OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2007

Mary Taylor, CPA
Auditor of State

Board Members
Ohio Public Employees Deferred Compensation Program
250 Civic Center Drive
Suite 350
Columbus, Ohio 43215 – 5450

We have reviewed the *Independent Auditors' Report* of the Ohio Public Employees Deferred Compensation Program, Franklin County, prepared by Clark, Schaefer, Hackett & Co. for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 25, 2008

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OHIO PUBLIC EMPLOYEES
DEFERRED COMPENSATION PROGRAM
Comprehensive Annual Financial Report
For the year ended December 31, 2007

R. Keith Overly, Executive Director
Paul D. Miller, Assistant Director-Finance

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

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ohio Public Employees Deferred Compensation Program

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

ORGANIZATION CHART
AS OF 12/31/07

DEFERRED COMPENSATION BOARD

Sharon M. Downs, Retired Group
Jay Hottinger, Ohio House of Representatives
John W. Maurer, Retired Group
Hugh Quill, Director of Administrative Services
Kimberly A. Russell, State College and University Employees
Tom Sawyer, Ohio Senate
Cinthia Sledz, Miscellaneous Employees
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Helen Youngblood, County Employees
Vacant, Investment Expert, Appointed by Governor
Vacant, Investment Expert, Appointed by Treasurer of State
Vacant, State Employees

EXECUTIVE DIRECTOR
R. Keith Overly

ASSISTANT DIRECTOR
ADMINISTRATION
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ASSISTANT DIRECTOR
FINANCE
Paul D. Miller

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Marc Dann, Attorney General

Consultant
Ennis Knupp & Associates

OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

May 23, 2008

Dear Chair and Members of the Board:

We are pleased to present the Comprehensive Annual Financial Report for the Ohio Public Employees Deferred Compensation Program (the Program) for the year ended December 31, 2007. The Comprehensive Annual Financial Report was prepared to assist the user in understanding the functions of the Program and how participants use the Program to supplement their retirement income. Management's Discussion and Analysis (MD&A) complements this letter of transmittal and should be read in conjunction with it.

The Ohio Revised Code created the Deferred Compensation Board (the Board) to administer the Program for all eligible employees. However, the State created the Program as a legal entity separate from the State, and does not appoint a voting majority of the Program's governing Board. The Program is self-funded and governed by its own Board. The State does not approve the Program's budget or set Program rates or charges. The Program provides services to over 190,000 participants from 1,689 Ohio state and local governments, and is therefore not part of the State of Ohio reporting entity. A complete listing of participating employers is available upon request.

Plan History and Overview

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

Economic Conditions and Outlook

As our nation's "baby boomers" reach retirement age, there has been increased national media exposure to the importance of saving for retirement. In addition, health and medical advances are allowing people to live longer, which means their retirement savings must be greater and their retirement income must last longer. Program participants are already covered by a primary retirement program, but realize that these benefits may not be enough, and are increasingly using this Program to supplement their retirement benefits.

If larger numbers of employees retire, this turnover will require greater service efforts for both the retiring employees and newly hired replacement employees. Also, the retired employees will have access to their retirement funds, which could reduce Program assets. However, financial realities will likely result in many employees delaying or modifying their retirement plans, which could result in working longer and ultimately withdrawing their funds later.

Annually, the Program has seen a steady increase in the amount of distributions. The Program has responded by adding to its retirement counselor staff to help educate participants with their benefit distribution options. Total Program assets continue to grow as annual additions (excluding investment earnings) exceed annual deductions (both benefits and transfers out). Program management expects this trend to continue for the short-term.

Equity markets produced positive returns for the fourth straight year, as evidenced by the 5.5% increase to the Program's S&P 500 investment option. Of the twenty investment options offered, only one had negative performance for the year-ended December 31, 2007, and none of the investment options had negative performance for the three-, five-, or ten-year periods ended December 31, 2007. This positive market performance has helped encourage some participants to enroll in the Program and others to increase their payroll deferrals.

Major Initiatives

During 2007, the Program made one change to its investment line-up by closing out the Fidelity Magellan fund. This flagship offering from Fidelity underperformed its benchmark and its peers, and was managed very similar to a better-performing Fidelity fund offered through the Program. After notifying participants of this planned closing and giving them ample time to select another investment option, the remaining Magellan investors were moved to the Fidelity Contrafund.

The Program developed a plan to encourage annual deferral increases, to help participants save enough for retirement. Participants can make a one-time election to enroll in the ***SMarT*** plan (Save More Tomorrow), and their deferral amount will automatically increase annually. This new plan simplifies the process of making annual increases and should help more participants reach their retirement savings goal faster.

The Program also developed an ***EZ Enrollment*** form, which allows employees to join the Program without completing all of the regular enrollment forms. The ***EZ Enrollment*** form guides participants into the lifecycle fund that most closely matches their estimated retirement age, so the employee is relieved of the asset allocation decision, which is often one of the more challenging decision points that can delay enrollment.

During 2007, the Program contracted with an independent consulting firm to perform an information systems security assessment. The assessment documented the risks from internal and external threats, and the necessary control environment to mitigate these risks. The study concluded that the Program has demonstrated very good practices of configuring systems in a secure manner.

A large information technology project was completed in 2007 that now allows employers to electronically transmit data and funds to the Program through an internet application. The Ohio Business Gateway is a collaborative initiative of state and local government agencies, and the Program was able to leverage this existing structure to customize an application for its own use.

The Program has established a fund reserve policy to maintain between three and twelve months of annual operating expenses in reserve. With adequate reserves on-hand, the Board has suspended the $2 quarterly fee to participants since the fourth quarter of 2006.

Financial Information and the Internal Control Structure

Program management is responsible for the information in this report and for establishing and maintaining a system of internal controls sufficient to provide integrity to all financial information and to permit reporting in conformity with accounting principles generally accepted in the United States of America. We believe that the information presented in this CAFR is accurately and fairly presented in all material respects.

The net assets available for benefits and changes in net assets available for benefits of the Program are included as a Pension Fund in the Financial Section of this presentation. All financial activity is reported on the accrual basis of accounting. Additions are recorded in the period in which they are earned, and deductions are recorded in the period in which the liability is incurred.

Excess Administration Fund cash is held in money market accounts. Cash is held for capital acquisitions and is used to supplement monthly operations, if administrative expenses exceed revenues during a given month. Management seeks to maintain sufficient cash reserves to cover three to twelve months of operating expenses.

Program Additions

Additions to Program assets come from investment income earned on participant accounts, employee contributions, transfers from other plans, and recordkeeping reimbursements. Net investment income of $573 million was the largest asset addition in 2007 compared to $584 million in 2006. Employee contributions were $448 million in 2007 compared to $433 million in 2006. The number of participants actively deferring increased by 1.9%, and the average deferral amount rose by 1.6%, as participants chose to save more in their retirement accounts. Transfers from other qualified pre-tax retirement plans into the Program increased 17.9% between 2007 and 2006.

Program Deductions

During 2007, the dollar amount of participant benefit distributions increased by 8.1% over the prior year. This increase is attributable to more terminated participants accessing their accounts (8.0% more participants receiving distributions over last year) and not to higher distribution amounts (average distribution amount unchanged between 2007 and 2006). Transfers to other eligible retirement plans and to defined benefit plans to purchases of service credit increased 21.9 % in 2007. This increase in transfers is due to greater competition to manage employees' retirement assets. Administrative expenses in 2007 rose by 5.5% over the prior year, primarily due to new data processing consultant projects. Administrative expenses excluding these projects only rose by 3.1%.

Investments

The Program is a self-directed plan, so participants choose the investment options for their current deferrals and balances. The Board has adopted an investment policy that ensures that a sufficient number of suitable, diverse investment options are offered. The stable value investment option accounts for 42.6% of all invested funds, with the remainder invested in 19 mutual or commingled fund options. Investment performance results and related investment expense rates are reported to participants quarterly via the Program's newsletter and web site. A listing of investment options and their performance returns is included in the Investment Section of this report.

Independent Auditors

The financial statements of the Program for the years ended December 31, 2007 and 2006 were audited by Clark, Schaefer, Hackett & Co. under contract with the Auditor of State of Ohio.

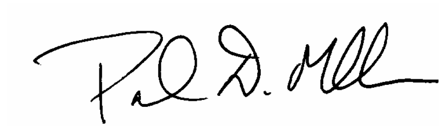
Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) most recently awarded a Certificate of Achievement for Excellence in Financial Reporting to the Ohio Public Employees Deferred Compensation Program for the fiscal year ended December 31, 2006. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate of Achievement.

Acknowledgments

The preparation of this report reflects the combined efforts of the Program's staff under the direction of the Board. Its purpose is to provide complete and reliable information as a basis for making decisions, and as a means for determining responsible stewardship over the assets contributed by participants.

Respectfully submitted,



R. Keith Overly
Executive Director

Paul D. Miller, CPA
Assistant Director-Finance

PLAN SUMMARY

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

This Plan summary includes all Plan revisions approved by the Board that were effective as of December 31, 2007. Participants should refer to the Plan Document for complete Plan information.

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

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

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

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

c. The investment option(s) selected by the participant.

Maximum and Minimum Deferrals - Normally, the maximum amount which may be deferred by an active participant in the Plan in any Plan year shall not exceed the lesser of (A) $15,500 for the year 2007, and then indexed as allowed by law in future years or (B) 100% of an active participant's includable compensation (as defined by the Internal Revenue Code). In addition for the year 2007, participants who have attained age 50 may defer an additional $5,000, which amount may increase in future years as indexed as allowed by law.

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

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

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

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

Exchanges - A participant (or beneficiary, if the participant has died) may make exchanges between investment options. Any such exchange shall be effective at the price next computed following receipt of the exchange request and shall be subject to such restrictions as are established by the Plan administrator. Participants who complete four exchanges in any 45 day period will lose their electronic trading privileges, and be restricted to one mail-in exchange every five days for the following twelve-month period.

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

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

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

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

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

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

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

In-Service Transfers – If an employer offers multiple IRC 457 deferred compensation plans, which meet certain conditions, the Plan will allow participants to move their account balances between plans as an in-service transfer, prior to severance from employment.

Election of Benefit Payment Date (a) Participant - Upon severance from employment, a participant may elect a date to begin receiving benefit payments from the Plan. Benefit payments may begin after verification of severance, receipt of final deferral, and completion of the Benefit Payment Election Form. Payments must begin no later than December 31 of the year in which the participant attains age 70 ½. If the participant has not had a severance from employment as of such date, then payments must begin no later than December 31 of the year in which the participant has a severance from employment.

(b) Beneficiary - If a participant or spousal beneficiary dies before their account has been exhausted, then the remaining account balance shall be paid to their designated beneficiary. The beneficiary shall have the right to elect a benefit option, subject to the following limitations. (1) If a participant dies on or after the required minimum distribution date, payments shall continue to be paid to the beneficiary at least as rapidly as they were being paid to the participant. (2) If a participant dies before the required minimum distribution date, the beneficiary may elect a payment option subject to the following requirements: (a) if the beneficiary is the participant's surviving spouse, distribution may be delayed until December 31 of the year in which the participant would have attained age 70 ½, or (b) if the beneficiary is someone other than the surviving spouse, distribution of the account must begin by December 31 of the year following the participant's death, or (c) if the beneficiary is not a person, such as a trust or estate, the entire account must be distributed by the end of the calendar year which contains the fifth anniversary of the participant's death. (3) If a spousal beneficiary dies after the participant, but before the full account value is distributed, any remaining account value will be paid to the spousal beneficiary's designated beneficiaries in a lump-sum payment.

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

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

Require Elections for Benefit Payment Date and Option (a) Participant-If a participant does not elect a benefit payment date, benefit payments shall begin by December 31 of the year the participant attains age 70 ½. Benefits shall be paid for a fixed time period over the maximum number of years allowed by the required minimum distribution tables.

(b) Beneficiary-If a spousal beneficiary of a participant who dies before the required minimum distribution date does not elect a benefit payment date, benefit payments shall begin by December 31 of the year the participant would have attained age 70 ½. If a non-spousal beneficiary of a participant does not elect a benefit payment date, benefit payments shall begin by December 31 of the year following the participant's death. Benefits shall be paid for a fixed time period for the maximum number of years allowed by the required minimum distribution tables.

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

Acceleration - If upon a participant's separation from service and the Board's receipt of the last deferral, the participant's account value is less than $1,000, the Plan administrator may accelerate the payment of benefits otherwise due in the future and pay to such participant the full account value in a lump sum less the required tax withholding.

Qualified Domestic Relations Order - The Plan administrator shall comply with the provisions of a domestic relations order which the Plan administrator determines to constitute a Qualified Domestic Relations Order, as defined by the Internal Revenue Code. The Plan permits distributions at any time to an alternative payee under a Qualified Domestic Relations Order.

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

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

1. Payments of an annual percent.
2. Payments of a dollar amount
3. Systematic withdrawals for a fixed time period
4. Partial lump sum payout
5. Lump sum payout

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

If a non-spousal beneficiary dies while receiving Plan benefits, any remaining benefits which the non-spousal beneficiary is entitled to receive under the Plan and which are unpaid at the time of their death shall be paid in a lump sum amount determined under each applicable investment option to the fiduciary of the beneficiary's probate estate;

provided, however, that if the Plan administrator does not receive notice that a fiduciary has been appointed and qualified within 90 days after the death of the beneficiary, payment shall be made to those persons entitled to receive the beneficiary's property under the intestacy laws of the jurisdiction of their residence at the time of their death.

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

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

OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

FINANCIAL SECTION

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS
www.cshco.com

Independent Auditors' Report

Ohio Public Employees Deferred Compensation Board
Columbus, Ohio

We have audited the accompanying statements of plan net assets of the Ohio Public Employees Deferred Compensation Program (the Program) as December 31, 2007 and 2006, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Program's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Ohio Public Employees Deferred Compensation Program as of December 31, 2007 and 2006, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2008, on our consideration of the Program's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 19 to 21 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Program's basic financial statements. The supplementary information on pages 40 to 43, the introductory section on pages 4 to 16, the investment section on pages 45 to 47, and the statistical section on pages 49 to 53 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all materially respects in relation to the basic financial statements taken as a whole. The introductory section, the investment section, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 23, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

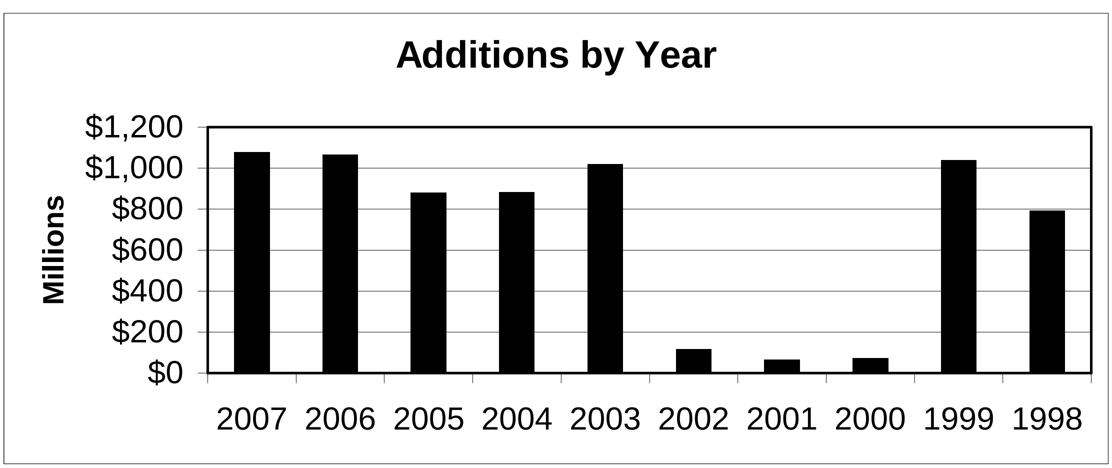
Management of the Ohio Public Employees Deferred Compensation Program offers this narrative overview of the financial statements contained in this Comprehensive Annual Financial Report. The financial statements consist of the Statements of Plan Net Assets and the Statements of Changes in Plan Net Assets. All assets and liabilities associated with the Program's operations are included on the Statement of Plan Net Assets. The Program's revenues and expenses are reported on the Statement of Changes in Plan Net Assets. Additional information is presented in the Notes to the Financial Statements and the Supplemental Information Schedules.

PROGRAM ADDITIONS

In this defined contribution plan, participants choose how much to defer and what investment options are appropriate for them. It is an encouraging sign that the number of total accounts, as well as the number of actively deferring accounts, continue to grow. In addition, the average annual deferral amount continues to grow within the voluntary savings plan. Investment performance can significantly affect Program additions, and positive market performance over the past three years has added considerable assets to the Program. Transfers from other qualified retirement plans and recordkeeping income increased in 2007 over the prior year.

	2007	2006	2005
Net investment income	$573,218,690	$584,154,863	$410,166,051
Employee contributions	448,422,325	433,065,402	412,865,430
Transfer from other plans	50,839,408	43,108,569	52,121,717
Recordkeeping income	6,019,775	5,967,009	5,335,698
Total Additions	$1,078,500,198	$1,066,295,843	$880,488,896

The graph below shows the ten-year history of additions. Employee contributions have consistently risen over this period, but investment earnings (or losses) have created the fluctuations. In fact, the investment losses during the bear market years of 2000 through 2002 effectively offset all of the other additions into the Program during those years.

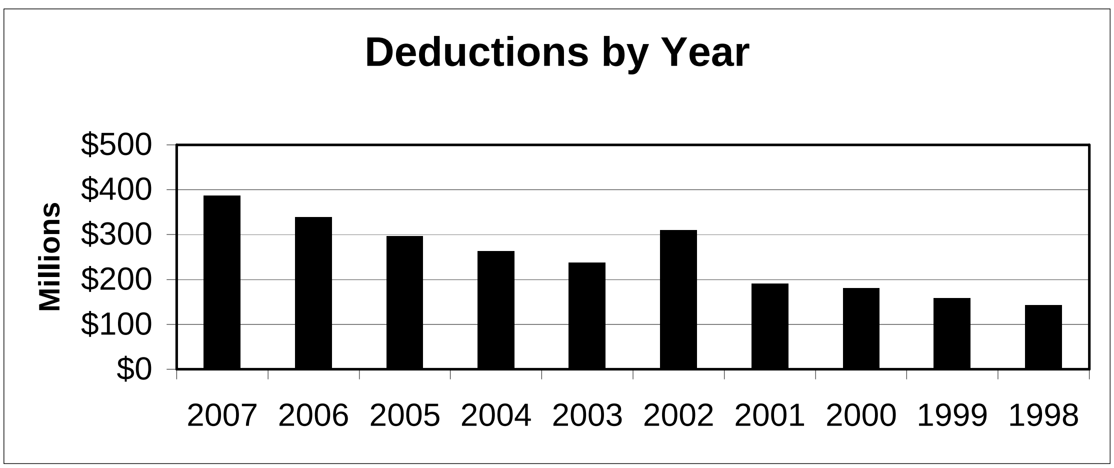


PROGRAM DEDUCTIONS

Total Program deductions have increased each year, due primarily to greater transfers out of the Program. Pension portability has encouraged continued savings, by allowing participants to transfer their funds to other qualified retirement plans, instead of taking taxable distributions at termination. Benefit distributions continue to be the largest annual Program deduction, but transfers to other plans are quickly approaching the amount of benefit distributions.

	2007	2006	2005
Distributions to participants	$207,425,314	$191,896,498	$177,596,204
Transfers to other plans	170,789,259	140,074,062	111,539,683
Other deductions	8,161,664	7,747,327	7,411,262
Total Deductions	$386,376,237	$339,717,887	$296,547,149

Participant account balances have grown significantly over the years through greater deferrals and investment earnings. These higher balances are now being distributed as benefit payments or rollovers to other plans, as more participants are leaving employment. Rollovers to other pre-tax retirement plans began in 2002, which created the spike in the chart below. Otherwise, there has been a steady increase in the annual deduction amount.

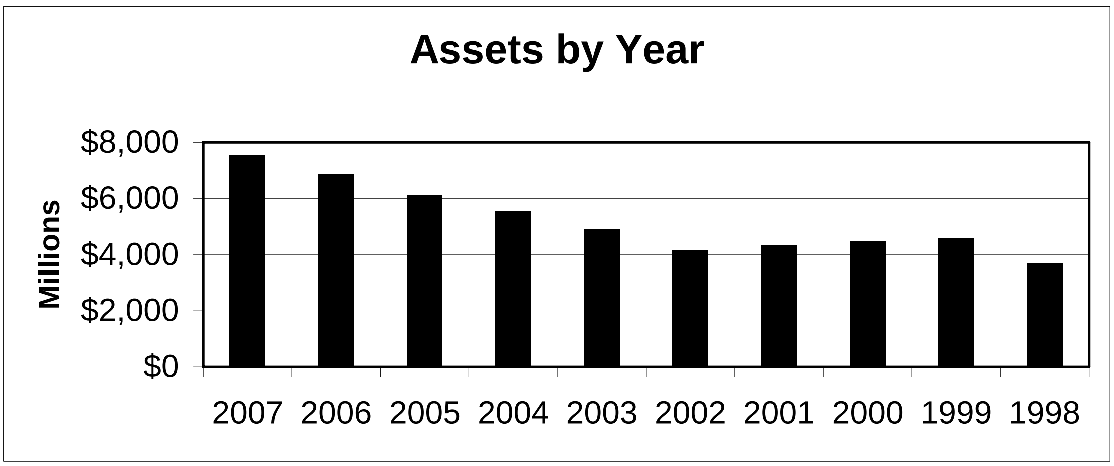


NET PROGRAM ASSETS

Net assets available for Program benefits at December 31, 2007 increased 10.1% over the previous year-end due to positive investment performance, and employee contributions exceeding benefit distributions and transfers. Total net assets available for Program benefits at December 31, 2006 increased 11.9% over 2005, due to positive investment performance, and employee contributions exceeding benefit distributions and transfers to other plans. Program liabilities are generally unpaid operating expenses at year-end and settlement payments due for investments purchased on the final business day of the year.

	2007	2006	2005
Total Assets	$7,549,519,664	$6,857,570,709	$6,129,596,026
Total Liabilities	2,027,124	2,202,130	805,430
Net Assets Available for Benefits	$7,547,492,540	$6,855,368,579	$6,128,790,596
Change in Net Assets from prior year	$692,123,961	$726,577,983	$583,941,747

As demonstrated by the graph below, total Program assets have steadily increased, representing an improvement to the overall financial position of the Program. After several years of positive market performance, it would not be unusual for the market to enter a flat or down cycle. Unless the market down cycle is severe or lasts for several years, total Program assets would not decrease significantly.



PROGRAM ACTIONS

During 2007, the Program made one significant change to its investment line-up by closing-out a large cap growth fund. Assets were moved to an alternative existing large cap growth fund with better historic performance. All other investment options met the criteria for retention within the Program's investment policy.

During 2006, the Program adopted a fund reserve policy, which seeks to hold three to twelve months of operating expenses in reserve. Due to positive reserve funding, the $2 quarterly administrative fee to participants was suspended beginning with the fourth quarter of 2006.

STATEMENTS OF PLAN NET ASSETS

As of December 31, 2007 and 2006

	2007	2006
Assets:		
Investments:		
Mutual funds	$4,136,144,561	$3,647,751,184
Stable value option	3,191,553,670	3,037,129,458
Collective trust funds	165,409,030	113,695,537
Purchased annuities	39,775,688	43,130,943
Total investments	7,532,882,949	6,841,707,122
Cash and cash equivalents	9,375,231	7,637,627
Contributions receivable and cash held for investment	5,756,585	6,831,426
Accounts and other receivables	1,448,248	1,316,662
Property and equipment, net	56,651	77,872
Total assets	7,549,519,664	6,857,570,709
Liabilities:		
Accounts payable	1,802,329	1,997,100
Accrued expenses	224,795	205,030
Total liabilities	2,027,124	2,202,130
Net Assets Held in Trust	$7,547,492,540	$6,855,368,579

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

STATEMENTS OF CHANGES IN PLAN NET ASSETS

For the years ended December 31, 2007 and 2006

	2007	2006
Additions:		
Net Investment Income:		
Net gain on funds	$415,674,126	$438,978,600
Stable value income	163,765,380	150,598,097
Investment expenses	(6,220,816)	(5,421,834)
Net investment income	573,218,690	584,154,863
Employee contributions	448,422,325	433,065,402
Transfers from other plans	50,839,408	43,108,569
Recordkeeping income	6,019,775	5,967,009
Total additions	1,078,500,198	1,066,295,843
Deductions:		
Distributions to participants	207,425,314	191,896,498
Transfers to other plans	170,789,259	140,074,062
Administrative expenses	8,110,669	7,688,266
Life insurance premiums	50,995	59,061
Total deductions	386,376,237	339,717,887
Increase in plan net assets	692,123,961	726,577,956
Plan net assets - beginning of year	6,855,368,579	6,128,790,623
Plan net assets - end of year	$7,547,492,540	$6,855,368,579

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

NOTES TO THE FINANCIAL STATEMENTS

1. General Description of the Program:

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

The Program is a voluntary defined contribution pension plan established pursuant to Ohio Revised Code (the Code) Section 148. Under the Program provisions, any public employee within Ohio (as defined in Section 148.01(A)(1) of the Code) is eligible to contribute into the Program, through payroll deductions, any amount up to the maximum permitted under Section 457 of the Internal Revenue Code. Amounts contributed by employees are deferred for federal and state income tax purposes until such amounts are distributed by the Program. As of December 31, 2007 and 2006, there were 1,689 and 1,654 respectively, state and local governments actively participating in the Program.

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

As of December 31, 2007, Program participants have the following investment options:

- A stable value option administered by the Program. Funds are managed and invested by Deutsche Asset Management (Deutsche), Goode Investment Management, Inc. (Goode), JP Morgan Investment Advisors (JP Morgan), Nationwide Life Insurance Company (Nationwide), Pyramis Global Advisors Trust Company (Pyramis), and State Street Bank and Trust (State Street).

- Mutual funds managed by Dodge & Cox Funds (Dodge & Cox), Fidelity Investment Company (Fidelity), First Pacific Advisors (FPA), Hartford Investor Services Company (Hartford), Janus Equity Funds (Janus), PIMCO Funds (PIMCO), Franklin Templeton Funds (Templeton), and The Vanguard Group, Inc. (Vanguard).

- Collective trust funds managed by Barclays Global Investors, N.A. (Barclays).

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

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

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

2. Summary of Significant Accounting Policies:

Organization:

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

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

The Deferred Compensation Board is comprised of the members of the Ohio Public Employees Retirement System (OPERS) Board, a member of the Senate, and a member of the House of Representatives. The two members from the Ohio General Assembly must be of different political parties and are appointed by their respective leadership. Seven members of the OPERS Board are elected by the groups they represent: retired employees (2), state employees, municipal employees, county employees, non-teaching employees of state colleges and universities, and miscellaneous employees. The four statutory Board members are the Director of Administrative Services and investment experts appointed by the Governor, Treasurer of State, and Ohio General Assembly.

Basis of Accounting and Measurement Focus:

The activities of the Program are accounted for as a Pension Fund, and follow the accrual basis of accounting and reporting for defined contribution plans recommended by the Governmental Accounting Standards Board. The Program is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the Program's operations are included on the statement of plan net assets. Activities of the Program are accounted for in two funds which are combined for the purpose of financial reporting:

Program Fund: The Program Fund reflects all employee contributions, earnings or losses on investments and distributions to participants.

Administration Fund: The Administration Fund is used to account for customer service and administrative costs incurred by the Board. The Administration Fund recovers the costs of its operations through fees charged to the Program Fund and from recordkeeping reimbursements from certain investment providers.

Stable Value Option:

The Program administers the Stable Value Option, which is the stable value investment option offered to participants. As of December 31, 2007, the Program has stable value funds invested in six different portfolios. The Program determines the quarterly interest rate credited to participants by calculating the net weighted average return of the portfolios. The Program is also responsible for calculating daily account balances, disbursing funds for benefit payments and processing investment exchanges.

The investment pools of the Stable Value Option include portfolios managed by Deutsche, Goode, JP Morgan, Nationwide, Pyramis, and State Street. Investment guidelines, including asset class, credit rating, portfolio diversification and duration are specified by the Program. The Deutsche portfolio maintains a cash reserve account to buffer the invested pools from daily cash outflows from the Stable Value Option.

Funds invested in the portfolios are covered by guarantee agreements with independent banks and insurance companies. These agreements provide the formulas for determining the quarterly interest rate earned by each portfolio, and provide for benefit withdrawals at the guaranteed value.

During 2006**,** the Program allocated $400 million from the Nationwide portfolio to fund the Pyramis portfolio. The Pyramis portfolio is an active core plus investment strategy, which provides additional asset and risk diversification to the Stable Value Option. Also during 2006, the Program changed the name of the stable value investment option from the Guaranteed Return Option (GRO) to the Stable Value Option; to use the more commonly recognized name for this retirement savings option.

Investments Valuation:

Investments of the Stable Value Option are valued at contract value, which represents contributions received, plus the interest credited, less applicable charges and amounts withdrawn.

Mutual fund investments are valued at the share prices of mutual funds as reported by the fund providers, which represent contributions received, plus appreciation (depreciation) of the underlying portfolio, less applicable charges and amounts withdrawn.

Collective trust fund investments are valued at the unit prices of the collective trust funds as reported by the fund providers, which represent contributions received, plus appreciation (depreciation) of the underlying portfolio, less applicable charges and amounts withdrawn.

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. These amounts represent reserves established by Nationwide and are based on actuarial assumptions as to anticipated mortality, withdrawals and investment yield. Nationwide periodically adjusts and updates these assumptions.

Life Insurance Contracts:

As previously disclosed, universal and whole life insurance options are no longer available as new investment options. The policy cash value before surrender charges or other assessments was $1,242,900 and $1,324,100 at December 31, 2007 and 2006, respectively. Premiums paid for these policies are expensed when made. The amount of life insurance in force was $7,517,600 and $16,607,500 at December 31, 2007 and 2006, respectively.

Stable Value Income:

Stable value income was recorded as earned for each of the investment components of the Stable Value Option. The gross interest rates for each portfolio were adjusted quarterly and ranged from 4.90% to 5.30% during 2007, and from 4.48% to 5.16% during 2006.

The assets held for purchased annuities were credited interest based upon reserve assumptions used by Nationwide at the participant's annuitization date. These annuitization rates ranged from 1.4% to 5.2% during 2007, and from 2.7% to 5.2% during 2006.

Net Gain or Loss on Invested Funds:

Mutual and collective trust fund investment income or loss consists of dividends and capital gains paid, and appreciation or depreciation on the funds.

Historical Trend Information:

Unaudited historical trend information designed to provide information about the Program's progress is presented in the accompanying Statistical Section of this presentation.

Property and Equipment:

Property and equipment of the Board are stated at cost less accumulated depreciation. Depreciation on property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Board Employees' Deferred Compensation Benefits:

All employees of the Board are eligible to participate in the Program which it administers. The Deferred Compensation Board Employees' assets in the Program were valued at fair value and are included as plan net assets.

NOTES TO THE FINANCIAL STATEMENTS, Continued

Reclassifications:

Certain prior year amounts may have been reclassified to conform to the current year's presentation.

3. Tax Status:

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

4. Employee Contributions:

Participant contributions receivable and held for investment represent amounts withheld from participants but not remitted to the investment providers at year end. The Program maintains a bank account for the purpose of consolidating the deposit of all participant contributions. Contributions are subsequently remitted to the investment providers as designated by the participants. Funds deposited but not remitted to the investment providers were $1,508,017 and $1,602,392 at December 31, 2007 and 2006, respectively.

5. Cash:

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

At December 31, 2007 and 2006, the bank cash balances were $9,404,373 and $8,013,272 respectively. The bank balances are insured up to $100,000 by the Federal Deposit Insurance Corporation. The remaining bank deposits are covered by collateral held in the name of the Program’s pledging financial institution, as required by state statue.

6. Program Investments:

A summary of Program investments is as follows:

	December 31, 2007	
	Carrying Value	**Fair Value**
Mutual Funds	$4,136,144,561	$4,136,144,561
Stable Value Option	3,191,553,670	3,198,874,103
Collective Trust Funds	165,409,030	165,409,030
Purchased Annuities	39,775,688	39,775,688
Total Investments	$7,532,882,949	$7,540,203,382

	December 31, 2006	
	Carrying Value	**Fair Value**
Mutual Funds	$3,647,751,184	$3,647,751,184
Stable Value Option	3,037,129,458	3,023,054,355
Collective Trust Funds	113,695,537	113,695,537
Purchased Annuities	43,130,943	43,130,943
Total Investments	$6,841,707,122	$6,827,632,019

In October 2006, investments in the Barclays mutual funds were moved into Barclays collective trust funds. At the same time, the Barclays name was removed from the investment option name within the Program. This change to a private-label name was intended to give participants access to the same quality professional managers, but at a lower cost. The historic annual investment expense ratios on these life cycle options were:

Date From	Date To	Annual Expense Ratio
July 1, 2002	October 24, 2006	0.85%
October 25, 2006	December 31, 2006	0.50%
Janaury 1, 2007	December 31, 2007	0.43%
Janaury 1, 2008	Forward	0.40%

Stable Value Option:

At December 31, 2007, investments in the JP Morgan and Nationwide separate account portfolios are held in custody for the Program. The quoted market prices of these investments have been used for disclosure purposes. Funds invested by Deutsche, Pyramis, State Street and Goode are in commingled bond funds and are disclosed at fair value.

The investments of the Stable Value Option portfolio are governed by an investment policy enacted by the Deferred Compensation Board. That policy permits investments in U.S. Government, U.S. Government Agency, mortgage backed, asset backed, and corporate debt securities.

The Program has entered into liquidity guarantee agreements with banks and insurance companies to fund any withdrawals for benefit payments at book value. The Stable Value Option book value represents participant contributions plus earnings based on guaranteed rates of return. As of December 31, 2007, the fair market value of Stable Value Option assets exceeded the carrying value by $7,320,433 or 0.2%. The Program expects carrying and fair values of the Stable Value Option assets to converge, through amortization of these differences in future crediting rates. A summary of the fair value of investments in the Stable Value Option by investment manager at December 31, 2007 and 2006 is as follows:

	2007	2006
Deutsche Asset Management	$1,106,937,957	$1,050,951,413
Nationwide Life Insurance Co.	584,668,989	548,053,660
State Street Bank and Trust	577,421,475	540,056,847
JP Morgan Investment Advisors	445,359,003	426,663,447
Pyramis Global Advisors	414,633,570	401,074,002
Goode Investment Management	69,853,109	56,254,986
Total Fair Value	3,198,874,103	3,023,054,355
Total Carrying Value	3,191,553,670	3,037,129,458
Difference	$7,320,433	($14,075,103)

Credit Risk – The Program's investment policy requires the average quality of the Stable Value Option structure to be A-/A3 or better and restricts the amount of investments in securities rated below BBB/Baa3 to ten percent or less of assets. In addition, no holding may be rated lower than B/B2 and no more than one percent of Stable Value Option assets will be invested in any single high yield (below BBB) issuer.

As of December 31, 2007, the overall average credit quality of the Stable Value Option portfolio was AA+. The quality ratings of the Stable Value Option investments in fixed-income securities as determined by Standard & Poor's and/or Moody's (nationally recognized statistical rating organizations) as of December 31, 2007 are shown in the table below. Investments in U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk.

Credit Rating	Fair Value	Percentage of Portfolio
AAA	$775,585,221	24.2%
AA	2,069,596,208	64.7%
A/A-1	95,974,933	3.0%
BBB	65,192,909	2.0%
BB	21,992,007	0.7%
B	27,075,796	0.8%
Subtotal	3,055,417,074	95.5%
U.S. Government Securities	143,457,029	4.5%
Total Stable Value Investments	$3,198,874,103	100.0%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The segmented time distribution reflects fixed-income maturities over different time intervals. The longer the maturity, the more the value of the investment will fluctuate with interest rate changes. The following shows the maturity of the Stable Value Option investments segmented by time period.

Investment	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Total
U.S. Government Securities	$4,370,535	$79,088,086	$58,088,639	$1,909,769	$143,457,029
U.S. Government Agency Securities	1,022,972	29,140,712	19,784,867	2,175,881	52,124,432
Corporate Bonds	24,622,102	140,427,715	30,630,245	3,809,662	199,489,724
Commingled Bond Funds	0	2,100,351,931	38,172,914	8,553	2,138,533,398
Mortgage Obligations	54,956,455	394,828,392	142,566,936	29,325,769	621,677,552
Money Market Mutual Funds	43,591,968	0	0	0	43,591,968
Total Stable Value Investments	$128,564,032	$2,743,836,836	$289,243,601	$37,229,634	$3,198,874,103

The Stable Value Option investments include collateralized mortgage obligations (CMO) and asset-backed securities (ABS). These types of securities are purchased for their predictable cash flow characteristics and for favorable yields compared to similar investments. However, these investment vehicles are based on cash flows from interest and principal payments from the underlying investments that are sensitive to prepayments which may result from a decline in interest rates. At December 31, 2007 the Program had investments in CMO and ABS totaling $325 million and $47 million, respectively.

Concentration of Credit Risk – The Program's investment policy precludes investments in any one corporate issuer from exceeding five percent and restricts total investment in any single industry group to no more than twenty percent of the Stable Value Option's assets.

Purchased Annuities:

Assets held for purchased annuities are valued at amounts reported by Nationwide, which are actuarially determined. Investments in purchased annuities were $39,775,688 and $43,130,943 at December 31, 2007 and 2006, respectively.

Collective Trust Funds:

Shares of collective trust funds are priced at the net asset value as calculated by the fund provider. A summary of year-end investments as of December 31, 2007 and 2006 is as follows:

	Collective Trust Funds - 2007			Collective Trust Funds - 2006		
	Fair Value	Share Price	Shares Outstanding (1,000's)	Fair Value	Share Price	Shares Outstanding (1,000's)
Barclays Global Investors:						
LifePath 2010	33,919,205	11.28	3,007	24,293,842	10.70	2,270
LifePath 2020	67,374,648	11.29	5,968	46,020,789	10.79	4,265
LifePath 2030	42,874,089	11.30	3,794	29,856,530	10.86	2,749
LifePath 2040	21,241,088	11.40	1,863	13,524,376	11.01	1,228
Total Barclays Global Investors	$165,409,030			$113,695,537		

NOTES TO THE FINANCIAL STATEMENTS, Continued

Mutual Funds:

Shares of mutual funds are priced at the net asset value as calculated by the fund provider. A summary of year-end investments as of December 31, 2007 and 2006 is as follows:

	Mutual Funds - 2007			Mutual Funds - 2006		
	Fair Value	Share Price	Shares Outstanding (1,000's)	Fair Value	Share Price	Shares Outstanding (1,000's)
Fidelity:						
Contrafund	$950,095,190	$73.11	12,995	$636,905,604	$65.20	9,768
Growth Company	427,476,518	82.98	5,152	366,100,409	69.71	5,252
Magellan	0			217,963,984	89.52	2,435
Total Fidelity Funds	1,377,571,708			1,220,969,997		
Dodge & Cox:						
Stock	833,292,385	138.26	6,027	875,207,527	153.46	5,703
Balanced	432,855,497	81.00	5,344	404,046,788	87.08	4,640
Total Dodge & Cox Funds	1,266,147,882			1,279,254,315		
Vanguard:						
Capital Opportunity	259,432,068	85.06	3,050	224,066,901	84.75	2,644
International Growth	185,516,568	78.98	2,349	146,023,976	66.81	2,186
Institutional Index	184,010,534	134.14	1,372	174,969,534	114.01	1,535
Total International Stock Index	102,216,799	19.89	5,139	23,631,413	17.67	1,337
Small-Cap Index	41,809,313	32.60	1,282	34,601,093	28.54	1,212
Total Bond Market Index	14,637,972	10.16	1,441	2,563,756	9.99	257
Total Vanguard Funds	787,623,254			605,856,673		
Janus Twenty Fund	308,928,570	74.10	4,169	190,460,757	54.62	3,487
FPA Capital Fund	139,837,146	36.71	3,809	152,547,694	41.44	3,681
Templeton Foreign Fund	125,046,434	12.52	9,988	107,297,535	13.64	7,866
PIMCO Total Return	79,440,337	10.69	7,431	65,725,518	10.38	6,332
Hartford Small Company	51,549,230	18.62	2,768	25,638,695	19.07	1,344
Total Mutual Funds	$4,136,144,561			$3,647,751,184		

7. Investment Expenses:

Investment manager, custodian, and book value guarantee fees are charged against the assets within the Stable Value Option portfolios. Pooled investment income exceeded management expenses within the State Street stable value portfolio.

Participants who do not retain mutual fund investments for their required holding period are assessed redemption fees by the fund. Beginning in 2006, redemption fees were collected by the Program and remitted back to the mutual fund to benefit the remaining investors.

Fees associated with the Program investment options are summarized as follows:

	2007	**2006**
Stable Value - Book Value Guarantee Fees:	$2,697,251	$2,538,562
Stable Value - Management/Custodial Fees:		
JP Morgan Investment Advisors	905,402	861,034
Deutsche Asset Management	843,298	815,230
Pyramis Global Advisors	784,632	126,223
Nationwide Life Insurance Co.	716,171	953,606
Goode Investment Management	106,148	86,164
State Street Bank and Trust	(99,969)	(26,752)
Total Stable Value Investment Expenses	5,952,933	5,354,067
Total Mutual Fund Redemption Fees	267,883	67,767
Total Investment Expenses	$6,220,816	$5,421,834

8. Recordkeeping Income:

The Program is compensated by certain mutual fund investment providers for performing recordkeeping responsibilities. The reimbursement rates vary by mutual fund provider. In addition, the Program collected a recordkeeping fee on all investment balances in the Stable Value Option, which effectively reduces the net crediting rate earned by Stable Value Option investors. This annualized fee was 0.08% during 2007 and 0.10% during 2006. The Program collected a 0.15% annualized fee on all investment balances in the Barclays collective trust fund options. Effective January 1, 2008, the Program reduced the fee to be collected on both the Stable Value Option and the Barclay options to 0.05%.

Total recordkeeping revenues collected by the Program were $8,608,721 and $9,880,214 for the years ended December 31, 2007 and 2006, respectively.

The Administration Fund also recovered some administrative costs through charges made to the Program Fund. The Program charged a $2.00 per quarter fee to each participant account, which provided revenues of $947,246 for the year ended December 31, 2006. The quarterly fee has been selectively suspended, whenever the Program does not need the administrative revenue. Due to positive reserve funding, the $2.00 quarterly administrative fee to participants has been suspended since the fourth quarter of 2006.

9. Vacation and Sick Leave:

As of December 31, 2007 and 2006, the Program had accrued $213,126 and $196,146 respectively, for unused vacation and sick leave for full-time employees of the Board. At termination or retirement, employees are entitled to full compensation for all unused vacation time. With two years or more of employment prior to termination, employees are entitled to 50% payment of unused sick leave at termination.

10. Leases:

The Board entered into a ten-year lease agreement for administrative office space beginning in 2002. The lease has early termination options after the seventh and ninth lease years, upon payment of an early termination penalty. Base rental expense for this operating lease was $107,186 and $105,157 for 2007 and 2006 respectively. Allocated building operating expenses and real estate taxes under this lease were $90,704 and $85,735 during 2007 and 2006 respectively.

Future scheduled minimum lease payments (base rental expense) under the office space operating lease at December 31, 2007 are as follows:

Year Ending December 31:	Amount:
2008	109,214
2009	111,243
2010	113,272
2011	115,301
2012	19,273

11. Property and Equipment:

Property and equipment at December 31 are summarized as follows:

	Estimated Useful Life	2007	2006
Computer equipment	3 years	$284,911	$272,949
Furniture and fixtures	7 years	124,625	120,219
Office equipment	5 years	98,572	98,572
		508,108	491,740
Less accumulated depreciation and amortization		(451,457)	(413,868)
		$56,651	$77,872

12. Insurance:

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

The Program is self-insured under a professionally administered plan for general health and hospitalization employee benefits. The Program maintains specific stop loss coverage per employee for annual medical benefits in the amount of $250,000 for both 2007 and 2006. The Program also maintains lifetime maximum stop loss coverage per employee for medical benefits in the amount of $2,500,000 for both 2007 and 2006. The outstanding claims liability was $9,700 and $19,900 as of December 31, 2007 and 2006 respectively.

13. Pension Plan:

All Board employees are required to participate in a contributory retirement plan administered by the Ohio Public Employees Retirement System (OPERS). The required employer contributions for the current year and the two preceding years are as follows:

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2007	$157,500	100%
2006	$149,400	100%
2005	$141,700	100%

A. Plan Description

OPERS administers three separate pension plans: the Traditional Pension Plan - a cost-sharing multi-employer defined benefit plan: the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Plan and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, Attention: Finance Director, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, state employers contributed at a rate of 13.77% of covered payroll, local government employer units contributed at 13.85% of covered payroll, and public safety and law enforcement employer units contributed at 17.17%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OEPRS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided to the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of the covered dependents and the coverage selected.

The actuarial value of assets available for health care benefits at December 31, 2006 was $12.0 billion. There were 362,000 active contributing participants eligible for postemployment benefits at that date.

C. Program Contributions

The rates stated above, are the contractually required contribution rates for OPERS. The Program is considered a local government employer unit and contributed 13.8% of covered payroll in 2007, while Program employees contributed 9.5% of their salaries. The portion of the employer contribution that was used to fund post-employment benefits in 2007 was approximately $62,800. Beginning in 2008, the employee contribution increased from 9.5% to 10.0% of salary, and the employer contribution rate increased from 13.85% to 14.00%.

D. OPERS Retirement Board Implements its Health Care Preservation Plan

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

14. Eliminations:

The Administration Fund recovers some customer service and administrative costs through charges made to the Program Fund. Charges of $2,588,946 and $3,913,205 were made during 2007 and 2006, respectively, for this purpose, including $216,434, and $506,563 payable to the Administrative Fund as of December 31, 2007 and 2006, respectively. These inter-fund charges and payables have been eliminated in the Combining Schedule of Plan Net Assets and the Combining Schedule of Changes in Plan Net Assets.

15. Pending Litigation:

The Program has been named lead plaintiff in a national class action lawsuit against Pilgrim Baxter & Associates (Pilgrim) that seeks to recover funds lost due to Pilgrim's alleged breach of fiduciary duties. Pilgrim has been sued in federal court and charged with civil fraud by the U.S. Securities and Exchange Commission after revelations surfaced that fund executives had engaged in significant "market timing" activities. The Program had offered the PBHG Growth Fund as a mutual fund investment option to participants from July 1, 1997 through February 25, 2004. Any recovery from this action will be distributed to participants or increase participant's account values. Program management is of the opinion that ultimate settlement of such lawsuit will not result in a material impact on the Program's financial position.

16. Adoption of Accounting Principles:

In 2007, the Program adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension*. The statement changed the required disclosures for post-employment benefits other than pensions.

SUPPLEMENTAL COMBINING SCHEDULE OF PLAN NET ASSETS

As of December 31, 2007
With Totals for 2006

	2007				
	PROGRAM FUND	ADMINIS-TRATION FUND	COMBINING ENTRIES	TOTAL	2006
Assets:					
Investments:					
Mutual funds	$4,136,144,561			$4,136,144,561	$3,647,751,184
Stable value option	3,191,553,670			3,191,553,670	3,037,129,458
Collective trust funds	165,409,030			165,409,030	113,695,537
Purchased annuities	39,775,688			39,775,688	43,130,943
Total investments	7,532,882,949			7,532,882,949	6,841,707,122
Cash and cash equivalents		$9,375,231		9,375,231	7,637,627
Contributions receivable and cash held for investment	5,756,585			5,756,585	6,831,426
Accounts and other receivables		1,664,682	($216,434)	1,448,248	1,316,662
Property and equipment, net		56,651		56,651	77,872
Total assets	$7,538,639,534	$11,096,564	($216,434)	$7,549,519,664	$6,857,570,709
Liabilities:					
Accounts payable	1,110,502	908,261	(216,434)	1,802,329	1,997,100
Accrued expenses		224,795		224,795	205,030
Total liabilities	1,110,502	1,133,056	(216,434)	2,027,124	2,202,130
Net Plan Assets Held in Trust	$7,537,529,032	$9,963,508	$0	$7,547,492,540	$6,855,368,579

SUPPLEMENTAL COMBINING SCHEDULE OF CHANGES IN PLAN NET ASSETS

For the year ended December 31, 2007
With Totals for 2006

	2007				
	PROGRAM FUND	ADMINIS-TRATION FUND	COMBINING ENTRIES	TOTAL	2006
Additions:					
Net Investment Income:					
Net gain on funds	$415,674,126			$415,674,126	$438,978,600
Stable value income	163,242,981	$522,399		163,765,380	150,598,097
Investment expenses	(6,220,816)			(6,220,816)	(5,421,834)
Net investment income	572,696,291	522,399		573,218,690	584,154,863
Employee contributions	448,422,325			448,422,325	433,065,402
Transfers from other plans	50,839,408			50,839,408	43,108,569
Recordkeeping income		8,608,721	($2,588,946)	6,019,775	5,967,009
Total additions	1,071,958,024	9,131,120	(2,588,946)	1,078,500,198	1,066,295,843
Deductions:					
Distributions to participants	207,425,314			207,425,314	191,896,498
Transfers to other plans	170,789,259			170,789,259	140,074,062
Administrative expenses	2,588,946	8,110,669	(2,588,946)	8,110,669	7,688,266
Life insurance premiums	50,995			50,995	59,061
Total deductions	380,854,514	8,110,669	(2,588,946)	386,376,237	339,717,887
Increase in plan net assets	691,103,510	1,020,451		692,123,961	726,577,956
Plan net assets - beginning of year	6,846,425,522	8,943,057		6,855,368,579	6,128,790,623
Plan net assets - end of year	$7,537,529,032	$9,963,508	$0	$7,547,492,540	$6,855,368,579

SUPPLEMENTAL SCHEDULE OF ADMINISTRATION FUND DEDUCTIONS

for the years ended December 31, 2007 and 2006

	2007	2006
Customer Service	$5,044,688	$4,858,637
Salaries and benefits:		
Salaries and wages	1,154,449	1,109,936
Insurance	135,765	171,749
Retirement contributions	157,458	149,544
Other benefits	21,301	21,303
	1,468,973	1,452,532
Administration:		
Postage and delivery	402,758	458,057
Participant statements	153,799	175,277
	556,557	633,334
Professional Services:		
Consulting	275,190	266,049
Data Processing	183,439	0
Auditing	40,437	41,895
	499,066	307,944
Rents	197,890	190,892
Professional Expense	112,930	23,312
Insurance	82,098	88,008
Data processing expense	48,571	40,305
Office supplies:		
Printing	19,002	13,624
Office supplies	15,319	17,680
Telephone and fax	3,590	5,359
	37,911	36,663
Depreciation and amortization	37,589	44,459
Miscellaneous	24,396	12,180
Total Administrative Fund Deductions	$8,110,669	$7,688,266

SUPPLEMENTAL SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

for the years ended December 31, 2007 and 2006

	2007	2006
Cash and cash equivalents, beginning or year	$7,637,627	$5,228,103
Receipts:		
Employee contributions	449,497,166	432,896,598
Investment withdrawals	378,214,573	331,970,560
Transfers from other plans	50,839,408	43,108,569
Recordkeeping income	6,700,717	6,147,929
Total cash receipts	885,251,864	814,123,656
Disbursements:		
Investment purchases	491,187,480	466,876,944
Distributions to participants	207,425,314	191,896,498
Transfers to other plans	170,789,259	140,074,062
Administrative expenses	7,535,691	7,651,610
Investment expenses	6,509,153	5,155,957
Life insurance premiums	50,995	59,061
Purchase of property and equipment	16,368	0
Total cash disbursements	883,514,260	811,714,132
Cash and cash equivalents, end of year	$9,375,231	$7,637,627

OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

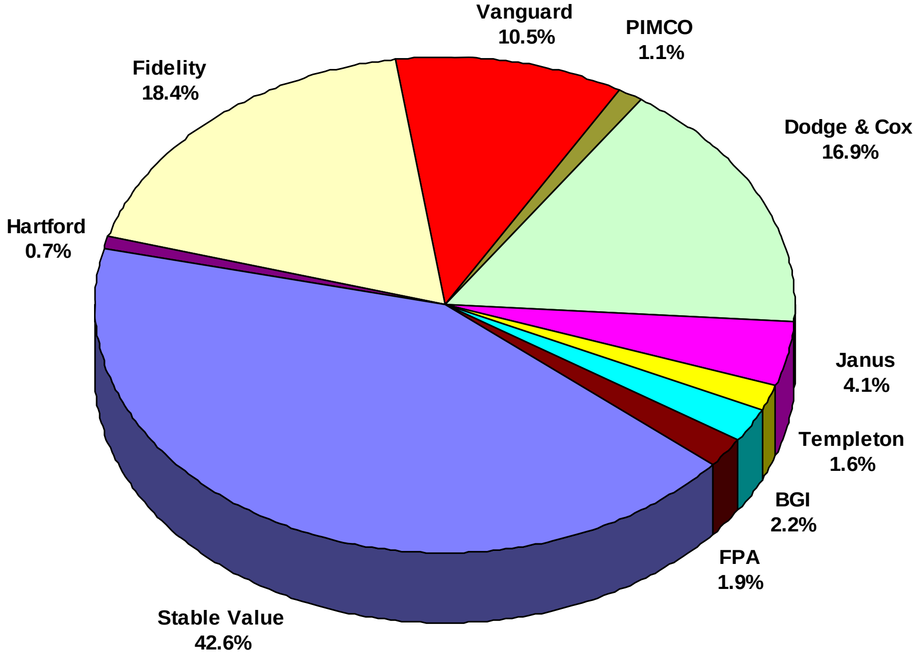
INVESTMENT SECTION

SCHEDULE OF INVESTMENT PERFORMANCE VERSUS BENCHMARKS

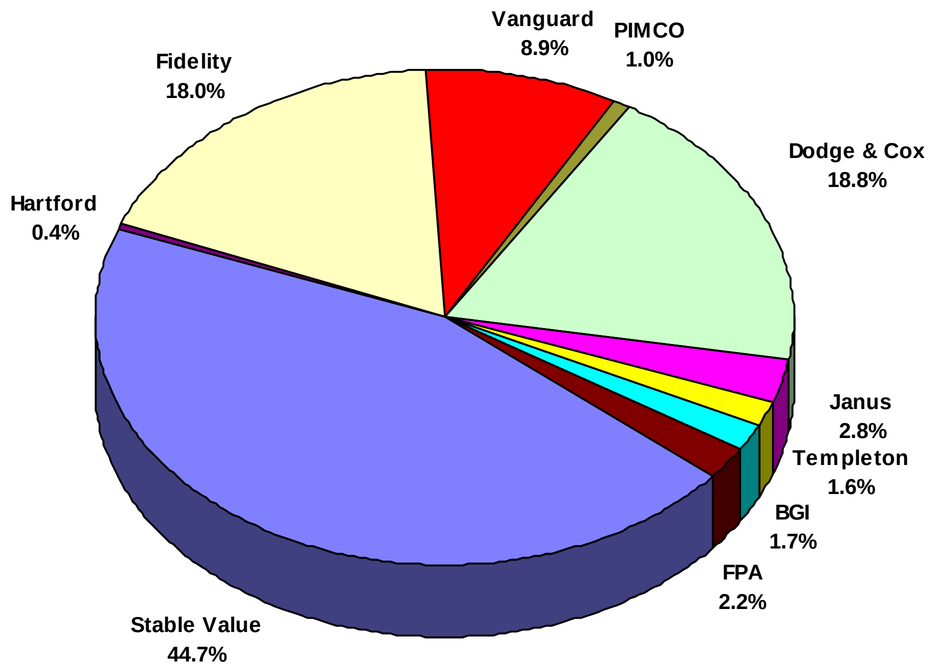
	Average Annualized Returns			
	1 Year	3 Year	5 Year	10 Year
Templeton Foreign Fund	**17.2%**	**15.9%**	**19.1%**	**9.9%**
Vanguard Total International Stock Index	**15.2%**	**19.0%**	**23.4%**	**9.4%**
Vanguard International Growth	**16.2%**	**19.1%**	**22.1%**	**9.3%**
Benchmark: MSCI EAFE Index	*11.2%*	*16.8%*	*21.6%*	*8.6%*
Hartford Small Company	**14.2%**	**16.5%**	**22.6%**	**10.2%**
Benchmark: Russell 2000 Growth Index	*7.0%*	*8.1%*	*16.5%*	*4.3%*
Vanguard Small-Cap Index	**1.3%**	**8.1%**	**17.2%**	**7.9%**
Benchmark: Vanguard Small Cap Custom	*1.2%*	*8.0%*	*17.4%*	*7.6%*
FPA Capital	**-0.4%**	**7.0%**	**13.8%**	**10.8%**
Benchmark: Russell 2000 Value Index	*-9.8%*	*5.3%*	*15.8%*	*9.1%*
Vanguard Capital Opportunity	**10.6%**	**11.8%**	**20.5%**	**17.7%**
Benchmark: Russell MidCap Growth Index	*11.4%*	*11.4%*	*17.9%*	*7.6%*
Fidelity Growth Company	**19.9%**	**14.2%**	**18.8%**	**9.7%**
Janus Twenty	**35.9%**	**18.6%**	**21.0%**	**10.4%**
Benchmark: Russell 1000 Growth Index	*11.8%*	*8.7%*	*12.1%*	*3.8%*
Fidelity Contrafund	**19.8%**	**15.8%**	**18.0%**	**10.7%**
Vanguard Institutional Index	**5.5%**	**8.6%**	**12.8%**	**6.0%**
Benchmark: S&P 500 Index	*5.5%*	*8.6%*	*12.8%*	*5.9%*
Dodge & Cox: Stock	**0.1%**	**9.1%**	**15.4%**	**11.4%**
Benchmark: Russell 1000 Value Index	*-0.2%*	*9.3%*	*14.6%*	*7.7%*
Dodge & Cox: Balanced	**1.7%**	**7.3%**	**11.7%**	**9.9%**
Benchmark: Dodge & Cox Custom	*6.2%*	*7.1%*	*9.5%*	*6.3%*
Barclays Global Investors Lifepath 2010	**5.4%**	**7.0%**	**8.8%**	**5.9%**
Benchamrk: Barclays Custom	*6.5%*	*7.4%*	*9.6%*	*6.8%*
Barclays Global Investors Lifepath 2020	**4.6%**	**8.1%**	**10.7%**	**6.0%**
Benchamrk: Barclays Custom	*6.6%*	*8.7%*	*11.5%*	*7.0%*
Barclays Global Investors Lifepath 2030	**4.0%**	**8.9%**	**12.1%**	**6.2%**
Benchamrk: Barclays Custom	*6.8%*	*9.7%*	*13.0%*	*7.1%*
Barclays Global Investors Lifepath 2040	**3.6%**	**9.5%**	**13.3%**	**6.1%**
Benchamrk: Barclays Custom	*6.7%*	*10.4%*	*14.2%*	*7.1%*
PIMCO Total Return	**8.8%**	**5.0%**	**5.0%**	**6.5%**
Vanguard Total Bond Market Index	**7.0%**	**4.6%**	**4.4%**	**5.8%**
Benchmark: Lehman Brothers Aggregate	*7.0%*	*4.6%*	*4.4%*	*6.0%*
Stable Value Option	**5.1%**	**4.9%**	**4.9%**	**5.7%**
Benchmark: IMoney Net + 150 bps	*6.2%*	*5.5%*	*4.1%*	*4.9%*

INVESTMENT MIX

December 31, 2007

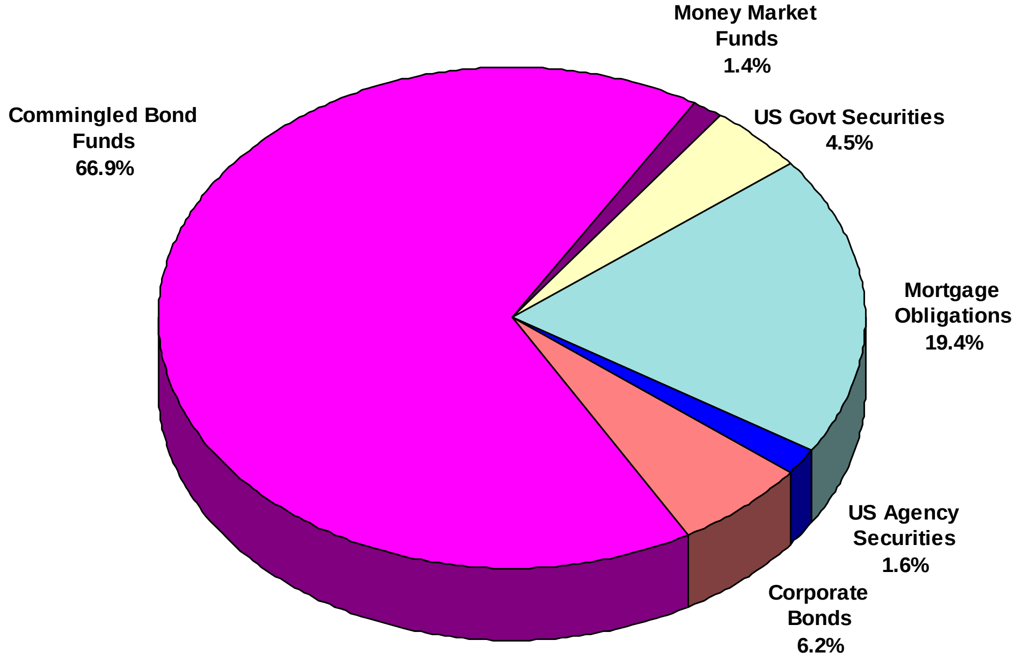


December 31, 2006

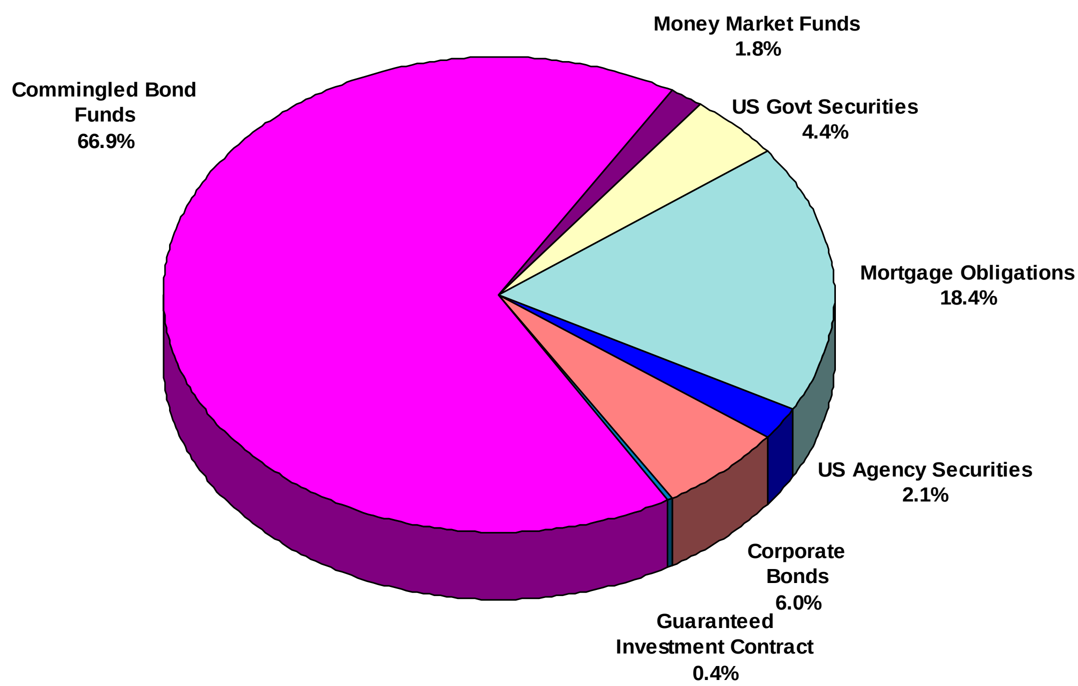


STABLE VALUE OPTION DIVERSIFICATION

December 31, 2007



December 31, 2006



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

STATISTICAL SECTION

STATISTICAL INFORMATION

The objective of the Statistical Section is to provide the financial statement users with historical perspective, context, and detail to assist in using the information in the financial statements and the notes to the financial statements to better understand and assess the Ohio Public Employees Deferred Compensation Program's economic condition. The schedules on pages 50-53 show financial trend information that assists users in understanding how the Ohio Public Employees Deferred Compensation Program's financial position has changed over time. The financial trend schedules presented are:

- Changes in Net Assets
- Employee Participation and Deferral Trends
- Number of Employers Contributing
- Principle Contributing Employers
- Benefit Payments

CHANGES IN NET ASSETS

Years ending December 31, 1998 – 2007
(In Millions)

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Additions:										
Net Investment Income:										
Net gain on funds	$415.7	$439.0	$274.2	$321.3	$489.0	($409.5)	($401.1)	($373.7)	$604.8	$371.8
Stable value income	163.7	150.6	141.1	131.2	137.3	141.3	135.8	127.1	124.0	123.4
Investment expenses	(6.2)	(5.4)	(5.1)	(4.8)	(4.3)	(3.3)	(2.9)	(2.5)	(2.6)	(2.4)
Net investment income	573.2	584.2	410.2	447.6	622.0	(271.4)	(268.1)	(249.2)	726.2	492.8
Employee contributions	448.4	433.0	412.9	393.1	365.0	356.9	323.9	314.4	305.3	295.4
Transfers from other plans	50.9	43.1	52.1	38.4	28.4	25.7	6.6	2.2	4.4	2.0
Recordkeeping income	6.0	6.0	5.3	4.8	3.9	4.1	3.3	3.9	3.2	2.3
Total additions	1,078.5	1,066.3	880.5	883.9	1,019.4	115.2	65.7	71.3	1,039.0	792.4
Deductions:										
Distributions to participants	207.4	191.9	177.6	171.4	166.8	192.6	185.1	175.0	152.7	136.7
Transfers to other plans	170.8	140.0	111.5	85.0	65.1	112.0	0.4	0.9	0.7	0.5
Administrative expenses	8.1	7.7	7.3	6.9	6.6	5.9	5.5	5.2	5.4	5.3
Life insurance premiums	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Total deductions	386.4	339.7	296.5	263.4	238.5	310.6	191.3	181.1	158.9	142.7
Increase (Decrease) in Net Plan Assets	692.1	726.6	584.0	620.5	780.8	(195.4)	(125.6)	(109.8)	880.1	649.7
Net plan assets - beginning of year	6,855.4	6,128.8	5,544.8	4,924.3	4,143.4	4,338.8	4,464.5	4,574.3	3,694.2	3,044.5
Net plan assets - end of year	$7,547.5	$6,855.4	$6,128.8	$5,544.8	$4,924.3	$4,143.4	$4,338.8	$4,464.5	$4,574.3	$3,694.2

EMPLOYEE PARTICIPATION

	Eligible Employees	Total Participant Accounts	Participants Currently Contributing	Current Contribution Rate
1998	680,137	147,451	108,784	16.0%
1999	698,845	150,412	109,217	15.6%
2000	705,023	156,798	112,795	16.0%
2001	720,831	159,066	111,832	15.5%
2002	719,880	165,993	113,521	15.8%
2003	687,669	169,766	113,536	16.5%
2004	712,246	174,880	114,441	16.1%
2005	716,975	179,729	114,612	16.0%
2006	716,096	184,467	115,176	16.1%
2007	716,184	190,028	117,376	16.4%

DEFERRAL/ACCOUNT TRENDS

	Total Annual Deferrals	Average Annual Deferral	Net Assets Available for Benefits	Average Participant Account
1998	$295,353,085	$2,715	$3,694,176,461	$25,054
1999	305,282,184	2,795	4,574,291,046	30,412
2000	314,399,046	2,787	4,464,472,365	28,473
2001	323,887,138	2,896	4,338,942,270	27,278
2002	356,857,437	3,144	4,143,485,226	24,962
2003	365,012,189	3,215	4,924,324,467	29,007
2004	393,121,999	3,435	5,544,848,876	31,707
2005	412,865,430	3,602	6,122,790,623	34,067
2006	433,065,402	3,760	6,855,368,579	37,163
2007	448,422,325	3,820	7,547,492,540	39,718

NUMBER OF EMPLOYERS CONTRIBUTING

	State	County	City	Metro Housing	Village	Library	Medical Center	Education	Misc	Township	Total
1998	1	88	224	39	137	145	33	251	101	161	1,180
1999	1	88	226	41	140	150	33	265	103	170	1,217
2000	1	88	231	43	152	158	33	272	106	188	1,272
2001	1	88	237	45	156	169	34	297	116	207	1,350
2002	1	88	241	45	165	176	30	362	112	208	1,428
2003	1	88	244	46	167	179	30	408	121	213	1,497
2004	1	88	245	46	177	182	30	438	124	227	1,558
2005	1	88	245	46	182	184	27	478	127	232	1,610
2006	1	88	247	47	185	187	27	497	134	241	1,654
2007	1	88	246	49	193	185	26	519	136	246	1,689

PRINCIPLE CONTRIBUTING EMPLOYERS AS OF DECEMBER 31, 2007

Employer Name	Participant Accounts	Current Rank	Prior Rank	Percentage of Participants
State of Ohio	52,734	1	1	27.8%
City of Columbus	8,503	2	2	4.5%
City of Cleveland	7,435	3	3	3.9%
Cuyahoga County	6,310	4	4	3.3%
City of Cincinnati	5,429	5	5	2.9%
Franklin County	3,393	6	6	1.8%
Metrohealth Medical Center	2,726	7	7	1.4%
Montgomery County	2,637	8	8	1.4%
City of Toledo	2,112	9	9	1.1%
City of Dayton	2,106	10	10	1.1%
All Others	96,643			50.9%
Total Participation	190,028			100.0%

BENEFIT PAYMENTS

	Participant Distributions	Beneficiary Distributions	Total Distributions
1998	$127,035,195	$9,688,393	$136,723,588
1999	141,399,482	11,273,620	152,673,102
2000	162,249,966	12,729,919	174,979,885
2001	171,595,144	13,530,997	185,126,141
2002	179,769,461	12,882,416	192,651,877
2003	155,359,993	11,438,532	166,798,525
2004	157,739,777	13,624,557	171,364,334
2005	164,503,167	13,093,037	177,596,204
2006	177,620,756	14,275,742	191,896,498
2007	193,686,499	13,738,815	207,425,314

	Number of Participant Distributions	Number of Beneficiary Distributions	Number of Total Distributions
1998	18,482	1,237	19,719
1999	18,381	1,297	19,678
2000	20,006	1,426	21,432
2001	21,427	1,453	22,880
2002	21,959	1,488	23,447
2003	20,467	1,385	21,852
2004	20,583	1,435	22,018
2005	20,923	1,594	22,517
2006	21,689	1,577	23,266
2007	23,464	1,662	25,126

	Average Participant Distribution	Average Beneficiary Distribution	Average Total Distribution
1998	$6,873	$7,832	$6,934
1999	7,693	8,692	7,759
2000	8,110	8,927	8,164
2001	8,008	9,312	8,091
2002	8,187	8,658	8,216
2003	7,591	8,259	7,633
2004	7,664	9,494	7,783
2005	7,862	8,214	7,887
2006	8,189	9,052	8,248
2007	8,255	8,266	8,255

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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*

Ohio Public Employees Deferred Compensation Board
Columbus, Ohio

We have audited the financial statements of the Ohio Public Employees Deferred Compensation Program (the Program), as of and for the year ended December 31, 2007, and have issued our report thereon dated May 23, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Program's internal control over financial reporting as a basis for designing our auditing procedures 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 Program's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Program's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 23, 2008

Mary Taylor, CPA
Auditor of State

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 8, 2008

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