Airport Authority  
Columbus Sinking Fund Commission  
Columbus Zoological Park Association  
Corrections Commission of Northwest Ohio  
Crains Run Water and Sewer District

Criminal Justice Coordinating Council  
Cumberland Trail Fire District  
Deer Park Silverton Joint Fire District  
DMARK Job Training Office  
Earnhart Hill Water and Sewer District  
Eastern Ohio Wastewater Authority  
Eastgate Development and Transportation  
Employment and Training Council  
Fairfax-Madison Place Fire and Rescue  
Ft. Meigs Union Cemetery  
Franklin County Convention Facilities  
Franklin County Veterans Memorial  
GJMV Solid Waste District  
Hamilton County Park District  
Heath-Newark-Licking Port Authority  
Highway Patrol Retirement System  
Hocking Valley Community Residential Center  
Intercommunity Cable Commission  
Jefferson Regional Water Authority  
Lake County Employment & Training Administration  
Lake County Regional Transit Authority  
Lake Metroparks  
LE-AX Water District  
Lima/Allen County Regional Planning  
Lorain County Metro Parks  
Lorain Port Authority  
Madeira and Indian Hill Joint Fire District  
Mahoning Valley Sanitary District  
Maysville Regional Water District  
Metro Regional Transit Authority

Metropolitan Educational Council  
Miami Conservancy District  
Miami Valley Emergency Management Authority  
Miami Valley Regional Transit Authority  
Mill Creek Metropolitan Park District  
Millcreek Valley Conservancy District  
Municipal Energy Services Agency  
Muskingum Watershed Conservancy District  
Northeast Ohio Areawide Coordinating Agency  
Northeast Ohio Regional Sewer District  
Northwest Ambulance District  
Northwest Regional Water District  
Northwestern Water and Sewer District  
Ohio Building Authority  
Ohio Historical Society  
Ohio Mid-Eastern Governments Association  
Ohio Police and Fire Pension Fund  
Ohio Public Employees Deferred Compensation  
Ohio Retirement Study Council  
Ohio Turnpike Commission  
Ohio Valley Employment Resource  
Ohio Valley Regional Development Center  
Ohio Water Development Authority  
Pike County Development and Improvement  
Pleasant Valley Joint Fire District  
Portage Area Regional Transportation Authority  
Public Employees Retirement System of Ohio  
Regional Emergency Dispatch Center  
Regional Income Tax Agency

**Miscellaneous**

Rural Lorain County Water Authority  
School Employees Retirement System  
SEPTA Center  
Solid Waste Authority of Central Ohio  
South Central Ambulance District  
Southeast Ohio Emergency Medical Service District  
Southern Consortium for Children  
Southwest Ohio Regional Transit Authority  
Southwest Regional Water District  
Southwestern Ohio Education Purchasing  
Stark Area Regional Transit Authority  
State Teachers Retirement System  
Summit/Akron Solid Waste Authority  
Toledo Area Regional Transit Authority  
Toledo Area Sanitary District  
Toledo Metropolitan Area Council of Governments  
Toledo-Lucas County Port Authority  
Transportation Research Center  
Tri-Cities North Regional Wastewater  
Tuppers Plains-Chester Water District  
Water One  
West Licking Joint Fire District  
West Shore Council of Governments  
Western Joint Ambulance District  
Western Reserve Transit Authority  
Wood Lane Residential Services  
Woodland Union Cemetery  
Xenia Economic Growth Corporation

Youngstown Employment and Training  
Zanesville-Muskingum County Port Authority

**Townships**

Aid Township-Lawrence County  
Allen Township-Union County  
Amanda Township-Allen County  
American Township-Allen County  
Anderson Township-Hamilton County  
Archer Township- Harrison County  
Ashtabula Township-Ashtabula County  
Athens Township-Athens County  
Athens Township-Harrison County  
Auburn Township-Geauga County  
Austintown Township-Mahoning County  
Bainbridge Township-Geauga County  
Batavia Township-Clermont County  
Bath Township-Allen County  
Bath Township-Summit County  
Bazetta Township-Trumbull County  
Beaver Township-Mahoning County  
Beaver Township-Noble County  
Beavercreek Township-Greene County  
Berlin Township-Mahoning County  
Bethel Township-Clark County  
Big Spring Township-Seneca County  
Bloom Township-Fairfield County  
Boardman Township-Mahoning County

Brookfield Township-Trumbull County  
Brownhelm Township-Lorain County  
Butler Township-Montgomery County  
Canaan Township-Wayne County  
Canfield Township-Mahoning County  
Canton Township-Stark County  
Carlisle Township-Lorain County  
Carroll Township-Ottawa County  
Catawba Island Township-Ottawa County  
Champion Township-Trumbull County  
Chardon Township-Geauga County  
Chester Township-Geauga County  
Chester Township-Meigs County  
Chester Township-Wayne County  
Clay Township-Montgomery County  
Clay Township-Ottawa County  
Clearcreek Township-Warren County  
Clinton Township-Franklin County  
Clinton Township- Shelby County  
Colerain Township-Hamilton County  
Columbia Township-Hamilton County  
Columbia Township-Lorain County  
Concord Township-Delaware County  
Concord Township-Lake County  
Copley Township-Summit County  
Coventry Township-Summit County  
Danbury Township-Ottawa County

**Townships**

Deerfield Township-Warren County	Jackson Township-Sandusky County	Mifflin Township-Franklin County
Delhi Township-Hamilton County	Jackson Township-Stark County	Milan Township-Erie County
Fairfield Township-Butler County	Jefferson Township-Franklin County	Monroe Township-Licking County
Flatrock Township-Henry County	Jefferson Township-Madison County	Monroe Township-Miami County
Franklin Township-Franklin County	Jefferson Township-Richland County	Montville Township-Geauga County
Franklin Township-Portage County	Jerome Township-Union County	Montville Township-Medina County
Franklin Township-Summit County	Lake Township-Stark County	Moorefield Township-Clark County
Gasper Township-Preble County	Lake Township-Wood County	Munson Township-Geauga County
Genoa Township-Delaware County	Lawrence Township-Stark County	Napoleon Township-Henry County
German Township-Montgomery County	Liberty Township-Butler County	Newark Township-Licking County
Goshen Township-Clermont County	Liberty Township-Delaware County	Newbury Township-Geauga County
Granville Township-Licking County	Liberty Township-Henry County	Norwich Township-Franklin County
Green Township-Hamilton County	Liberty Township-Mahoning County	Olmsted Township-Cuyahoga County
Green Township-Mahoning County	Licking Township-Licking County	Orange Township-Delaware County
Greenville Township-Darke County	Liverpool Township-Columbiana County	Painesville Township-Lake County
Hambden Township-Geauga County	Madison Township-Butler County	Paris Township-Stark County
Hamilton Township-Warren County	Madison Township-Franklin County	Penfield Township-Lorain County
Hanover Township-Butler County	Madison Township-Lake County	Perkins Township-Erie County
Harmony Township-Clark County	Madison Township-Montgomery County	Perry Township-Allen County
Harrison Township-Hamilton County	Margaretta Township-Erie County	Perry Township-Franklin County
Harrison Township-Montgomery County	Marion Township-Allen County	Perry Township-Lake County
Hinckley Township-Medina County	Marion Township-Marion County	Perry Township-Lawrence County
Hopewell Township-Seneca County	McKean Township-Licking County	Perry Township-Monroe County
Howland Township-Trumbull County	Miami Township-Clermont County	Perry Township-Montgomery County
Jackson Township-Ashland County	Miami Township-Greene County	Perry Township-Stark County
Jackson Township-Franklin County	Miami Township-Hamilton County	Perrysburg Township-Wood County
	Miami Township-Montgomery County	Pierce Township-Clermont County
	Middlefield Township-Geauga County	Pike Township-Clark County
		Plain Township-Franklin County
		Plain Township-Summit County

## **Townships**

Pleasant Township-Franklin County	Thompson Township-Geauga County
Pleasant Township-Putnam County	Townsend Township-Sandusky County
Poland Township-Mahoning County	Truro Township-Franklin County
Porter Township-Scioto County	Turtlecreek Township-Warren County
Prairie Township-Franklin County	Tuscarawas Township-Stark County
Randolph Township-Portage County	Twin Township-Preble County
Richfield Township-Lucas County	Union Township-Clermont County
Richland Township-Belmont County	Union Township-Lawrence County
Rootstown Township-Portage County	Union Township-Morgan County
Ross Township-Butler County	Union Township-Ross County
Russell Township-Geauga County	Van Buren Township-Shelby County
Saybrook Township-Ashtabula County	Vermilion Township-Erie County
Scioto Township-Ross County	Violet Township-Fairfield County
Sharon Township-Franklin County	Warren Township-Belmont County
Shawnee Township-Allen County	Warren Township-Trumbull County
Smith Township-Mahoning County	Warren Township-Washington County
Spring Valley Township-Greene County	Washington Township-Clermont County
Springfield Township-Clark County	Washington Township-Franklin County
Springfield Township-Hamilton County	Washington Township-Henry County
Springfield Township-Lucas County	Washington Township-Montgomery County
Springfield Township-Summit County	Wayne Township-Butler County
St. Clair Township-Columbiana County	Wayne Township-Warren County
Sugarcreek Township-Greene County	Weathersfield Township-Trumbull County
Sugarcreek Township-Tuscarawas County	Wells Township-Jefferson County
Sycamore Township-Hamilton County	Worthington Township-Richland County
Sylvania Township-Lucas County	York Township-Sandusky County
Tate Township-Clermont County	

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING BASED UPON THE AUDIT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Members of the Board, and  
Ms. Virginia Shimrock, Executive Director,  
The Ohio Public Employees Deferred Compensation Board and  
The Honorable James Petro, Auditor of the State of Ohio

We have audited the financial statements of The Ohio Public Employees Deferred Compensation Program (the "Program") as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 26, 2001. We conducted our audit 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.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether The Ohio Public Employees Deferred Compensation Program's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered The Ohio Public Employees Deferred Compensation Program's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting and its operation that we have reported to management of the Program in a separate letter dated March 23, 2001.

This report is intended solely for the information and use of the Board, management, the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

DELOITTE & TOUCHE LLP

March 26, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

**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 31, 2001**