



**TREASURER OF STATE
FRANKLIN COUNTY**

AGREED-UPON PROCEDURES

AS OF JUNE 29, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TREASURER OF STATE
FRANKLIN COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS ON
APPLYING AGREED-UPON PROCEDURES**

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

Dear Mr. Deters:

We have performed the procedures enumerated below, which were agreed to by the Treasurer of State, solely to comply with the requirements of Section 117.15 of the Ohio Revised Code, as of June 29, 2001. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements. The sufficiency of the procedures is solely the responsibility of the Treasurer of State. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Count of Cash and Securities Held in Trust

We performed a count of cash and securities physically held by the Treasurer of State (TOS) in the Cashier's Department, Vault, and Trust Department areas as of June 29, 2001.

Cash held in the cashier drawers and cashier vault in the TOS Cashiers section as of June 29, 2001 was accounted for and agreed with the Treasurer of State's Schedule of Cash and Investments.

In our count of physical securities held in the Trust Department, we found all securities physically held by the TOS Trust Department as custodian for other state agencies were accounted for and agreed to the custodial records of the TOS. Our procedures in this regard included verifying the existence of all negotiable securities (i.e. bearer bonds) held in the TOS vault as of June 29, 2001 by the Trust Department as custodian for other agencies, and verifying the disposition of all negotiable securities held in the TOS vault as of June 30, 2000 which were no longer in the vault as of June 29, 2001.

Confirmation of Accounts

We confirmed deposit balances in the Treasurer of State's regular, consolidated check clearing, zero balance accounts, and custodial accounts with the financial institutions holding these accounts, as of June 29, 2001.

Deposit balances in the TOS regular, consolidated check clearing, zero balance, and custodial accounts as of June 29, 2001 were confirmed. The only exceptions noted were six custodial accounts where the amount reported by the banks did not agree with the amounts shown in the TOS' records. These exceptions, which can be attributed to timing differences, totaled \$1,493,972.

Confirmation of Special Purpose Investments

We selected 50 linked deposits, 20 agri-linked deposits, 20 Linked Y2K deposits, and 40 Bid Ohio deposits and confirmed the balances with the financial institutions holding these deposits, as of June 29, 2001.

Confirmations were received for all of the Linked, Agri-linked, Linked Y2K and Bid Ohio deposits noted above. A total of 23 exceptions (12 linked, one Agri-linked, 10 Linked Y2K) were noted where the amounts reported by the banks did not agree with the amounts shown in the TOS' records. The total dollar amount of seventeen of these variances was less than \$6,000, so we passed on further review.

The remaining six exceptions (three Linked and three Linked Y2K) are attributed to a misunderstanding by bank personnel as to the proper amounts to confirm. The banks reported the value of the loan made with the deposited funds or accrued interest earned on the deposit, either of which could have caused a deviation from the amounts reflected on the Treasurer of State's internal records. We reviewed separate documentation which had been provided to the TOS by these banks for the six exceptions, and found that the TOS' records were correct.

Confirmation of Non-Special Purpose Investments

We confirmed investments held by the Treasurer of State in its regular account, structured account and other agency custodial accounts with the financial institutions holding these investments, as of June 29, 2001.

All investments in the regular, structured and agency custodial accounts as of June 29, 2001 were confirmed, with 13 variances noted. The total dollar amount of five of these variances was less than \$300,000, so we passed on further review. The remaining eight variances were found to have been caused by transaction timing differences or reporting errors by the bank.

On March 21, 2002, we held an exit conference with the Treasurer of State's management and discussed the contents of this report. The Treasurer of State chose not to respond to the issues addressed in this report.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the Treasurer of State's assets, assets of custodial funds or securities held in trust, as of June 29, 2001 which is attached as Exhibit A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



JIM PETRO
Auditor of State

December 14, 2001

Exhibit A

Treasurer of State
Schedule of Cash and Investments
State Treasury, Custodial Accounts and Securities Held In Trust
As of June 29, 2001
(unaudited)

State Treasury

Cash		\$	12,198,766
Investments			
Agri-Linked Deposits	\$	59,802,301	
Linked Deposits		342,085,682	
Linked Deposits - Y2K		21,155,596	
Linked Deposits - Access Ohio		10,131,031	
Bid Ohio Deposits		255,000,000	
Interim Deposits - Regular (Non-Special Purpose)		6,381,967,810	
Interim Deposits - Structured (Non-Special Purpose)		<u>871,085,346</u>	
Total Investments			<u>7,941,227,766</u>
Total State Treasury		\$	<u><u>7,953,426,532</u></u>

Custodial Funds¹

Cash		\$	168,635,243
Investments			<u>134,842,856,735</u>
Total Custodial Funds		\$	<u><u>135,011,491,978</u></u>

(See Report of Independent Accountants.)

¹The cash and investment amounts shown are summarizations of 81 individual account balances held as custodial funds by the Treasurer of State



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OFFICE OF THE AUDITOR

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TREASURER OF STATE

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 18, 2002**