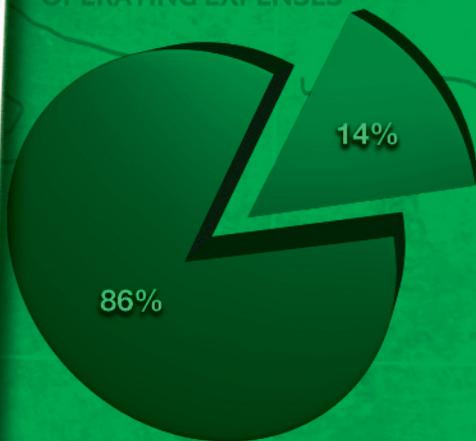


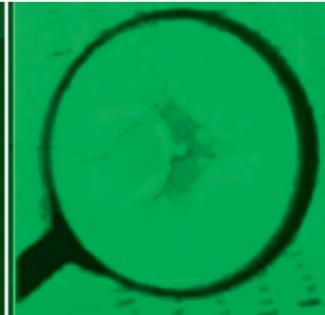
FISCAL YEAR 2013 ANNUAL REPORT

DOING
MORE
WITH
LESS

14% REDUCTION IN
OPERATING EXPENSES

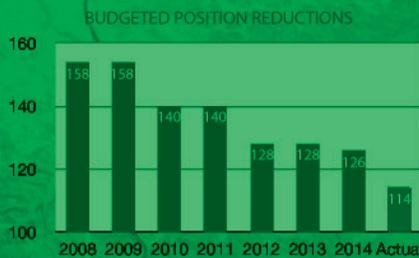


\$4.7
MILLION
SURPLUS
AFTER 3 FISCAL YEARS



ONLINE
CHECKBOOK
HB 175

LIQUIDITY
UP **\$3B**



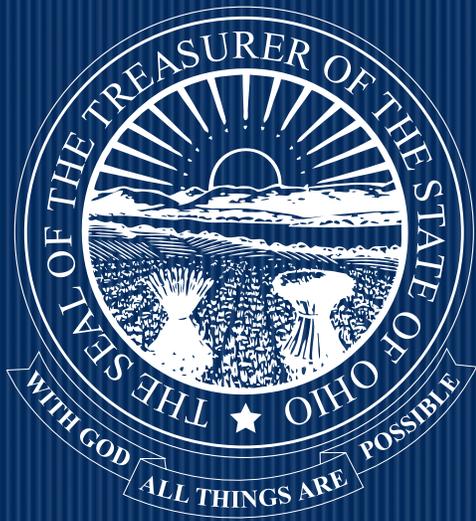
PRIOR DEBT SERVICE

REFUNDING DEBT SERVICE

SAVES
\$23
MILLION



JOSH MANDEL
STATE TREASURER OF OHIO



JOSH MANDEL

STATE TREASURER OF OHIO

30 EAST BROAD STREET
9TH FLOOR
COLUMBUS, OHIO 43215

1-800-228-1102

WWW.OHIOTREASURER.GOV

FISCAL YEAR 2013 ANNUAL REPORT

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MESSAGE FROM THE TREASURER

I am proud to report to my 11.5 million bosses across Ohio that at the end of the 2013 Fiscal Year the state of the Ohio Treasury is very strong. I launched a top-bottom review of the office in 2011 that continues to produce lasting results for Ohio taxpayers today. At the end of three fiscal years our belt-tightening has generated a \$4.7 million surplus, and our focus on streamlining operations has yielded personnel consolidations and payroll savings.

Since 2011, Ohio's overall budget outlook has improved dramatically. When I was elected in 2010, Ohio had an \$8 billion budget deficit and rainy day fund with only 89 cents in it. In contrast, the recently passed state budget yielded a \$2 billion surplus, and today our rainy day fund is approximately \$1.5 billion. Over the same time period, the liquidity portfolio that I manage has grown by more than \$3 billion.

The responsible fiscal approach that my administration has taken has helped us maintain and improve credit ratings on behalf of Ohio taxpayers. Even amidst global economic uncertainty and a historic downgrade of the federal credit rating, we earned the highest credit rating possible (AAA) on the \$3 billion local government investment pool that I manage and earned the first upgrade for the Ohio Enterprise Bond Fund in almost a decade. The new STAR Plus investment program that we launched to help Ohio local governments safely increase returns surpassed \$1.1 billion in deposits in just one year, and has helped more than 370 schools, libraries, cities and other local entities earn more than \$1 million in additional interest.

My office continues to find ways to leverage technology to improve services and cut costs for Ohio taxpayers. We are also working to expand the Treasurer's Transparency Project to allow Ohioans to follow their hard-earned dollars online and hold elected officials and bureaucrats accountable for state spending. In addition to launching fully searchable databases of state and education employee salaries and interactive online maps of state properties, we are working to put the state's entire checkbook online and are hopeful that the legislature passes HB 175 in the near future. These efforts are designed to engage online citizen watchdogs to help sniff out waste, fraud and abuse in state government.

I have heard from small businesses and individual taxpayers across Ohio about the need to simplify, streamline and lower taxes, and to get government out of the way of job growth. I share the belief of everyday Ohioans that they know better how to spend their hard-earned money than politicians and bureaucrats. It is my hope that the fiscal responsibility we are exhibiting in the Treasurer's office will combine with broader efforts to make our state more efficient and competitive so that we can continue to lower taxes and make our business climate more friendly to economic growth. This report provides a snapshot of some of our efforts to run government more like a business, and of the ways that we are working to improve Treasury services for Ohio taxpayers.

Sincerely,

A handwritten signature in blue ink that reads "Josh Mandel". The signature is fluid and cursive, with the first letters of "J" and "M" being significantly larger and more stylized.

Josh Mandel
State Treasurer of Ohio

BIOGRAPHY

Josh Mandel was sworn in as the 48th Treasurer of the State of Ohio on January 10, 2011. Josh Mandel is a Marine Corps veteran who served two tours in Iraq and served as State Representative from the 17th Ohio House District. He was first elected State Representative in 2006, knocking on 19,679 doors and wearing out three pairs of shoes. In 2008 he was re-elected to a second term, representing a district with a 2:1 Democrat to Republican voter ratio. With broad bipartisan support, Josh was elected Treasurer of Ohio on November 2, 2010. Winning 80 of Ohio's 88 counties, he was the top vote-getter of all statewide executive candidates.



Treasurer Mandel previously served as the ranking member of the Financial Institutions, Real Estate and Securities Committee, and dealt with issues concerning banks, investment firms, pension funds and other financial matters. Previously, as a member of the House Insurance Committee, he participated in the reconstruction of investment oversight for the multi billion-dollar Bureau of Workers' Compensation investment fund. Additionally, Treasurer Mandel has focused on energy security issues, having served as vice-chairman of the Public Utilities Committee and a member of the Alternative Energy Committee.

During his four years in the General Assembly, Treasurer Mandel devoted a great deal of energy towards the issues of fiscal discipline, improving the state's business climate and reversing the exodus of young people from Ohio. Due to his leadership on these and other issues, Treasurer Mandel was named legislative "Rookie of the Year" by the non-partisan Columbus Monthly Magazine and "Watchdog of the Treasury" by the United Conservatives of Ohio.

Treasurer Mandel's previous elected experience includes service as a Lyndhurst City Councilman, where he was elected in 2003 with more votes than any candidate for Council or Mayor. As Councilman, Treasurer Mandel served on the Finance Committee, dealing with issues including long-term fiscal forecasting, municipal investment strategy and bond-rating protections. Additionally, Treasurer Mandel introduced and led the fight for the first municipal property tax rollback in Lyndhurst history, which currently remains one of the only municipal property tax rollbacks in Ohio history.

Inspired by a strong sense of duty to country, Treasurer Mandel enlisted in the U.S. Marine Corps Reserves in 2000, where he graduated first in his class from Marine Corps Boot Camp and first in his class from Marine Corps Intelligence School. His Marine Corps career spanned eight years, including two tours in Anbar Province, Iraq as an Intelligence Specialist. During both tours he was awarded the Navy & Marine Corps Achievement Medal for "superior performance of his duties."

Treasurer Mandel holds a Bachelor's Degree from The Ohio State University, a Law Degree from Case Western Reserve University, and completed the Investment Decisions & Behavioral Finance program at Harvard University. Treasurer Mandel is committed to protecting and responsibly investing Ohioans' hard-earned tax dollars and working on creative ways to fuel small business growth in Ohio. Treasurer Mandel, his wife Ilana and their daughter Rosie reside in northeast Ohio.

OHIO TREASURER'S

MISSION

The mission of the Ohio Treasury is to protect, manage and invest state money with integrity and high ethical standards while providing innovative financial services, educational resources and constituent services for all Ohioans.

The State Treasurer of Ohio is responsible for managing and collecting a variety of Ohio's public funds. Chapter 113 of the Ohio Revised Code defines the duties of the State Treasurer of Ohio. These duties are to protect, invest and collect state financial assets.

PROTECT

The Treasury's investment policy emphasizes three priorities - safety, liquidity and yield - with safety considerations far outweighing the other two priorities. For a more detailed explanation of all aspects of Treasury investment operations, refer to the Treasury Investment Policy at OhioTreasurer.gov.

As of June 30, 2013, state assets managed or held by the Ohio Treasurer's office for safekeeping totaled more than **\$202 billion**. Custodial assets include those of the Public Employees Retirement System, State Teachers Retirement System, School Employees Retirement System, Police and Fire Pension Fund, Highway Patrol Retirement System, and several other state agencies including the Ohio Bureau of Workers' Compensation, Ohio Tuition Trust Authority, the Southern Ohio Agricultural and Community Development Foundation, and the Ohio Tobacco Use, Prevention and Control Foundation.

COLLECT

The Treasurer's office receipts all state revenues. State funds not directly collected by the Treasurer's office are collected by the state agency charged with administering each revenue source and are deposited by those agencies into the State Treasury.

The Treasurer's office also collects most fees, taxes and fines administered by the State of Ohio. In Fiscal Year 2013, the total amount collected by or deposited into the Ohio Treasury was more than **\$56.4 billion**.

INVEST

The Ohio Treasurer manages the state's three investment portfolios: the General Revenue Fund, the STAR Ohio investment pool and the Lottery Deferred Prizes Trust Fund. At the end of Fiscal Year 2013, the combined investment portfolio managed by Treasurer Mandel totaled more than **\$14.6 billion**.

OFFICE OVERVIEW

VISION

To strive to be the premier state treasury recognized for fiscal leadership, community engagement and efficient operations.

ADDITIONAL DUTIES OF THE TREASURER

Under Ohio law, the State Treasurer also:

- Maintains various state accounts and processes payments of all state warrants and checks issued for claims and expenses incurred in the operation of state government;
- Serves as chairman of the three-member State Board of Deposit, which is responsible for selecting state depositories and negotiating contracts for the processing of Ohio's public monies;
- Serves as a member of the Ohio Public Facilities Commission, which issues voter-approved debt to fund public parks, infrastructure and education;
- Serves as a member of the Sinking Fund Commission, which administers the debt service and redemption of certain voter-authorized bonds;
- Serves as a member of the Mine Subsidence Underwriting Board, Ohio Student Tuition Recovery Authority and Petroleum Underground Storage Tank Release Compensation Board;
- Is the issuing authority for voter-approved general obligation highway improvement bonds, federally-backed bonds for highway infrastructure projects, and bonds for economic development, mental health, parks & recreation, corrections, highway safety, and cultural and arts facilities.

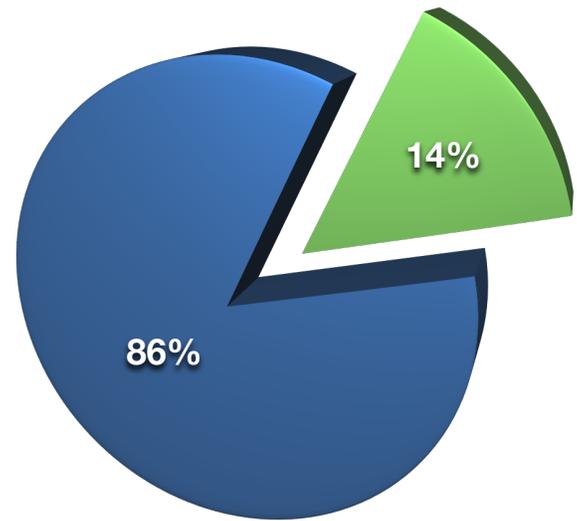
The Treasurer also issues bonds for the Ohio Enterprise Bond Fund, the Ohio Centric Student Loan programs and the State Infrastructure Bank.

TREASURER MANDEL GENERATES \$4.7 MILLION SURPLUS IN THREE FISCAL YEARS

After three fiscal years in office, Treasurer Mandel has generated a **\$4.7 million** surplus for Ohio taxpayers. In the 2013 Fiscal Year, the Treasurer returned a 14% surplus out of the office's **\$14.3 million** operating budget - more than **\$2 million** under budgeted projections [see pie chart to right]. This follows a trend of declining operating expenses following a top-bottom review of office operations and common sense fiscal leadership, both of which continue to yield positive results for taxpayers [see line chart below].

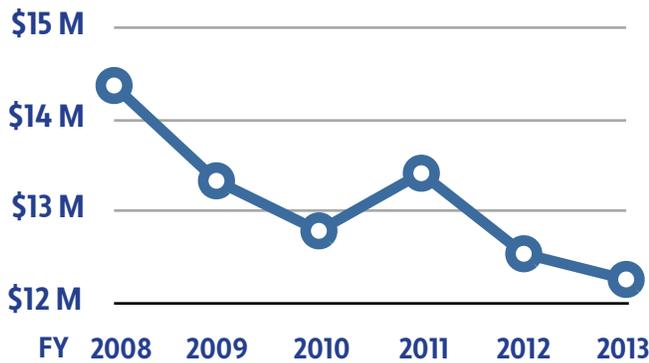
FY 2013: 14% REDUCTION IN OPERATING EXPENSES

- Operating Budget
- FY 2013 Surplus



Operating Budget	\$14,308,057
FY 2013 Surplus	\$2,050,928

REDUCTION IN TREASURER'S OFFICE OPERATING EXPENSES



\$4.7 MILLION SURPLUS

AFTER 3 FISCAL YEARS

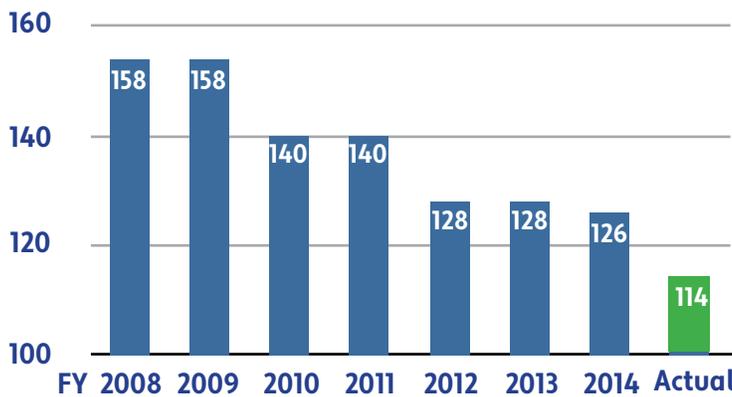
PERSONNEL CONSOLIDATIONS AND PAYROLL REDUCTIONS CONTINUE

Treasurer's office payroll and budgeted positions continue to decline as a result of reorganization of the office and consolidation of personnel. Treasurer Mandel inherited a budget in 2011 based on 140 positions. Treasurer Mandel cut budgeted positions by 10% to 126, which reduced payroll by more than **\$1.7 million** from nearly **\$12.2 million** in FY 2011 to **\$10.4 million** in FY 2014 [see line chart bottom right]. At the end of the 2013 Fiscal Year the Treasurer's office was operating with 114 employees [see bar chart below]. Actual payroll expenses for 2013 were less than **\$9.5 million**.

"I am proud of our efforts at the end of three fiscal years to consolidate and streamline staff and treasury operations, and of the team of professionals that we have in place to protect and invest Ohio taxpayer dollars. Just like small businesses throughout Ohio, we continue to strive to leverage technology, increase efficiency and do more with less."

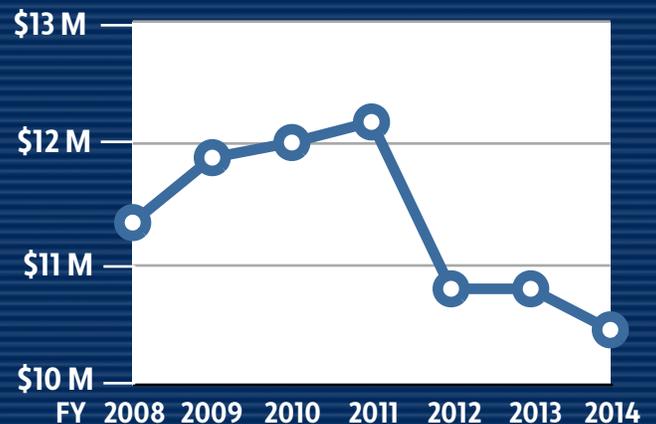
- Ohio Treasurer Josh Mandel

BUDGETED POSITION REDUCTIONS



**DOING
MORE
WITH
LESS**

BUDGETED PAYROLL CONTINUES TO DECLINE UNDER TREASURER MANDEL



TRANSPARENCY PROJECT

TREASURER'S TRANSPARENCY PROJECT

The Treasurer's Transparency Project has provided Ohioans with the first fully searchable state website displaying compensation of state and education employees across Ohio. The Treasurer's office also now collects and publicly displays county investment reports. Treasurer Mandel has also launched a new interactive state properties map, allowing Ohioans to view digital images and information on thousands of state owned properties.



"We have digitized our state properties database so that for the first time Ohioans can view online interactive maps."

- Ohio Treasurer
Josh Mandel

INTERACTIVE ONLINE MAPS ALLOW OHIOANS TO VIEW AND SEARCH STATE PROPERTIES AND BUILDINGS

This online tool allows Ohioans to search by county, zip code, city or address, and to zoom in and see information on state owned properties and buildings. Properties are color-coded based on the agency that owns the land, and buildings are identified on the interactive maps with a red dot. The software allows users to view overhead maps and to zoom in and view actual aerial imagery. Users can manually select and view properties, and measure the size of parcels of land and distance from surrounding areas, properties and roadways.

TREASURER'S TRANSPARENCY PROJECT TIMELINE

2011



1.3 MILLION
TRANSPARENCY SEARCHES
IN THE FIRST MONTH

**TREASURER'S TRANSPARENCY
PROJECT LAUNCHED**

SHINES SUNLIGHT ON GOVERNMENT

ONLINE SALARY DATABASE RECEIVES 1.3 MILLION SEARCHES IN FIRST MONTH

In 2011 Treasurer Mandel posted state and education employee salaries online in a fully searchable database for the first time in Ohio government history. The Treasurer's office works with the Department of Education and Department of Administrative Services each year to display updated salaries. These databases received 1.3 million searches in the first month alone and currently display:

- Over 60,000 state employee salaries
- Over 300,000 local school district education employee salaries

Salary Search

Last Name:

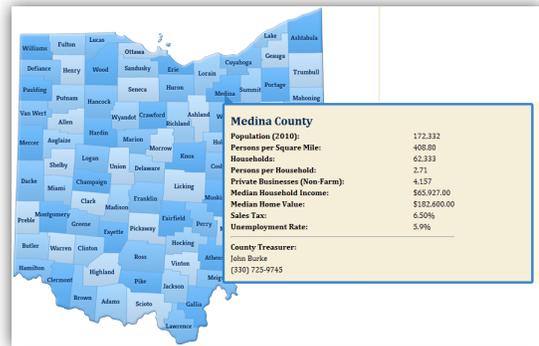
First Name:

Salary Tool:



TRANSPARENCY IN COUNTY INVESTMENT REPORTS

The Ohio legislature passed HB 225 in 2011 which requires the Treasurer's office to post monthly investment reports for Ohio counties. As a result, taxpayers can now view online where their county is investing their hard-earned dollars.



INTERACTIVE OHIO MAP DISPLAYS KEY DATA FOR ALL 88 COUNTIES

The Interactive Ohio map displays key data for all 88 counties including the population, unemployment numbers and contact information for all 88 county treasurers.

COUNTY INVESTMENT REPORTS MADE AVAILABLE TO TAXPAYERS

2012



DEBT TRANSPARENCY BILL INTRODUCED TO GIVE VOTERS PER PERSON COSTS OF GOVERNMENT BORROWING

2013



INTERACTIVE MAP OF STATE PROPERTIES LAUNCHED

ONLINE CHECKBOOK LEGISLATION INTRODUCED

TREASURER MANDEL PARTNERS TO

ONLINE CHECKBOOK LEGISLATION INTRODUCED

In an effort to increase government transparency and accountability, Treasurer Mandel partnered with Representative Mike Dovilla to introduce legislation to place the state's checkbook online. HB 175 seeks to create a searchable, freely accessible database that displays expenditure information of state agencies on the web at OhioTreasurer.gov. The database would display checkbook information, including the amount of the expenditure, the date of the expenditure, the person to whom the expenditure was paid, and the state entity that made or requested the expenditure.

"Shining sunlight on state spending and decisions made deep in the bureaucracy will give taxpayers the resources to help root out waste, fraud and abuse."

**- Ohio Treasurer
Josh Mandel**



Treasurer Mandel speaks at a press conference introducing HB 175, joined by Representatives John Becker, Andy Thompson and Marlene Anielski [on left] and the bill's author Representative Mike Dovilla and Tabitha Woodruff of Ohio Public Interest Research Group [on right]. The bill is titled Open Ohio, and would place the state's checkbook online.

ONLINE CHECKBOOK HB 175

NEW DATABASE OF
STATE GOVERNMENT
EXPENDITURES SEEKS
TO GIVE OHIOANS FULLY
SEARCHABLE ACCESS TO
BILLIONS OF DOLLARS OF
SPENDING INFORMATION
AT THEIR FINGERTIPS

WITH LAWMAKERS INCREASE TRANSPARENCY

"We are encouraged by efforts to provide Ohioans with checkbook level state budget transparency. Ohio can do better in tracking public dollars. Open information about the public purse is crucial for democratic and effective government"

- Tabitha Woodruff

spokeswoman for Ohio Public Interest Research Group, which previously gave Ohio a D-plus grade on budget transparency.

"It is important for Ohio taxpayers to know exactly what's in front of them when they're in the voting booth. This legislation will ensure more transparency for taxpayers."

- Ohio Treasurer Josh Mandel



DEBT ELECTION BILL WOULD GIVE VOTERS PER PERSON COSTS OF GOVERNMENT BORROWING

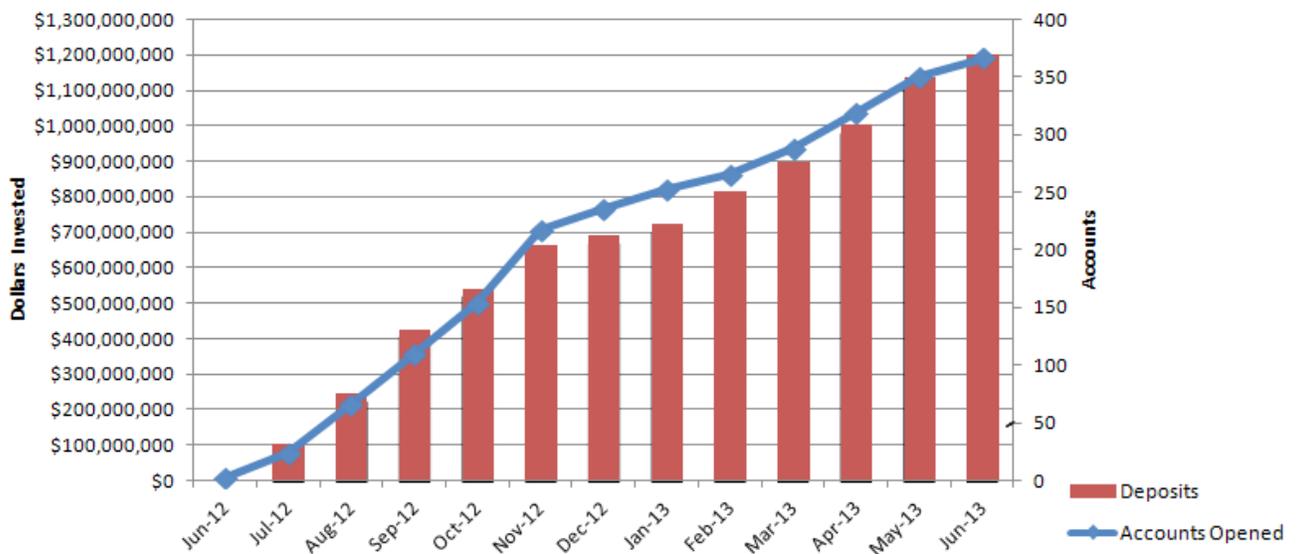
Treasurer Mandel joined State Representative Kristina Roegner and bill cosponsors to unveil legislation designed to increase transparency for taxpayers when local and state issues are placed on the ballot. HB 118 would require political subdivisions to disclose additional information to voters such as their total outstanding debt and debt service, the per capita obligation of that debt and the total estimated amount of debt and per capita obligation if the issue were to pass. This information would be required on enabling legislation, ballot language and all notices of the bond issuance.

FOLLOW YOUR TAX DOLLARS AND HOLD PUBLIC OFFICIALS AND BUREAUCRATS ACCOUNTABLE

AT: OHIO TREASURER.GOV/TRANSPARENCY



NEW STAR PLUS INVESTMENT PROGRAM SURPASSES \$1 BILLION IN DEPOSITS

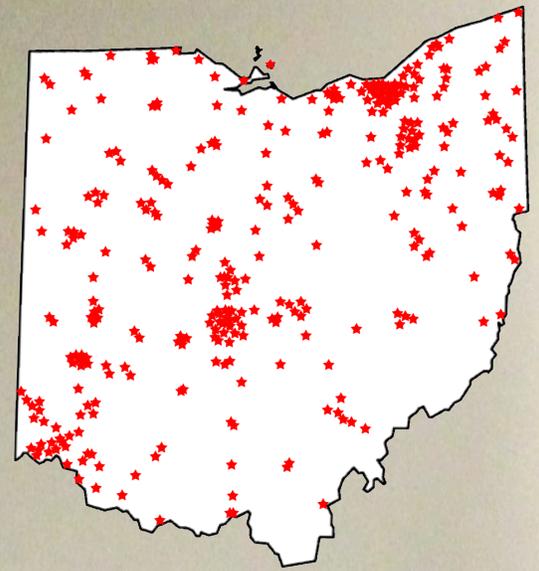


RAPID GROWTH REFLECTS POPULARITY OF INNOVATIVE INVESTMENT OPTION

STAR Plus, a first-of-its-kind investment program for local governments endorsed by Treasurer Mandel, has surpassed **\$1 billion** in deposits. The STAR Plus program was launched in June 2012 and has seen tremendous growth since its inception, with local governments of all sizes choosing to safely deposit their tax dollars through the program. This program was made possible by HB 209, unanimously passed

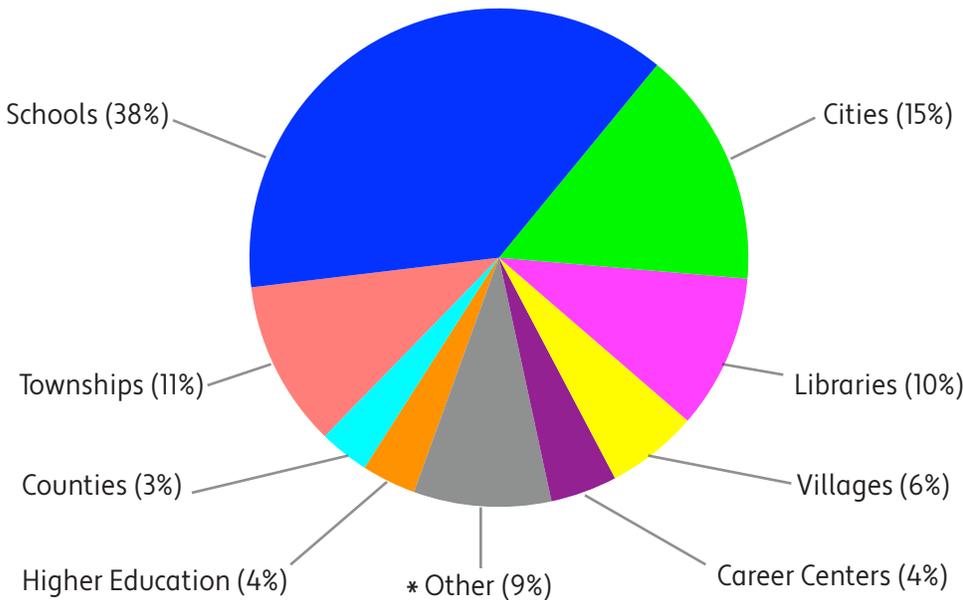
by the Ohio Legislature on December 6, 2011 with bipartisan support. STAR Plus is a safe and secure investment option for government subdivisions such as schools, cities, counties, townships, libraries, and other public entities which provides weekly liquidity and a competitive yield. STAR Plus offers yields often three to four times greater than the traditional STAR Ohio program that was created in 1985.

370 SCHOOLS AND LOCAL GOVERNMENTS PARTICIPATE



LOCAL GOVERNMENT PARTICIPANTS

The success of STAR Plus is evident by the 370 Ohio government subdivisions choosing to open accounts and deposit **\$1,156,833,647** in less than a year. This includes 140 schools, 57 cities, 37 libraries, 40 townships, and 12 counties, amongst other government entities. (See pie chart below)



* Includes: Parks, Soil Water Conservation Districts, State Agencies, Fire Districts and Other Taxing Authorities

OHIO COMMUNITY BANKS BENEFIT FROM STAR PLUS

The STAR Plus program is endorsed by the Community Bankers Association of Ohio. In total, 31 Ohio community banks currently participate in STAR Plus, compared to zero community banks that participated directly in STAR Ohio.

FULLY SECURE, NO MARKET RISK, COMPETITIVE YIELD

STAR Plus is modeled after established private-sector programs and allows government fiscal managers to place deposits in a carefully-screened network of hundreds of banks insured by the Federal Deposit Insurance Corporation (FDIC) through a single convenient account. Funds are deposited in multiple banks to provide the maximum deposit insurance amount set by the FDIC, currently \$250,000, providing the backing of the full faith and credit of the U.S. Government. Taxpayer dollars invested through the program are fully FDIC insured with no credit or market risk while earning a competitive yield. The program offers daily deposit capability and weekly liquidity with penalty-free withdrawals for government fiscal officers.



LOCAL GOVERNMENT TOUT BENEFITS



“Clark State decided to invest in the program after seeing the rates were nearly triple the rate of the traditional STAR account. It’s very easy to move the money in there and have the money available if we need it for our use and it’s safe.”

- Dixie Depew, Clark State Community College Controller

3/5/2013



“The City of Powell is excited to participate in STAR Plus, because it is a safe investment alternative that can help us to generate additional interest we can use to fund our local priorities. STAR Plus is a great investment program for us because there is no risk on the investment, it adds diversification and it provides the liquidity we need to meet our weekly cash flow requirements, while earning a very high investment yield.”

- Debra Miller, City of Powell Finance Director

7/26/2012

LEADERS OF STAR PLUS



"STAR Plus provides the library a safe investment avenue, with competitive rates. We are particularly encouraged that the program seeks to make the money available to local Ohio community banks. We strongly believe in the principle of local governments investing back into their communities. It's a win-win for all participants."

- Susan Maurer, Library Fiscal Officer

6/6/2013

"STAR Plus provides Greene County with an investment alternative in this historically low interest rate environment that will allow us to reap higher returns for taxpayers. This is exactly the kind of program we have been looking for. The fact that this program will allow us to generate better yield with the safety of FDIC insurance shoots STAR Plus to the top of attractive investment options for our county."

- Dick Gould, CPA, Greene County Treasurer

9/10/2012



"Greenfield schools intend to utilize the revenues generated by STAR Plus to invest in projects and initiatives that will improve the learning environment for our local students, and to continue our tradition of excellence in education."

- Joe Smith, Greenfield Exempted Village Schools Treasurer

7/12/2012

SMALL BUSINESS LEADERS OFFER IDEAS

Mandel kept his remarks short, saying he was more interested in listening to the ideas and concerns brought to the table. The businesspeople used the opportunity to discuss growth opportunities, lending, state incentives and the need to streamline Ohio's workforce development programs.

- **Findlay Courier**
1/30/2013

"My biggest outtake from this is that you've got a state official who's willing to take the time to try to see how his office can help the constituents and is trying to get his office to match up with their needs," said Hocking County Auditor Ken Wilson.

- **Logan Daily News**
2/27/2013

Mr. Mandel said lost jobs in the automotive industry in the I-75 corridor could benefit from the shale and oil exploration taking place in eastern Ohio. "Lost jobs can be replaced with manufacturing parts for the oil and gas drilling industries."

- **Toledo Blade**
5/9/2013

Gretchen Schroeder, of Phoenix Technologies, asked Mandel to reduce the paperwork burden put on companies when an employee is let go or files for workers compensation. "I understand there are bad employers who are trying to cheat people, but many are legitimate," she said. Mandel acknowledged that the state can do a better job using technology to reduce paperwork. "We need to disrupt the 'this is how we've always done it' attitude," he said.

- **Bowling Green Sentinel-Tribune**
3/7/2013

"We should not be picking winners and losers in the free market," Josh Mandel told a roundtable of 25 business leaders in Cincinnati.

- **Cincinnati Enquirer**
6/5/2013

BUSINESS ROUNDTABLES ALLOW TREASURER MANDEL



ACROSS OHIO TO SPUR JOB GROWTH

TO HEAR FROM JOB CREATORS



"Visiting Stow and meeting with local business leaders allows me to hear firsthand the issues that are most important to them and their employees. Discussions like this give me the information necessary to go back to Columbus and ensure that the voices of our hard-working residents are heard," said Mandel.

- Stow Patch
4/5/2013

Ohio Treasurer Josh Mandel met with about 10 local business officials at the Youngstown/Warren Regional Chamber offices Thursday to get a better understanding of issues they care about. Not surprisingly, they mostly agreed that state and federal regulatory and taxing policies should be aimed to "get out of the way" of business.

- Youngstown Vindicator
3/15/2013



The plethora of state work force development programs and ways to make Ohio more friendly to businesses were the top issues discussed by about 20 business owners who met Tuesday with Ohio Treasurer Josh Mandel at NFocus Consulting. "There are 72 different work force programs in Ohio," Mandel said. "It is very difficult for the average citizen to navigate. I'm glad Gov. (John) Kasich is working on making it one-stop."

- Lancaster Eagle Gazette
4/10/2013



"As policymakers, we need to ensure as much money as possible gets in the classroom and as little money as possible is spent on administration," said Mandel.

- Mansfield News Journal
4/1/2013



David Paull, Vice President of Human Resources for RTI said, "It's good to know that there are discussions that are going on in Columbus, hard decisions that have to be made about things that are going to affect our cost structure. That's really what business is looking for, is to be able to function efficiently and we think that we can do that if we are not overly-burdened by government initiatives, be they from the state or the federal government."

- The Business Journal
3/15/2013

CONSERVATIVE INVESTMENT STRATEGY HELPS OHIO WEATHER STORM OF GLOBAL UNCERTAINTY

STAR OHIO MAINTAINS HIGHEST RATING POSSIBLE FROM S&P, OEBF EARNS UPGRADE

- Standard & Poor's (S&P) affirmed STAR Ohio's credit rating at AAA (the highest possible rating for principal stability funds).
- Investment returns in STAR Ohio continue to outperform many comparable money market funds, while not compromising credit quality.
- STAR Ohio continues to serve Ohio's counties, cities, villages, townships, schools and other political subdivisions. Between June 30, 2012 and June 30, 2013, the number of participants in STAR Ohio increased by 3%.
- The Treasurer's office has implemented enhancements to the program that leverage technology, including online deposits, withdrawals and transfers.
- STAR Ohio has increased electronic delivery of monthly and trade statements.
- On June 30, 2013, there were participants in 87 counties.
- Under Treasurer Mandel the Ohio Enterprise Bond Fund (OEBF) earned its first ratings increase in nearly a decade.

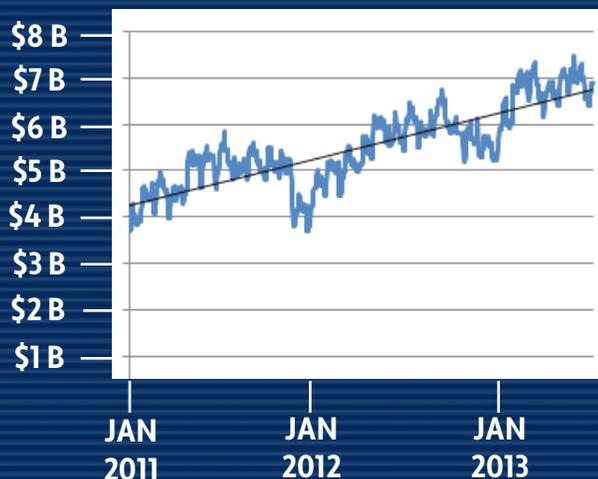
"STAR Ohio's AAA rating by Standard & Poor's proves that the investments of Ohio school districts and local governments remain safe and secure in this top-rated fund."

**- Ohio Treasurer
Josh Mandel**

LIQUIDITY PORTFOLIO UP \$3 BILLION DURING MANDEL ADMINISTRATION

Upon taking office, Treasurer Mandel launched a review of investment practices to maximize investment opportunities and make tax dollars go further. For example, the Treasurer identified **\$1 billion** in very low yielding bond proceed investments that could be reallocated to the liquidity portfolio for higher return. Between January 2011 and the end of the 2013 Fiscal Year, the Treasury's liquidity portfolio increased by **\$3 billion**.

LIQUIDITY PORTFOLIO CONTINUES TO GROW



**UP \$3
BILLION**

REFINANCING STATE DEBT WILL SAVE MORE THAN \$23 MILLION IN INTEREST PAYMENTS

SINCE TREASURER MANDEL TOOK OFFICE IN JANUARY 2011 HE HAS TAKEN ACTION TO SAVE TAXPAYERS MORE THAN \$23 MILLION IN DEBT SERVICE

Taking advantage of the continuing low-interest rate environment, the Treasurer's office completed two economic refunding transactions in five bond programs during the 2013 Fiscal Year for a total debt service savings of **\$15.48 million**. Combined with **\$7.9 million** in savings from the 2012 Fiscal Year, these refundings will save taxpayers more than **\$23 million** in interest payments.

INVEST IN OHIO PAGE OFFERS INFORMATION ON STATE BONDS

Treasurer Mandel's proactive focus on transparency comes at a time when the municipal bond market is desiring more precise and transparent financial information about debt issuers. Since early 2011, the Treasurer's office has maintained an innovative investor page within the Treasurer's website which is updated frequently and provides current information about Treasury bond issuances, direct links to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website, and links to other resources.



DEBT SERVICE REFINANCINGS REDUCE INTEREST COSTS

PRIOR DEBT SERVICE

REFUNDING DEBT SERVICE

SAVES
\$23
MILLION

\$50 M \$100 M \$150 M \$200 M \$250 M \$300 M \$350 M

SWITCH TO eBANKING FROM CHECK DRIVING INCREASES SECURITY AND SAVES MONEY

TOP BOTTOM REVIEW IDENTIFIES OUTDATED CHECK DRIVING PRACTICES

In the 2011 Fiscal Year the Treasurer's office processed and transported over one million checks, worth approximately **\$2.8 billion**. On a monthly basis, this meant an average of 89,000 checks worth approximately **\$234 million** were driven to Cleveland for deposit. Treasurer Mandel's 2011 Top-Bottom Review identified the process of driving checks from Treasury headquarters in Columbus to be deposited in Cleveland as being outdated and unsecure. By the end of the 2011 Fiscal Year Treasurer Mandel replaced check driving with electronic processing of checks, saving taxpayers more than **\$100,000** per year.

Additional Benefits of eProcessing:

- **Modernized Banking Practices** - The investment in new processes have helped to modernize Ohio's banking practices and bring government closer in-line with best practices used in the private sector.
- **Increased Security** - The new processing system results in heightened security, since 89,000 checks per month are no longer being driven by bank courier, but instead are being deposited electronically via secure servers.
- **Money More Readily Available for Investment** - Under the old system, checks were only deposited at the close of each business day. Under the new system the Treasurer's office has the flexibility to make multiple deposits throughout the day. This makes funds available for investment sooner so that they can start accruing interest more quickly.

"If average Ohioans can do their banking on a smartphone or a personal computer then the state should be able to do the same. We switched to eBanking from check driving and are saving taxpayers \$100,000 per year."

**- Ohio Treasurer
Josh Mandel**

DRIVING CHECKS

VS.

eBANKING

1 MILLION CHECKS

**WORTH
\$2.8 BILLION**

**DRIVEN 143 MILES
FROM COLUMBUS TO CLEVELAND**

ELECTRONIC DEPOSIT

**SAVES
\$100,000 PER YEAR**

INCREASES SECURITY

ONLINE PAYMENTS AND MODERNIZED BANKING IMPROVE FINANCIAL OPERATIONS

The Treasurer's office has leveraged technology by transitioning to electronic and online payments in order to save money and manpower. In the 2013 Fiscal Year the Treasurer's office has:

- Reduced checks by 80% by moving 1,100 insurance and public utility companies to electronic payments
- Streamlined public utility 911 payments, eliminating the manual input of 88 county automated clearing house transactions
- Transitioned payment confirmations to an online portal from an automated phone system
- Transitioned to electronic payments for counties and courts
- Expanded options for electronic payment bulk filers
- Updated tax file submission to Department of Taxation
- Centralized health district payments

STREAMLINING STATE PAYMENTS:

SAVES
124,000
PAGES OF PAPER EACH YEAR

REALLOCATES
1,872 HOURS
EACH YEAR

ELIMINATES PAPER RECEIPTS
TRANSITIONS
TO ONLINE SYSTEM

Treasurer Mandel's review of operations and core financial systems revealed that the office has been operating for many years on a number of outdated software and information technology platforms. While a treasury management system overhaul is the long-term solution, core financial departments have been making incremental improvements to systems in order to increase efficiency. These improvements include:

- Upgrading "green screen" banking software from the mid-1990's to improve customer service
- Digitizing over 90 million warrants to save state agencies time and money
- Extending the daily deadlines for state agencies to make deposits, which allows **\$1.1 million** per day to be invested sooner
- Automating government accounting standards board reporting to increase accuracy
- Decommissioning UNIX environment to improve technology infrastructure and save on maintenance

MODERNIZING BANKING AND FINANCIAL OPERATIONS

DIGITIZED
90 MILLION
WARRANTS

\$1.1 MILLION
PER DAY
INVESTED SOONER

LEVERAGE
TECHNOLOGY TO
UPGRADE
GREEN SCREENS

TREASURER ADVOCATES FOR SANITY AND REFORM IN MUNICIPAL INCOME TAX SYSTEM

In 2013 Treasurer Mandel traveled throughout the state outlining problems with Ohio's municipal income tax system. Treasurer Mandel wrote an Op-Ed in the Cincinnati Enquirer [right] that presents the argument for municipal income tax uniformity. The Treasurer used the story of an electrician in Minster, Ohio to highlight the problem.

In 2013, an Electrician in Minster, Ohio:

Was required to file **39 forms**

Owed a tax to every city that he visited more than **12 times** a year, even if for only **5 minutes**

Paid on average **\$150** to prepare and file each return

Even though most of his returns were for **less than \$5**

"As Ohio's treasurer and watchdog of Ohioans' hard-earned dollars, I am proud to stand up to support sanity and fiscal responsibility in state and local government. That's why I urge the Ohio legislature to pass House Bill 5 in order to simplify Ohio's municipal income tax system."

**- Ohio Treasurer
Josh Mandel**

OHIO HAS THE MOST ONEROUS MUNICIPAL TAX SYSTEM IN THE COUNTRY

MORE THAN

600

LOCAL GOVERNMENT
ENTITIES

OVER

300

TAX FORMS

MUNICIPAL TAXES MUST BE SIMPLER



**JOSH
MANDEL**

Josh Mandel is treasurer of the state of Ohio

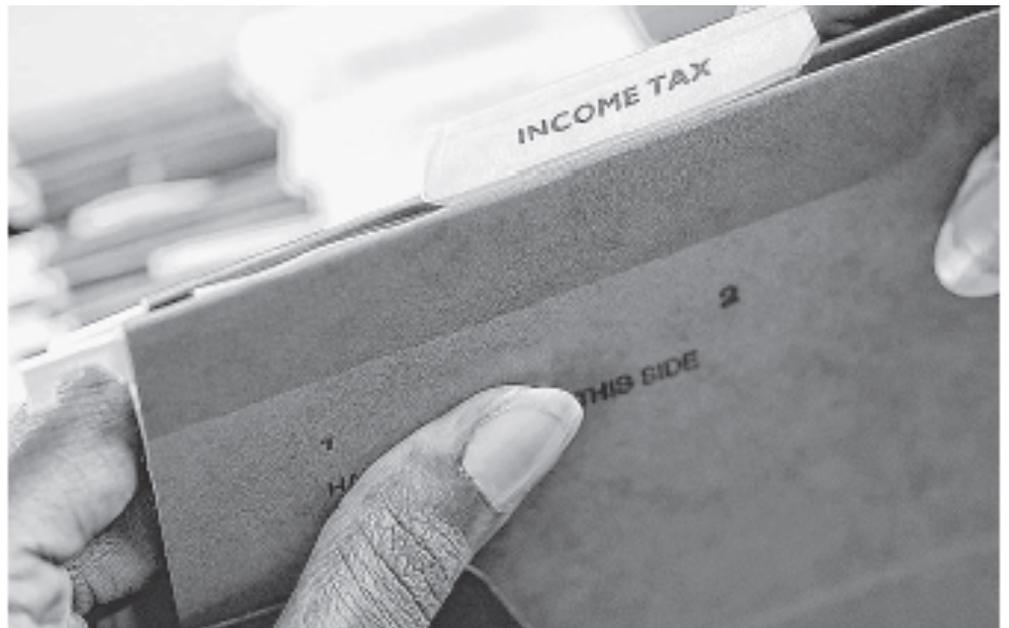
As Ohio's treasurer and watchdog of Ohioans' hard-earned dollars, I am proud to stand up to support sanity and fiscal responsibility in state and local government. That's why I urge the Ohio legislature to pass House Bill 5 in order to simplify Ohio's municipal income-tax system.

Ohio is the only state in which every city and village sets its own rules and regulations about who must pay taxes, how much and on what type of income. More than 600 local government entities have devised more than 300 different tax forms. As a result, our municipal-tax reality is an unnecessary maze of inconsistency, uncertainty and inefficiency.

There is a reason why no other state subjects its residents and businesses to such a complex and cumbersome web of tax rules and forms.

As a former city councilman, I understand local distrust of state government, but in this case, arguments in favor of keeping the status quo are far outweighed by the merits of a more streamlined and rational approach. As I travel the state, meeting with small businesses, entrepreneurs and skilled laborers, this issue comes up time and again.

For example, an electrician in Minster was required to file 39 different municipal tax forms last year. He owed a tax to every city he visited in a single workday, even if he was there for 10



minutes or less. If he worked in any one of those municipalities more than 12 days in a year, he was required to file its tax forms.

This unfortunate case highlights how our current law kills jobs and is an obstacle to small-business growth. Many small businesses pay more to the accountants and lawyers helping them wade through the endless sea of tax forms than they actually owe in taxes.

Most of the forms that this electrician filed were for less than \$5, though he paid on average \$150 to prepare and file each return.

More than 20 organizations representing thousands of Ohioans agree that the multitude of municipal income-tax regulations on the books stifles economic growth. Small businesses are supporting this legislation not because they believe they will pay less in taxes but because they hope to spend less time and money on confusing

bureaucracy and more on creating jobs. If local businesses are able to invest in increasing sales and productivity instead of funding an army of compliance officers, it will be a net positive for job growth.

State lawmakers have a great opportunity to enact common-sense reforms that will help create an environment where the private sector can flourish. My hope is that our state will put a more-rational system in place so that money currently being wasted on mountains of municipal income-tax paperwork instead can be invested to fuel Ohio job growth.

Ohio House Bill 5, introduced by Reps. Cheryl Grossman of Grove City and Michael Henne of Clayton, helps streamline this patchwork of local rules, forms and definitions of income to make Ohio's municipal income-tax system simpler, fairer and more friendly for job creation. ■

NEW INITIATIVES AIM TO GIVE

FINANCIAL EDGE

The Ohio Treasurer's educator focused initiative, Financial EDge, includes a suite of tools that range from free, printable materials to interactive online programming accessible at OhioTreasurer.gov. These resources support educators in their implementation of the financial education graduation requirement by offering materials for different learning styles and technological capabilities, all at no cost to schools. By leveraging technology, the Ohio Treasurer's office is able to communicate with educators statewide to help give them the edge on personal finance.

Financial EDge

The Ohio Treasurer's Financial Education Department is committed to providing Ohioans with helpful tools to make informed decisions in personal finance, at no cost, by encouraging public-private partnerships and leveraging technology.

REAL MONEY REAL WORLD

As a watchdog of Ohioans' hard-earned tax dollars, Treasurer Mandel understands the importance of offering financial literacy tools and information for Ohioans - with a renewed focus on students. The Treasurer's office offers a wide variety of financial education programs including the "Real Money Real World" financial literacy simulation. This year, Treasurer Mandel visited Shaw High School in East Cleveland to meet with students and teachers who participated in the program [see photo below]. This visit helped launch Financial Literacy Month in April where the Treasurer's office participated in programs and events across Ohio.



PERSONAL FINANCE
TOOLS
FOR OHIO SCHOOLS

ONLINE

INTERACTIVE

DOWNLOADABLE

STUDENTS A FINANCIAL EDGE

TREASURER EXPANDS ONLINE CPIM OFFERINGS, CONTINUES LEVERAGING TECHNOLOGY

The Center for Public Investment Management [CPIM] provides continuing education to Ohio's public funds managers and their oversight authorities. The Treasurer's office continues to expand online CPIM course offerings. Public funds managers can now complete all of their continuing education requirements online. In calendar year 2012, 143 public funds managers completed online courses, while the Treasurer's office hosted six CPIM conferences that provided training to 850 public funds managers. The Treasurer's office also partnered with the Ohio Auditor's office to offer continuing education opportunities that provide dual credit in meeting the continuing education requirements of both agencies.

SMART MONEY CHOICES

Smart Money Choices is a free, half-day financial planning conference for all Ohioans, presented by the Ohio Treasurer's office, and supported by a variety of statewide and regional partners. The Ohio Treasurer is committed to providing Ohioans with helpful tools to make informed decisions on personal finance. In the 2013 Fiscal Year there were 765 participants across the state. These conferences were held in Akron, Dayton, Cleveland, Cincinnati, Columbus, and Youngstown.



“At the Ohio Treasury we continue to seek ways to leverage technology and run government more like a business. By expanding our online offerings of CPIM courses we seek to save taxpayer dollars while providing valuable resources to help Ohio’s public funds managers navigate complex financial markets. CPIM offers important tools to help local investment managers stay up-to-date and safely steer the public funds they are entrusted to oversee.”

- Ohio Treasurer Josh Mandel

143

**FISCAL OFFICERS
COMPLETED ONLINE
COURSES**

850

**PUBLIC FUND
MANAGERS ATTENDED
CONFERENCES**

STATE CONTINUES STRONG FINANCIAL PERFORMANCE

TREASURER'S OFFICE RECEIVES "CLEAN" AUDIT FROM OHIO AUDITOR, CONTINUES STRONG FINANCIAL PERFORMANCE FOR OHIO TAXPAYERS

After reviewing the finances and operations of the Treasurer's office, Ohio Auditor Dave Yost issued clean audits for Treasurer Mandel's administration during both of his first two fiscal years in office. For both FY 2011 and FY 2012, Treasurer Mandel's office earned perfect audits, reflecting his commitment to running a sound and fiscally responsible administration designed to protect Ohio tax dollars.

"We reviewed cash balances, securities, compliance with state law, and internal control. The conclusion is a clear one: Treasurer Mandel and his staff demonstrated good financial reporting."

- Ohio Auditor Dave Yost

TRANSITIONED OHIO RETIREE ASSETS FROM BANKS ACCUSED OF DEFRAUDING PENSION FUNDS

The international assets of the Ohio Police and Fire Pension Fund (approximately **\$4.9 billion**) were moved from State Street Bank & Trust to JPMorgan on October 1, 2012. In addition, the international assets of the School Employees Retirement System (approximately **\$3.1 billion**) were moved from the Bank of New York Mellon to Citibank in a phased approach. The first group of assets moved on January 15, 2013, and the second group of assets moved on April 22, 2013. The international assets of the Ohio Public Employees Retirement System and the State Teachers Retirement System of Ohio are scheduled to transition by the end of calendar year 2013.

The move from Bank of New York Mellon was influenced by the Ohio Attorney General's investigation into their practices, and the decision to file a **\$16 million** lawsuit alleging fraud, deceptive practices and breach of contract over foreign currency transactions. The U.S. Department of Justice has filed suit against State Street Bank & Trust Company over similar allegations.

CLEAN AUDIT

2 YEARS IN A ROW

\$8 BILLION

IN RETIREE ASSETS MOVED FROM BANKS ACCUSED OF DEFRAUDING PENSION FUNDS

FINANCIALS



STATE FUNDS - STATEMENT OF ASSETS FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED

CASH ON HAND AND OTHER ITEMS	
Cash on Hand	\$ 62,689
Returned Checks and Other Items	135,584
Receivable from Custodial Funds for Warrants Settled	-
	<hr/>
TOTAL CASH ON HAND AND OTHER ITEMS	198,273
	<hr/>
ACTIVE DEPOSITS IN BANK	578,638
	<hr/>
INVESTMENT OF INTERIM FUNDS	
U.S. Government Securities	1,330,170,997
U.S. Agency Securities (includes purchased accrued interest of \$908,094.32)	7,261,956,858
Commercial Paper	658,411,046
Money Market Funds	643,952,559
Israel Bonds	69,400,000
STAR Ohio Investment Pool	216,789,024
DEPOSIT	
STAR Ohio Plus Program	24,000,000
CERTIFICATES OF DEPOSIT	
Buckeye Tobacco Settlement Financing Authority-School Facilities Portfolio	-
Small Business Linked Deposit Program	62,438,550
Agricultural Linked Deposit Program	58,220,890
Grow Now Program	57,686,803
Bid Ohio Program	42,500,000
Eco Linked Deposit Program	22,657,786
Save Now Linked Deposit Program	166,500,000
Renew Ohio Linked Deposit Program	509,310
LOTTERY COMMISSION'S STRUCTURED PORTFOLIO	
U.S. Government Securities	160,025,063
U.S. Agency Securities	258,026,618
STAR Ohio Investment Pool	1,582,969
	<hr/>
TOTAL INVESTMENT OF INTERIM FUNDS	11,034,828,474
	<hr/>
	11,035,605,385
<i>Less: Net Receipts Unprocessed by State Agencies, but Invested by the Treasurer of State</i>	(41,343,162)
	<hr/>
TOTAL STATE FUNDS, AS OF JUNE 30, 2013	\$ 10,994,262,223
	<hr/> <hr/>

STATE FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN ASSETS FOR THE YEAR ENDED JUNE 30, 2013

BEGINNING BALANCE, JULY 1, 2012	\$ 8,563,605,883
Receipts	56,409,917,326
Disbursements	53,979,260,986
	<hr/>
TOTAL STATE FUNDS, AS OF JUNE 30, 2013	\$ 10,994,262,223
	<hr/> <hr/>

**STATE FUNDS - SUMMARY OF INVESTMENT ACTIVITY - (STATED COST ON SETTLEMENT BASIS)
FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED**

	Investment Portfolio Balance Beginning FY13	Purchase of Principal	Avg. Purchase Yield	Sales, Calls, & Pay- Downs	Maturities	Investment Portfolio Balance Ending FY13	Realized Income
Regular Investment Account - CORE							
FFCB DEBENTURE	181,051,414.95	548,805,173.00	0.606	231,595,000.00	10,000,000.00	488,385,490.50	1,795,953.52
FHLB DEBENTURE	249,960,107.60	768,692,923.30	0.730	622,550,000.00	25,000,000.00	371,195,835.80	1,372,136.36
FHLB MEDIUM TERM NOTE	5,000,000.00			5,000,000.00			25,500.00
FHLB MULTI STEP COUPON BOND	74,598,187.50	52,941,125.00	0.657	74,625,000.00		52,941,125.00	177,750.00
FHLB MULTI STEP COUPON BOND (4X)	4,998,750.00	20,000,000.00	0.894	20,000,000.00		5,000,000.00	29,375.00
FHLB MULTI STEP COUPON BOND(12X)	7,500,000.00			7,500,000.00			3,125.00
FHLMC DEBENTURE	74,984,250.00	326,943,038.70	0.805	64,920,100.00		337,043,388.70	956,223.94
FHLMC MEDIUM TERM NOTE	44,980,500.00	51,792,000.00	0.944	63,370,000.00		33,423,500.00	547,636.89
FHLMC MULTI STEP COUPON BOND	44,996,250.00	4,994,000.00	0.686	45,000,000.00		4,994,000.00	303,750.00
FNMA DEBENTURE	357,487,132.00	478,039,234.90	0.848	331,194,650.00	5,000,000.00	499,854,273.00	3,677,697.72
FNMA MULTI STEP COUPON BOND	394,180,850.00	147,015,828.75	0.746	394,312,312.50		147,015,828.75	2,841,640.44
FNMA MULTI STEP COUPON BOND (4X)		13,388,750.00	0.556	8,395,000.00		4,993,750.00	41,261.08
HUD DEBENTURE	5,000,000.00				2,000,000.00	3,000,000.00	30,100.00
ISRAEL BONDS (Act/365)	43,000,000.00	21,000,000.00	2.105		15,600,000.00	48,400,000.00	988,821.99
ISRAEL BONDS (FLOATING RATE)		21,000,000.00	1.375			21,000,000.00	72,780.82
MONEY MARKET FUND - CASH ACCT	196,767.17			196,790.88			23.71
PRIVATE EXPORT FUNDING CORP		9,411,210.00	0.273			9,411,210.00	41,175.00
STAR OHIO - CASH ACCT	70,732,894.90			20,778,459.86		50,006,869.78	52,434.74
Total	1,558,667,104.12	2,464,023,283.65	0.755	1,889,437,313.24	57,600,000.00	2,076,665,271.53	12,957,386.21
Regular Investment Account - REG							
COMMERCIAL PAPER	830,426,171.94	7,177,885,058.22	0.127	234,956,090.28	7,396,475,000.00	377,924,708.89	1,044,569.01
COMMERCIAL PAPER - 31 DAY PUT	50,000,694.44					50,110,667.65	109,973.21
COMMERCIAL PAPER - OPEN TERM	230,138,611.79					230,375,669.71	237,057.92
FFCB ADJUSTABLE RATE BOND	5,000,000.00	14,999,999.00	0.217	6,019,106.49	8,980,892.51	5,000,000.00	22,377.39
FFCB DEBENTURE	85,729,437.50	124,966,931.50	0.189	35,750,000.00	50,000,000.00	124,966,931.50	188,413.05
FFCB DISCOUNT NOTE	571,189,578.11	1,114,640,305.51	0.106		1,200,159,000.00	486,508,655.14	837,771.52
FHLB DEBENTURE	174,981,200.00	272,084,405.80	0.189	200,000,000.00	50,000,000.00	197,084,405.80	355,631.90
FHLB DISCOUNT NOTE	1,714,851,186.71	9,009,513,634.23	0.103		8,630,128,000.00	2,096,028,939.09	1,792,118.15
FHLMC DISCOUNT NOTE	1,127,057,728.42	4,199,871,951.48	0.097		3,903,455,000.00	1,424,508,732.30	1,034,052.40
FICA ACCOUNT		24,000,000.00				24,000,000.00	35,957.11
FNMA DISCOUNT NOTE	354,929,323.51	4,000,749,483.16	0.094		3,397,785,000.00	958,693,619.85	799,813.18
MONEY MARKET FUND - CASH ACCT	205,005,324.07	390,030,534.44	0.039	390,030,534.44		205,076,136.58	70,812.51
MONEY MARKET FUND - SWEEP ACCT							
MONEY MARKET NOW - SWEEP ACCT	294,924,377.69	8,582,920,841.02	0.100	8,516,904,762.10		361,262,837.98	322,381.37
SPRJ-ADDITIONAL INCOME							
STAR OHIO - CASH ACCT	178,287,014.40	180,000,026.00	0.092	241,641,735.00		116,775,701.53	130,396.13
STAR OHIO - STAR PLUS(CASH DVD)	24,000,000.00			24,000,000.00			8,998.90
TVA DISCOUNT NOTE	149,983,277.78	719,125,224.51	0.092		863,216,000.00	5,999,078.33	106,576.04
US TREASURY BILL	49,981,133.34	1,549,869,079.83	0.090		1,400,000,000.00	199,993,916.66	143,703.49
Total	6,046,485,059.70	37,360,657,474.70	0.105	9,649,302,228.31	26,900,198,892.51	6,864,310,001.01	7,240,603.28

(continued)

	Investment Portfolio Balance Beginning FY13	Purchase of Principal	Avg. Purchase Yield	Sales, Calls, & Pay- Downs	Maturities	Investment Portfolio Balance Ending FY13	Realized Income
Regular Investment Account - TSY							
MONEY MARKET FUND - CASH ACCT	228,486.81					228,575.36	88.55
MONEY MARKET NOW ACCT	156,813,442.79	2,450,628,787.66	0.150	2,530,232,740.87		77,385,009.20	175,519.62
SPRJ-BIDOHIO	6,500,000.00	53,000,000.00	0.155		49,000,000.00	10,500,000.00	19,415.74
STAR OHIO - CASH ACCT	58,010,495.60			8,047,864.91		50,006,452.92	43,822.23
US TREASURY NOTE		2,714,346,477.27	0.646	1,585,851,678.83		1,130,177,080.21	2,260,022.45
Total	221,552,425.20	5,217,975,264.93	0.408	4,124,132,284.61	49,000,000.00	1,268,297,117.69	2,498,868.59
Special Projects Investment Account							
FFCB ADJUSTABLE RATE BOND	5,000,000.00	6,019,106.49		4,999,999.00	1,019,107.49	5,000,000.00	
SPRJ-ADDITIONAL INCOME				5.99			5.99
SPRJ-AGLINK FIXED LINE OF CREDIT	46,190,547.00	58,550,890.00		1,220,000.00	45,450,547.00	58,070,890.00	42,589.88
SPRJ-BIDOHIO	23,500,000.00	67,000,000.00	0.165		58,500,000.00	32,000,000.00	64,615.28
SPRJ-ECO-LINK	15,879,583.20	15,203,101.49	0.148	243,500.00	8,181,399.05	22,657,785.64	25,356.15
SPRJ-GROWNOW INT @ MATURITY	32,488,838.87	28,668,516.29	0.150	3,076,749.09	393,802.74	57,686,803.33	5,394.67
SPRJ-LINKED DEPOSIT-AG	7,265,750.00	150,000.00		80,000.00	7,185,750.00	150,000.00	6,157.99
SPRJ-LINKED DEPOSIT-SM BUS	162,779,640.02	19,827,079.90	0.146	20,549,240.20	99,618,929.43	62,438,550.32	212,705.45
SPRJ-RE-ENERGIZE INT @ 6 MONTHS		105,393.36	0.150	1,785.95		103,607.41	80.12
SPRJ-RE-ENERGIZE INT @ MATURITY		405,702.36	0.150			405,702.36	
SPRJ-RENEW OHIO	881,690.92				881,690.92		1,339.42
SPRJ-SAVENOW	9,570,000.00	211,500,000.00	0.033	45,000,000.00	9,570,000.00	166,500,000.00	35,425.91
Total	303,556,050.01	407,429,789.89	0.068	75,171,280.23	230,801,226.63	405,013,339.06	393,670.86
Structured Investment Account							
COMMERCIAL PAPER		65,212,833.14	0.122		65,216,270.00		3,436.86
FED JUDICIARY	1,194,360.00					1,194,360.00	
FFCB MEDIUM TERM NOTE	2,110,279.00					2,110,279.00	121,262.50
FHLB DEBENTURE	1,908,176.10				1,965,000.00		101,036.40
FHLMC DEBENTURE	75,618,048.75				7,325,000.00	68,462,559.10	3,834,341.63
FHLMC STRIP	41,395,083.10				7,521,000.00	36,590,442.67	2,716,359.57
FICO STRIP	2,254,113.97					2,254,113.97	
FNMA DEBENTURE	43,718,002.80					43,718,002.80	1,889,637.52
FNMA MULTI STEP COUPON BOND	5,028,280.00			5,050,388.88			78,509.99
FNMA STRIP	53,142,247.39				8,683,000.00	49,163,762.35	4,704,514.96
REF CORP STRIP	11,336,103.92				150,000.00	11,223,569.42	37,465.50
STAR OHIO - CASH ACCT	8,450,747.93	29,383,088.04	0.080	36,253,709.21		1,582,969.01	2,842.25
TVA DEBENTURE	36,483,665.05				9,905,000.00	26,020,518.30	1,493,028.25
TVA STRIP	20,986,504.53				9,206,000.00	17,289,010.37	5,508,505.84
US TREASURY STRIP	62,278,792.07	18,360,477.00	1.558		5,469,000.00	75,654,481.04	484,211.97
Total	365,904,404.61	112,956,398.18	0.344	41,304,098.09	115,440,270.00	335,264,068.03	20,975,153.24
Ohio Lottery Comm - Mega Millions							
US TREASURY STRIP	91,324,477.18				8,114,000.00	84,370,582.24	1,160,105.06
Total	91,324,477.18				8,114,000.00	84,370,582.24	1,160,105.06
TOTAL FOR PORTFOLIO	8,587,489,520.82	45,563,042,211.35	0.175	15,779,347,204.48	27,361,154,389.14	11,033,920,379.56	45,225,787.24

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND NET CASH FLOWS FROM INVESTMENT TRANSACTIONS
FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED**

AGENCY/CUSTODIAL FUND	Beginning Cash Balance July 1, 2012	Total Cash Inflows	Total Cash Outflows	Net Cash Flows from Investment Sales/Maturities and (Purchases)	Net Change in Cash	Ending Cash Balance June 30, 2013
Attorney General's Office						
Revenue Recovery.....	2,959,813	25,558,159	23,364,244	-	2,193,915	5,153,728
Court Order.....	92,538,033	15,292,562	104,451,351	-	(89,158,789)	3,379,244
Collections Enforcement.....	-	567,992,798	567,992,798	-	-	-
Capitol Square Review and Advisory Board						
Escrow.....	100	-	-	-	-	100
Parking Receipts.....	-	64,256	58,256	-	6,000	6,000
Ohio Board of Regents						
Paul Douglas Teacher Scholarship	4,809	201	4,809	-	(4,608)	201
Ohio Building Authority						
Administrative.....	644,313	342,289,575	344,503,127	1,880,729	(332,823)	311,490
Ohio Bureau of Workers Compensation						
State Insurance Fund.....	4,775,902	846,028,528	1,158,835,320	308,473,129	(4,333,663)	442,239
Coal Workers Pneumoconiosis.....	918	1,941,878	7,011,179	5,069,311	10	928
Disabled Workers Relief.....	3,057	12,994,991	24,960,376	11,965,385	-	3,057
Marine Industry.....	2,083	291,829	264,322	(27,507)	-	2,083
Public Workers Relief.....	2,241	871,061	314,544	(556,517.28)	-	2,241
Self Insuring Employers Guaranty.....	2,033	19,367,811	24,885,042	5,517,231	-	2,033
Ohio Department of Administrative Services						
Payroll Withheld Child Support.....	-	15,745,286	15,744,939	-	347	347
Ohio Department of Development						
Electronic Funds Payment	830	34,678,823	34,679,652	-	(829)	1
Enterprise Bond Retirement 2A.....	113,700	33,946,215	29,441,462	(4,417,428)	87,325	201,025
Loan Guarantee.....	397	699	699	-	-	397
Volume Cap	-	865,375	879,276	164,151	150,250	150,250
Ohio Department of Job and Family Services						
Child Support Payment Central.....	54,445,715	1,912,602,694	1,911,332,859	31,717	1,301,552	55,747,267
IRS Payments.....	-	2,313	2,313	-	-	-
Unemployment Compensation Program:						
Auxiliary Services Personnel Unemployment.....	1,975	-	1,500,000	1,500,000	-	1,975
Benefits.....	1,041,234	1,962,764,109	1,962,970,582	-	(206,473)	834,761
Clearing.....	1,216,987	1,284,084,953	1,282,606,617	-	1,478,336	2,695,323
Special Administrative.....	153,936	7,018,437	7,065,296	-	(46,859)	107,077
Ohio Department of Natural Resources						
Mine Subsidence Insurance.....	50,002	858,658	1,346,012	487,352	(2)	50,000
Lake Katherine Management	5,000	-	-	-	-	5,000
Reclamation.....	95,408	-	91,000	-	(91,000)	4,408
Wildlife Habitat.....	-	-	102	102	-	-
Ohio Department of Taxation						
Enforcement.....	3,223	2,321	2,280	-	41	3,264
Ohio Department of Transportation						
Letting Contracts.....	700,000	8,650,001	8,500,001	-	150,000	850,000
Ohio Housing Finance Agency						
Housing Development	1,200	51,299,962	56,381,221	5,190,847	109,588	110,788
Multi-Family Housing	1,065	-	1,225,000	1,225,000	-	1,065
Ohio Lottery Commission						

(continued)

AGENCY/CUSTODIAL FUND	Beginning Cash Balance July 1, 2012	Total Cash Inflows	Total Cash Outflows	Net Cash Flows from Investment Sales/Maturities and (Purchases)	Net Change in Cash	Ending Cash Balance June 30, 2013
Lottery Gross Revenue	13,109,490	2,973,118,136	2,898,387,362	-	74,730,774	87,840,264
Ohio Public Employees Deferred Compensation Board						
Employer Receiving.....	6,583,148	1,278,688,993	1,279,129,394	-	(440,401)	6,142,747
Ohio Public Utilities Commission						
Wireless 9-1-1 Government Assistance.....	994,309	25,476,602	25,476,603	-	(1)	994,308
Ohio Retirement Study Commission.....	66,240	632,216	850,921	-	(218,705)	(152,465)
Ohio State School for the Blind.....	4,440	358	358	-	-	4,440
Ohio State School for the Deaf	1,689	2,425	2,218	-	207	1,896
Ohio Supreme Court						
Attorney Registration.....	440,717	2,004,820	2,035,962	-	(31,142)	409,575
Ohio Tobacco Use Prevention and Control Foundation	5,055	12,048	-	(7,608)	4,440	9,495
Ohio Tuition Trust Authority						
Suspense	80,902	249,803,571	252,948,814	3,145,243	-	80,902
Trust.....	-	17,366,027	81,120,427	63,754,400	-	-
Trust Reserve.....	-	44	761,708	761,664	-	-
Petroleum Underground Storage Tank Release Compensation Board						
Financial Assurance.....	3,491,911	14,273,429	8,773,588	(7,721,119)	(2,221,278)	1,270,633
Retirement Systems						
Police and Fire Pension Fund.....	1,502,271	802,809,007	1,379,074,962	578,150,019	1,884,064	3,386,335
Public Employees Retirement System.....	3,373,318	5,559,378,942	7,145,622,956	1,590,418,258.00	4,174,244	7,547,562
Public Employees Retirement System Escrow.....	267	-	-	-	-	267
School Employees Retirement System.....	1,292,954	920,629,032	1,095,160,891	174,750,398	218,539	1,511,493
State Highway Patrol Retirement System.....	2,993,255	38,130,229	75,667,495	37,793,072	255,806	3,249,061
State Teachers Retirement System.....	10,150,884	3,562,442,046	7,250,786,187	3,737,635,838	49,291,697	59,442,581
Southern Ohio Agriculture and Community Development Foundation.....	557,008	51,577	3,370,465	3,169,314	(149,574)	407,434
Student Tuition Recovery Authority						
Student Tuition Recovery.....	80,016	59,350	111,163	34,657	(17,156)	62,860
Treasurer of State's Office, including Sinking Fund Commission						
<i>General Obligation & Revenue Bond Service Funds:</i>						
Economic Development Bond Service.....	8,225,411	28,636,962	48,130,526	11,268,153	(8,225,411)	-
Revitalization Projects Bond Service.....	3,295,705	12,182,120	21,560,966	6,083,141	(3,295,705)	-
Treasurer of State's Bond Clearance	557,445	2,651,817,995	2,651,269,670	-	548,325	1,105,770
<i>Special Obligation Bond Service Funds:</i>						
Cultural Facilities Commission Bond Service	20,734	69,678,159	69,636,307	-	41,852	62,586
Higher Education Bond Service	20,818	57,613,570	57,611,674	-	1,896	22,714
Mental Health Bond Service	83,254	75,669,680	75,689,499	31	(19,788)	63,466
Parks and Recreation Bond Service	63,616	30,803,818	30,820,498	1	(16,679)	46,937
Retired Bearer Bond Consolidation.....	764,881	-	5,000	-	(5,000)	759,881
<i>Other:</i>						
Torrens Law Assurance.....	26,158	-	29,859	30,000	141	26,299
Treasurer of State's Custodial Contingency Fund.....	-	50,659,371	82,200,089	31,540,718	-	-
TOTAL	216,549,870	25,567,154,022	32,106,650,241	6,567,309,682	27,813,463	244,363,333

**CUSTODIAL FUNDS - STATEMENT OF INVESTMENTS
FOR THE FISCAL YEAR ENDED ON JUNE 30, 2013 - UNAUDITED**

AGENCY/CUSTODIAL FUND	Investment Balance (stated at market value)	(continued) AGENCY/CUSTODIAL FUND	Investment Balance (stated at market value)
Attorney General's Office		Ohio Lottery Commission	
Court Order	71,918,161	Lottery Gross Revenue	295,940
Collections Enforcement	23,378,246		
Ohio Department of Development		Ohio State School for the Blind	
Development Enterprise Bond Retirement Fund	\$ 28,124,692		447,517
Loan Guarantee	873,724	Petroleum Underground Storage Tank Release Compensation Board	
Volume Cap	4,638,430	Financial Assurance	24,670,240
Ohio Department of Job and Family Services		Student Tuition Recovery Authority	
Child Support Payment Central	6,371,435	Student Tuition Recovery	1,153,170
IRS Payments		Treasurer of State's Office	
Unemployment Compensation Program:		<i>General Obligation & Revenue Bond Service Funds:</i>	
Auxiliary Services Personnel Unemployment	1,266,708	Economic Development Bond Service	-
Ohio Department of Natural Resources		Revitalization Projects Bond Service	-
Mine Subsidence Insurance	898,569	<i>Special Obligation Bond Service Funds:</i>	
Lake Katherine Management	130,208	Higher Education Bond Service	-
Reclamation	51,106	Mental Health Bond Service	72
Wildlife Habitat	113,208	Parks and Recreation Bond Service	-
Ohio Housing Finance Agency		<i>Other:</i>	
Housing Development	640	Torrens Law Assurance	1,429,147
Multi-Family Housing	2,301,421	Treasurer of State's Custodial Contingency Fund	2,697,020
			<hr/>
		TOTAL	\$ 170,759,654 <hr/>

The notes to the financial statements are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Office of the Treasurer of State was established under Section 113, Ohio Revised Code, for the custodianship of public monies belonging to the State of Ohio. The Treasurer's Office collects and processes certain taxes, fees, and licenses, and it processes certain tax refunds. The Treasurer also calculates and verifies the payment of all warrants presented by the banks for cash settlement, manages the State's investment portfolio, and acts as the custodian and safekeeping agent for the State of Ohio's deposits and investments, including those of the various state agencies that administer custodial funds. Additionally, the Treasurer of State administers the internal operations of the Office, which receives appropriated funding from the Ohio General Assembly.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

In accordance with the criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity, the Treasurer of State's Office is considered to be a part of the State of Ohio's primary government, and in turn, the State's financial reporting entity. Therefore, the balances and activity reported within this report will be consolidated in the Ohio Comprehensive Annual Financial Report, for the fiscal year ended June 30, 2013, which later will be compiled and published by the Ohio Office of Budget and Management.

State Funds — State funds are comprised of the State's cash and investment pool, the equity in which is allocated to the budgetary funds appropriated to the state agencies, as reported in the State's accounting system, the Ohio Administrative Knowledge System (OAKS). Balances and activity of state funds is presented in the Statement of Assets and the Statement of Receipts, Disbursements, and Changes in Assets.

Custodial Funds — The Treasurer of State is designated under the Ohio Revised Code as custodian for the deposits and investments of certain state agencies, and in some cases, other governmental entities. Cash balances and activity of the custodial funds are presented in the Statement of Receipts, Disbursements, and Net Cash Flows from Investment Transactions and investments held in custody by the Treasurer of State are presented in the Statement of Investments, respectively.

B. Basis of Accounting

Balances and activity of state funds are reported using the cash basis of accounting. The Statement of Receipts, Disbursements, and Net Cash Flows from Investment Transactions presented for the custodial funds was also prepared on the cash basis of accounting.

For state funds, the Treasurer's policy is to record receipts when pay-in documents have been received from the state agencies and processed by the Treasurer of State's Cashiers Department. Disbursements are recorded when warrants are presented for payment or when the Treasurer processes electronic fund transfers.

C. Fund Accounting

In order to observe the restrictions placed on resources and expenditures of funds, the Treasurer of State's Office follows the principles of fund accounting. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Individual funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

1. State Funds

Chapter 131 of the Ohio Revised Code broadly outlines the establishment and governance of state funds. The Treasurer of State invests state funds in compliance with the Uniform Depository Act, as set for in Chapter 135 of the Ohio Revised Code. Legal provisions for investments are further discussed in Note 2.

Investment balances are reported on the settlement basis at cost, which includes purchased accrued interest as may be applicable.

2. Custodial Funds

Custodial funds are established under specific citations of the Ohio Revised Code that designate the Treasurer of State as custodian of the respective fund. Custodial investment balances are reported at market value on the settlement basis.

NOTE 2 DEPOSITS AND INVESTMENTS - STATE FUNDS

Legal Requirements

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act (Chapter 135 of the Ohio Revised Code), which requires that monies held by the State be maintained in one of the following three classifications:

Active Deposits

Active deposits are comprised of monies required to be kept in a cash or near-cash status to meet current demands. Active deposits must be maintained either as cash in the state treasury or in any of the following:

- A commercial account that is payable or withdrawable, in whole or in part, on demand;
- A negotiable order of withdrawal account;
- A money market deposit account; or
- A designated warrant clearance account.

Key Bank is the State's main depository bank where active deposits are held.

Interim Deposits

Interim deposits are not required for immediate use, but may be needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- U.S. Treasury bills, notes, bonds, or any other obligations or securities issued by the U.S. Treasury or any other obligation guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
- Bonds and other direct obligations of the State of Ohio issued by the Treasurer of State and of the Ohio Public Facilities Commission, the Ohio Building Authority, and the Ohio Housing Finance Agency;
-
- Written repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank or any recognized U.S. government securities dealer. Repurchase agreements must be secured by obligations of or guaranteed by a federal agency or instrumentality, or by commercial paper issued by any

corporation under the laws of the United States or a state, which notes are rated at the time of purchase in the two highest categories by two nationally recognized rating agencies;

- Securities lending agreements with any eligible financial institution that is a member of the Federal Reserve System or Federal Home Loan Bank or any recognized U.S. government securities dealer;
- Various forms of commercial paper issued by any corporation that is incorporated under the laws of the United States or a state, which notes are rated at the time of purchase in the two highest categories by two nationally recognized rating agencies, provided that the total amount invested under this section in any commercial paper at any time shall not exceed 25 percent of the State's total average portfolio;
- Bankers acceptances, maturing in 270 days or less, which are eligible for purchase by the Federal Reserve System, provided that the total amount invested in bankers acceptances at any time shall not exceed 10 percent of the State's total average portfolio;
- Certificates of deposit in eligible institutions applying for interim moneys, including linked deposits, agricultural linked deposits, and housing linked deposits;
- The State Treasurer's investment pool known as the State Treasury Asset Reserve (STAR) Ohio Fund;
- The STAR Plus program which allows Ohio public subdivisions to obtain full Federal Deposit Insurance Corporation (FDIC) coverage and earn a competitive yield on their cash reserves, while working to increase the amount of taxpayer deposits in Ohio community banks;
- Debt interests, other than commercial paper, rated at the time of purchase in the two highest categories by two nationally recognized rating agencies and issued by corporations that are incorporated under the U.S. laws or a state, or issued by foreign nations diplomatically recognized by the U.S. government, or any instrument based on, derived from, or related to such interests, provided that the total amount so invested shall not exceed in the aggregate 25 percent of the State's total average portfolio. The investments in debt interests issued by foreign nations shall not exceed

NOTE 2 (continued)

in the aggregate one percent of the State's total average portfolio. The investments made in the debt interests of a single issuer shall not exceed in the aggregate .5 percent of the State's total average portfolio;

- No-load money market mutual funds consisting exclusively of obligations of the United States, federal government agency, or commercial paper, as described above, and repurchase agreements secured by such obligations; and
- Obligations of a board of education issued under the authority of the Ohio Revised Code.

Inactive Deposits

Inactive deposits are statutorily defined under Chapter 135, Ohio Revised Code as public deposits other than interim deposits or active deposits. As of June 30, 2013, the state treasury had no inactive deposits to report.

Deposits

As of June 30, 2013, deposits, including active deposits and certificates of deposit accounts, were not exposed to custodial credit risk, since the accounts were held in insured depositories approved by the State Board of Deposit and were fully collateralized. The financial institutions holding state deposits collateralize accounts for balances in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC), as required by Section 135.18, Ohio Revised Code. The Treasurer of State requires each depository institution to pledge either a surety bond or securities with a market value of at least 100 percent to 102 percent of the total value of the public monies that are on deposit at the financial institution. Any pledged securities are held by the Federal Reserve, the Federal Home Loan Bank, or an insured financial institution serving as agent of the Treasurer.

Certificates of deposit totaling \$410,513,339 comprise holdings, in part for the Small Business, Agricultural, Grow Now, Bid Ohio, Eco Linked, Save Now and Renew Ohio Linked Deposit programs. Additionally, as part of the portfolio of the Agricultural Linked Deposit Program, the Treasurer holds a \$5 million Federal Farm Credit Banks adjustable rate bond, which has been included under U.S. Agency Securities on the Statement of Assets for state funds.

Investments

Carrying and market values of investments held, as of June 30, 2013, are detailed below.

	Carrying Value	Market Value
U.S. Government Securities	1,330,170,997	\$1,314,773,750.00
U.S. Agency Securities	7,261,956,858	7,240,954,538
Commercial Paper	658,411,046	658,411,046
Money Market Funds	643,952,559	643,952,559
Israel Bonds	69,400,000	69,400,000
STAR Ohio Investment Pool	216,789,024	216,789,024
Deposit:		
STAR Plus Program	24,000,000	24,000,000
Lottery Commission's Structured Investment Portfolio:		
U.S. Government Securities		
U.S. Agency Securities	160,025,063	214,090,042
STAR Ohio Investment Pool	258,026,618	442,959,075
	1,582,969	1,582,969
Total Investments		
State Funds, as of June 30, 2013	\$10,624,315,135	\$10,826,913,003

Investments, as of June 30, 2013, were not exposed to custodial credit risk, since they were held by the Treasurer of State's agent in the State's name, or they were not by their nature subject to custodial credit risk. Figures might not add due to rounding.

Securities Lending

During Fiscal Year 2013, the Treasurer of State participated in securities lending programs, pursuant to Section 135.143, Ohio Revised Code, for securities included in the state funds' portfolio. A securities lending agent administers each lending program, whereby certain securities are transferred to an independent broker/dealer (borrower) in exchange for collateral equal to no less than 102 percent of the market value of the lent securities at the time of lending and at least equal to the market value of the lent securities thereafter.

The Treasurer minimizes exposure to credit risk due to borrower by requiring the securities lending agent to determine daily that collateral requirements are met. During Fiscal Year 2013, the Treasurer of State did not experience any losses due to credit or market risk on securities lending activity. As permitted under state law, the Treasurer of State's Office uses the income earned from securities lending to fund its operations in part.

NOTE 3 STAR OHIO FUND

As of June 30, 2013, the Treasurer of State reported \$362.6 million invested in the STAR Ohio Fund for the following state and custodial funds:

State Funds:	<u>Invested Balance</u>
State Investment Portfolio	\$ 216,795,303
Ohio Lottery Commission-Structured Investments Portfolio	<u>1,583,051</u>
Total- State Funds	<u>218,378,353</u>
Custodial Funds:	
Ohio Attorney General	
Court Order	71,918,161
Ohio Department of Development:	
Ohio Enterprise Bond	28,124,692
Development Loan Guarantee	873,724
Development Volume Cap	4,638,430
Ohio Department of Job and Family Services:	
Child Support Payment Central	6,371,435
Auxiliary Services Personnel Unemployment	1,266,708
Ohio Department of Natural Resources:	
Mine Subsidence Insurance	898,569
Lake Erie Management	130,208
Reclamation	51,106
Wildlife Habitat	113,208
Ohio Housing Finance Agency:	
Housing Development	640
Multi-Family Housing	2,301,421
Ohio State School for the Blind	447,517
Petroleum Underground Storage	16,585,296
Petroleum Underground Storage Tank Release Compensation Board	1,998,294
Southern Ohio Agriculture and Community Development Foundation	5,360,284
Student Tuition Recovery Authority	1,153,170
Tobacco Use Control and Prevention Foundation	580,577
Treasurer of State's Office, including the Sinking Fund Commission:	
Economic Development Bond Service	-
Revitalization Projects Bond Service	-
TOS Bond Clearance	-
TOS Administrative Bond Service Fund	8,875
Cultural Facilities Bond Service	-
Higher Education Bond Service	-
Juvenile Bond Service	50,076
Mental Health Bond Service	72
Parks and Recreation Bond Service	0
Torrens Law Assurance	<u>1,429,147</u>
Total-Custodial Funds	<u>144,301,609</u>
Total STAR Ohio Investments-State & Custodial Funds, as of June 30, 2013	<u>\$ 362,679,963</u>

NOTE 4 NET RECEIPTS UNPROCESSED BY STATE AGENCIES

The \$41.3 million adjustment reported on the Statement of Assets presented for state funds, as of June 30, 2013, represents the amount of receipts collected and credited to the State's bank account, but for which the state agencies had not yet presented pay-in documents to the Treasurer's Cashiers Department for processing. Consequently, the collections had not been recorded as revenue transactions in the State's Ohio Administrative Accounting System, as of June 30, 2013. While pending their recording in the OAKS, however, the Treasurer of State had invested the receipts collected.

NOTE 5 CIGARETTE TAX STAMPS

As provided in Section 5743.05, Ohio Revised Code, the Treasurer of State has custody of and sells cigarette excise tax stamps. Vendors purchase the stamps, which are required to be affixed to each package of cigarettes sold in Ohio. As of June 30, 2013, the gross value of the inventory of cigarette stamps on hand with the Treasurer of State was \$119,750,227.88 while the value of the stamps net of the wholesale discount was \$115,439,219.67.

**SUMMARY OF REALIZED INCOME
FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED**

MONTH	AVG-PURCH YIELD	MONTH END COST BALANCE	REGULAR ACCOUNT		BUCKEYE TOBACCO		BANK INITIATIVES	TOTAL
			Investments	Securities Lending	Investments	Securities Lending		
Jul-12	0.1710%	\$8,452,849,364.93	\$1,580,123.86	\$ 22,978.37	\$0.00	\$0.00	\$37,853.48	\$1,640,955.71
Aug-12	0.1580%	\$9,175,642,992.24	\$1,489,543.91	\$ 38,500.57	\$0.00	\$0.00	\$32,595.45	\$1,560,639.93
Sep-12	0.1750%	\$8,574,230,619.94	\$1,810,143.56	\$ 58,714.26	\$0.00	\$0.00	\$22,507.02	\$1,891,364.84
Oct-12	0.1720%	\$8,739,037,651.96	\$1,504,632.54	\$ 39,054.13	\$0.00	\$0.00	\$35,740.75	\$1,579,427.42
Nov-12	0.1400%	\$8,273,187,986.28	\$2,593,056.85	\$ 27,673.72	\$0.00	\$0.00	\$27,643.86	\$2,648,374.43
Dec-12	0.1520%	\$8,683,717,817.01	\$1,312,053.90	\$ 18,546.70	\$0.00	\$0.00	\$21,247.06	\$1,351,847.66
Jan-13	0.1560%	\$9,678,957,381.58	\$1,770,357.54	\$ 8,649.39	\$0.00	\$0.00	\$24,137.95	\$1,803,144.88
Feb-13	0.1900%	\$10,264,195,167.28	\$2,156,442.00	\$ 20,521.44	\$0.00	\$0.00	\$48,469.14	\$2,225,432.58
Mar-13	0.2300%	\$9,976,637,731.68	\$2,086,899.82	\$ 24,119.31	\$0.00	\$0.00	\$18,607.16	\$2,129,626.29
Apr-13	0.1530%	\$10,575,209,195.91	\$2,078,595.23	\$ 11,641.33	\$0.00	\$0.00	\$69,969.01	\$2,160,205.57
May-13	0.1930%	\$11,102,007,006.86	\$2,360,936.30	\$ 16,780.86	\$0.00	\$0.00	\$29,284.43	\$2,407,001.59
Jun-13	0.2270%	\$11,034,828,473.88	\$1,954,072.57	\$ 75,933.57	\$0.00	\$0.00	\$25,615.55	\$2,055,621.69
FY13 AVG/TOTAL	0.1764%	\$9,544,208,449.13	\$22,696,858.08	\$ 363,113.65	\$0.00	\$0.00	\$393,670.86	\$23,453,642.59

STRUCTURED ACCOUNT		TOTAL	GRAND TOTAL
Investments	Securities Lending		
\$4,092,694.00	\$ 4,139.90	\$4,096,833.90	\$5,737,789.61
\$3,122,920.17	\$ 5,514.27	\$3,128,434.44	\$4,689,074.37
\$318,124.47	\$ 5,234.45	\$323,358.92	\$2,214,723.76
\$1,197,554.93	\$ 179.94	\$1,197,734.87	\$2,777,162.29
\$484,551.72	\$ 903.85	\$485,455.57	\$3,133,830.00
\$634,971.65	\$ 2,108.62	\$637,080.27	\$1,988,927.93
\$1,725,642.68	\$ 2,155.67	\$1,727,798.35	\$3,530,943.23
\$2,058,587.45	\$ 6,933.35	\$2,065,520.80	\$4,290,953.38
(\$242,907.34)	\$ 4,012.55	(\$238,894.79)	\$1,890,731.50
\$1,174,394.08	\$ 2,302.64	\$1,176,696.72	\$3,336,902.29
\$6,933,847.94	\$ 3,252.43	\$6,937,100.37	\$9,344,101.96
\$634,876.55	\$ 6,774.84	\$641,651.39	\$2,697,273.08
\$22,135,258.30	\$ 43,512.51	\$22,178,770.81	\$45,632,413.40

REVENUE MANAGEMENT COLLECTIONS - FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED

Type of Revenue	Monetary Amount
Casino Tax-Toledo	\$62,377,925.66
Casino Tax-Cincinnati	\$23,937,778.00
Casino Tax-Cleveland	\$85,584,235.00
Casino Tax-Columbus	\$53,538,320.00
Child Abuse Prevention Fund	\$1,142,957.70
Child Highway Safety Fund	\$198,830.18
Cigarette Excise Tax	\$794,047,727.12
Commercial Activity Tax	\$612,538,271.73
Conscience Fund	\$26,820.94
Corporate Franchise Tax	\$223,448,219.22
Dealers In Intangibles Tax	\$217,370.98
Drug Law Enforcement Fund	\$4,987,886.89
Estate Tax	\$105,202,435.91
Expungement Fee	\$484,863.83
Family Violence Prevention Fund	\$549,287.88
Housing Trust Fund	\$53,740,980.53
Indigent Defense Support Fund	\$41,249,909.86
Indigent Driver Alcohol Treatment Fund	\$168,636.09
Insurance Companies Premium Tax	\$510,400,312.92
IOLTA Fee	\$4,164,995.68
Justice Program Services Fund	\$154,264.22
Kilowatt Tax	\$537,455,351.72
Legal Aid Society Fund	\$12,559,248.03
Liquor Control Fees	\$493,530.66
Motor Vehicle Fuel Tax	\$1,692,177,061.49
Motor Vehicle Sales Tax	\$1,307,148,535.80
Municipal Income Tax	\$9,716,548.29
Natural Gas Distribution Fee	\$43,692,454.87
Non-Resident Mv Sales Tax	\$35,235,805.87
Ohio Putative Fathers Registry Fee	\$138,393.50
Public Utilities Excise Tax	\$96,665,732.78
Sales Tax	\$4,019,469,053.27
Seat Belt Fines	\$3,478,330.70
State Highway Patrol Trauma and Emergency Fund	\$12,706,574.03
State Highway Safety Fund	\$376,436.43
Surplus Line Fees	\$32,251,523.30
Victims Of Crime Fund	\$14,175,735.75
Watercraft Sales Tax	\$13,365,488.56
Withholding Tax	\$5,989,667,974.80
Summary	\$16,398,935,810.19

**STATEMENT OF ADDITIONAL SECURITIES HELD IN TRUST
FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED**

Under the provisions of the citations stated below, the Treasurer of State is the trustee for securities pledged for various purposes. This statement reports the amount held in trust as of June 30, 2013. These deposits are not reported in either the Statement of Receipts and Disbursements of State Funds or Custodial Funds.

Abandoned Service Stations (Sec. 3791.11 [D] O.R.C.)	300,000.00
Bureau of Motor Vehicles - Driver's License Suspension Section (Sec. 4509.62 O.R.C.)	150,000.00
Bureau of Workers' Compensation - Self Insured (Sec. 4123.35 O.R.C.)	-
Bureau of Workers' Compensation - Other	-
Department of Commerce - Superintendent of Financial Institutions (Sec. 1111.04 O.R.C.)	9,420,000.00
Department of Insurance - Insurance Company Legal Reserve (Sec. 3903.73 O.R.C.)	-
Department of Insurance - Title Guaranty and Trust Company (Sec. 3903.73 O.R.C.)	215,000.00
Mental Retardation & Developmental Disabilities - Office of Support (Sec. 5121.04 O.R.C.)	271,308.68
Department of Jobs and Family Services - Bureau of Employment Services (Sec. 4141.241 O.R.C.)	5,778,189.06
Department of Natural Resources:	
Division of Forestry (Sec. 1503.05 O.R.C.)	390,775.00
Mineral Resources (Sec. 1513.08, 1514.04 O.R.C.)	6,419,021.68
Oil & Gas (Sec. 1509.07 O.R.C.)	7,359,926.16
Division of Parks and Recreation (Sec. 1501.10 O.R.C.)	5,816,500.00
Division of Soil and Water (Sec. 1521.061 O.R.C.)	250,000.00
Department of Taxation - Motor Vehicle Liquid Fuel (Sec. 5735.03 O.R.C.)	-
Total:	<u>\$ 36,370,720.58</u>

**LINKED DEPOSIT PROGRAMS BY COUNTY
FOR THE FISCAL YEAR THAT ENDED ON JUNE 30, 2013 - UNAUDITED**

COUNTY	GrowNOW Funded (2 year rolling)*	Ag-LINK Funded	ECO Link Funded	ReEnergize Ohio	Renew/Rebuild Ohio	Total Funds Dispersed to County	SaveNOW Savers**
Adams	\$1,200,000.00					\$1,200,000.00	
Allen	\$2,554,925.03	\$2,345,000.00				\$4,899,925.03	8
Ashland	\$400,000.00	\$450,000.00	\$40,000.00			\$890,000.00	122
Ashtabula	\$375,270.60					\$375,270.60	6
Athens			\$125,000.00			\$125,000.00	1
Auglaize		\$150,000.00	\$184,725.00			\$334,725.00	2
Belmont	\$776,835.54					\$776,835.54	6
Brown	\$756,560.00	\$150,000.00				\$906,560.00	
Butler	\$113,795.00		\$157,500.00			\$271,295.00	18
Carroll	\$371,460.46		\$57,500.00			\$428,960.46	5
Champaign		\$1,430,150.00	\$350,000.00			\$1,780,150.00	8
Clark	\$339,500.00	\$3,915,000.00				\$4,254,500.00	31
Clermont	\$780,524.59		\$661,940.00			\$1,442,464.59	16
Clinton	\$489,435.70	\$894,000.00				\$1,383,435.70	4
Columbiana	\$1,888,594.45					\$1,888,594.45	31
Coshocton		\$210,000.00				\$210,000.00	4
Crawford	\$467,538.79	\$585,000.00	\$125,000.00	\$49,000.00		\$1,226,538.79	5
Cuyahoga	\$2,737,044.23		\$2,378,500.00			\$5,115,544.23	207
Darke	\$1,580,157.41		\$1,392,754.95			\$2,972,912.36	3
Defiance	\$2,182,460.76	\$2,465,400.00				\$4,647,860.76	
Delaware	\$1,613,951.40	\$300,000.00	\$405,000.00			\$2,318,951.40	157
Erie	\$2,120,262.90		\$170,000.00			\$2,290,262.90	21
Fairfield	\$665,953.11	\$4,206,956.00				\$4,872,909.11	72
Fayette	\$400,000.00	\$1,930,000.00				\$2,330,000.00	3
Franklin	\$7,130,278.28	\$190,000.00	\$732,281.00			\$8,052,559.28	1,421
Fulton	\$622,204.44	\$2,686,525.00				\$3,308,729.44	
Gallia	\$213,500.00	\$127,000.00				\$340,500.00	
Geauga	\$561,532.87		\$1,464,695.40			\$2,026,228.27	14
Greene	\$1,472,938.51	\$1,200,000.00				\$2,672,938.51	25
Guemsey						\$0.00	24
Hamilton	\$3,240,113.16		\$290,820.00			\$3,530,933.16	163
Hancock	\$3,854,339.28	\$1,685,000.00	\$62,840.00			\$5,602,179.28	2
Hardin	\$400,000.00	\$325,000.00	\$175,000.00			\$900,000.00	4
Harrison						\$0.00	1
Henry	\$1,322,519.18	\$805,050.00	\$175,000.00			\$2,302,569.18	
Highland	\$296,654.77	\$145,000.00				\$441,654.77	2
Hocking	\$350,000.00	\$205,000.00				\$555,000.00	33
Holmes	\$1,509,956.53		\$210,000.00			\$1,719,956.53	14
Huron	\$2,211,741.73	\$310,000.00	\$125,000.00			\$2,646,741.73	35
Jackson						\$0.00	4
Jefferson	\$584,789.23					\$584,789.23	8
Knox		\$85,000.00				\$85,000.00	9
Lake	\$2,415,719.76		\$196,000.00			\$2,611,719.76	31

Lawrence							
Licking	\$998,026.47	\$150,000.00			\$1,148,026.47		37
Logan	\$1,623,446.90	\$960,000.00			\$2,583,446.90		18
Lorain	\$341,539.14	\$250,000.00	\$495,450.00		\$1,086,989.14		31
Lucas	\$3,306,635.15	\$675,000.00	\$100,000.00		\$4,081,635.15		61
Madison		\$1,495,000.00			\$1,495,000.00		18
Mahoning	\$11,630,852.08				\$11,630,852.08		46
Marion	\$1,726,924.19	\$1,180,000.00		\$367,000.00	\$3,273,924.19		201
Medina	\$2,700,745.11	\$250,000.00	\$450,000.00		\$3,400,745.11		46
Meigs					\$0.00		
Mercer	\$943,633.57		\$280,236.14		\$1,223,869.71		3
Miami	\$630,858.83				\$630,858.83		21
Monroe	\$113,991.82				\$113,991.82		1
Montgomery	\$4,745,502.23		\$686,540.00		\$5,432,042.23		268
Morgan	\$171,754.41				\$171,754.41		
Morrow	\$90,000.00	\$100,000.00	\$109,965.00		\$299,965.00		11
Muskingum	\$5,215,195.64			\$56,393.36	\$5,271,589.00		7
Noble					\$0.00		1
Ottawa	\$637,185.61	\$325,000.00			\$962,185.61		113
Paulding	\$879,338.65	\$1,145,000.00			\$2,024,338.65		
Perry	\$1,012,691.22				\$1,012,691.22		8
Pickaway	\$976,161.78	\$6,704,400.00	\$320,405.00		\$8,000,966.78		44
Pike	\$1,069,709.77	\$300,000.00	\$75,000.00		\$1,444,709.77		
Portage	\$4,153,346.50		\$718,367.00		\$4,871,713.50		11
Preble			\$85,000.00		\$85,000.00		5
Putnam	\$2,844,502.76	\$3,495,000.00			\$6,339,502.76		1
Richland	\$504,548.09	\$250,000.00	\$1,193,676.00		\$1,948,224.09		23
Ross	\$1,697,000.00	\$2,119,000.00			\$3,816,000.00		2
Sandusky	\$1,537,721.62	\$590,000.00			\$2,127,721.62		12
Scioto	\$2,459,525.00		\$18,500.00		\$2,478,025.00		5
Seneca	\$4,573,899.24	\$1,270,500.00			\$5,844,399.24		10
Shelby	\$362,992.04		\$431,766.00		\$794,758.04		6
Stark	\$6,634,891.41	\$460,000.00	\$150,000.00		\$7,244,891.41		134
Summit	\$6,812,122.57		\$238,640.00		\$7,050,762.57		164
Trumbull	\$6,031,777.95	\$150,000.00	\$115,000.00		\$6,296,777.95		8
Tuscarawas	\$4,160,122.51	\$50,000.00		\$38,702.36	\$4,248,824.87		8
Union	\$108,738.78	\$2,051,000.00			\$2,159,738.78		17
Van Wert	\$635,269.43	\$300,000.00			\$935,269.43		
Vinton					\$0.00		
Warren	\$662,270.00	\$100,000.00	\$155,000.00		\$917,270.00		16
Washington					\$0.00		5
Wayne	\$3,617,644.87	\$4,917,237.00	\$60,000.00		\$8,594,881.87		205
Williams	\$4,481,968.00	\$1,028,410.00	\$40,000.00		\$5,550,378.00		1
Wood	\$1,593,046.42	\$2,465,262.00			\$4,058,308.42		19
Wyandot	\$1,496,521.97				\$1,496,521.97		5
Totals:	\$141,182,659.44	\$ 59,575,890.00	\$ 15,203,101.49	\$511,095.72	\$216,472,746.65		4,112
Number of Participants	728	574	116	4	0		
Number of Counties	73	50	40	4	0		

*Small Business rolling two year July 2011-June 2013.

**SaveNOW is not funded by county rather as a lump sum to each bank and include only participant sign ups for FY 2013



OHIO TREASURER JOSH MANDEL

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