Ohio Public Employees Deferred Compensation Program

Financial Statements and Supplemental Schedules for the Years Ended December 31, 2002 and 2001 and Independent Auditors' Report

Auditor of State
Betty Montgomery

Ohio Public Employees Deferred Compensation Program Board

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, 2002 through December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

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July 30, 2003

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OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Net Assets

Net assets available for Program benefits at December 31, 2002 decreased over the previous year-end. This decrease in assets was primarily caused by the negative performance of the mutual fund investment options. Total liabilities decreased due to the timing of investments purchased and payable at year-end.

	2002	2001	% Change
Total Assets	$4,145,559,116	$4,341,778,286	(4.5)%
Total Liabilities	2,073,890	2,836,016	(26.9)
Net Assets Available for Benefits	$4,143,485,226	$4,338,942,270	(4.5)

Program Additions

Total Program additions in 2002 increased over 2001 due to increases in employee contributions, greater transfers of other retirement funds into the Program, and higher earnings on the stable value investment option. Total additions were reduced by negative earnings on variable investment in both 2002 and 2001.

	2002	2001	% Change
Loss on variable investments	$(409,520,080)	$(401,049,597)	(2.1)%
Employee contributions	356,857,437	323,887,138	10.1
Stable Value income	141,342,032	135,813,712	4.1
Transfers from other plans	25,726,198	6,568,788	100.0+
Recordkeeping income	4,077,556	3,327,167	22.6
Total Additions	$118,483,143	$68,547,208	72.8

Program Deductions

Total Program deductions in 2002 increased over 2001 due mainly to transfers from the Program to other qualified retirement accounts or to defined benefit plans to purchase allowable service credit. Deductions also increased because of more participants receiving benefit payments, and higher administrative and investment expenses.

	2002	2001	% Change
Distributions to participants	$192,651,877	$185,126,141	4.1%
Transfers to other plans	112,038,732	441,512	100.0+
Other deduction	9,249,578	8,509,650	8.7
Total Deductions	$313,940,187	$194,077,303	61.8

Change in Net Assets

The net assets available for benefits decreased in both 2002 and 2001, primarily because of the negative performance of the stock market. Management still believes that an allocation to equity investments is an appropriate investment option for a supplemental retirement plan. However, the short-term market trends have concerned participants and reduced the Program's asset base. Since the Program's recordkeeping income has declined along with the mutual fund assets, the Administration Fund has seen a reduction in its operating reserves. Beginning in 2003, the Program will collect a recordkeeping fee on assets in the GRO for the first time to maintain adequate levels of operating reserves.

Program Actions

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

The Program has entered into a contract with Nationwide Retirement Solutions to provide education, enrollment, and customer services to Program participants. During 2002, the contract with Nationwide was extended to run until December 31, 2005. The extension included provisions to increase the number of both field and phone representatives that Nationwide will dedicate to the Program. The decision to add more personnel indicates the Program's commitment to provide the best possible deferred compensation plan to Ohio's public employees.

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INDEPENDENT AUDITORS' REPORT

To 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, 2002 and 2001 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 of America. 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, 2002 and 2001, and the combined changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our 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 schedules 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.

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 23, 2003, 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.

Deloitte & Touche LLP

April 23, 2003

Deloitte
Touche
Tohmatsu

COMBINED STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2002 and 2001

	2002	2001
Assets:		
Investments:		
Stable Value Option	$2,432,915,816	$2,161,763,557
Mutual Funds	1,647,619,869	2,111,925,152
Purchased Annuities	57,679,372	60,697,902
Total investments	4,138,215,057	4,334,386,611
Cash and cash equivalents	1,615,191	2,052,843
Contributions receivable and cash held for investment	4,745,440	4,339,022
Accounts and other receivables	804,839	849,436
Property and equipment, net	178,589	150,374
Total assets	$4,145,559,116	$4,341,778,286
Liabilities:		
Accounts payable	$ 1,870,121	$ 2,652,944
Accrued expenses	203,769	183,072
Total liabilities	2,073,890	2,836,016
Net Assets Available for Benefits	$4,143,485,226	$4,338,942,270

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, 2002 and 2001

	2002	2001
Additions:		
Net losses on variable investments	$ (409,520,080)	$ (401,049,597)
Employee contributions	356,857,437	323,887,138
Stable value income	141,342,032	135,813,712
Transfers from other plans and from Ohio National Life Insurance Company	25,726,198	6,568,788
Recordkeeping income	4,077,556	3,327,167
Total Additions	118,483,143	68,547,208
Deductions:		
Distributions to participants	192,651,877	185,126,141
Transfers to other plans	112,038,732	441,512
Administrative expenses	5,892,734	5,523,275
Investment expenses	3,268,746	2,887,070
Life insurance premiums	88,098	99,305
Total Deductions	313,940,187	194,077,303
Decrease in net assets available for benefits	(195,457,044)	(125,530,095)
Net assets available for benefits beginning of year	4,338,942,270	4,464,472,365
Net assets available for benefits end of year	$4,143,485,226	$4,338,942,270

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. General Description of the Program:

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

The Program is a voluntary defined contribution pension plan. The Program was established pursuant to Ohio Revised Code (the Code) Section 148. Under the Program provisions, any public employee within Ohio (as defined in Section 148.01(A)(1) of the Code) is eligible to contribute into the Program, through payroll deductions, any amount up to the maximum permitted under Section 457 of the Internal Revenue Code. Amounts contributed by employees are deferred for federal and state income tax purposes until such amounts are distributed by the Program. As of December 31, 2002 and 2001, there were 1,428 and 1,350 respectively, state and local governments actively participating in the Program.

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

As of December 31, 2002, Program participants have the following investment options:

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

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

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

Variable annuities underwritten by Nationwide were an investment option until December 20, 2001. Participants invested in these variable annuities at that date were transferred into the underlying mutual fund option.

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

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

2. Summary of Significant Accounting Policies:

Organization:

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

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

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

Basis of Accounting and Measurement Focus:

The activities of the Program are accounted for as a Pension Fund, and follow the accrual basis of accounting and reporting for defined contribution plans recommended by the American Institute of Certified Public 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 and from recordkeeping reimbursements from certain investment providers.

Guaranteed Return Option:

The Program administers the Guaranteed Return Option (GRO), which is the stable value investment option offered to participants. As of December 31, 2002, 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, Deutsche, and State Street. Investment guidelines, including asset class, credit rating, portfolio diversification and duration are specified by the Program.

Funds invested in the Deutsche 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 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 $1,524,160 and $1,609,361 at December 31, 2002 and 2001, respectively. Premiums paid for these policies are expensed when made. The amount of life insurance in force was $18,941,188 and $19,972,364 at December 31, 2002 and 2001, respectively.

Stable Value Income:

Stable value income was recorded as earned for each of the investment components of the Guaranteed Return Option. The gross interest rates were adjusted quarterly and ranged from 5.95% to 6.63% during 2002, and from 6.25% to 6.82% during 2001.

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 on the mutual funds, and dividends and capital gains paid and appreciation or depreciation of the underlying investments of the mutual funds supporting the variable annuities underwritten by Nationwide.

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 0.1% to 6.4% during 2002, and from 2.3% to 6.8% during 2001.

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. Tax Status:

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

4. Employee Contributions:

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

The Program maintains a bank account for the purpose of consolidating the deposit of all participant contributions. Contributions are subsequently remitted to the investment providers as designated by the participants. Funds deposited but not remitted to the investment providers were $2,816,373 and $2,590,792 at December 31, 2002 and 2001, respectively.

5. Cash:

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

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

At December 31, 2001, the carrying amount of cash deposits was $2,052,843 and the bank balance was $2,245,329. Differences in these balances arise due to reconciling items, principally outstanding checks. Of the bank balance, $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1 risk as defined by the Government Accounting Standards Board). The remaining bank balances were uninsured and uncollateralized and were held in the name of the Program's pledging financial institution, as required by the Ohio Revised Code (Category 3).

6. Recordkeeping Income:

The Program is compensated by certain investment providers for performing recordkeeping responsibilities. The Administration Fund also recovered some administrative costs through charges made to the Program Fund. Beginning in 2000, the Program charged a $2.00 per quarter fee to each participant account, which replaced an asset-based fee charged in prior years.

7. Program Investments:

A summary of Program investments is as follows:

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

	December 31, 2001	
	Carrying Value	Fair Value
Guaranteed Return Option:		
Deutsche Asset Management	$ 931,446,289	$ 949,445,940
Nationwide Ohio Managed Fund	709,030,570	729,611,542
State Street Bank and Trust	272,545,695	280,831,233
Nationwide Fixed Account	243,215,549	243,215,549
Bank One, NA	5,525,454	5,525,454
Total Guaranteed Return Option	2,161,763,557	2,208,629,718
Mutual Funds	2,111,925,152	2,111,925,152
Purchased Annuities	60,697,902	60,697,902
Total Investments	$4,334,386,611	$4,381,252,772

Guaranteed Return Option:

The GRO funds that are invested in the Nationwide Fixed Account are commingled in the general account of Nationwide and are not separately identifiable. Funds invested by Deutsche 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 with banks and insurance companies to fund any withdrawals for benefit payments at book value. The GRO book value represents participant contributions plus earnings based on guaranteed rates of return. The Program expects carrying and fair values of the GRO portfolio to converge, through amortization of these differences in future crediting rates.

Included in sales and assets charges are $2,377,771 and $1,986,194 related to premiums paid for this book value guarantee for the years ended December 31, 2002 and 2001, respectively.

A summary of the fair value of investments in the Guaranteed Return Option by investment category at December 31, 2002 and 2001 is as follows:

	2002	2001
Asset-Backed Securities	$ 628,222,606	$ 505,640,245
Collateralized Mortgage Obligations	464,694,326	393,882,399
U.S. Treasury and Other Agency Obligations	412,731,678	183,812,714
Corporate Bonds	335,477,311	297,060,418
Passive Bond Index Fund	310,315,267	280,831,233
Nationwide Fixed Account	110,018,524	243,215,549
Mortgage-Backed Securities	95,961,445	121,798,596
Guaranteed Investment Contracts	76,756,783	89,136,640
Cash and Cash Equivalents	83,508,298	56,225,971
Commercial Mortgages	42,302,714	37,025,953
Total Investments	$2,559,988,952	$2,208,629,718

NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

Mutual Funds:

Shares of mutual funds are priced at the net asset value as calculated by the fund provider. A summary of year end investments as of December 31, 2002 and 2001 is as follows:

	Mutual Funds-2002			Mutual Funds-2001		
	Fair Value	Share Price	No. Shares Outstanding (1,000's)	Fair Value	Share Price	No. Shares Outstanding (1,000's)
Fidelity:						
Contrafund	$ 327,131,443	$ 38.60	8,475	$ 380,616,665	$ 42.77	8,899
Equity Income Fund	187,592,252	39.67	4,729	255,344,962	48.77	5,236
Magellan Fund	177,385,458	78.96	2,247	258,769,113	104.22	2,483
Growth Company	89,583,976	35.42	2,529	146,929,553	53.22	2,761
Government Income	12,373,854	10.48	1,181	14,017,059	9.97	1,406
Total Fidelity Funds	794,066,983			1,055,677,352		
Janus:						
Janus Twenty	168,121,618	29.01	5,795	243,529,082	38.46	6,332
Janus Fund	66,665,744	17.82	3,741	103,479,251	24.60	4,206
Total Janus Funds	234,787,362			347,008,333		
Dodge & Cox:						
Stock Fund	101,002,742	88.05	1,147	88,051,744	100.51	876
Balance Fund	83,011,076	60.75	1,367	67,549,249	65.42	1,033
Total Dodge & Cox Funds	184,013,818			155,600,993		
Vanguard:						
Institutional Index Fund	90,893,094	80.45	1,130	118,182,172	104.89	1,127
International Growth Fund	11,979,042	38.66	310	14,463,230	15.01	964
Capital Opportunity	5,320,986	39.26	135	0		
Total Vanguard Funds	108,193,122			132,645,402		
AIM Constellation Fund	77,678,323	17.81	4,362	108,871,185	23.55	4,623
American Century:						
Income & Growth Fund	32,336,969	21.74	1,487	41,811,005	27.35	1,529
Growth Fund	27,916,300	14.42	1,936	45,022,386	19.52	2,306
Total American Century	60,253,269			86,833,391		
Putnam Investors Fund	47,219,631	8.80	5,366	73,315,044	11.55	6,348
Lazard Small Cap Fund	39,300,983	14.03	2,801	32,377,543	17.70	1,829
Templeton Foreign Fund	28,999,109	8.31	3,490	29,789,711	9.25	3,221
PIMCO Total Return	28,421,846	10.67	2,664	0		
PBHG Growth Fund	25,148,165	14.18	1,773	52,740,458	20.36	2,590
MFS New Discovery Fund	14,226,266	11.63	1,223	18,802,268	17.43	1,079
Barclays Global Investors:						
LifePath 2010	1,654,546	10.82	153	0		
LifePath 2020	1,509,997	11.89	127	0		
LifePath 2030	366,763	11.56	32	0		
LifePath 2040	177,275	12.27	14	0		
Total Barclays Global Investors	3,708,581			0		
Nicholas Applegate International Core Growth Fund	1,602,411	13.56	118	1,575,632	16.83	94
Bond Fund of America	0			16,687,840	12.79	1,305
Total Mutual Funds	$1,647,619,869			$2,111,925,152		

Variable Annuity:

Units of variable annuity investments were priced at unit values of the Nationwide Deferred Compensation Variable Annuity. Participants invested in these options as of December 20, 2001 were transferred into the underlying mutual fund option, and no variable annuity investment balances existed at December 31, 2002 or 2001.

Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were $57,679,372 and $60,697,902 at December 31, 2002 and 2001, respectively.

8. Investment Expenses:

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

	2002	2001
Nationwide	$1,683,702	$1,579,615
Deutsche	1,287,316	1,013,526
State Street	267,415	269,516
Bank One	30,313	24,413
	$3,268,746	$2,887,070

9. Vacation and Sick Leave:

As of December 31, 2002 and 2001, $179,269 and $161,799 respectively, was accrued for unused vacation and sick leave for full-time employees of the Board. At termination or retirement, employees are entitled to full compensation for all unused vacation time. With two years of employment prior to termination, employees are entitled to 50% payment of unused sick leave at termination.

10. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	Estimated Useful Life	2002	2001
Computer equipment	3-5 years	$269,095	$298,616
Furniture and fixtures	7 years	118,328	120,173
Office equipment	5 years	99,368	131,235
Leasehold improvements	4 years	0	12,600
		486,791	562,624
Less accumulated depreciation and amortization		308,202	412,250
		$178,589	$150,374

11. Leases:

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

The Board entered into a ten-year lease agreement for new administrative office space effective in 2002. The lease has early termination options after the seventh and ninth years, upon payment of an early termination penalty. Base rental expense in 2002 for this operating lease was $81,150. Allocated operating expenses and real estate taxes under this lease were $59,129 during 2002.

Future scheduled minimum lease payments under the office space operating lease at December 31, 2002 are as follows:

Year Ending December 31:	Amount:
2003	$ 98,691
2004	101,023
2005	103,128
2006	105,157
2007	107,186
Thereafter	468,303

12. Insurance:

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

The Program is self-insured under a professionally administered plan for general health and hospitalization employee benefits. The Program maintains specific stop loss coverage per employee for annual medical benefits in the amount of $250,000 for both 2002 and 2001. The Program also maintains a lifetime maximum stop loss coverage per employee for medical benefits in the amount of $2,500,000 for both 2002 and 2001. The outstanding claims liability was $22,000 and $14,200 as of December 31, 2002 and 2001 respectively.

13. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Ohio Public Employees Retirement System (OPERS). OPERS 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 OPERS 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 OPERS are required by Ohio statute to contribute 8.5% of their salary to the plan. The Board is required by the same statute to contribute 13.55% of covered payroll; 8.55% is the portion used to fund pension obligations, with the remaining used to fund the health care program for retirees. During 2000, the OPERS Board instituted a temporary employer contribution rate rollback, which resulted in a contribution rate of 10.84% of covered payroll for local government employers, including the Program. The required employer contributions for the current year and the two preceding years are as follows:

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2002	$121,100	100%
2001	125,600	100
2000	88,900	100

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

In addition to the retirement benefits described above, OPERS provides postemployment health care benefits.

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code, funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the fiscal year ended December 31, 2002, OPERS allocated 5.0% of the employer contribution rate to fund the health care program for retirees. Due to the continuing rise in health care costs, OPERS will offer a new health care choice plan to all persons newly hired under OPERS after January 1, 2003. This plan will offer a broad range of health care options with graded scale of costs dependent on the number of years of eligible service.

The actuarial value of assets available for these benefits at December 31, 2001 was $11.6 billion. There were 402,041 active contributing participants eligible for postemployment benefits at that date.

14. Eliminations:

The Administration Fund recovers some customer service and administrative costs through charges made to the Program Fund. Charges of $1,166,382 and $1,145,625 were made during 2002 and 2001, respectively, for this purpose, including $6,275 and $3,500 payable to the Administrative Fund as of December 31, 2002 and 2001, respectively. These inter-fund charges and payables have been eliminated in the Combining Schedule of Net Assets Available for Benefits and the Combining Schedule of Changes in Net Assets Available for Benefits.

SUPPLEMENTAL SCHEDULES

SUPPLEMENTAL COMBINING SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2002
With Totals for 2001

	2002				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2001 TOTAL
Assets:					
Investments	$4,138,215,057			$4,138,215,057	$4,334,386,611
Cash and cash equivalents		$1,615,191		1,615,191	2,052,843
Contributions receivable and cash held for investment	4,745,440			4,745,440	4,339,022
Accounts and other receivables		811,114	$(6,275)	804,839	849,436
Property and equipment, net		178,589		178,589	150,374
Total assets	$4,142,960,497	$2,604,894	$(6,275)	$4,145,559,116	$4,341,778,286
Liabilities:					
Accounts payable	$ 1,208,223	$ 668,173	$(6,275)	$ 1,870,121	$ 2,652,944
Accrued expenses		203,769		203,769	183,072
Total liabilities	1,208,223	871,942	$(6,275)	2,073,890	2,836,016
Net Assets Available for Benefits	$4,141,752,274	$1,732,952	$ 0	$4,143,485,226	$4,338,942,270

SUPPLEMENTAL COMBINING SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the year ended December 31, 2002
With Totals for 2001

	2002				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2001 TOTAL
Additions:					
Net losses on variable investments	$ (409,520,080)			$ (409,520,080)	$ (401,049,597)
Employee contributions	356,857,437			356,857,437	323,887,138
Stable value income	141,292,750	$ 49,282		141,342,032	135,813,712
Transfers from other plans and from Ohio National Life Insurance Company	25,726,198			25,726,198	6,568,788
Recordkeeping income		5,243,938	$(1,166,382)	4,077,556	3,327,167
	114,356,305	5,293,220	$(1,166,382)	118,483,143	68,547,208
Deductions:					
Distributions to participants	192,651,877			192,651,877	185,126,141
Transfers to other plans	112,038,732			112,038,732	441,512
Administrative expenses	1,166,382	5,892,734	(1,166,382)	5,892,734	5,523,275
Investment expenses	3,268,746			3,268,746	2,887,070
Life insurance premiums	88,098			88,098	99,305
	309,213,835	5,892,734	(1,166,382)	313,940,187	194,077,303
Decrease in net assets available for benefits	(194,857,530)	(599,514)		(195,457,044)	(125,530,095)
Net assets available for benefits beginning of year	4,336,609,804	2,332,466		4,338,942,270	4,464,472,365
Net assets available for benefits end of year	$4,141,752,274	$1,732,952	$ 0	$4,143,485,226	$4,338,942,270

SUPPLEMENTAL SCHEDULE OF ADMINISTRATION FUND DEDUCTIONS

for the years ended December 31, 2002 and 2001

	2002	2001
Customer Service	$3,365,387	$3,195,192
Salaries and benefits:		
Salaries and wages	945,121	901,488
Insurance	177,090	99,300
Retirement contributions	125,597	120,221
Other benefits	19,966	16,136
	1,267,774	1,137,145
Administration:		
Postage and delivery	325,341	379,464
Participant statements	150,441	156,879
	475,782	536,343
Professional Services:		
Consulting	206,077	177,328
Auditing	35,910	41,369
Data Processing	21,500	8,659
	263,487	227,356
Rents	164,683	123,744
Miscellaneous	80,390	60,147
Depreciation and amortization	73,579	62,531
Office supplies:		
Printing	31,176	35,109
Office supplies	18,713	15,471
Telephone and fax	6,602	3,551
	56,491	54,131
Data processing expense	55,813	50,052
Insurance	47,556	45,687
Professional expense	41,792	30,947
Total Administration Fund Deductions	$5,892,734	$5,523,275

SUPPLEMENTAL COMBINED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

for the years ended December 31, 2002 and 2001

	2002	2001
Cash and cash equivalents, beginning of year	$ 2,052,843	$ 2,749,674
Receipts:		
Employee contributions	356,451,020	327,689,909
Investment withdrawals	304,690,609	185,567,652
Transfers from other plans	25,726,198	6,568,788
Recordkeeping income	5,335,042	3,596,116
Total cash receipts	692,202,869	523,422,465
Disbursements:		
Investment purchases	377,653,446	330,061,466
Distributions to participants	192,651,877	185,126,141
Transfers to other plans	112,038,732	441,512
Administrative expenses	6,837,282	5,342,630
Investment expenses	3,269,291	2,952,302
Purchase of property and equipment	101,794	95,940
Life insurance premiums	88,098	99,305
Total cash disbursements	692,640,520	524,119,296
Cash and cash equivalents, end of year	$ 1,615,192	$ 2,052,843

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Deloitte & Touche

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, 2002 and 2001, and have issued our report thereon dated April 23, 2003. 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.

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

April 23, 2003

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM
Comprehensive Annual Financial Report
For the year ended December 31, 2002

Virginia Shimrock, Executive Director
Paul D. Miller, Assistant Director-Finance

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

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ORGANIZATION CHART

DEFERRED COMPENSATION BOARD

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

EXECUTIVE DIRECTOR
Virginia Shimrock

ASSISTANT DIRECTOR
ADMINISTRATION
Richard T. Wissler

ASSISTANT DIRECTOR
FINANCE
Paul D. Miller

ADVISORS TO THE BOARD

Independent Public Accountants
Deloitte & Touche LLP, Columbus, Ohio

Legal Counsel
Attorney General Betty D. Montgomery

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

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

April 18, 2003

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, 2002. 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 165,000 participants from 1,428 Ohio state and local governments, and is therefore not part of the State of Ohio reporting entity. A complete listing of participating employers is available upon request.

Plan History and Overview

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

Economic Conditions and Outlook

Equity markets generally produced negative returns for the third year in a row. As an example, the returns for the S&P 500 Index were -9.1%, -11.9%, and -22.1% for the years ended December 31, 2000, 2001, and 2002, respectively. Investor and consumer confidence continued to falter as ethics and accounting scandals added to an uncertain economy. As business conditions worsened and unemployment rose, the Federal Reserve Board dropped rates eight times during 2002, and interest rates approached all-time lows.

State and local tax revenues declined as well, which caused budget concerns for many of the Program's employers, and employment concerns for many Program participants. Many participants responded by increasing their investment allocation to the Program's stable value investment option, the Guaranteed Return Option (GRO). Due mainly to losses in market value, the Program's allocation to mutual funds has dropped from 55.4% at December 31, 2000 to 39.2% at December 31, 2002. As a result of the drop in the Program's recordkeeping income from mutual funds, which is based on each fund's market value, a 0.10 % recordkeeping fee will be charged against GRO assets beginning in 2003.

Despite the negative economic news, participation in the Program continues to be strong. The total number of participants and contributing participants are higher than ever. The average annual deferral amount rose 8.5% between 2002 and 2001, and exceeded $3,000 for the first time. As the "baby boom" generation nears retirement, they are realizing the importance of individual retirement savings, and contributions to the Program continue to grow.

Major Initiatives

In 2001, federal legislation was passed that included many pension reform initiatives. In response, the Program updated policies and forms, computer systems, and educated participants about the changes to be effective in 2002.

During 2002, the Program felt the effects of these legislative changes. Significant amounts of rollovers into and out of the Program were processed, in addition to transfers to defined benefit plans to purchase allowable service credit. Management believes that a pent-up demand created higher levels of activity in the first year than will be experienced in future periods. Other major effects of these changes were participants deferring more because of the higher annual limits, and participants taking lower benefit payments than projected, due to their newly allowed flexibility to change payment options as often as needed.

During 2002, the Program introduced four new life-stage mutual fund options from Barclays Global Investors. These funds are broadly diversified and targeted to future retirement dates. Each fund will regularly adjust its investment allocation and become more conservatively invested over time.

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

Program Additions

Additions to Program assets available for benefits come from employee contributions, income earned on participant accounts, transfers from other plans, and changes in carrying values. Employee contributions are the largest addition and when boosted by new annual limits in 2002, increased by 10.1% over the prior year. In both 2002 and 2001, global equity markets declined, and since most of the Program's variable investment options are equity oriented, investment performance was negative for these years. Stable value investments represented a safe alternative to equity investments, which translated into a 4.1% increase in stable value income. Transfers from other plans into the Program via new rollover rules increased significantly in 2002 over 2001.

Program Deductions

During 2002, distributions to participants increased 4.1% over the prior year, resulting from an increase in the number of participants receiving benefit payments. This increase was lower than expected, due to new flexibility allowed by the pension reform legislation. Rollovers from the Program to other eligible retirement plans and purchases of service credit from defined benefit plans were first allowed in 2002, resulting in over $110,000,000 moving out of the Program. Administrative, customer service and other deductions increased by 8.7% over the prior year.

Investments

The Program offers participants a selection of investment options to which they may allocate their deferrals. The stable value investment option (GRO) accounts for 60.8% of all invested funds, with the remainder invested in twenty-six mutual funds. Investment performance results are reported to Program participants quarterly. A listing of investment options and their performance returns for 2002 and 2001 is included in the Investment Section of this report.

Independent Auditors

The financial statements of the Program for the years ended December 31, 2002 and 2001 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, 2001. 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	Paul D. Miller, CPA
Executive Director	Assistant Director-Finance

PLAN SUMMARY

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

This plan summary includes all plan revisions approved by the Board that were effective as of December 31, 2002. Participants should refer to the Plan Document for complete Plan information.

Delegation by Employer

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

Election to Defer Compensation

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

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

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

c. The investment 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) $11,000 for the year 2002, and increasing by $1,000 annually through 2006, and then indexed as allowed by law or (B) 100% of an active participant's includable compensation. In addition, participants who have attained age 50 may defer an additional $1,000 for the year 2002, which increases by $1,000 annually through 2006, and then is indexed as allowed by law.

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

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

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

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

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

Maintenance of Accounts

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

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

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

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

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

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

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

Distribution of Benefits

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

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

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

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

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

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

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

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

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

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

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

Beneficiaries

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

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

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

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

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To 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, 2002 and 2001 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. 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, 2002 and 2001, and the combined changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our 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 schedules 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 Introductory Investment and the Statistical Sections 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.

Deloitte & Touche LLP

April 23, 2003

Deloitte
Touche
Tohmatsu

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Net Assets

Net assets available for Program benefits at December 31, 2002 decreased over the previous year-end. This decrease in assets was primarily caused by the negative performance of the mutual fund investment options. Total liabilities decreased due to the timing of investments purchased and payable at year-end.

	2002	2001	% Change
Total Assets	$4,145,559,116	$4,341,778,286	(4.5)%
Total Liabilities	2,073,890	2,836,016	(26.9)
Net Assets Available for Benefits	$4,143,485,226	$4,338,942,270	(4.5)%

Program Additions

Total Program additions in 2002 increased over 2001 due to increases in employee contributions, greater transfers of other retirement funds into the Program, and higher earnings on the stable value investment option. Total additions were reduced by negative earnings on variable investment in both 2002 and 2001.

	2002	2001	% Change
Loss on variable investments	$(409,520,080)	$(401,049,597)	(2.1)%
Employee contributions	356,857,437	323,887,138	10.1
Stable Value income	141,342,032	135,813,712	4.1
Transfers from other plans	25,726,198	6,568,788	291.7
Recordkeeping income	4,077,556	3,327,167	22.6
Total Additions	$118,483,143	$68,547,208	72.8%

Program Deductions

Total Program deductions in 2002 increased over 2001 due mainly to transfers from the Program to other qualified retirement accounts or to defined benefit plans to purchase allowable service credit. Deductions also increased because of more participants receiving benefit payments, and higher administrative and investment expenses.

	2002	2001	% Change
Distributions to participants	$192,651,877	$185,126,141	4.1%
Transfers to other plans	112,038,732	441,512	
Other deduction	9,249,578	8,509,650	8.7
Total Deductions	$313,940,187	$194,077,303	61.8%

Change in Net Assets

The net assets available for benefits decreased in both 2002 and 2001, primarily because of the negative performance of the stock market. Management still believes that an allocation to equity investments is an appropriate investment option for a supplemental retirement plan. However, the short-term market trends have concerned participants and reduced the Program's asset base. Since the Program's recordkeeping income has declined along with the mutual fund assets, the Administration Fund has seen a reduction in its operating reserves. Beginning in 2003, the Program will collect a recordkeeping fee on assets in the GRO for the first time to maintain adequate levels of operating reserves.

Program Actions

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

The Program has entered into a contract with Nationwide Retirement Solutions to provide education, enrollment, and customer services to Program participants. During 2002, the contract with Nationwide was extended to run until December 31, 2005. The extension included provisions to increase the number of both field and phone representatives that Nationwide will dedicate to the Program. The decision to add more personnel indicates the Program's commitment to provide the best possible deferred compensation plan to Ohio's public employees.

COMBINED STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2002 and 2001

	2002	2001
Assets:		
Investments:		
Stable Value Option	$2,432,915,816	$2,161,763,557
Mutual Funds	1,647,619,869	2,111,925,152
Purchased Annuities	57,679,372	60,697,902
Total investments	4,138,215,057	4,334,386,611
Cash and cash equivalents	1,615,191	2,052,843
Contributions receivable and cash held for investment	4,745,440	4,339,022
Accounts and other receivables	804,839	849,436
Property and equipment, net	178,589	150,374
Total assets	$4,145,559,116	$4,341,778,286
Liabilities:		
Accounts payable	$ 1,870,121	$ 2,652,944
Accrued expenses	203,769	183,072
Total liabilities	2,073,890	2,836,016
Net Assets Available for Benefits	$4,143,485,226	$4,338,942,270

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, 2002 and 2001

	2002	2001
Additions:		
Net losses on variable investments	$ (409,520,080)	$ (401,049,597)
Employee contributions	356,857,437	323,887,138
Stable value income	141,342,032	135,813,712
Transfers from other plans and from Ohio National Life Insurance Company	25,726,198	6,568,788
Recordkeeping income	4,077,556	3,327,167
Total Additions	118,483,143	68,547,208
Deductions:		
Distributions to participants	192,651,877	185,126,141
Transfers to other plans	112,038,732	441,512
Administrative expenses	5,892,734	5,523,275
Investment expenses	3,268,746	2,887,070
Life insurance premiums	88,098	99,305
Total Deductions	313,940,187	194,077,303
Decrease in net assets available for benefits	(195,457,044)	(125,530,095)
Net assets available for benefits beginning of year	4,338,942,270	4,464,472,365
Net assets available for benefits end of year	$4,143,485,226	$4,338,942,270

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. General Description of the Program:

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

The Program is a voluntary defined contribution pension plan. The Program was established pursuant to Ohio Revised Code (the Code) Section 148. Under the Program provisions, any public employee within Ohio (as defined in Section 148.01(A)(1) of the Code) is eligible to contribute into the Program, through payroll deductions, any amount up to the maximum permitted under Section 457 of the Internal Revenue Code. Amounts contributed by employees are deferred for federal and state income tax purposes until such amounts are distributed by the Program. As of December 31, 2002 and 2001, there were 1,428 and 1,350 respectively, state and local governments actively participating in the Program.

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

As of December 31, 2002, Program participants have the following investment options:

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

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

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

Variable annuities underwritten by Nationwide were an investment option until December 20, 2001. Participants invested in these variable annuities at that date were transferred into the underlying mutual fund option.

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

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

2. Summary of Significant Accounting Policies:

Organization:

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

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

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

Basis of Accounting and Measurement Focus:

The activities of the Program are accounted for as a Pension Fund, and follow the accrual basis of accounting and reporting for defined contribution plans recommended by the American Institute of Certified Public 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 and from recordkeeping reimbursements from certain investment providers.

Guaranteed Return Option:

The Program administers the Guaranteed Return Option (GRO), which is the stable value investment option offered to participants. As of December 31, 2002, 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, Deutsche, and State Street. Investment guidelines, including asset class, credit rating, portfolio diversification and duration are specified by the Program.

Funds invested in the Deutsche 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 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 $1,524,160 and $1,609,361 at December 31, 2002 and 2001, respectively. Premiums paid for these policies are expensed when made. The amount of life insurance in force was $18,941,188 and $19,972,364 at December 31, 2002 and 2001, respectively.

Stable Value Income:

Stable value income was recorded as earned for each of the investment components of the Guaranteed Return Option. The gross interest rates were adjusted quarterly and ranged from 5.95% to 6.63% during 2002, and from 6.25% to 6.82% during 2001.

Net Gains or Losses on Variable Investments:

Variable investment income or loss consists of dividends and capital gains paid and appreciation or depreciation on the mutual funds, and dividends and capital gains paid and appreciation or depreciation of the underlying investments of the mutual funds supporting the variable annuities underwritten by Nationwide.

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 0.1% to 6.4% during 2002, and from 2.3% to 6.8% during 2001.

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. Tax Status:

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

4. Employee Contributions:

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

The Program maintains a bank account for the purpose of consolidating the deposit of all participant contributions. Contributions are subsequently remitted to the investment providers as designated by the participants. Funds deposited but not remitted to the investment providers were $2,816,373 and $2,590,792 at December 31, 2002 and 2001, respectively.

5. Cash:

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

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

At December 31, 2001, the carrying amount of cash deposits was $2,052,843 and the bank balance was $2,245,329. Differences in these balances arise due to reconciling items, principally outstanding checks. Of the bank balance, $100,000 was insured by the Federal Deposit Insurance Corporation (Category 1 risk as defined by the Government Accounting Standards Board). The remaining bank balances were uninsured and uncollateralized and were held in the name of the Program's pledging financial institution, as required by the Ohio Revised Code (Category 3).

6. Recordkeeping Income:

The Program is compensated by certain investment providers for performing recordkeeping responsibilities. The Administration Fund also recovered some administrative costs through charges made to the Program Fund. Beginning in 2000, the Program charged a $2.00 per quarter fee to each participant account, which replaced an asset-based fee charged in prior years.

NOTES TO THE COMBINED FINANCIAL STATEMENTS, Continued

7. Program Investments:

A summary of Program investments is as follows:

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

	December 31, 2001	
	Carrying Value	Fair Value
Guaranteed Return Option:		
Deutsche Asset Management	$ 931,446,289	$ 949,445,940
Nationwide Ohio Managed Fund	709,030,570	729,611,542
State Street Bank and Trust	272,545,695	280,831,233
Nationwide Fixed Account	243,215,549	243,215,549
Bank One, NA	5,525,454	5,525,454
Total Guaranteed Return Option	2,161,763,557	2,208,629,718
Mutual Funds	2,111,925,152	2,111,925,152
Purchased Annuities	60,697,902	60,697,902
Total Investments	$4,334,386,611	$4,381,252,772

Guaranteed Return Option:

The GRO funds that are invested in the Nationwide Fixed Account are commingled in the general account of Nationwide and are not separately identifiable. Funds invested by Deutsche 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 with banks and insurance companies to fund any withdrawals for benefit payments at book value. The GRO book value represents participant contributions plus earnings based on guaranteed rates of return. The Program expects carrying and fair values of the GRO portfolio to converge, through amortization of these differences in future crediting rates.

Included in sales and assets charges are $2,377,771 and $1,986,194 related to premiums paid for this book value guarantee for the years ended December 31, 2002 and 2001, respectively.

A summary of the fair value of investments in the Guaranteed Return Option by investment category at December 31, 2002 and 2001 is as follows:

	2002	**2001**
Asset-Backed Securities	$ 628,222,606	$ 505,640,245
Collateralized Mortgage Obligations	464,694,326	393,882,399
U.S. Treasury and Other Agency Obligations	412,731,678	183,812,714
Corporate Bonds	335,477,311	297,060,418
Passive Bond Index Fund	310,315,267	280,831,233
Nationwide Fixed Account	110,018,524	243,215,549
Mortgage-Backed Securities	95,961,445	121,798,596
Guaranteed Investment Contracts	76,756,783	89,136,640
Cash and Cash Equivalents	83,508,298	56,225,971
Commercial Mortgages	42,302,714	37,025,953
Total Investments	$2,559,988,952	$2,208,629,718

Mutual Funds:

Shares of mutual funds are priced at the net asset value as calculated by the fund provider. A summary of year end investments as of December 31, 2002 and 2001 is as follows:

	Mutual Funds-2002			Mutual Funds-2001		
	Fair Value	**Share Price**	**No. Shares Outstanding (1,000's)**	**Fair Value**	**Share Price**	**No. Shares Outstanding (1,000's)**
Fidelity:						
Contrafund	$ 327,131,443	$ 38.60	8,475	$ 380,616,665	$ 42.77	8,899
Equity Income Fund	187,592,252	39.67	4,729	255,344,962	48.77	5,236
Magellan Fund	177,385,458	78.96	2,247	258,769,113	104.22	2,483
Growth Company	89,583,976	35.42	2,529	146,929,553	53.22	2,761
Government Income	12,373,854	10.48	1,181	14,017,059	9.97	1,406
Total Fidelity Funds	794,066,983			1,055,677,352		
Janus:						
Janus Twenty	168,121,618	29.01	5,795	243,529,082	38.46	6,332
Janus Fund	66,665,744	17.82	3,741	103,479,251	24.60	4,206
Total Janus Funds	234,787,362			347,008,333		
Dodge & Cox:						
Stock Fund	101,002,742	88.05	1,147	88,051,744	100.51	876
Balance Fund	83,011,076	60.75	1,367	67,549,249	65.42	1,033
Total Dodge & Cox Funds	184,013,818			155,600,993		
Vanguard:						
Institutional Index Fund	90,893,094	80.45	1,130	118,182,172	104.89	1,127
International Growth Fund	11,979,042	38.66	310	14,463,230	15.01	964
Capital Opportunity	5,320,986	39.26	135	0		
Total Vanguard Funds	108,193,122			132,645,402		
AIM Constellation Fund	77,678,323	17.81	4,362	108,871,185	23.55	4,623
American Century:						
Income & Growth Fund	32,336,969	21.74	1,487	41,811,005	27.35	1,529
Growth Fund	27,916,300	14.42	1,936	45,022,386	19.52	2,306
Total American Century	60,253,269			86,833,391		
Putnam Investors Fund	47,219,631	8.80	5,366	73,315,044	11.55	6,348
Lazard Small Cap Fund	39,300,983	14.03	2,801	32,377,543	17.70	1,829
Templeton Foreign Fund	28,999,109	8.31	3,490	29,789,711	9.25	3,221
PIMCO Total Return	28,421,846	10.67	2,664	0		
PBHG Growth Fund	25,148,165	14.18	1,773	52,740,458	20.36	2,590
MFS New Discovery Fund	14,226,266	11.63	1,223	18,802,268	17.43	1,079
Barclays Global Investors:						
LifePath 2010	1,654,546	10.82	153	0		
LifePath 2020	1,509,997	11.89	127	0		
LifePath 2030	366,763	11.56	32	0		
LifePath 2040	177,275	12.27	14	0		
Total Barclays Global Investors	3,708,581			0		
Nicholas Applegate International Core Growth Fund	1,602,411	13.56	118	1,575,632	16.83	94
Bond Fund of America	0			16,687,840	12.79	1,305
Total Mutual Funds	$1,647,619,869			$2,111,925,152		

Variable Annuity:

Units of variable annuity investments were priced at unit values of the Nationwide Deferred Compensation Variable Annuity. Participants invested in these options as of December 20, 2001 were transferred into the underlying mutual fund option, and no variable annuity investment balances existed at December 31, 2002 or 2001.

Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were $57,679,372 and $60,697,902 at December 31, 2002 and 2001, respectively.

8. Investment Expenses:

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

	2002	2001
Nationwide	$1,683,702	$1,579,615
Deutsche	1,287,316	1,013,526
State Street	267,415	269,516
Bank One	30,313	24,413
	$3,268,746	$2,887,070

9. Vacation and Sick Leave:

As of December 31, 2002 and 2001, $179,269 and $161,799 respectively, was accrued for unused vacation and sick leave for full-time employees of the Board. At termination or retirement, employees are entitled to full compensation for all unused vacation time. With two years of employment prior to termination, employees are entitled to 50% payment of unused sick leave at termination.

10. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	Estimated Useful Life	2002	2001
Computer equipment	3-5 years	$269,095	$298,616
Furniture and fixtures	7 years	118,328	120,173
Office equipment	5 years	99,368	131,235
Leasehold improvements	4 years	0	12,600
		486,791	562,624
Less accumulated depreciation and amortization		308,202	412,250
		$178,589	$150,374

11. Leases:

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

The Board entered into a ten-year lease agreement for new administrative office space effective in 2002. The lease has early termination options after the seventh and ninth years, upon payment of an early termination penalty. Base rental expense in 2002 for this operating lease was $81,150. Allocated operating expenses and real estate taxes under this lease were $59,129 during 2002.

Future scheduled minimum lease payments under the office space operating lease at December 31, 2002 are as follows:

Year Ending December 31:	Amount:
2003	$ 98,691
2004	101,023
2005	103,128
2006	105,157
2007	107,186
Thereafter	468,303

12. Insurance:

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

The Program is self-insured under a professionally administered plan for general health and hospitalization employee benefits. The Program maintains specific stop loss coverage per employee for annual medical benefits in the amount of $250,000 for both 2002 and 2001. The Program also maintains a lifetime maximum stop loss coverage per employee for medical benefits in the amount of $2,500,000 for both 2002 and 2001. The outstanding claims liability was $22,000 and $14,200 as of December 31, 2002 and 2001 respectively.

13. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Ohio Public Employees Retirement System (OPERS). OPERS 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 OPERS 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 OPERS are required by Ohio statute to contribute 8.5% of their salary to the plan. The Board is required by the same statute to contribute 13.55% of covered payroll; 8.55% is the portion used to fund pension obligations, with the remaining used to fund the health care program for retirees. During 2000, the OPERS Board instituted a temporary employer contribution rate rollback, which resulted in a contribution rate of 10.84% of covered payroll for local government employers, including the Program. The required employer contributions for the current year and the two preceding years are as follows:

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2002	$121,100	100%
2001	$125,600	100%
2000	$88,900	100%

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

In addition to the retirement benefits described above, OPERS provides postemployment health care benefits.

OPERS currently provides postemployment health care benefits to retirees with ten or more years of qualifying service credit and to primary survivors of those retirees. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code, funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For the fiscal year ended December 31, 2002, OPERS allocated 5.0% of the employer contribution rate to fund the health care program for retirees. Due to the continuing rise in health care costs, OPERS will offer a new health care choice plan to all persons newly hired under OPERS after January 1, 2003. This plan will offer a broad range of health care options with graded scale of costs dependent on the number of years of eligible service.

The actuarial value of assets available for these benefits at December 31, 2001 was $11.6 billion. There were 402,041 active contributing participants eligible for postemployment benefits at that date.

14. Eliminations:

The Administration Fund recovers some customer service and administrative costs through charges made to the Program Fund. Charges of $1,166,382 and $1,145,625 were made during 2002 and 2001, respectively, for this purpose, including $6,275 and $3,500 payable to the Administrative Fund as of December 31, 2002 and 2001, respectively. These inter-fund charges and payables have been eliminated in the Combining Schedule of Net Assets Available for Benefits and the Combining Schedule of Changes in Net Assets Available for Benefits.

SUPPLEMENTAL COMBINING SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2002
With Totals for 2001

	2002				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2001 TOTAL
Assets:					
Investments	$4,138,215,057			$4,138,215,057	$4,334,386,611
Cash and cash equivalents		1,615,191		1,615,191	2,052,843
Contributions receivable and cash held for investment	4,745,440			4,745,440	4,339,022
Accounts and other receivables		811,114	$(6,275)	804,839	849,436
Property and equipment, net		178,589		178,589	150,374
Total assets	$4,142,960,497	$2,604,894	$(6,275)	$4,145,559,116	$4,341,778,286
Liabilities:					
Accounts payable	$ 1,208,223	$ 668,173	$(6,275)	$1,870,121	$ 2,652,944
Accrued expenses		203,769		203,769	183,072
Total liabilities	1,208,223	871,942	$(6,275)	2,073,890	2,836,016
Net Assets Available for Benefits	$4,141,752,274	$1,732,952	$ 0	$4,143,485,226	$4,338,942,270

SUPPLEMENTAL COMBINING SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

for the year ended December 31, 2002
With Totals for 2001

	2002				
	PROGRAM FUND	ADMINIS-TRATION FUND	ELIMINATIONS	TOTAL	2001 TOTAL
Additions:					
Net losses on variable investments	$ (409,520,080)			$ (409,520,080)	$ (401,049,597)
Employee contributions	356,857,437			356,857,437	323,887,138
Stable value income	141,292,750	$ 49,282		141,342,032	135,813,712
Transfers from other plans and from Ohio National Life Insurance Company	25,726,198			25,726,198	6,568,788
Recordkeeping income		5,243,938	$(1,166,382)	4,077,556	3,327,167
	114,356,305	5,293,220	$(1,166,382)	118,483,143	68,547,208
Deductions:					
Distributions to participants	192,651,877			192,651,877	185,126,141
Transfers to other plans	112,038,732			112,038,732	441,512
Administrative expenses	1,166,382	5,892,734	(1,166,382)	5,892,734	5,523,275
Investment expenses	3,268,746			3,268,746	2,887,070
Life insurance premiums	88,098			88,098	99,305
	309,213,835	5,892,734	(1,166,382)	313,940,187	194,077,303
Decrease in net assets available for benefits	(194,857,530)	(599,514)		(195,457,044)	(125,530,095)
Net assets available for benefits beginning of year	4,336,609,804	2,332,466		4,338,942,270	4,464,472,365
Net assets available for benefits end of year	$4,141,752,274	$1,732,952	$ 0	$4,143,485,226	$4,338,942,270

SUPPLEMENTAL SCHEDULE OF ADMINISTRATION FUND DEDUCTIONS

for the years ended December 31, 2002 and 2001

	2002	2001
Customer Service	$3,365,387	$3,195,192
Salaries and benefits:		
Salaries and wages	945,121	901,488
Insurance	177,090	99,300
Retirement contributions	125,597	120,221
Other benefits	19,966	16,136
	1,267,774	1,137,145
Administration:		
Postage and delivery	325,341	379,464
Participant statements	150,441	156,879
	475,782	536,343
Professional Services:		
Consulting	206,077	177,328
Auditing	35,910	41,369
Data Processing	21,500	8,659
	263,487	227,356
Rents	164,683	123,744
Miscellaneous	80,390	60,147
Depreciation and amortization	73,579	62,531
Office supplies:		
Printing	31,176	35,109
Office supplies	18,713	15,471
Telephone and fax	6,602	3,551
	56,491	54,131
Data processing expense	55,813	50,052
Insurance	47,556	45,687
Professional expense	41,792	30,947
Total Administration Fund Deductions	$5,892,734	$5,523,275

SUPPLEMENTAL COMBINED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

for the years ended December 31, 2002 and 2001

	2002	2001
Cash and cash equivalents, beginning of year	$ 2,052,843	$ 2,749,674
Receipts:		
Employee contributions	356,451,020	327,689,909
Investment withdrawals	304,690,609	185,567,652
Transfers from other plans	25,726,198	6,568,788
Recordkeeping income	5,335,042	3,596,116
Total cash receipts	692,202,869	523,422,465
Disbursements:		
Investment purchases	377,653,446	330,061,466
Distributions to participants	192,651,877	185,126,141
Transfers to other plans	112,038,732	441,512
Administrative expenses	6,837,282	5,342,630
Investment expenses	3,269,291	2,952,302
Purchase of property and equipment	101,794	95,940
Life insurance premiums	88,098	99,305
Total cash disbursements	692,640,520	524,119,296
Cash and cash equivalents, end of year	$ 1,615,192	$ 2,052,843

INVESTMENT SECTION

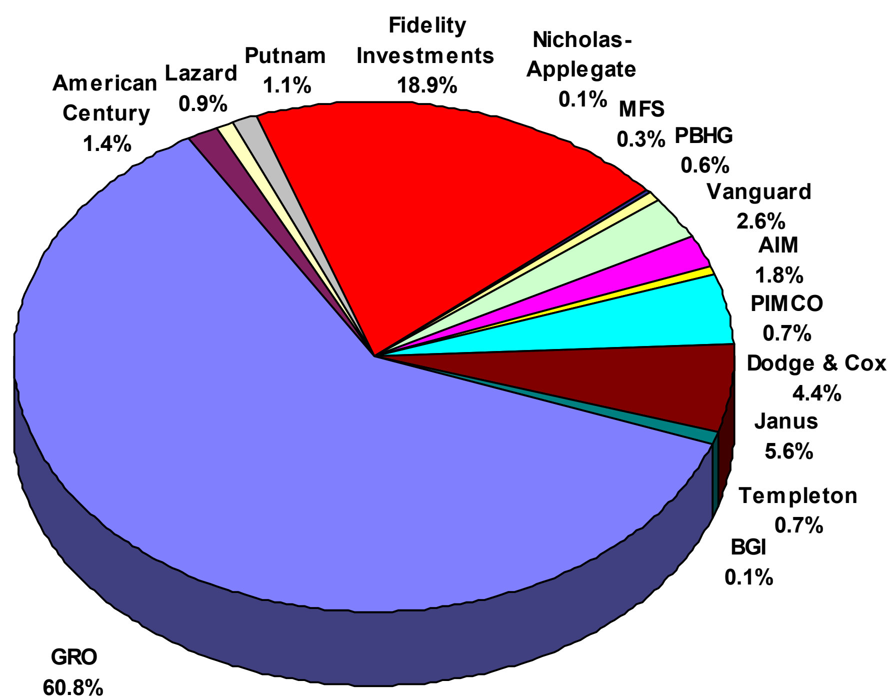
SCHEDULE OF INVESTMENTS AND PERFORMANCE

Investment Option	Fair Value 12/31/02	Net Investment Return 2002	Fair Value 12/31/01	Net Investment Return 2001
Guaranteed Return Option	$2,559,988,952	6.10%	$2,208,629,718	6.44%
Fidelity:				
Contrafund	327,131,443	(9.62)	380,616,665	(12.58)
Equity Income	187,592,252	(17.17)	255,344,962	(5.02)
Magellan	177,385,458	(23.66)	258,769,113	(11.66)
Growth Company	89,583,976	(33.44)	146,929,553	(25.31)
Government Income	12,373,854	10.93	14,017,059	6.71
Total Fidelity Funds	794,066,983		1,055,677,352	
Janus:				
Janus Twenty	168,121,618	(24.02)	243,529,082	(29.20)
Janus Fund	66,665,744	(27.56)	103,479,251	(26.10)
Total Janus Funds	234,787,362		347,008,333	
Dodge & Cox:				
Stock Fund	101,002,742	(10.54)	88,051,744	9.33
Balanced Fund	83,011,076	(2.94)	67,549,249	10.06
Total Dodge & Cox Funds	184,013,818		155,600,993	
Vanguard:				
Institutional Index Fund	90,893,094	(22.03)	118,182,172	(11.93)
International Growth Fund	11,979,042	(17.64)	14,463,230	(18.92)
Capital Opportunity	5,320,986	(27.88)	0	
Total Vanguard Funds	108,193,122		132,645,402	
AIM Constellation Fund	77,678,323	(24.37)	108,871,185	(23.21)
American Century:				
Income & Growth Fund	32,336,969	(19.37)	41,811,005	(8.38)
Growth Fund	27,916,300	(26.13)	45,022,386	(18.66)
Total American Century Funds	60,253,269		86,833,391	
Putnam Investors Fund	47,219,631	(23.80)	73,315,044	(24.80)
Lazard Small Cap Fund	39,300,983	(17.96)	32,377,543	18.07
Templeton Foreign Fund	28,999,109	(8.65)	29,789,711	(7.92)
PIMCO Total Return	28,421,846	9.91	0	0.00
PBHG Growth Fund	25,148,165	(30.35)	52,740,458	(34.54)
MFS New Discovery Fund	14,226,266	(33.28)	18,802,268	(4.81)
Barclays Global Investors:				
LifePath 2010	1,654,546	(8.31)	0	0.00
LifePath 2020	1,509,997	(12.60)	0	0.00
LifePath 2030	366,763	(15.73)	0	0.00
LifePath 2040	177,275	(18.73)	0	0.00
Total Barclays Global Investors	3,708,581		0	
Nicholas Applegate International Core Growth Fund	1,602,411	(19.42)	1,575,632	(28.13)
Bond Fund of America	0	0.00	16,687,840	7.15
Total Invested Funds [1]	$4,207,608,821		$4,320,554,870	

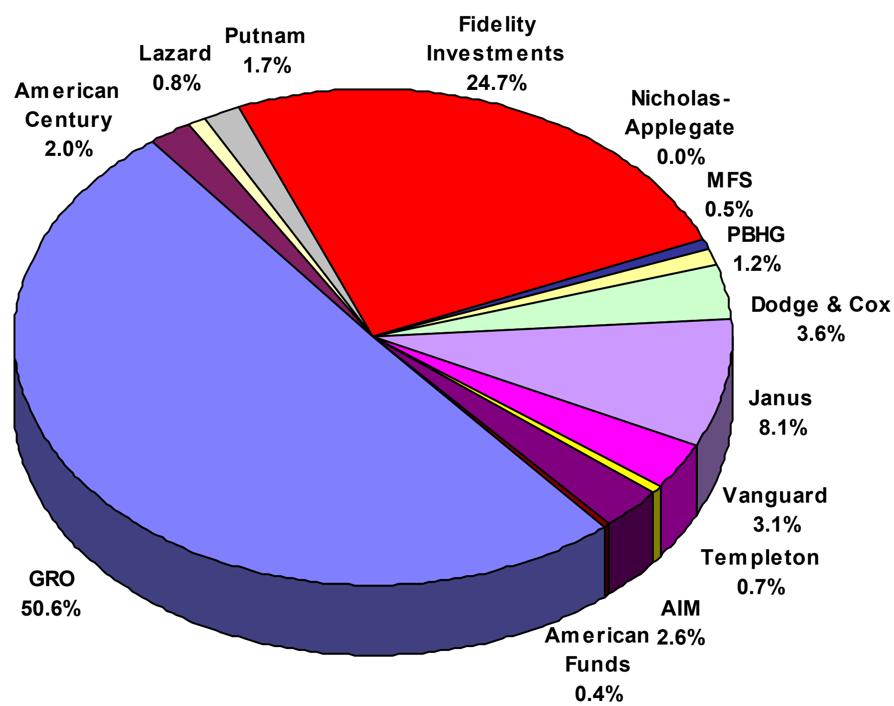
[1] Does not include amounts held for purchased annuities by Nationwide.

INVESTMENT MIX

December 31, 2002

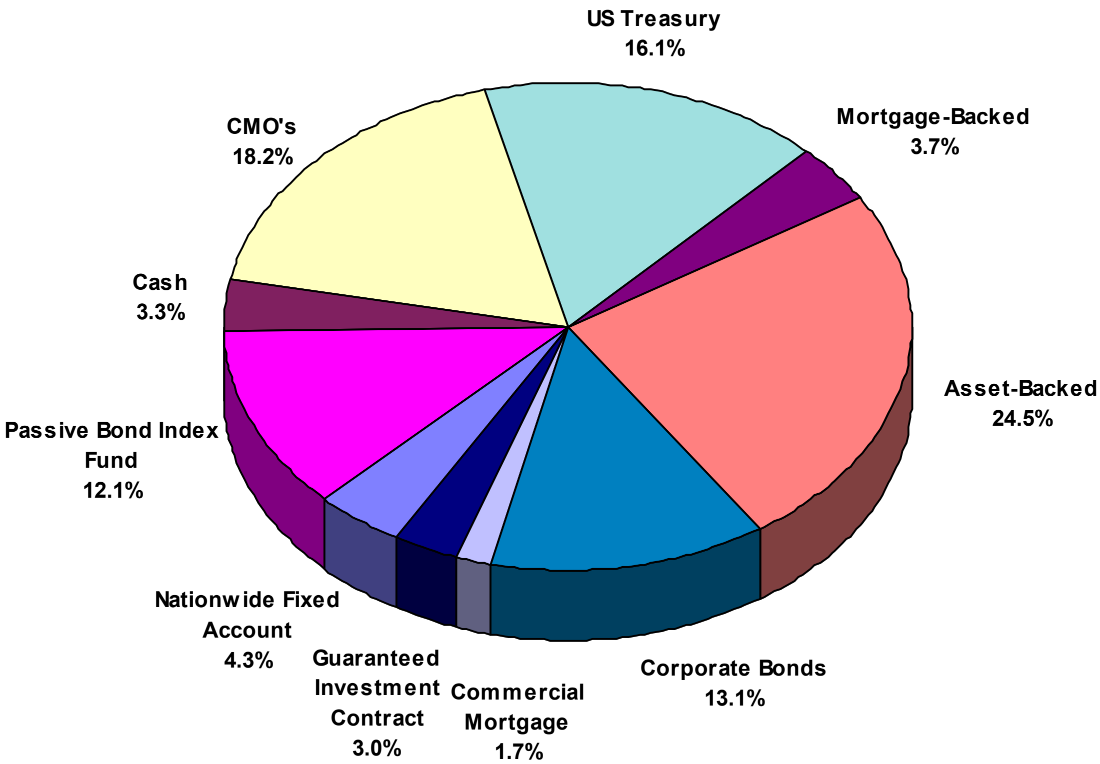


December 31, 2001

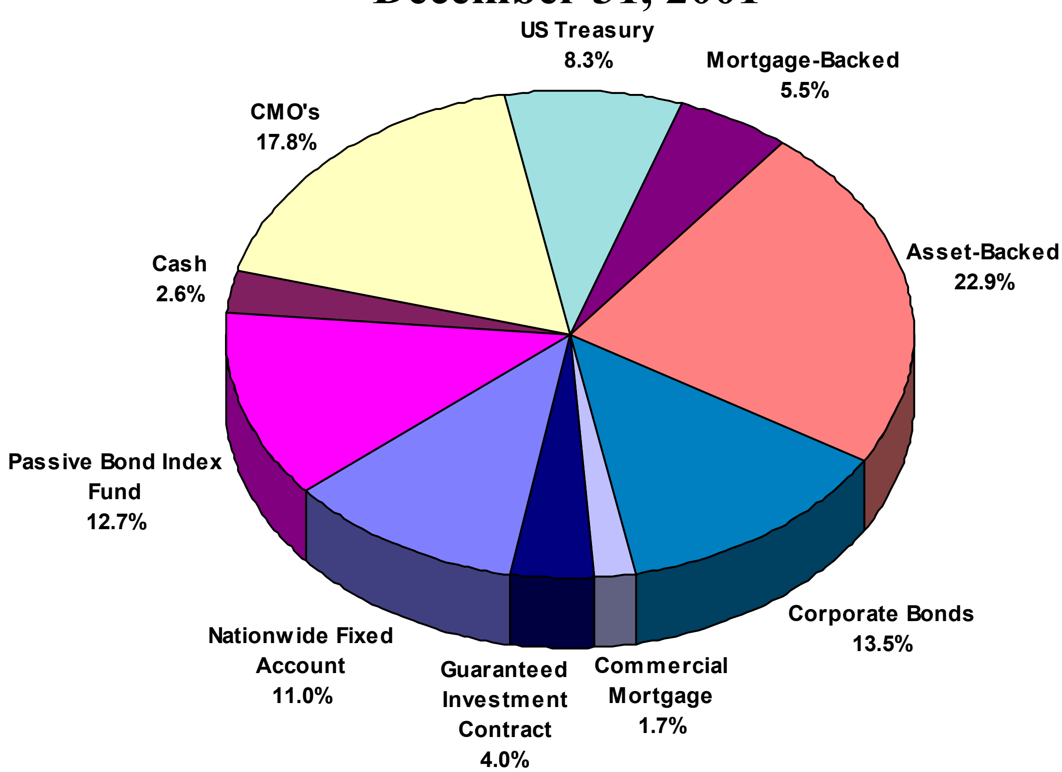


GRO DIVERSIFICATION

December 31, 2002



December 31, 2001



STATISTICAL SECTION

NET ASSETS AVAILABLE FOR BENEFITS

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
2001	4,338,942,270
2002	4,143,485,226

ADDITIONS BY TYPE

	Employee Contributions	Stable Value Income	Net Gain (Loss) On Variable Investments	Transfers From Life Insurance & Other Plans (1)	Administrative Recordkeeping Income (2)	Total
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
2001	323,887,138	135,813,712	(401,049,597)	6,568,788	3,327,167	68,547,208
2002	356,857,437	141,342,032	(409,520,080)	25,726,198	4,077,556	118,483,143

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

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

DEDUCTIONS BY TYPE

	Distributions To Participants	Administrative Expenses	Life Insurance Premiums	Investment Expenses	Transfers To Other Plans (1)	Total
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
2001	185,126,141	5,523,275	99,305	2,887,070	441,512	194,077,303
2002	192,651,877	5,892,734	88,098	3,268,746	112,038,732	313,940,187

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

EMPLOYEE PARTICIPATION AND DEFERRAL TRENDS

	Eligible Employees	Total Participants	Participants Currently Contributing	Average Annual Deferrals	Total Annual Deferrals	Net Assets Available for Benefits
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
2001	720,831	159,066	111,832	2,896	323,887,138	4,338,942,270
2002	719,880	165,993	113,521	3,144	356,857,437	4,143,485,226

NUMBER OF EMPLOYERS CONTRIBUTING

	State	County	City	Metro Housing	Village	Library	Medical Center	Education	Misc	Township	Total
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
2001	1	88	237	45	156	169	34	297	116	207	1,350
2002	1	88	241	45	165	176	30	362	112	208	1,428

Auditor of State
Betty Montgomery

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OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION

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
AUGUST 19, 2003