



STATE TREASURY ASSET RESERVE OF OHIO

ANNUAL
REPORT
2024

FOR THE
YEAR ENDED
JUNE 30, 2024

FRANKLIN COUNTY FINANCIAL AUDIT



ROBERT SPRAGUE
— OHIO TREASURER —

TRUSTED STEWARDSHIP · WISE INVESTMENT · BOLD INNOVATION

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OHIO AUDITOR OF STATE
KEITH FABER



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Governing Board
State Treasury Asset Reserve of Ohio (STAR Ohio)
and the Investment Trust Fund of STAR Ohio
30 East Broad Street, 10th Floor
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the State Treasury Asset Reserve of Ohio (STAR Ohio) and the Investment Trust Fund of STAR Ohio, Franklin County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2023 through June 30, 2024. 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 State Treasury Asset Reserve of Ohio (STAR Ohio) and the Investment Trust Fund of STAR Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

October 22, 2024

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ROBERT SPRAGUE

OHIO TREASURER

Dear Public Funds Managers,

It is an honor to present the State Treasury Asset Reserve of Ohio (STAR Ohio) annual report for the state fiscal year ending June 30, 2024.

Local communities make up the very fabric of our great state. By administering the STAR Ohio program, the Treasurer's office is proud to support our local government partners and provide them with a secure and trusted investment option for growing and safeguarding their precious dollars.

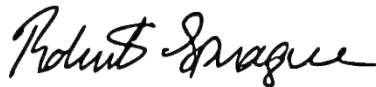
For decades, our public funds managers have turned to the program as a reliable tool in managing local tax dollars. STAR Ohio provides political subdivisions with the ability to invest in a highly rated government investment pool. Since 1995, the investment pool has maintained Standard & Poor's highest rating (AAAm), demonstrating a long history of soundness and security.

FY 2024 proved to be another record-setting year for STAR Ohio as it achieved new all-time highs. The year saw the program exceed \$25 billion in assets for the first time ever – reaffirming the confidence and trust public entities have in this time-tested investment pool. Additionally, more than \$1.2 billion in investment income was distributed to participating entities throughout FY 2024.

We hope you find this report to be comprehensive and informative, and we invite you to share any feedback you may have about STAR Ohio. Your thoughts help us to continuously improve this time-tested program and optimize the investment pool's performance.

For questions about STAR Ohio, please contact us via email at info@starohio.com or by phone at 1-800-648STAR (7827).

Sincerely,



Robert Sprague
Ohio Treasurer

INDEPENDENT AUDITOR'S REPORT

To the Treasurer of the State of Ohio, Robert Sprague
State Treasury Asset Reserve of Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of assets and liabilities, including the statement of investments, of State Treasury Asset Reserve of Ohio (STAR Ohio) as of June 30, 2024 and the related statements of operations and changes in net position and the financial highlights for each of the two years in the period then ended and the related notes to the financial statements, which collectively comprise State Treasury Asset Reserve of Ohio's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of STAR Ohio as of June 30, 2024 and the changes in its net position and its financial highlights for each of the two years in the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of STAR Ohio and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about STAR Ohio's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of STAR Ohio's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about STAR Ohio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional Information

Management is responsible for the accompanying appendix, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.

Report on Summarized Comparative Information

We have previously audited STAR Ohio's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2024 on our consideration of STAR Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of STAR Ohio's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STAR Ohio's internal control over financial reporting and compliance.



August 22, 2024

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (UNAUDITED)

BACKGROUND

The State Treasury Asset Reserve of Ohio ("STAR Ohio") is a statewide investment pool ("Pool") managed and administered by the Office of the Ohio Treasurer (the "Treasurer"). Participation is offered to Ohio's political subdivisions and state agencies as a means to invest in a portfolio of high-grade, short-term investment securities. The objectives of STAR Ohio are preservation of capital, maintenance of liquidity, and provision of current income. STAR Ohio is similar in concept to a registered investment company, commonly called a "money market mutual fund". The discussion and analysis below is based upon currently known facts and conditions that we judge to have had a material effect on STAR Ohio's financial condition and operations.

The Treasurer is committed to maintaining STAR Ohio as a top-rated investment option for its participants. As such, the level of safety in the Pool is attributed to the constant monitoring of credit ratings for issuers of investments held by STAR Ohio. An additional level of safety is the custodial arrangement requiring the Pool's assets be held in a specific trust account at the Depository Trust & Clearing Corporation designated for STAR Ohio. Both measures ensure that the underlying assets of STAR Ohio are highly rated, secure, and readily available to the Pool.

OVERVIEW OF FINANCIAL CONDITION

During the fiscal year ended June 30, 2024, STAR Ohio's net position increased by approximately \$2.7 billion, or 12%, due to net subscriptions. Many of Ohio's political subdivisions found STAR Ohio to be an attractive investment option for money that was not immediately needed to cover expenditures.

Inflation has eased in the past few months but remains elevated. The Federal Open Market Committee ("FOMC") increased the Federal Funds Rate ("FFR") at the start of fiscal year 2024 by 0.25%, from a target range of 5.00% - 5.25% to a range of 5.25% - 5.50%, where it remains. The STAR Ohio daily yield was 5.45% on June 30, 2024, close to the top of the FFR target range.

STAR Ohio's objectives of safety and liquidity have continued to make the Pool a valuable investment vehicle for Ohio's public fund managers. STAR Ohio maintains its AAAm rating from Standard & Poor's, the highest rating possible for a local government investment pool.

OVERVIEW OF OPERATIONS

STAR Ohio's average yield for fiscal year 2024 was 5.50%. As of June 30, 2024, STAR Ohio held approximately 45% of its portfolio in assets that mature or can otherwise be liquidated within one week.

STATE TREASURY ASSET RESERVE OF OHIO

FINANCIAL HIGHLIGHTS Data for each share outstanding throughout the year

	Year ended June 30,	
	2024	2023
Net asset value, beginning of year	\$ 1.00	\$ 1.00
Net investment income	0.0550	0.0391
Distributions from net investment income	(0.0550)	(0.0391)
Net asset value, end of year	\$ 1.00	\$ 1.00
Total Return	5.50%	3.91%
Ratio/Supplemental Information		
Expenses as a percentage of average net assets (1)	0.037%	0.038%
Net investment income as a percentage of average net assets (1)	5.50%	3.91%
Net position, end of year	\$24,813,178,504	\$22,134,625,628

(1) These percentages should not be construed as representative of the yield or expenses related to future investment in STAR Ohio.

See Accompanying Notes to Financial Statements

STATE TREASURY ASSET RESERVE OF OHIO
STATEMENT OF INVESTMENTS JUNE 30, 2024

Principal Amount/ Shares		Maturity Date	Amortized Cost (Note C)
Federal Agency Issues and U.S. Treasury Obligations — 2.7%			
\$ 25,000,000	Federal Farm Credit Bank Debentures, 5.27%	1/16/25	\$ 25,000,000
20,000,000	Federal Home Loan Bank Debentures, 5.38%	3/21/25	20,000,000
100,000,000	Federal Home Loan Bank Discount Note, 5.32%	7/11/24	99,854,444
50,000,000	Federal Home Loan Mortgage Corp. Debentures, 5.15%	2/14/25	49,974,929
125,000,000	Federal National Mortgage Association Debentures, 5.24% - 5.43%	1/23/25 - 3/4/25	125,000,000
50,000,000	Federal National Mortgage Association Discount Notes, 5.32%	7/15/24	49,898,306
130,000,000	Tennessee Valley Authority Discount Notes, 5.34% - 5.36%	7/10/24 - 7/24/24	129,716,517
100,000,000	U.S. Treasury Bills, 5.35%	7/2/24	99,985,361
67,000,000	U.S. Treasury Floating Rate Notes, 5.34% - 5.45%	7/31/24 - 10/31/24	66,992,033
Total Federal Agency Issues and U.S. Treasury Obligations			\$ 666,421,590
Negotiable Certificates of Deposit — 23.4%			
\$ 300,000,000	Bank of America, 5.15% - 6.00%	7/9/24 - 1/15/25	\$ 300,000,000
400,000,000	Bank of Montreal - Chicago, 5.32% - 6.00%	7/8/24 - 4/1/25	400,000,000
80,000,000	Bank of Nova Scotia, 5.98% - 6.01%	7/2/24 - 9/30/24	80,000,000
50,000,000	Barclays Bank, 5.34%	8/2/24	50,000,000
100,000,000	BNP Paribas, 5.45% - 5.47%	12/23/24 - 12/26/24	100,000,000
100,000,000	Canadian Imperial Bank, 5.53% - 5.55%	4/9/25 - 4/17/25	100,000,000
50,000,000	Commonwealth Bank of Australia, 5.07%	1/31/25	50,000,000
500,000,000	Credit Agricole, 5.30% - 5.50%	7/1/24 - 12/24/24	500,000,000
300,000,000	Mizuho Securities, 5.45% - 5.59%	9/25/24 - 12/4/24	300,000,000
1,000,000,000	MUFG Bank, Ltd., 5.24% - 5.85%	7/1/24 - 1/10/25	1,000,000,000
200,000,000	Natixis, 5.38% - 5.49%	7/10/24 - 12/13/24	200,000,000
325,000,000	Nordea Bank, 5.44% - 5.97%	7/24/24 - 11/21/24	325,000,000

Principal Amount/ Shares		Maturity Date	Amortized Cost (Note C)
\$ 250,000,000	Royal Bank of Canada, 5.51% - 5.92%	7/11/24 - 9/27/24	\$ 250,000,000
150,000,000	Skandinav Enskilda, 5.40% - 5.44%	10/2/24 - 11/6/24	150,000,000
150,000,000	Sumitomo Mitsui Bank, 5.54% - 5.59%	9/18/24 - 11/14/24	150,000,000
650,000,000	Sumitomo Mitsui Trust, 5.31% - 5.58%	7/1/24 - 11/13/24	650,000,000
150,000,000	Svenska Handelsbanken, 5.20% - 5.89%	7/24/24 - 4/16/25	150,000,000
100,000,000	Swedbank, 5.06% - 5.39%	8/21/24 - 1/17/25	100,000,000
750,000,000	Toronto Dominion Holdings, Inc., 5.44% - 6.00%	7/23/24 - 4/23/25	750,000,000
200,000,000	Westpac Bank, 5.31% - 5.76%	8/15/24 - 4/14/25	200,000,000
Total Negotiable Certificates of Deposit			\$ 5,805,000,000
Commercial Paper — 40.9%			
\$ 650,000,000	Anglesea Funding, LLC, 5.41% - 5.56%	7/1/24 - 10/9/24	\$ 649,252,778
450,000,000	Bank of America NA, 5.36% - 5.72%	7/15/24 - 2/26/25	443,924,764
723,140,000	Barclays Bank, 5.39% - 5.59%	7/8/24 - 12/10/24	714,641,962
345,000,000	Bedford Row Funding Corp., 5.37% - 5.55%	8/5/24 - 12/11/24	341,132,255
690,000,000	Cabot Trail Funding, 5.28% - 5.56%	7/8/24 - 12/11/24	681,916,190
50,000,000	Canadian Imperial Holdings, 5.76%	7/5/24	49,968,500
250,000,000	Chariot Funding, 5.50% - 5.65%	8/19/24 - 12/20/24	248,953,889
150,000,000	Chesham Finance, Ltd., 5.41%	7/1/24	150,000,000
450,000,000	Citigroup Global Markets, 5.55% - 5.83%	7/22/24 - 3/5/25	441,521,181
200,000,000	Collateralized Commercial Paper V Co., 5.59% - 5.64%	10/10/24 - 11/25/24	200,000,000
200,000,000	Collateralized Commercial Paper FLEX Co., 5.58% - 5.69%	12/13/24 - 3/7/25	200,000,000
75,000,000	Fairway Finance, 5.33% - 5.38%	7/11/24 - 8/12/24	74,656,125
250,000,000	Glencove Funding, 5.36% - 5.49%	7/3/24 - 8/14/24	249,111,583
400,000,000	Gotham Funding, 5.46% - 5.56%	7/1/24 - 10/24/24	395,941,889
250,000,000	Great Bear Funding, 5.46% - 5.57%	8/2/24 - 10/1/24	250,000,000
650,000,000	GTA Funding, 5.34% - 5.57%	7/2/24 - 12/3/24	642,211,625
500,000,000	Halkin Finance, 5.41% - 5.47%	7/1/24 - 8/15/24	499,337,444
100,000,000	ING Funding, 5.42% - 5.52%	8/26/24 - 10/22/24	98,748,125
150,000,000	Jupiter Securities Co., LLC, 5.56% - 5.66%	9/23/24 - 3/11/25	150,000,000
250,000,000	Liberty Street Fund, 5.45% - 5.49%	7/1/24 - 9/25/24	248,455,375
656,130,000	LMA Americas, 5.38% - 5.58%	7/9/24 - 11/29/24	648,374,111

Principal Amount/ Shares		Maturity Date	Amortized Cost (Note C)
\$ 50,000,000	Longship Funding, 5.44%	7/5/24	\$ 49,970,222
50,000,000	Natixis, 5.37%	8/5/24	49,743,819
200,000,000	Old Line Funding, 5.46% - 5.53%	8/1/24 - 10/16/24	198,394,569
50,000,000	Pricoa Global Funding, 5.70%	11/1/24	49,058,708
550,000,000	Ridgefield Funding, 5.36% - 5.59%	7/16/24 - 10/24/24	546,091,708
50,000,000	Royal Bank of Canada, 5.71%	7/3/24	49,984,361
125,000,000	Thunder Bay Funding, 5.47% - 5.50%	8/7/24 - 9/26/24	123,858,486
600,000,000	Toyota Motor Credit Corporation, 5.35% - 5.68%	7/12/24 - 1/27/25	589,957,569
818,606,831	U.S. Bank NA, 5.33%	7/1/24	818,606,831
300,000,000	Victory Receivables, 5.46% - 5.58%	7/3/24 - 10/30/24	297,226,792
Total Commercial Paper			\$10,151,040,861
Corporate Bonds — 0.7%			
\$ 50,000,000	Citigroup Global, 5.20%	2/21/25	\$ 50,000,000
25,000,000	Exxon Mobil Corp., 5.13%	3/19/25	24,630,882
25,000,000	John Deere Capital Corp, 4.98%	1/10/25	24,524,047
50,000,000	JPMorgan Chase Bank, 5.30%	2/25/25	50,000,000
25,000,000	Toyota Motor Credit Corp, 5.02%	1/13/25	24,537,141
Total Corporate Bonds			\$ 173,692,070
Bank Deposits⁽¹⁾ — 3.9%			
\$ 133,388,890	CFBank, IntraFi Network, LLC (FDIC insured), 5.50%	7/1/24	\$ 133,388,890
54,892,172	Ohio State Bank, IntraFi Network, LLC (FDIC insured), 5.65%	7/1/24	54,892,172
774,125,481	PNC Bank, 5.30%	7/1/24	774,125,481
Total Bank Deposits			\$ 962,406,543
Money Market Funds⁽²⁾ — 2.9%			
1,531,997	Goldman Sachs Financial Square Government Fund, 5.21%	7/1/24	\$ 1,531,997
1,853,215	HSBC U.S. Government Money Market Fund, 5.21%	7/1/24	1,853,215
725,925,258	Invesco Government & Agency Portfolio - Institutional, 5.25%	7/1/24	725,925,258

Principal Amount/ Shares		Maturity Date	Amortized Cost (Note C)
1,562,565	Morgan Stanley Institutional Liquidity Fund - Government Portfolio, 5.22%	7/1/24	\$ 1,562,565
	Total Money Market Funds		\$ 730,873,035
	Repurchase Agreements — 25.1%		
\$ 700,000,000	Bank of Montreal - Chicago, 5.32%, dated 6/27/24, repurchase price \$700,620,667, collateralized by various FNMAs, 2.50% - 7.00%, due 7/1/33 - 11/1/53, par \$752,479,371 and fair value of \$714,000,000.	7/3/24	\$ 700,000,000
450,000,000	Bank of Nova Scotia, 5.33%, dated 6/25/24, repurchase price \$450,466,375, collateralized by various U.S. Treasuries, GNMAs, FNMAs and FMACs, 0.00% - 7.00%, due 7/5/24 - 5/15/54, par \$493,703,407 and fair value of \$459,000,071.	7/2/24	450,000,000
1,150,000,000	Bank of Nova Scotia, 5.33%, dated 6/28/24, repurchase price \$1,150,510,792, collateralized by various U.S. Treasuries and FNMAs, 1.50% - 7.00%, due 2/15/28 - 6/1/54, par \$1,448,417,753 and fair value of \$1,173,000,043.	7/1/24	1,150,000,000
1,000,000,000	Credit Agricole, 5.33%, dated 6/25/24, repurchase price \$1,001,036,389, collateralized by various GNMAs, FNMAs, FCSBs, FMACs, and FHLBs, 0.39% - 8.00%, due 2/8/25 - 5/20/72, par \$1,060,203,126 and fair value of \$1,020,000,000.	7/2/24	1,000,000,000
680,000,000	Credit Agricole, 5.41%, dated 6/25/24, repurchase price \$680,817,511, collateralized by various U.S. Treasuries and Corporate Bonds, 0.00% - 8.50%, due 7/5/24 - 1/15/55, par \$746,214,195 and fair value of \$710,631,071.	7/2/24	680,000,000
150,000,000	Credit Agricole, 5.33%, dated 6/25/24, repurchase price \$150,155,458, collateralized by various U.S. Treasuries and GNMAs, 1.00% - 5.75%, due 7/31/28 - 3/20/52, par \$172,636,939 and fair value of \$153,000,080.	7/2/24	150,000,000
700,000,000	HSBC, 5.33%, dated 6/28/24, repurchase price \$700,310,917, collateralized by various U.S. Treasuries, FNMAs, FCSBs, FHLBs, and FMACs, 0.00% - 6.625%, due 7/2/24 - 8/15/49, par \$843,541,567 and fair value of \$714,000,014.	7/1/24	700,000,000

Principal Amount/ Shares		Maturity Date	Amortized Cost (Note C)
\$ 350,000,000	Mizuho Securities USA, LLC, 5.33%, dated 6/28/24, repurchase price \$350,155,458, collateralized by various U.S. Treasuries, 2.25% - 5.00%, due 11/15/24 - 12/31/30, par \$364,473,000 and fair value of \$357,000,077.	7/1/24	\$ 350,000,000
650,000,000	RBC Capital Markets, 5.33%, dated 6/28/24, repurchase price \$650,288,708, collateralized by various U.S. Treasuries, GNMA's, FNMA's, and FMA's, 0.00% - 7.00%, due 10/31/25 - 11/1/53, par \$661,808,737 and fair value of \$663,000,057.	7/1/24	650,000,000
200,000,000	RBC Capital Markets, 5.42%, dated 6/28/24, repurchase price \$200,090,333, collateralized by various U.S. Treasuries and Corporate Bonds, 0.125% - 8.875%, due 10/1/24 - 8/31/64, par \$218,634,783 and fair value of \$209,990,005.	7/1/24	200,000,000
200,000,000	TD Securities, 5.42%, dated 6/27/24, repurchase price \$200,240,889, collateralized by various Corporate Bonds, 2.00% - 6.12%, due 5/21/27 - 3/15/59, par \$221,188,000 and fair value of \$210,000,334.	7/5/24	200,000,000
Total Repurchase Agreements			\$ 6,230,000,000
Total Investments — 99.6%			\$24,719,434,099
Assets in excess of other Liabilities — 0.4%			\$ 93,744,405
Net Position — 100% --equivalent to \$1.00 per share for 24,813,178,504 outstanding shares of the Pool			\$24,813,178,504

(1) The rate shown represents the rate at June 30, 2024.

(2) The yield shown represents the 7-day yield at June 30, 2024.

See Accompanying Notes to Financial Statements

STATE TREASURY ASSET RESERVE OF OHIO

STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2024

Assets

Investments	
Federal Agency Issues and U.S. Treasury Obligations	\$ 666,421,590
Negotiable Certificates of Deposit	5,805,000,000
Commercial Paper	10,151,040,861
Corporate Bonds	173,692,070
Money Market Funds	730,873,035
Repurchase Agreements	6,230,000,000
Bank Deposits	962,406,543
Total Investments	24,719,434,099
Interest Receivable	99,061,716
Prepaid Expenses/Other Assets	87,165
Total Assets	<u>\$24,818,582,980</u>

Liabilities

Accrued Co-Administrator Fees	\$ 136,214
Accrued Co-Investment Consultant Fees	242,255
Accrued Audit Fees	47,999
Accrued Custodian, Banking, and Transfer Agent Fees	91,185
Accrued Management Fees	122,951
Other Liabilities	6,072
Dividends Payable	4,757,800
Total Liabilities	<u>5,404,476</u>

Net Position

\$24,813,178,504

Capital Shares Outstanding

24,813,178,504

Participant Net Asset Value, Price Per Unit

\$ 1.00

See Accompanying Notes to Financial Statements

STATE TREASURY ASSET RESERVE OF OHIO
STATEMENTS OF OPERATIONS

	Year ended June 30,	
	2024	2023
Investment Income		
Interest Income	\$ 1,257,706,895	\$ 774,189,900
Expenses		
Co-Investment Consultant Fees	2,859,927	2,520,866
Management Fees	1,500,000	1,500,000
Co-Administrator Fees	1,651,976	1,600,440
Custodian, Banking, and Transfer Agent Fees	1,027,120	969,200
Bloomberg and Pricing Fees	1,189,600	679,165
Audit Fees	48,846	46,754
Standard & Poor's Analytical Fees	48,000	48,000
Communication and Technology Support Services Fees	14,769	21,785
Printing and Postage Fees	19,092	25,316
Net Expenses	8,359,330	7,411,526
Net Investment Income	\$ 1,249,347,565	\$ 766,778,374

See Accompanying Notes to Financial Statements

**STATE TREASURY ASSET RESERVE OF OHIO
STATEMENTS OF CHANGES IN NET POSITION**

	Year ended June 30,	
	2024	2023
Change in Net Position		
Operations		
Net Investment Income	\$ 1,249,347,565	\$ 766,778,374
Distributions to Shareholders from		
Net Investment Income	(1,249,347,565)	(766,778,374)
Capital Share Transactions Net Increase (Decrease) - Note F	2,678,552,876	3,690,859,076
Increase (Decrease) in Net Position	2,678,552,876	3,690,859,076
Net Position		
Beginning of Year	22,134,625,628	18,443,766,552
End of Year	\$24,813,178,504	\$22,134,625,628

See Accompanying Notes to Financial Statements

NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Section 135.45 of the Ohio Revised Code (“ORC”) permits the State’s political subdivisions to pool their public funds into an investment fund managed by the Office of the Ohio Treasurer (the “Treasurer”). The State Treasury Asset Reserve of Ohio (“STAR Ohio”) provides state agencies and units of local government with an investment option for their public funds.

Participation is offered to Ohio political subdivisions as defined in ORC section 135.45(F)(2) (a). The investment objectives of STAR Ohio are the preservation of capital, maintenance of liquidity, and provision of current income. There can be no guarantee that this will be achieved.

The Ohio Treasurer, Robert Sprague, through the Treasurer’s Investment Department (“TOS”), serves as the administrator and investment advisor for STAR Ohio. TOS is solely responsible for decisions and manages the investment and reinvestment of STAR Ohio’s assets in accordance with STAR Ohio’s investment objectives and policies, subject to the general limitations of ORC section 135.143. In addition, TOS is responsible for the overall management of STAR Ohio’s business affairs. For the fiscal year ended June 30, 2024, STAR Ohio compensated TOS with a management fee of \$1,500,000.

Public Funds Administrators (“PFA”), a wholly-owned subsidiary of Meeder Investment Management, Inc. (“Meeder”), is the co-administrator for STAR Ohio and provides certain clerical and administrative services for STAR Ohio. Compensation to the co-administrator is based on a percentage of daily net assets with a minimum annual fee of \$800,000.

Fifth Third Bank serves as custodian of STAR Ohio, settling security transactions and collecting investment income. Compensation to the custodian is based upon the month-end net asset value and is charged monthly in arrears.

PFA serves as the dividend and transfer agent for STAR Ohio, and is responsible for maintaining participants’ account records, allocating net investment income, and producing account statements for STAR Ohio participants. Compensation to the transfer agent is based on a percentage of daily net assets with a minimum annual fee of \$240,000.

Meeder and Public Trust Advisors, LLC (“PTA”) serve as co-investment consultants for STAR Ohio and are compensated based on a percentage of daily net assets.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of both contingent assets and liabilities. Actual results could differ from those estimates. The financial statements include certain prior-year comparative information, but not at the level of detail required for a presentation in accordance with Generally Accepted

Accounting Principles (“GAAP”). Accordingly, such information should be read in conjunction with STAR Ohio’s annual report for the year ended June 30, 2023.

STAR Ohio is not registered with the Securities & Exchange Commission as an investment company but has adopted Governmental Accounting Standards Board (“GASB”) Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure all their investments at amortized cost for financial reporting purposes. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures all its investments at amortized cost for financial reporting purposes.

STAR Ohio applies GASB Statement No. 72, *Fair Value Measurement and Application*, to the disclosures referenced within GASB Statement No. 79.

STAR Ohio reserves the right to limit participant transactions to \$250,000,000 per day. Transactions in all of a participant’s accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100,000,000 or more. For the fiscal year ended June 30, 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

NOTE B – FAIR VALUE MEASUREMENT

STAR Ohio’s investments on the Statement of Assets and Liabilities are presented at amortized cost, in accordance with GASB Statement No. 79. Information regarding the fair value of investments held by STAR Ohio is presented below in accordance with GASB Statement No. 72.

STAR Ohio categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the below fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. STAR Ohio’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

A description of the valuation techniques applied to STAR Ohio’s major categories of assets when measured at fair value follows:

Investments in registered open-end investment companies, including money market funds, are valued at the daily redemption value as reported by the underlying fund and are categorized as level 1 of the fair value hierarchy.

Short-term notes (including federal agency issues, U.S. government agency obligations, U.S. Treasury obligations, negotiable certificates of deposit, commercial paper, corporate obligations, municipal bonds, and repurchase agreements) held in STAR Ohio are valued using fair valuation methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, and offers. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. The fair value of these securities is determined primarily based on these level 2 inputs and are categorized as such.

For the period ended June 30, 2024, STAR Ohio did not hold any assets at any time in which significant unobservable inputs were used in determining fair value. Therefore, there are no level 3 securities.

The following table summarizes the inputs used to value STAR Ohio's assets when measured at fair value as of June 30, 2024.

Investments by Fair Value Level	Fair Value at June 30, 2024			Level 3	Value at Amortized Cost
	Level 1	Level 2	Level 3		
Federal Agency Issues and U.S. Treasury Obligations	\$ 666,041,425	\$ —	\$ 666,041,425	\$ —	\$ 666,421,590
Negotiable Certificates of Deposit	5,804,870,791	—	5,804,870,791	—	5,805,000,000
Commercial Paper	10,147,362,010	—	10,147,362,010	—	10,151,040,861
Corporate Bonds	173,403,514	—	173,403,514	—	173,692,070
Money Market Funds	730,873,035	730,873,035	—	—	730,873,035
Repurchase Agreements	6,230,000,000	—	6,230,000,000	—	6,230,000,000
Totals	\$ 23,752,550,775	\$ 730,873,035	\$ 23,021,677,740	\$ —	\$ 23,757,027,556

As of June 30, 2024, STAR Ohio invested in collateralized bank deposits in the amount of \$545,259,913, uncollateralized bank deposits in the amount of \$228,615,568, and federally insured demand deposits totaling \$188,531,062, which are not included in the table above. Total investments on the Statement of Assets and Liabilities totaled \$24,719,434,099.

NOTE C – INVESTMENT SECURITIES

Investment securities, other than money market funds, are valued according to the amortized cost method (which approximates fair value) whereby a security is valued at cost adjusted for the amortization of any premiums or accretion of any discounts over the period until maturity. The fair value of the portfolio was \$4,476,781 lower than the value of the amortized cost as of June 30, 2024. Investments in money market funds are valued at quoted market values.

Security transactions are accounted for on the trade date (the day that the order to buy or sell is executed). Interest income is determined on an accrual basis, with earned discounts (including original issue and market discount) accreted and paid premiums amortized. Any realized gains or losses on sales of securities are calculated on the specific identification basis.

STAR Ohio is permitted to invest in commercial paper, but commercial paper holdings shall not exceed 40 percent of the Total Average Portfolio (the average of the five highest daily balances for the prior 12-month period as calculated on the first day of the month). As of June 30, 2024, commercial paper holdings represented approximately 39.6 percent of the Total Average Portfolio. The Total Average Portfolio calculation is subject to change by the Treasurer.

All repurchase agreements are fully collateralized by U.S. government or federal agency securities or corporate obligations, pursuant to ORC section 135.143, and such collateral is in the possession of STAR Ohio's custodians on a daily basis. STAR Ohio evaluates collateral daily to ensure its market value plus accrued interest exceeds the delivery value of the repurchase agreement at maturity. At June 30, 2024, STAR Ohio invested in eleven repurchase agreements on a tri-party basis totaling \$6,230,000,000, which are included as part of investments at fair value on the Statement of Assets and Liabilities. The value of the related collateral that STAR Ohio received for the agreements exceeded the value of the repurchase agreements at June 30, 2024. STAR Ohio may enter into reverse repurchase (borrowing) agreements. During the fiscal year ended June 30, 2024, STAR Ohio did not enter into any reverse repurchase agreements.

STAR Ohio may purchase securities on a forward settlement basis. Payment and delivery may take place after the customary settlement period for the respective securities. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. Where applicable, the values of the securities purchased on a forward settlement basis are identified as such in the Statement of Investments. Losses may arise due to changes in the value of the underlying securities, if the counterparty does not perform under the contract's terms, or if the issuer does not issue the securities due to political, economic, or other factors. As of June 30, 2024, STAR Ohio had not purchased any securities on a forward settlement basis.

STAR Ohio maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. STAR Ohio has established procedures to stabilize the net asset value per share, as computed for the purpose of purchase and redemption, at a single value of \$1.00.

The mark-to-market of the portfolio is used to monitor the appropriateness of the amortized cost method and is calculated using available market quotations.

As of June 30, 2024, STAR Ohio had the following investments and maturities:

Investment Type	Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Bank Deposits	\$ 962,406,543	\$ 962,406,543	\$ —
Negotiable Certificates of Deposit	5,805,000,000	5,805,000,000	—
Commercial Paper	10,151,040,861	10,151,040,861	—
Corporate Bonds	173,692,070	173,692,070	—
Federal Agency Issues and U.S. Treasury Obligations	666,421,590	666,421,590	—
Money Market Funds	730,873,035	730,873,035	—
Repurchase Agreements	6,230,000,000	6,230,000,000	—
Totals	<u>\$24,719,434,099</u>	<u>\$24,719,434,099</u>	<u>\$ —</u>

Interest Rate Risk: Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. Through its investment policy, STAR Ohio manages its exposure to fair value losses arising from increasing interest rates by limiting the final stated maturity on any investment to 397 days (762 days for floating and variable rate government obligations) and limiting the weighted average maturity WAM(R) of the portfolio to 60 days and WAM(F) of the portfolio to 90 days. WAM(R) uses the interest rate reset date as the effective maturity in calculating the WAM, whereas WAM(F) is calculated based on the stated final maturity for each security. WAM(F) is also known as weighted average life. At June 30, 2024, STAR Ohio's WAM(R) and WAM(F) were 45 and 57 days, respectively. Investments in STAR Ohio include floating rate corporate notes and federal agency issues with daily and weekly reset dates based on the Federal Funds Overnight Rate, the Overnight Bank Funding Rate, the Secured Overnight Financing Rate, and the 91-day U.S. Treasury Bill rate. There were no illiquid securities held in STAR Ohio's portfolio as of June 30, 2024.

Credit Risk: The risk that an investment's issuer or counterparty will not satisfy its obligation is called credit risk. The exposure to this risk has been minimized through policies adopted by STAR Ohio. STAR Ohio's investment policy requires money market funds to be rated AAAM by Standard & Poor's Corporation, and all other securities held by STAR Ohio to have short-term ratings equivalent of A-1+ or A-1. Commercial paper holdings are required to have short-term ratings of A-1/P-1 or above. Corporate bonds are purchased within 13

months of maturity. As of June 30, 2024, all investments met the short-term and long-term credit ratings requirements of STAR Ohio’s investment policies. The long-term credit ratings are categorized in the table below.

Investment Type	Total Value	AAA/Aaa	AA/Aa	A/A	Unrated*
Bank Deposits	\$ 962,406,543	\$ —	\$ 188,281,062	\$ 774,125,481	\$ —
Negotiable Certificates of Deposit	5,805,000,000	—	1,725,000,000	3,780,000,000	300,000,000
Commercial Paper	10,151,040,861	—	49,984,361	2,614,471,362	7,486,585,138
Corporate Bonds	173,692,070	—	24,630,882	149,061,188	—
Federal Agency Issues and U.S. Treasury Obligations	666,421,590	—	666,421,590	—	—
Money Market Funds	730,873,035	730,873,035	—	—	—
Repurchase Agreements	6,230,000,000	—	—	—	6,230,000,000
Totals	\$24,719,434,099	\$ 730,873,035	\$ 2,654,317,895	\$ 7,317,658,031	\$14,016,585,138

* The issuers of the commercial paper holdings reflected in this table as “Unrated” do not have long-term ratings. All of STAR Ohio’s commercial paper holdings have short-term ratings from S&P of A-1+ or A-1. All repurchase agreements are with counterparties rated at least A-1 by S&P and are fully collateralized in accordance with Ohio law. All the STAR Ohio negotiable certificates of deposit holdings indicated in the table as “Unrated” have a long-term rating from S&P of A+.

Concentration of Credit Risk: STAR Ohio, through its investment policy, follows the diversification guidelines for Standard & Poor’s Principal Stability Fund Rating criteria for AAAM rated money market funds and ORC section 135.143. Through its investment policy, STAR Ohio further limits its investments in municipal bonds to 10 percent of the net assets. STAR Ohio limits the maximum exposure per issuer to 5 percent of net assets, except U.S. Treasury and federal agency obligations, overnight bank deposits (including uninvested cash), instruments that are at least 100 percent collateralized, and investments in other rated money market funds.

As of June 30, 2024, STAR Ohio had 5 percent or more of its net assets invested in the following issuers:

Bank of Nova Scotia	6.8%
Credit Agricole	9.4%

Foreign Currency Risk: STAR Ohio does not have exposure to foreign exchange risk.

Custodial Credit Risk: As required by state law, the financial institutions holding STAR Ohio bank deposits collateralize accounts for balances in excess of the amounts covered by federal insurance. Certain financial institutions are permitted to have a reduced collateral floor. At June 30, 2024, a portion of the bank deposits was exposed to custodial credit risk. Bank deposits totaling \$188,531,062 were federally insured; \$545,259,913 was collateralized; and \$228,615,568 was uncollateralized. STAR Ohio’s other investments are not exposed to

custodial credit risk, as defined by GASB Statement No. 40, Deposit and Investment Risk Disclosures. Securities in STAR Ohio are insured, registered, held by STAR Ohio, or held in a specific trust account designated for STAR Ohio. The carrying amount of cash and bank balance was zero at the end of the fiscal year.

NOTE D – SECURITIES LENDING

Pursuant to ORC section 135.143, the Pool may lend up to 25 percent of its securities to any eligible financial institution that is a member of the Federal Reserve System or any recognized United States government securities dealer. However, STAR Ohio has not established a securities lending program.

For the fiscal year ended June 30, 2024, STAR Ohio did not participate in security lending transactions.

NOTE E – INCOME DISTRIBUTIONS

Each business day, STAR Ohio declares a distribution of its net investment income and realized capital gains, if any. Such distributions are automatically reinvested in additional shares or paid in cash to shareholders at the end of each month.

NOTE F – CAPITAL SHARES

Transactions in capital shares (all at \$1.00 per share) were as follows:

	Year Ended June 30,	
	2024	2023
Shares Sold	43,341,692,083	41,905,233,787
Shares Issued for Distributions	1,184,196,758	726,498,462
	44,525,888,841	42,631,732,249
Shares Redeemed	(41,847,335,965)	(38,940,873,173)
Capital Shares Transactions Net Increase (Decrease)	2,678,552,876	3,690,859,076

STANDARD & POOR'S RATING OF STAR OHIO

Standard & Poor's has assigned an AAAm money market rating, its highest rating, to STAR Ohio. By obtaining a AAAm rating, STAR Ohio is considered to have a superior capacity to maintain principal (\$1.00 per share value) and limit exposure to loss. The rating is based on an analysis of STAR Ohio's management, investment guidelines, portfolio holdings and market price exposure.

SUMMARY OF INVESTMENT OBJECTIVES AND ALL PERMITTED & ELIGIBLE INVESTMENTS

The investment objectives of STAR Ohio are the preservation of capital, maintenance of liquidity, and provision of current income. STAR Ohio seeks to achieve these objectives by investing only in certain high-grade short-term investment instruments, which are authorized for investment by the State of Ohio as specified in ORC section 135.143. Instruments in which STAR Ohio may invest include:

- (1) United States Treasury bills, notes, bonds or any other obligations or securities issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
- (3) Written repurchase agreements with any eligible counterparties domiciled or registered in the United States subject to the guidelines in STAR Ohio's Investment Policy;
- (4) STAR Ohio may invest in reverse repurchase agreements with a maximum maturity of 30 days, provided the securities have been fully paid for and are owned by STAR Ohio at the time of sale and subject to the guidelines in STAR Ohio's Investment Policy;
- (5) The Treasurer also may sell any securities, listed in items (1) or (2) above, regardless of maturity or time of redemption of the securities, under the same terms and conditions for repurchase, provided that the securities have been fully paid for and are held in trust by the Treasurer at the time of the sale;
- (6) Securities lending agreements with any eligible financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank or any recognized United States government securities dealer, under the terms of which agreement the Treasurer lends securities and the eligible financial institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value;
- (7) Various forms of commercial paper, maturing in 397 days or less, issued by any corporation that is incorporated under the laws of the United States or a state, which such notes are rated in the two highest categories by two nationally recognized rating agencies, provided that the

total amount invested in commercial paper at any time shall not exceed 40 percent of the Total Average Portfolio which is defined as the average of the five highest daily balances for the prior 12-month period as calculated on the first day of the month (the Total Average Portfolio calculation is subject to change by the Treasurer);

(8) Corporate obligations of domestic corporations that, at the time of purchase must be rated in the three highest categories by two nationally recognized rating agencies provided that the total amount invested in corporate obligations at any time shall not exceed 25 percent of the Total Average Portfolio;

(9) Negotiable certificates of deposit denominated in United States dollars issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or a federally licensed or state-licensed branch of a foreign bank, which are rated in the two highest categories by two nationally recognized rating agencies, provided that the total amount invested in negotiable certificates of deposit at any time shall not exceed 25 percent of the Total Average Portfolio;

(10) Municipal bonds and other direct obligations of any state or political subdivision rated in the three highest categories by at least one nationally recognized rating agency, provided that the total amount invested in municipal bonds at any time shall not exceed 10 percent of the value of STAR Ohio;

(11) Banker's acceptances, maturing in 270 days or less, which are eligible for purchase by the Federal Reserve System, provided that the total amount invested in the banker's acceptances at any time shall not exceed 10 percent of the Total Average Portfolio, as determined and calculated by the Treasurer;

(12) Bank deposits, certificates of deposits, and savings in eligible institutions applying for interim monies as provided in ORC section 135.08; and

(13) No-load money market mutual funds rated in the highest category by one nationally recognized rating agency or consisting exclusively of obligations described in (1), (2), or (7) of this section and repurchase agreements secured by such obligations.

SERVICE PROVIDERS

INVESTMENT ADVISOR AND ADMINISTRATOR

The Honorable Robert Sprague
Ohio Treasurer

CO-ADMINISTRATOR

Public Funds Administrators

CUSTODIAN

Fifth Third Bank

TRANSFER AGENT

Public Funds Administrators

CO-INVESTMENT ADVISOR

Meeder Public Funds, Inc.

CO-INVESTMENT ADVISOR

Public Trust Advisors, LLC

For more information on current yields or assistance in opening a STAR Ohio account, call toll free: 1-800-648-STAR (7827).

Additional information regarding STAR Ohio and other Ohio Treasurer programs may be accessed through www.OhioTreasurer.gov. The Treasurer's office also welcomes your feedback and questions; please call 1-800-228-1102.

The Office of the Ohio Treasurer, Public Funds Administrators, Fifth Third Bank, Meeder Public Funds, Inc., and Public Trust Advisors, LLC are Equal Opportunity Employers and Service Providers.

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An Investment Alternative Offered by Ohio Treasurer Robert Sprague

30 East Broad Street — 9th Floor
Columbus, Ohio 43215

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Treasurer of the State of Ohio,
Robert Sprague
State Treasury Asset Reserve of Ohio

We have audited, 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, the financial statements of State Treasury Asset Reserve of Ohio (STAR Ohio), which comprise the statement of assets and liabilities, including the statement of investments, as of June 30, 2024 and the related statements of operations and changes in net position and the financial highlights for each of the two years in the period then ended, and the related notes to the financial statements and have issued our report thereon dated August 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered STAR Ohio's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of STAR Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of STAR Ohio's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the STAR Ohio's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether STAR Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Treasurer of the State of Ohio,
Robert Sprague
State Treasury Asset Reserve of Ohio

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of STAR Ohio's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering STAR Ohio's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

August 22, 2024

State Treasury Asset Reserve of Ohio Investment
Trust Fund

Financial Report
June 30, 2024

State Treasury Asset Reserve of Ohio Investment Trust Fund

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Independent Auditor's Report

To the Treasurer of the State of Ohio,
Robert Sprague
State Treasury Asset Reserve of Ohio
Investment Trust Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying statement of net position of State Treasury Asset Reserve of Ohio Investment Trust Fund (the "Trust Fund") as of June 30, 2024 and the related statements of operations and changes in net position for each of the two years for the period then ended and the related notes to the financial statements, which collectively comprise the Trust Fund's basic financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Trust Fund as of June 30, 2024 and the changes in its net position for each of the two years for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Trust Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As described in Note 1, the financial statements present only State Treasury Asset Reserve of Ohio Investment Trust Fund and do not purport to, and do not, present fairly the financial position of State Treasury Asset Reserve of Ohio as of June 30, 2024 or the results of its operations and changes in its net position for each of the two years for the period then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust Fund's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Treasurer of the State of Ohio,
Robert Sprague
State Treasury Asset Reserve of Ohio
Investment Trust Fund

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Summarized Comparative Information

We have previously audited the Trust Fund's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

To the Treasurer of the State of Ohio,
Robert Sprague
State Treasury Asset Reserve of Ohio
Investment Trust Fund

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2024 on our consideration of the Trust Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust Fund's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Plante & Moran, PLLC". The signature is written in a cursive, flowing style.

September 5, 2024

State Treasury Asset Reserve of Ohio Investment Trust Fund

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Background

The State Treasury Asset Reserve of Ohio ("STAR Ohio") is a statewide investment pool ("Pool") managed and administered by the Office of the Ohio Treasurer (the "Treasurer"). Participation is offered to Ohio's political subdivisions as a means to invest in a portfolio of short-term investment securities. The objectives of STAR Ohio are the preservation of capital, the maintenance of liquidity, and providing current income. STAR Ohio is similar in concept to a registered investment company, commonly called a "money market mutual fund". Our discussion and analysis below is based upon currently known facts and conditions that we judge to have had a material effect on STAR Ohio's financial condition and operations.

The Treasurer is committed to maintaining STAR Ohio as a top-rated investment option for all government subdivisions of the State. As such, the level of safety in the Pool is attributed to the constant monitoring of credit ratings for issuers of investments held by STAR Ohio. An additional level of safety is the custodial arrangement requiring the Pool's assets be held in a specific trust account at the Depository Trust & Clearing Corporation designated for STAR Ohio. Both measures ensure that the underlying assets of STAR Ohio are highly rated, secure, and readily available to the Pool.

Overview of Financial Condition

The Trust Fund's net position increased by approximately \$915 million or 5.2%, during the fiscal year ended June 30, 2024, due to net subscriptions. Receipts for many of Ohio's political subdivisions were higher than anticipated and investing in STAR Ohio proved to be an attractive investment option for money that was not immediately needed to cover expenditures.

Inflation has eased on the past few months but remains elevated. The Federal Open Market Committee ("FOMC") increased the Federal Funds Rate ("FFR") at the start of the fiscal year 2024 by 0.25%, from a target range of 5.00% - 5.25% to a range of 5.25% - 5.50%, where it remains. The STAR Ohio daily yield was 5.45% on June 30, 2024, close to the top of the FFR target range.

STAR Ohio's objectives of safety and liquidity have continued to make the Pool a valuable investment vehicle for Ohio's public fund managers. STAR Ohio maintains its AAAM rating from Standard & Poor's, the highest rating possible for a local government investment pool.

Overview of Operations

STAR Ohio's average yield for fiscal year 2024 was 5.50%. As of June 30, 2024, STAR Ohio held approximately 45% of its portfolio in assets that mature or can otherwise be liquidated within one week.

State Treasury Asset Reserve of Ohio Investment Trust Fund

Statement of Net Position

June 30, 2024

Assets	
Investments:	
Federal agency issues and U.S. Treasury obligations	\$ 496,398,791
Negotiable Certificates of Deposit	4,323,982,036
Commercial paper	7,561,226,241
Corporate bonds	129,378,362
Money market funds	544,406,869
Repurchase agreements	4,640,552,642
Bank deposits	716,869,699
	<hr/>
Total investments	18,412,814,640
Interest receivable	73,788,300
Prepaid expenses and other assets	64,927
	<hr/>
Total assets	<u>\$ 18,486,667,867</u>
Liabilities and Net Position Held in Trust for Pool Participants	
Liabilities	
Accrued co-administrator fees	\$ 101,462
Accrued investment consultant fees	180,449
Accrued audit fees	35,753
Accrued custodian and transfer agent fees	67,921
Accrued management fees	91,583
Other liabilities	4,523
Dividends payable	3,543,953
	<hr/>
Total liabilities	4,025,644
Net Position Held in Trust for Pool Participants	<u>\$ 18,482,642,223</u>
Capital Shares Outstanding	<u>\$ 18,482,642,223</u>
Participant Net Asset Value, Price Per Unit	<u>\$ 1.00</u>

State Treasury Asset Reserve of Ohio Investment Trust Fund

Statements of Operations and Changes in Net Position

	Year Ended June 30	
	2024	2023
Investment Income		
Interest	\$ 942,062,267	\$ 605,293,963
Expenses		
Co-Investment consultant fees	2,142,294	1,994,980
Management fees	1,122,754	1,188,737
Co-administrator fees	1,236,679	1,267,844
Custodian, banking, and transfer agent fees	768,834	767,668
Bloomberg and pricing fees	888,908	532,414
S&P analytical fees	36,443	37,956
Audit fees	35,845	38,619
Communication and technology support services fees	11,079	17,297
Printing and postage fees	14,280	20,157
Total expenses	6,257,116	5,865,672
Net Investment Income	935,805,151	599,428,291
Distributions to Shareholders From - Net investment income	(935,805,151)	(599,428,291)
Capital Share Transactions - Net increase	915,224,967	2,605,842,190
Increase in Net Position	915,224,967	2,605,842,190
Net Position - Beginning of year	17,567,417,256	14,961,575,066
Net Position - End of year	\$ 18,482,642,223	\$ 17,567,417,256

June 30, 2024 and 2023

Note 1 - Summary of Organization

Description of Fund

State Treasury Asset Reserve of Ohio (STAR Ohio or the "Pool") is a statewide investment pool managed by the Office of the Ohio Treasurer (the "TOS"). Participation is offered to Ohio political subdivisions, as defined in ORC Section 135.45(F)(2)(a). STAR Ohio offers these subdivisions a means of investing in a portfolio of investment instruments. The investment objectives of STAR Ohio are the preservation of capital, maintenance of liquidity, and provision of current income. There can be no guarantee that they will be achieved.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the State of Ohio (the "State") reports the external portion of STAR Ohio as a separate investment trust fund. The external portion of STAR Ohio, State Treasury Asset Reserve of Ohio Investment Trust Fund (the "Trust Fund"), is the portion that belongs to legally separate entities that are not part of the State's financial reporting entity. The STAR Ohio investment pool does not have separate investments or activities for the external portion. The statement of net position of the Trust Fund has been prepared by prorating the assets and liabilities of STAR Ohio related to the external portion. Additionally, the statements of operations and changes in net position of the Trust Fund were prepared by prorating investment income and expenses of STAR Ohio related to the external portion using average daily balances.

Legal Authority

Section 135.45 of the Ohio Revised Code permits the State's political subdivisions to pool their public funds into an investment fund managed by the Treasurer. STAR Ohio provides units of local government with an alternative investment option for their public funds.

STAR Ohio is not registered with the Securities and Exchange Commission (SEC) as an investment company but has adopted GASB Statement No. 79, *Accounting and Financial Reporting for Certain External Investment Pools and Pool Participants*, which establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This statement applies to all state and local governments. This statement amends GASB Statement No. 31 and GASB Statement No. 59, *Financial Instruments Omnibus*. For the fiscal year ended June 30, 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours' advance notice for deposits or redemptions of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Investment Advisor and Administrator

The Ohio Treasurer, Robert Sprague, through the Treasurer's Investment Department, 30 East Broad Street, 9th Floor, Columbus, OH 43215-3461, serves as the administrator and investment advisor to STAR Ohio. The TOS manages the investment and reinvestment of STAR Ohio's assets in accordance with STAR Ohio's investment objectives and policies, subject to the general limitations of Section 135.143 of the Ohio Revised Code. In addition, the TOS is responsible for the overall management of STAR Ohio's business affairs. For the fiscal year ended June 30, 2024, STAR Ohio compensated the TOS with a management fee of \$1,500,000.

Co-administrator

Public Funds Administrators (PFA) in Dublin, Ohio is the co-administrator for STAR Ohio and provides certain clerical and administrative services for STAR Ohio. Compensation to the co-administrator is based on a percentage of daily net assets of STAR Ohio, with a minimum annual fee of \$800,000.

June 30, 2024 and 2023

Note 1 - Summary of Organization (Continued)

Custodian, Transfer Agent, and Investment Consultant

Fifth Third Bank serves as custodian of STAR Ohio, settling security transactions and collecting investment income. Compensation to the custodian is based upon the month-end net asset value and is charged monthly in arrears.

PFA serves as the dividend and transfer agent for STAR Ohio and is responsible for maintaining participants' account records, allocating net investment income, and producing account statements for STAR Ohio participants. Compensation to the transfer agent is based on a percentage of daily net assets, with a minimum annual fee of \$240,000.

Meeder Asset Management, Inc. (Meeder) and Public Trust Advisors, LLC (PTA) serve as co-investment consultants for STAR Ohio and are compensated based on a percentage of daily net assets.

Note 2 - Significant Accounting Policies

Security Valuations

Investment securities, other than money market funds, are valued according to the amortized cost method (which approximates fair value), where a security is valued at cost adjusted for the amortization of any premiums or accretion of any discounts over the period until maturity. Investments in money market funds are valued at quoted market values.

Security Transactions and Related Investment Income

Security transactions are accounted for on the trade date (the day the order to buy or sell is executed). Interest income is determined on an accrual basis with earned discounts (including original issue and market discount) accreted and paid premiums amortized. Any realized gains or losses on sales of securities are calculated on the specific identification basis.

Mark-to-market Procedures

The Pool maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. The Pool has established procedures to stabilize net asset value per share, as computed for the purpose of purchase and redemption, at a single value of \$1.00. The mark-to-market of the portfolio is used to monitor the appropriateness of the amortized cost method and is calculated using available market quotations.

Federal Income Taxes

STAR Ohio is not subject to income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Information

The financial statements include certain prior year comparative information but not at the level of detail required for a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Trust Fund's 2023 financial statements, from which the summarized information was derived.

State Treasury Asset Reserve of Ohio Investment Trust Fund

Notes to Financial Statements

June 30, 2024 and 2023

Note 3 - Investment Securities

Commercial Paper

STAR Ohio is permitted to invest in commercial paper, but commercial paper holdings shall not exceed 40 percent of the total average portfolio (the average of the five highest daily balances for the prior 12-month period, as calculated on the first day of the month). As of June 30, 2024, commercial paper holdings represented approximately 39.6 percent of the total average portfolio.

Repurchase Agreements

All repurchase agreements are fully collateralized by United States government or federal agency securities, pursuant to Section 135.143 of the Ohio Revised Code, and such collateral is in the possession of STAR Ohio's custodian on a daily basis. STAR Ohio evaluates collateral daily to ensure its market value plus accrued interest exceeds the delivery value of the repurchase agreement at maturity. At June 30, 2024, the Trust Fund invested in 11 repurchase agreements on a tri-party basis in the amount of \$4,640,552,642, which is included as part of investments on the statement of net position. The value of the related collateral that STAR Ohio received for the agreement exceeded the value of the repurchase agreement at June 30, 2024. STAR Ohio may enter into reverse repurchase (borrowing) agreements. For the fiscal year ended June 30, 2024, STAR Ohio did not enter into any reverse repurchase agreements.

Forward Settlement

STAR Ohio may purchase securities on a forward settlement basis. Payment and delivery may take place after the customary settlement period for the respective securities. The price of the underlying securities and the date when the securities will be delivered and paid for are fixed at the time the transaction is negotiated. Losses may arise due to changes in the value of the underlying securities if the counterparty does not perform under the contract's terms or if the issuer does not issue the securities due to political, economic, or other factors. At June 30, 2024, STAR Ohio did not transact any purchases on a forward settlement basis.

Schedule of Investments by Type and Maturity

As of June 30, 2024, the Trust Fund had the following prorated share of the Pool's investments and maturities:

	Investment Maturities (in Years)				Range of Interest Rates
	Total	Less Than 1	1 - 5	Principal Amount	
Bank deposits	\$ 716,869,699	\$ 716,869,699	\$ -	\$ 716,869,699	5.30%-5.65%
Negotiable certificates of deposit	4,323,982,036	4,323,982,036	-	4,323,982,036	5.06%-6.10%
Commercial paper	7,561,226,241	7,561,226,241	-	7,622,183,565	5.28%-5.83%
Corporate bonds	129,378,362	129,378,362	-	130,352,602	4.98%-5.30%
Federal agency issues and U.S. Treasury obligations	496,398,791	496,398,791	-	496,829,633	5.15%-5.45%
Money market funds	544,406,869	544,406,869	-	544,406,869	5.21%-5.25%
Repurchase agreements	4,640,552,642	4,640,552,642	-	4,640,552,642	5.32%-5.42%
Total	\$ 18,412,814,640	\$ 18,412,814,640	\$ -	\$ 18,475,177,046	

State Treasury Asset Reserve of Ohio Investment Trust Fund

Notes to Financial Statements

June 30, 2024 and 2023

Note 3 - Investment Securities (Continued)

Interest Rate Risk

Through its investment policy, STAR Ohio manages its exposure to fair value losses arising from increasing interest rates by limiting the final stated maturity on any investment to 397 days (762 days for floating- and variable-rate government obligations) and limiting the weighted-average maturity WAM(R) of the portfolio to 60 days and WAM(F) of the portfolio to 90 days. WAM(R) uses the interest rate reset date as the effective maturity date in calculating the WAM, whereas WAM(F) is calculated based on the stated final maturity for each security. WAM(F) is also known as weighted-average life. At June 30, 2024, STAR Ohio's WAM(R) and WAM(F) were 45 and 57 days, respectively. Investments in STAR Ohio include floating-rate corporate notes and federal agency issues with daily and weekly reset dates based on the Federal Funds Overnight Rate, the Overnight Bank Funding Rate, the Secured Overnight Financing Rate, and the 91-day U.S. Treasury bill rate. There were no illiquid securities held in STAR Ohio's portfolio at June 30, 2024.

Credit Risk

STAR Ohio's investment policy requires money market funds to be rated at AAAm by Standard & Poor's Corporation and all other securities held by STAR Ohio to be rated the equivalent of A-1+ or A-1. Commercial paper holdings are required to have short-term ratings of A-1/P-1 or above. For issuers of bank deposits, collateralization of the investment is required to secure a rating of AAAm. As of June 30, 2024, STAR Ohio's investments met the short-term and long-term credit rating requirements of STAR Ohio's investment policies.

STAR Ohio's investments are categorized under the Standard & Poor's and Moody's long-term credit ratings in the table below. If the rating agencies classify a security with different ratings, the security is categorized under the lower rating. STAR Ohio's investments had the following long-term ratings at issuance:

	Total Value	AAA/Aaa	AA/Aa	A/A	Unrated
Bank deposits	\$ 716,869,699	\$ -	\$ 140,245,294	\$ 576,624,405	\$ -
Negotiable certificates of deposit	4,323,982,036	-	1,284,904,223	2,815,616,210	223,461,603
Commercial paper	7,561,226,241	-	37,231,951	1,947,446,547	5,576,547,743
Corporate bonds	129,378,362	-	18,346,855	111,031,507	-
Federal agency issues and U.S. Treasury obligations	496,398,791	-	496,398,791	-	-
Money market funds	544,406,869	544,406,869	-	-	-
Repurchase agreements	4,640,552,642	-	-	-	4,640,552,642
Total	\$ 18,412,814,640	\$ 544,406,869	\$ 1,977,127,114	\$ 5,450,718,669	\$ 10,440,561,988

The issuers of the commercial paper holdings reflected in the above table as unrated do not have long-term ratings. All of STAR Ohio's commercial paper holdings have short-term ratings from Standard & Poor's of A-1+ or A-1. All repurchase agreements are with counterparties rated at least A-1 by Standard & Poor's and are fully collateralized in accordance with Ohio law. All the STAR Ohio negotiable certificates of deposit holdings indicated in the table as "Unrated" have a long-term rating from S&P of A+.

Concentration of Credit Risk

STAR Ohio, through its investment policy, follows the diversification guidelines for Standard & Poor's Principal Stability Fund Rating (PSFR) criteria for AAAm-rated money market funds and ORC Section 135.143. Through its investment policy, STAR Ohio further limits its investments in municipal bonds to 10 percent of net assets. STAR Ohio limits the maximum exposure per issuer to 5 percent of net assets, except U.S. Treasury and federal agency obligations, overnight bank deposits (including uninvested cash), instruments that are at least 100 percent collateralized, and investments in other rated money market funds.

June 30, 2024 and 2023

Note 3 - Investment Securities (Continued)

As of June 30, 2024, STAR Ohio had 5 percent or more of its net assets invested in the following issuers:

Bank of Nova Scotia	6.80 %
Credit Agricole	9.40

Foreign Currency Risk

STAR Ohio does not have exposure to foreign exchange risk.

Custodial Credit Risk

As required by state law, the financial institutions holding STAR Ohio demand deposits collateralize accounts for balances in excess of the amounts covered by federal insurance. Certain financial institutions are permitted to have a reduced collateral floor. At June 30, 2024, a portion of STAR Ohio's bank deposits were exposed to custodial credit risk. At June 30, 2024, for the Trust Fund, demand deposits totaling \$140,431,512 were federally insured, \$406,148,849 was collateralized, and \$170,289,338 was uncollateralized. STAR Ohio's other investments are not exposed to custodial credit risk, as defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Securities in STAR Ohio are insured, registered, and held by STAR Ohio or a specific trust account designated for STAR Ohio. The carrying amount of cash and bank balance was zero as of June 30, 2024.

Note 4 - Fair Value Measurements

STAR Ohio's investments on the statement of net position are presented at amortized cost in accordance with GASB Statement No. 79. Information regarding the fair value of investments held by STAR Ohio is presented below in accordance with GASB Statement No. 72, *Fair Value*.

STAR Ohio categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. STAR Ohio's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

A description of the valuation techniques applied to STAR Ohio's major categories of assets when measured at fair value is as follows:

Investments in registered open-end investment companies, including money market funds, are valued at the daily redemption value, as reported by the underlying fund, and are categorized in Level 1 of the fair value hierarchy.

Short-term Notes (Including Federal Agency Issues, U.S. Government Agency Obligations, U.S. Treasury Obligations, Negotiable Certificates of Deposit, Commercial Paper, Corporate Obligations, and Repurchase Agreements)

Short-term notes held in STAR Ohio are valued using fair valuation methodologies that incorporate market inputs, such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, and offers. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. The fair value of these securities is determined primarily based on these Level 2 inputs and is categorized as such.

State Treasury Asset Reserve of Ohio Investment Trust Fund

Notes to Financial Statements

June 30, 2024 and 2023

Note 4 - Fair Value Measurements (Continued)

For the year ended June 30, 2024, STAR Ohio did not hold any assets at any time in which significant unobservable inputs were used in determining fair value. Therefore, there are no Level 3 securities.

The following table summarizes the inputs used to value the Trust Fund's assets when measured at fair value as of June 30, 2024:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024	Value at Amortized Cost
Assets					
Debt securities:					
Federal agency issues and U.S. Treasury obligations	\$ -	\$ 496,115,617	\$ -	\$ 496,115,617	\$ 496,398,791
Negotiable certificates of deposit	-	4,323,885,792	-	4,323,885,792	4,323,982,036
Commercial paper	-	7,558,485,968	-	7,558,485,968	7,561,226,241
Corporate bonds	-	129,163,425	-	129,163,425	129,378,362
Total debt securities	-	12,507,650,802	-	12,507,650,802	12,510,985,430
Money market funds	544,406,869	-	-	544,406,869	544,406,869
Repurchase agreements	-	4,640,552,642	-	4,640,552,642	4,640,552,642
Total investments by fair value level	<u>\$ 544,406,869</u>	<u>\$ 17,148,203,444</u>	<u>\$ -</u>	<u>\$ 17,692,610,313</u>	<u>\$ 17,695,944,941</u>

As of June 30, 2024, the Trust Fund invested in bank deposits in the amount of \$716,869,699, which is not included in the table above. Total investments on the statement of net position totaled \$18,412,814,640.

Note 5 - Securities Lending

Pursuant to ORC Section 135.143, the Pool may lend up to 25 percent of its securities to any eligible financial institution that is a member of the Federal Reserve System or any recognized United States government securities dealer. However, STAR Ohio has not established a securities lending program.

For the fiscal year ended June 30, 2024, STAR Ohio did not participate in security lending transactions.

Note 6 - Income Distributions

Each business day, STAR Ohio declares a distribution of its net investment income and realized capital gains, if any. Such distributions are automatically reinvested in additional shares or paid in cash to shareholders at the end of each month.

State Treasury Asset Reserve of Ohio Investment Trust Fund

Notes to Financial Statements

June 30, 2024 and 2023

Note 7 - Capital Shares

Transactions in capital shares (all at \$1.00 per share) were as follows:

	<u>2024</u>	<u>2023</u>
Shares subscribed	35,742,523,532	31,855,063,126
Shares issued for distributions	<u>1,184,196,758</u>	<u>726,498,462</u>
Total	36,926,720,290	32,581,561,588
Shares redeemed	<u>(36,011,495,323)</u>	<u>(29,975,719,398)</u>
Capital shares transactions - Net increase	<u><u>915,224,967</u></u>	<u><u>2,605,842,190</u></u>

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Treasurer of the
State of Ohio, Robert Sprague
State Treasury Asset Reserve of Ohio
Investment Trust Fund

We have audited, 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, the financial statements of State Treasury Asset Reserve of Ohio Investment Trust Fund (the "Trust Fund"), which comprise the statement of net position as of June 30, 2024 and the related statements of operations and changes in net position for each of the two years for the period then ended, and the related notes to the financial statements and have issued our report thereon dated September 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Trust Fund's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Treasurer of the
State of Ohio, Robert Sprague
State Treasury Asset Reserve of Ohio
Investment Trust Fund

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Trust Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Trust Fund's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

September 5, 2024

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OHIO AUDITOR OF STATE KEITH FABER



**STAR OHIO
FRANKLIN COUNTY**

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/7/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov