

its people, communities, and institutions.

EXPERTISE

Use and grow our knowledge to advance our work and bolster professionalism across our agency.

TEAMWORK

Through accountability, collaboration, and respect for others, we will build trust and achieve our goals.

INTEGRITY

Be honest and strive to do what's right.

TRANSPARENCY

Always be open and willing to share our work, our success, and our vision.

ROBERT SPRAGUE
OHIO TREASURER



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OHIO TREASURER

2021 ANNUAL REPORT



ROBERT SPRAGUE

OHIO'S 49TH TREASURER OF STATE

Robert Sprague is Ohio's 49th Treasurer of State. As Treasurer, he oversees the state's investment and debt portfolios, domestic & international custody portfolios, and daily cash inflows and outflows.

Treasurer Sprague is committed to improving Ohio and the lives of its residents through trusted stewardship, wise investment, and bold innovation. These principles have been at the forefront of his work since taking office in January 2019.

As his first legislative initiative, Treasurer Sprague successfully launched ResultsOHIO, which established an infrastructure within the Treasurer's office to evaluate and support pay-for-success programs aimed at combatting the social and public health challenges facing Ohio. In 2021, the first pay-for-success project to be launched using the ResultsOHIO model gained legislative approval.

Sprague also oversaw the development and implementation of Family Forward, a program designed to support prospective parents navigating the adoption process. Through Family Forward, Ohioans seeking to adopt may qualify for reduced interest loans up to \$50,000 that can be used to help manage the costs associated with adoption.

The STABLE Account program is witnessing unprecedented growth throughout Treasurer Sprague's time in office. The program empowers individuals living with disabilities through the use of specialized savings and investment accounts. Under Sprague's leadership, program participation more than doubled from January 2019 through December 2020 and continues to grow today. Additionally, the Treasurer's office partners with multiple public and private sector employers to provide eligible employees with direct deposit options for contributing to a STABLE account.

Treasurer Sprague first entered public service in his hometown of Findlay, where he developed his commitment to strong fiscal stewardship as city auditor and treasurer. In these roles, he balanced the city's budgets and helped finance a massive recovery effort after historic floods and the 2008 economic recession. He later made his way to Columbus, serving the 83rd District as a member of the Ohio House of Representatives from 2011 through 2018.

During his time in the private sector, he was a project lead at Ernst & Young and worked on several high-profile engagements with Fortune 500 companies before forming his own consulting firm.

Treasurer Sprague graduated from Duke University with a bachelor's degree in mechanical engineering and later earned a master's degree in business administration with an emphasis in finance from the University of North Carolina at Chapel Hill. His commitment to public service is matched only by his love of family. He and his wife, Amanda, continue to live in Findlay with their five children.

OUR MISSION

To be trusted stewards of Ohio's Treasury, wise investors in Ohio's future, and bold innovators committed to improving people's lives.

OUR GUIDING PRINCIPLES

SERVICE AND STEWARDSHIP

We are here to serve Ohio – its people, communities, and institutions.

TEAMWORK

Through accountability, collaboration, and respect for others, we will build trust and achieve our goals.

INTEGRITY

Be honest and strive to do what's right.

EXPERTISE

Use and grow our knowledge to advance our work and bolster professionalism across our agency.

TRANSPARENCY

Always be open and willing to share our work, our success, and our vision.



TREASURER'S MESSAGE

Since becoming Ohio Treasurer, I have committed our office to protecting state tax dollars and identifying new ways to improve people's lives. Throughout 2021, we worked tirelessly to make good on that commitment, and our successes are detailed in this annual report.

As Ohio and the nation began to emerge from the COVID-19 pandemic, the Treasurer's office remained focused on its core mission to be trusted stewards of the Ohio Treasury and wise investors in our state's future.

Those qualities are at the heart of our Ohio Gains proposal. Announced in September, Ohio Gains is an innovative initiative to put the state's balance sheet to work for Ohio. Composed of three primary investment options, the proposal focuses directly on bolstering support for our state's agriculture community, hospitals, and institutions of higher education. By creating new cost savings opportunities for Ohio-based entities while also investing more of our state tax dollars here at home, Ohio Gains can assist us in forging a stronger financial foundation for the years to come.

Our ResultsOHIO program also kicked into high gear in 2021. The year began by announcing the first round of feasibility reports for projects deemed "Pay for Success Appropriate and Ready." Then, as part of the state budget process, the Foundation for Appalachian Ohio's iSee Project, which is sponsored in partnership between Vision to Learn and the Ohio Optometric Foundation, became the first ResultsOHIO project to garner legislative approval. The project aims to deploy a mobile vision clinic across Appalachian Ohio to increase vision services for students and remove barriers to receiving eye exams. We look forward to further shepherding this program as it continues to take shape in the new year.

In conjunction with National Adoption Month, November saw the official launch of Family Forward. The newest addition to our portfolio of linked deposit programs, Family Forward makes reduced interest loans available to Ohioans navigating the adoption process. As adoption-related expenses continue to rise, I am proud of our office's work to support prospective parents and help more children find their forever homes.

As always, we remained committed to working with and supporting local governments across Ohio. STAR Ohio, the time-tested and reliable investment pool used by local governments, once again reached an all-time high – crossing the \$19 billion mark for the first time ever. Cities, villages, and townships across the state continued utilizing the Ohio Market Access Program to save money on important improvement projects in their communities, and the Center for Public Investment Management successfully reached local government finance officers throughout Ohio by hosting its annual conference virtually for the second consecutive year.

So often, the work of the Treasurer's office is a balance between pursuing innovative new ideas and modernizing long-standing programs. The following report demonstrates the ways we achieved this throughout 2021.

As we enter 2022, we look forward to continuing to work with state and local leaders across Ohio to identify new and effective ways to serve people across the great state of Ohio.

Sincerely,

Robert Sprague
Ohio Treasurer

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SMALL BUSINESS ADVOCATE OF THE YEAR



In March, Treasurer Sprague received the 2020 Small Business Advocate of the Year Award from the Greater Cleveland Partnership's Council of Small Enterprises. The honor was in recognition of the Treasurer's work to allocate a significant portion of the state's federal CARES Act dollars for the creation of small business grants.

The Treasurer's office partnered with the Greater Cleveland Partnership and other leading business associations to advance the initiative and assist small businesses that were negatively impacted by the COVID-19 pandemic. A similar plan was eventually enacted that achieved Treasurer Sprague's ultimate goal of providing financial relief to these small businesses.

According to the Greater Cleveland Partnership, Small Business Advocate of the Year awards "honor elected officials and recognize those who have sponsored, endorsed, supported, drafted legislation or led initiatives on behalf of small businesses throughout Ohio."

TREASURER SPRAGUE NAMED HUNT-KEAN FELLOW

Treasurer Sprague was among 30 elected officials nationwide chosen by The Hunt Institute to participate in the Hunt-Kean Leadership Fellow program. Participants are identified by The Hunt Institute as "senior-level political leaders who have the knowledge, skill, and will to be effective, equity-minded education policymakers at the state level."

Throughout the year, Treasurer Sprague took part in policy discussions with leaders from across the country to learn more about how states can provide each child with a quality education. Hunt-Kean Fellows learn about the full education continuum, from early childhood to postsecondary education and the workforce.



STANDING UP TO FEDERAL OVERREACH

In September, Treasurer Sprague joined 21 fellow state treasurers and auditors, as well as Ohio's banks and credit unions, to oppose a Biden Administration proposal that would require financial institutions to turn over private citizens' personal bank account information to the Internal Revenue Service if they exceed \$600 of inflows or outflows in an account.

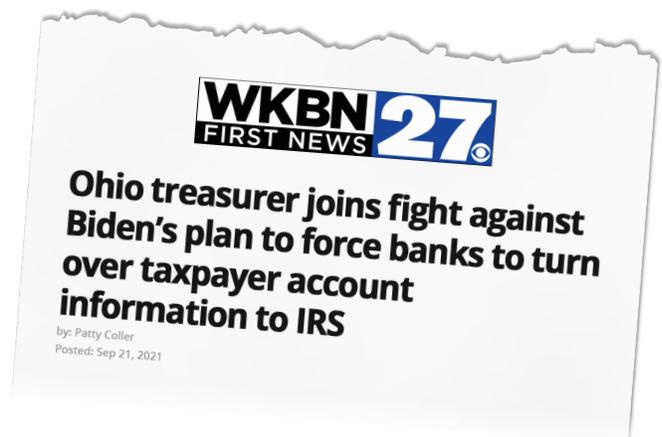
Treasurer Sprague highlighted the obvious privacy violation for millions of law-abiding Americans, as well as the potential cybersecurity risks involved with the IRS holding massive amounts of private financial information. Additionally, for financial institutions large and small, the proposal would be dangerously burdensome and costly.

“

“The Biden Administration’s proposal is an outrageous assault on Americans’ liberties. Their attempt at invading our private financial accounts not only erodes our rights and values as Americans, but it would also be dangerously burdensome to our financial institutions – both large and small. I’m proud to stand alongside my colleagues around the country to fight against this unprecedented and unnecessary intrusion.”

-Treasurer Sprague

”





PROGRAMS AND INITIATIVES

PUTTING OHIO'S BALANCE SHEET TO WORK FOR OHIO



September saw the launch of Ohio Gains, a new initiative focused on modernizing investment strategies, investing more of Ohio's tax dollars here at home, and building a stronger financial foundation for the future.

The proposal centers around three innovative investment options that will help bolster support for the state's agriculture community, health systems, and institutions of higher education.

Legislation featuring the proposed changes was introduced in the Ohio Senate (SB 241) by Senators Michael Rulli (R-Salem) and Jerry Cirino (R-Kirtland) and in the Ohio House (HB 440) by Representatives DJ Swearingen (R-Huron) and Andrea White (R-Kettering).

Modernizing the Ag-LINK Program

Despite more than three decades of success, Ag-LINK loans have long been restricted to caps of \$150,000 per year for each borrower. This has deterred many from participating in the program because the limit does not reflect the

current borrowing needs of farmers and agricultural businesses in the state.

Ohio Gains aims to eliminate program caps, so Ohio's agriculture community has access to an ample amount of lower-cost capital when it needs it most. Eliminating the caps would also align Ag-LINK with other linked deposit programs available through the Treasurer's office.

Additionally, the proposal includes a provision to add agricultural cooperatives as eligible Ag-LINK borrowers for the first time in the program's history.

Reducing Costs for Ohio's Hospitals

A Variable Rate Demand Obligation (VRDO) is a borrowing tool commonly used by large institutions – including some of Ohio's major hospital systems – to finance capital projects.

Ohio Gains would enable the Ohio Treasury to leverage its strong liquidity on behalf of Ohio's hospital systems to lower their overall borrowing costs.



“The Ohio Gains initiative is an opportunity to be bold and implement new and innovative investment strategies to secure a more prosperous future for the Buckeye State. By tapping into our office’s financial expertise and unlocking the power of the Treasury, we can create significant cost-savings opportunities for our homegrown businesses and institutions. Through this modernized approach, the Treasurer’s office is working to strengthen Ohio’s financial foundation for the years ahead.”

- Treasurer Sprague



The proposal had been tested a year earlier through a partnership with the Cleveland Clinic and proved to be effective in generating savings.

Ohio Gains aims to extend this cost-savings opportunity to more Ohio hospital systems and other large entities that utilize VRDOs.

Reducing Costs for Ohio’s Public Universities

Under Ohio law, the debt of the state’s four-year public universities is an eligible investment for the Ohio Treasury. Ohio Gains legislation would allow the institutions to leverage their State Share of Instruction (SSI) when issuing debt to the Treasury.

Doing so would automatically enhance a participating university’s credit rating, thereby making it a more attractive and secure investment for the State of Ohio.

Since Ohio provides significant financial support for its universities, this innovative proposal would create savings for public universities while generating a meaningful return on investment for the Treasury – thus maximizing the value of those state funds like never before.



Ohio Treasurer pushes for law change aimed at decreasing borrowing costs for hospitals, universities and farmers

Cleveland.com, September 29, 2021



Ohio farmers, hospitals, universities would gain from new state treasury program

Columbus Dispatch, September 29, 2021



Treasurer wants to ‘unlock the power’ of Ohio’s \$20B investment portfolio

Crain's Cleveland Business, October 17, 2021

SUPPORTED BY

Ohio Business Roundtable, Youngstown State University, Cleveland Clinic, Ohio Agribusiness Association, Inter-University Council of Ohio, Bon Secours Mercy Health, Ohio Pork Council, University Hospitals Health System, Farmers National Bank, Ohio Poultry Association

PAY FOR SUCCESS BECOMES A REALITY

ResultsOHIO

In January, Treasurer Sprague unveiled the first five projects to earn a “Pay for Success Appropriate and Ready” designation through ResultsOHIO. Organizations submitting the five projects included Cincinnati Works, Columbus Works, Every Child Succeeds, the Ohio Department of Higher Education, and OneFifteen Recovery. Weeks later, two additional projects submitted by the Foundation for Appalachian Ohio and Rural Action also earned the distinction.

Respectively, the seven project proposals aim to tackle a variety of public policy challenges such as addiction, infant mortality, job training and readiness, and vision services.

Being deemed “Pay for Success Appropriate and Ready” serves as a project’s “seal of approval,” validating its ability to be launched under a pay for success framework should the project earn the support of policymakers. Following the scoring of proposals, all seven projects were issued a ResultsOHIO Feasibility Report that can be used to advocate for results-based funding from the Ohio General Assembly.



ResultsOHIO Feasibility Reports

Feasibility Reports are only issued to those projects deemed PFS Appropriate and Ready, meaning that the project, as described in the application, meets the requirements for the ResultsOHIO model and is well positioned to move forward with a PFS contract should it receive the support of policymakers.



FAO Garners Approval

The Foundation for Appalachian Ohio (FAO) successfully secured \$1.2 million in project funding as part of the FY 22-23 state operating budget. In garnering the appropriation and legislative approval, the FAO iSee proposal became the first ResultsOHIO project to take shape.

With the goal of increasing access to vision services for students at Title I schools in Appalachian Ohio, the project will see FAO partner with Vision to Learn and the Ohio Optometric Foundation's iSee program to launch a mobile vision clinic. The clinic will travel directly to schools in high-need areas across the 32-county region to increase vision services for students and remove barriers to receiving eye exams.

The second half of 2021 saw Treasurer's office staff working hand-in-hand with project partners to structure the pay for success contract and set the various project performance metrics. ResultsOHIO has facilitated the contract management side of

the project in order to establish clearly defined outcomes-based payments. The performance metrics agreed upon are a result of data-driven decision making and will provide for a rigorous evaluation of the iSee Project.

UC Brings Expertise to Pay for Success Effort

In August, Treasurer Sprague announced that the University of Cincinnati had been selected to serve as the independent evaluator for the FAO iSee project. As the independent evaluator, the University of Cincinnati – through its UC Evaluation Services Center – will be tasked with independently verifying whether the project's performance metrics have been achieved. This role is essential within a pay for success model in order to evaluate a project's eventual success.

PROMOTING FINANCIAL INDEPENDENCE AND SECURITY

STABLE ACCOUNT

The STABLE Account program helps bring greater financial security and independence to individuals living with disabilities.

Prior to the establishment of these specialized STABLE accounts, people with disabilities could only save \$2,000 before losing means-tested benefits such as Medicaid or Supplemental Security Income (SSI). That is no longer the case, as accountholders can save up to \$15,000 each year without jeopardizing those assistance programs. Earnings on STABLE accounts grow tax-free, as long as funds are spent on qualified expenses, such as housing, transportation, healthcare, assistive technology, living expenses, and many others.

STABLE accounts continue to be lauded as an incredibly powerful tool for increasing financial security and greater independence for people living with disabilities.

In April, Treasurer Sprague added his support to a growing effort that urges Congress to expand the eligibility age for individuals to qualify for programs like STABLE Account. The Achieving a Better Life Experience (ABLE) Age Adjustment Act is a bipartisan proposal at the federal level to raise the age of eligibility from 26 to 46 years of age. Should the

proposal pass, it is estimated that it would make an additional six million adults living with disabilities eligible to enroll in ABLE plans nationwide.

“In the Buckeye State, we’ve seen how STABLE accounts improve financial stability, promote independence, encourage employment, improve quality of life, and give people the peace of mind that comes with a plan for the future,” said Treasurer Sprague. “It’s time to expand the life-changing benefits of ABLE accounts to millions of more Americans who deserve the same opportunities.”

2021 STABLE Account Success

28.1%	Total account growth percentage
5,734	Total new STABLE accounts
+1,047	New single-month enrollment record (March 2021)
+94	New single-day enrollment record (3/25/21)
+326	New single-week enrollment record (3/22/21 - 3/28/21)
\$283M	Total Contributions
26,158	Total number of STABLE accounts

HELPING MORE OHIO FAMILIES TAKE SHAPE



In November, and in conjunction with National Adoption Month, Treasurer Sprague launched the Family Forward program to alleviate some of the financial stressors experienced by families navigating the adoption process.

Today in Ohio, families pursuing a private adoption can face costs ranging from \$10,000 to over \$50,000. While federal and state tax credits can help in managing some of those expenses, costs add up quickly and can deter even the most compassionate people from opening their hearts and homes.

Family Forward provides financial relief through a linked deposit program administered by the Ohio Treasurer's office. Under the program, individuals or families seeking to adopt may be eligible for reduced interest loans that can be used for qualified adoption expenses up to \$50,000.

A loan applicant works with a lending institution to apply for a loan through Family Forward. Once the loan is approved, the Treasurer's office deposits

Qualified expenses include (but are not limited to):

- Adoption agency expenses
- Court expenses and fees
- Expenses incurred on behalf of the birth mother
- Health and psychological examination fees
- Home studies
- Travel expenses

funds with the lending institution at a below market rate. The lending institution then passes the interest savings on to the borrowers via a reduced interest rate.

Not only will a lower interest rate result in real savings for families, but Family Forward loans will also help them cover immediate expenses prior to receiving the federal and state tax credits. By chipping away at financial barriers that can inhibit adoption, the Ohio Treasurer's office can help more families take shape and welcome children into loving forever homes.

REDUCING COSTS FOR OHIOANS, JOB CREATORS



Small businesses are the foundation of our economy, and a healthy business environment is conducive for job creation and economic growth. However, many job creators encounter difficulties when financing certain business operations.

Loan interest reduction programs make accessing capital more affordable for people across the Buckeye State. In the face of continued economic uncertainties, our linked deposit programs have remained a trusted resource for Ohio's business owners and job creators.

Across all linked deposit programs housed in the Treasurer's office, interest rate reductions were successfully made on nearly \$73 million in loans to 626 Ohioans and small businesses across 63 counties.



Ag-LINK helps farmers and agribusinesses by providing up to a 3% interest rate reduction on new or existing operating loans up to \$150,000.

Recipients must use these loans to finance upfront operating costs for feed, seed, fertilizer, fuel, and other expenses.

As part of the Ohio Gains initiative, it was proposed in September to modernize the Ag-LINK program by removing existing programmatic and loan caps while also adding agricultural co-operatives as eligible borrowers.



ECO-Link helps Ohioans by providing up to a 3% interest rate reduction on new or existing home improvement loans up to \$50,000.

Recipients must use these loans to finance home improvement projects including remodeling, roofing, siding, heating and cooling system replacement, solar power, appliances, landscaping, and more.



GrowNOW helps small businesses get started and expand by providing up to a 3% interest rate reduction on new or existing small business loans up to \$400,000 for two years, with the opportunity for renewal.

Businesses must commit to creating or retaining at least one full-time or two part-time jobs in the state of Ohio for every \$50,000 borrowed.



ReEnergize Ohio supports job creators by providing up to a 3% interest rate reduction on new or existing small business loans up to \$550,000, for four years.

Businesses must use these loans to renovate existing buildings, expand operations, upgrade and add equipment, or install energy-saving products and systems.

2021 BY THE NUMBERS



Ag-LINK provided interest rate reductions on
\$63,523,276
 in loans to 571 participants in 52 counties



ECO-Link provided interest rate reductions on
\$3,381,405
 in loans to 20 participants in 15 counties

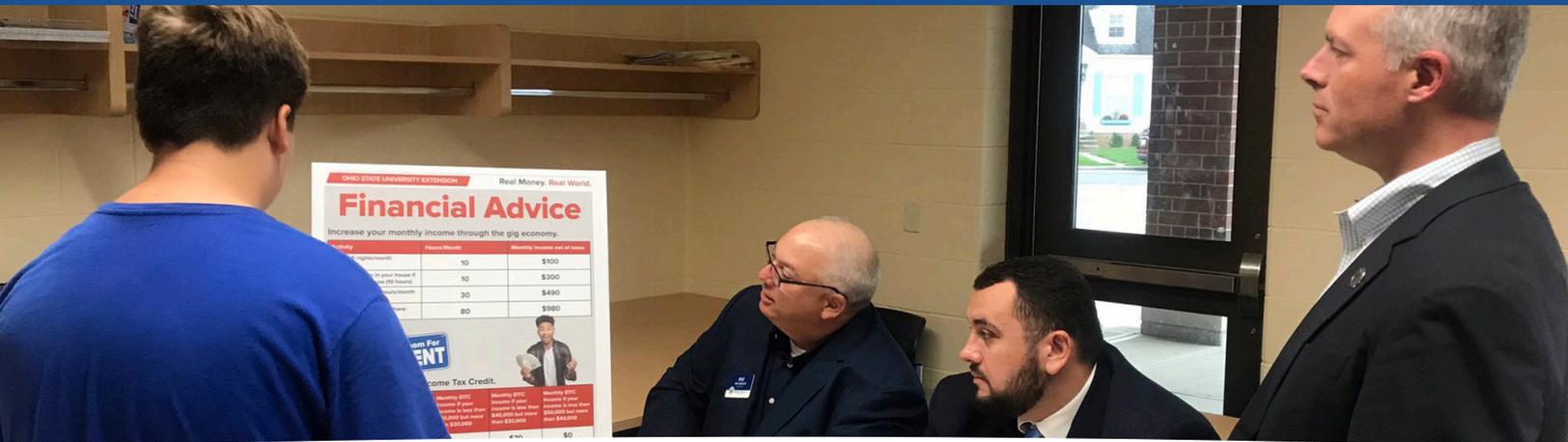


GrowNOW provided interest rate reductions on
\$5,544,628
 in loans to 32 participants in 19 counties



ReEnergize Ohio provided interest rate reductions on
\$498,579
 for 3 Participants in 2 Counties

FINANCIAL LITERACY AND EMPOWERMENT



Financial literacy remained a priority for the Treasurer’s office in 2021, as work continued throughout the year to help set Ohioans on a path toward long-term success.

REAL MONEY. REAL WORLD.

In February, Treasurer Sprague announced a new partnership with The Ohio State University to advance and expand the use of its *Real Money. Real World.* financial literacy curriculum across the state. Administered through OSU’s College of Food, Agricultural, and Environmental Sciences (CFAES), the interactive programming presents students aged 12-18 with scenarios aimed at making lifestyle and budget choices similar to the ones they will make as adults.

Through the partnership, the Treasurer’s office assists OSU Extension with its outreach efforts to promote the innovative *Real Money. Real World.* curriculum and reach more students who stand to benefit from its real-life financial simulations.

OSU Extension is the outreach arm of CFAES. Thousands of Ohio students take part in the *Real Money. Real World.* program each year.



SECURING A HEALTHY FINANCIAL FUTURE

The year saw the Treasurer’s office launch its online Financial Literacy Resource Guide. The guide is a collection of helpful resources designed to assist Ohioans in making informed financial decisions in both the short and long-terms. From creating a monthly budget and preparing for retirement to learning about the basics of saving and borrowing, the guide can help Ohioans of all ages better understand and navigate common financial challenges. By curating a series of trusted online resources, the Treasurer’s office is empowering Ohioans with the knowledge to set course on a path toward financial freedom. As topics are added in the future, the guide will continue to grow in size and scope.



GUIDING OHIOANS THROUGH FINANCIAL LITERACY

RECOGNIZING LEADERS IN FINANCIAL LITERACY

The Compass Award program continued to highlight the people and organizations that are committed to empowering Ohioans through financial literacy education and readiness. Honorees have demonstrated a proven track record of preparing people of all ages to make smart financial decisions in everyday life.

In 2021, two individuals and 32 organizations or specific programs across Ohio were honored through the monthly recognition program.



*Andrew Heimbach, Teacher at Wheelersburg High School
 Archbold High School Counseling Department
 Big Brothers Big Sisters of Central Ohio Life Skills Camp
 at Camp Oty'okwa
 Bluffton High School
 Breaking Chains Inc.
 Buckeye Career Center
 Building Bridges to Careers
 Butler Tech
 Campbell City Schools
 City of Akron Mayor's Youth Leadership Council
 College Now
 Desco Federal Credit Union's Reality Fair
 Directions Credit Union
 Dover High School
 Eastern Gateway Community College
 Flite Freimann, Director, Washington County JFS
 Girl Scouts of Western Ohio
 Grande Café and Roastery
 Habitat for Humanity Findlay/Hancock County
 Financial Opportunity Center*

*Hudson High School
 Kenton High School
 Mentor Public Library
 Ohio University Credit Union
 Ohio Valley Bank
 OSU Extension - Ohio Saves Campaign
 Otsego High School
 Portage County Financial Wellness Fairs
 Project RISE
 SmartMoney
 Summit County Financial Empowerment Center
 The Public Library of Youngstown & Mahoning County
 United Way of North Central Ohio
 Urban League of Greater Southwestern Ohio
 Wayne High School*

SERVING OHIO'S PUBLIC FINANCE OFFICIALS

CPIM

CENTER FOR PUBLIC INVESTMENT MANAGEMENT



Across Ohio, local government finance officials are tasked with investing, managing, and protecting public funds. The decisions they make not only help determine the financial wellness of their communities, but also contribute to the overall strength of our state. Therefore, it is critical that fiscal officers receive continuing education on the latest trends and techniques in the world of public finance.

Administered through the Treasurer's office, the Center for Public Investment Management (CPIM) provides continuing education covering finance, investment, cash management, ethics, and other topics.

In September and October, the Ohio Treasurer's office provided opportunities for fiscal officers to attend eight statewide webinars as part of the 2021 CPIM Virtual Conference. Among other courses, the conference featured a panel discussion on electronic banking and provided attendees with helpful information related to federal COVID-19 funding and audits. In total,

more than 2,000 hours of education credit were awarded through the event. Courses from the conference were also converted and made available online using the MyCPIM learning portal.

CPIM BY-THE-NUMBERS



461

conference participants



1,238

officials became CPIM certified



65

conferences were accredited for CPIM-approved courses

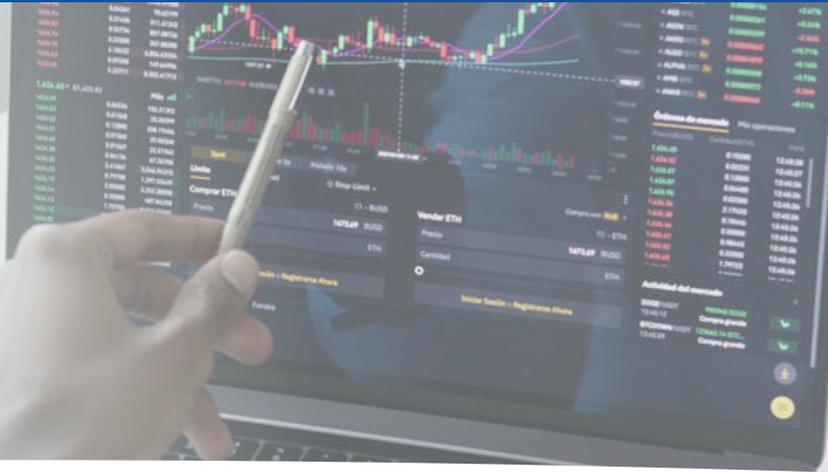


2

new courses were added for local government officials

**as of 11/16/21*

STAR OHIO REMAINS A TIME-TESTED, RELIABLE INVESTMENT OPTION



The State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool that allows government subdivisions — from municipalities to school districts — to invest in high-grade, short-term securities, while offering safety, penalty-free liquidity, and comparatively higher yields. The Treasurer’s office serves as the administrator of STAR Ohio, managing the investment of the fund’s assets.

Since 1995, the fund has maintained Standard & Poor’s highest rating of AAAM, further demonstrating the safety and security of the fund. Amid continued economic uncertainty created by COVID-19, the investment pool has remained a strong and reliable option for the more than 1,700 governmental entities that use STAR Ohio.

The investment pool saw tremendous growth over the last year and a half as local governments sought safe and reliable investment options for COVID-19 relief funds. In fact, in July 2021, STAR Ohio crossed the \$19 billion mark for the first time in its history.

The investment income that STAR Ohio generates for governmental units helps to keep our communities strong.

Additionally, STAR Ohio distributed more than \$26 million in investment income to participating government subdivisions across the Buckeye State in FY21.

\$19,479,820,380

New all-time high
August 6, 2021

\$17,660,230,178

Total assets on last day of FY21

1,713

Total # of participating governments

2,784

Total # of STAR Ohio accounts

\$26,250,447

Net investment income distributed to governments in FY 21

LOCAL GOVERNMENTS CONTINUE TO SAVE



The Ohio Market Access Program (OMAP) continues to be a trusted partner for government subdivisions looking to reduce interest costs on short-term debt issuances.

From making street and sewer improvements to upgrading electric utility systems or renovating municipal buildings, local governments are always looking to enhance their communities. When local governments want to save money while financing those projects, they turn to OMAP.

The credit enhancement program leverages the state's excess liquidity and high credit rating to reduce costs for local government debt issuance. In using this valuable tool, governments across Ohio are able to reduce costs, improve outcomes, and strengthen their communities.

By the Numbers

In calendar year 2021, OMAP helped **28** communities access the municipal debt markets and generated more than **\$419,000** in estimated savings. Since the program's launch in 2014, the Treasurer's office has supported more than 220 OMAP deals, ranging from **\$390,000** to over **\$100 million**. There have been no defaults, and to date, OMAP has generated more than **\$4.2 million** in estimated savings for local governments. According to underwriters, since its inception, OMAP has saved local governments an average of **32.29%** on annual interest expenses.

Any government subdivision in good fiscal standing, including cities, villages, school districts, counties, townships, and special districts, issuing short-term debt is eligible to participate.



BY THE NUMBERS

STATE FUNDS

STATE FUNDS

SUMMARY OF ASSETS

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

AS OF JUNE 30, 2021

(UNAUDITED)

ACTIVE DEPOSITS

Cash on Hand	\$	2,000
Returned Checks and Other Items		431,822
TOTAL ACTIVE DEPOSITS		433,822

INTERIM DEPOSITS

Investments:

U.S. Government Securities	7,632,868,687
U.S. Agency Securities	2,585,620,035
Corporate Bonds and Notes	1,390,312,905
Commercial Paper	6,426,497,118
Israel Bonds	200,000,000
Money Market Funds	2,941,336,350
STAR Ohio Investment Pool	1,054,661,910
Municipal Bonds	20,170,000
	<u>22,251,467,005</u>

Certificates of Deposit:

Bid Ohio Program	93,000,000
Ag-LINK Program	63,373,276
ECO-link Program	35,235,104
Grow NOW Program	18,052,176
Re-Energize Ohio Program	1,841,520
	<u>211,502,076</u>

Lottery Commission's Portfolio:

U.S. Government Securities	190,842,935
U.S. Agency Securities	22,040,257
STAR Ohio Investment Pool	6,590,723
	<u>219,473,915</u>

TOTAL INTERIM DEPOSITS **22,682,442,996**

LESS: Net Receipts Unprocessed by State Agencies (122,054,372)

TOTAL STATE FUNDS **\$ 22,560,822,446**

STATE FUNDS

SUMMARY OF ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

BEGINNING BALANCE, JULY 1	\$	15,727,826,237
Receipts		83,906,734,998
Disbursements		(77,073,738,788)
ENDING BALANCE, JUNE 30	\$	22,560,822,446

STATE FUNDS

SUMMARY OF INVESTMENT ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

AS OF JUNE 30, 2021

(UNAUDITED)

	INVESTMENT TYPE	BEGINNING BALANCE	PURCHASES	SALES	MATURITIES & CALLS	ENDING BALANCE
	US Government Securities	\$ 7,953,410,027	\$ 17,777,398,521	\$ 174,967,569	\$ 17,931,095,000	\$ 7,630,814,520
	US Agency Securities	2,079,980,828	2,926,644,699	-	2,409,010,000	2,585,499,506
	Corporate Bonds and Notes	1,356,187,513	371,151,087	48,561,537	298,242,532	1,380,109,255
	Commercial Paper	6,334,347	62,333,150,669	481,250,692	55,435,100,000	6,426,496,931
	Israel Bonds	185,000,000	45,000,000	-	30,000,000	200,000,000
	Money Market Funds	3,196,206,825	14,974,296,084	15,204,165,066	-	2,941,336,350
	STAR Ohio	355,932,072	1,400,376,369	701,646,533	-	1,054,661,910
	STAR Plus	49,508,717	26,320	49,535,037	-	-
	Municipal Bonds	24,690,000	-	-	4,520,000	20,170,000
	Repurchase Agreements	-	14,800,000,000	-	14,800,000,000	-
	State Investments	15,207,250,329	114,628,043,749	16,660,126,434	90,907,967,532	22,239,088,472
	US Government Securities	191,865,655	17,005,116	-	26,641,250	192,096,322
	US Agency Securities	35,865,128	-	-	31,592,000	20,786,870
	STAR Ohio	1,428,438	22,947,975	17,785,692	-	6,590,723
	Lottery Portfolio	229,159,221	39,953,091	17,785,692	58,233,250	219,473,915
	Bid Ohio	193,000,000	266,500,000	-	366,500,000	93,000,000
	Ag-LINK	73,493,762	63,523,276	60,000	73,583,762	63,373,276
	ECOLink	59,795,314	2,955,342	-	27,515,552	35,235,104
	Grow NOW	26,535,804	5,514,628	133,963	13,864,293	18,052,176
	Re-Energize Ohio	2,533,544	498,579	-	1,190,604	1,841,519
	TOTAL STATE FUNDS	\$ 15,791,767,981	\$ 115,006,988,664	\$ 16,678,106,090	\$ 91,448,854,994	\$ 22,670,064,464



BY THE NUMBERS

CUSTODIAL FUNDS

CUSTODIAL FUNDS

SUMMARY OF ASSETS

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

AS OF JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	CASH BALANCE	INVESTMENT BALANCE
Attorney General's Office		
Revenue Recovery 1	\$ 4,997,012	\$ 20,496,553
Revenue Recovery 2	2,322,431	-
Collections Enforcement	-	30,433,027
Treasurer of State Debt Management		
Administrative Bond Service	37,439	-
Highway Safety Bond Service	23,328	-
Adult Correctional Bond Service	311,338	-
Juvenile Bond Service	37,107	-
Ohio Bureau of Workers Compensation		
State Insurance Fund	10,230,819	-
Coal Workers Pneumoconiosis	897	-
Disabled Workers Relief	3,079	-
Marine Industry	263	-
Public Workers Relief	2,244	-
Self Insuring Employers Guaranty	2,393	-
Collateral	736,000	-
Ohio Department of Development		
Electronic Funds Payment	1	-
Enterprise Bond Retirement	50,000	7,122,695
Loan Guarantee	12,040,277	934,843
Volume Cap	1,674,472	3,970,810
Ohio Department of Job and Family Services		
Child Support Payment Central	66,835,919	6,345,121
Unemployment Compensation Program Benefits	44,964,749	-
Unemployment Compensation Program	2,272,254	-
Clearing	1,723,462	-
Special Administrative	65,775	-

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF ASSETS

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

AS OF JUNE 30, 2021
(UNAUDITED)

AGENCY/CUSTODIAL FUND	CASH BALANCE	INVESTMENT BALANCE
<i>(Continued)</i>		
Ohio Bd of Embalmers & Funeral Directors/Preneed	\$ 10,883	\$ 1,009,887
Ohio Department of Medicaid/IRS Payments	69	-
Ohio Department of Natural Resources		
Mine Subsidence Insurance	122,234	12,542,675
Lake Katharine Management	5,000	139,325
Reclamation	24,658	54,685
Wildlife Habitat	-	113,377
Ohio Department of Taxation/Enforcement	865	-
Ohio Department of Transportation/Letting Contracts	500,000	-
Ohio Housing Finance Agency/Housing Development	5,928,068	458,482
Ohio Lottery Commission/Lottery Gross Revenue	189,520,452	-
Ohio Public Employees Deferred Compensation Board		
Employer Receiving	1,939,792	-
Ohio Retirement Study Council	437,134	-
Ohio State School for the Blind	4,676	478,854
Ohio State School for the Deaf	5,425	-
Ohio Tobacco Use Prevention and Control Foundation	35,294	676,045
Ohio Tuition Trust Authority		
Trust	4,533,315	-

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF ASSETS

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

AS OF JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	CASH BALANCE	INVESTMENT BALANCE
<i>(Continued)</i>		
Suspense	\$ 894,837	\$ -
Trust Reserve	284,466	-
		-
Petroleum Underground Storage Tank Release Compensation Board/Financial Assurance	2,871,213	28,384,110
Board of Pharmacy	5,000	-
Retirement Systems		
Police and Fire Pension Fund	1,800,043	-
Public Employees Retirement System	10,749,919	-
School Employees Retirement System	217,278,357	-
State Highway Patrol Retirement System	2,575,158	-
State Teachers Retirement System	13,997,349	-
Southern Ohio Agriculture & Community Development Foundation	291,157	-
Student Tuition Recovery Authority	42,355	1,043,684
Department of Public Safety		
Ohio Investigative Unit Custodial	247,137	-
Ohio Investigative Unit Contingency	296,055	-
State Highway Patrol Forfeiture	1,804,346	-
BMV Agency Collateral	330,000	-
Department of Commerce/Prevailing Wage	2,006,444	-
Treasurer of State's Office, Including Sinking Fund Commission		
<i>General Obligation & Revenue Bond Service Funds:</i>		
Treasurer of State's Bond Clearance	445,044	-

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF ASSETS

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

AS OF JUNE 30, 2021
(UNAUDITED)

AGENCY/CUSTODIAL FUND	CASH BALANCE	INVESTMENT BALANCE
<i>(Continued)</i>		
<i>Special Obligation Bond Service Funds:</i>		
Cultural Facilities Commission Bond Service	\$ 26,785	\$ -
Mental Health Bond Service	14,008	-
Parks and Recreation Bond Service	62,090	-
Retired Bearer Bond Consolidation	711,376	-
<i>Other:</i>		
Torrens Law Assurance	26,299	1,529,219
Health Care Education Student Loan Servicing	1,589,808	-
Transportation Building Bond Fund	26,035	-
Treasurer of State's Custodial Contingency Fund	-	321,784
TOTAL - CUSTODIAL FUNDS	\$ 609,774,402	\$ 116,055,176

CUSTODIAL FUNDS

SUMMARY OF CASH ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	BEGINNING CASH BALANCE JULY 1, 2020	INFLOWS	OUTFLOWS	NET CASH FROM INVESTMENT TRANSACTIONS	ENDING CASH BALANCE JUNE 30, 2021
Attorney General's Office					
Revenue Recovery 1	\$ 4,997,012	\$ 20,496,149	\$ -	\$ (20,496,149)	\$ 4,997,012
Revenue Recovery 2	1,845,216	625,330	148,115	-	2,322,431
Collections Enforcement	-	428,766,466	421,906,903	(6,859,563)	-
Capitol Square Review & Advisory Bd/Parking Receipts	6,015	1,525	7,540	-	-
Treasurer of State Debt Management					
Administrative Bond Service	160,543	187,750,681	187,873,785	-	37,439
Highway Safety Bond Service	20,060	1,578,193	1,574,925	-	23,328
Adult Correctional Bond Service	84,144	192,169,633	191,942,440	-	311,338
Juvenile Bond Service	40,106	16,500,173	16,503,172	-	37,107
Ohio Bureau of Workers Compensation					
State Insurance Fund	12,093,607	7,956,837,365	7,958,700,154	-	10,230,819
Coal Workers Pneumoconiosis	897	2,390,523	2,390,523	-	897
Disabled Workers Relief	3,079	36,631,504	36,631,504	-	3,079
Marine Industry	263	61,059	61,059	-	263
Public Workers Relief	2,244	197,910	197,910	-	2,244
Self Insuring Employers Guaranty	2,393	11,734,051	11,734,051	-	2,393
Collateral	736,000	-	-	-	736,000
Ohio Dept of Admin Svcs/Payroll Withheld Child Support	2,326	11,791,664	11,793,990	-	-
Ohio Department of Development					
Electronic Funds Payment	1	11,525,993	11,525,993	-	1
Enterprise Bond Retirement	83,560	11,139,206	10,230,329	(942,437)	50,000
Loan Guarantee	11,205,792	403,986	431,926	862,424	12,040,277
Volume Cap	1,704,222	810,072	833,500	(6,322)	1,674,472

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF CASH ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	BEGINNING CASH BALANCE JULY 1, 2020	INFLOWS	OUTFLOWS	NET CASH FROM INVESTMENT TRANSACTIONS	ENDING CASH BALANCE JUNE 30, 2021
<i>(Continued)</i>					
Ohio Department of Job and Family Services					
Child Support Payment Central	\$ 139,815,727	\$ 1,849,039,801	\$ 1,922,010,626	\$ (8,983)	\$ 66,835,919
Unemployment Compensation Program Benefits	230,341,143	17,596,069,411	17,781,445,805	-	44,964,749
Unemployment Compensation Program	33,944,151	3,314,763,646	3,346,435,543	-	2,272,254
Clearing	5,163,766	1,148,672,879	1,152,113,183	-	1,723,462
Special Administrative	260,086	-	194,311	-	65,775
Ohio Bd of Embalmers & Funeral Directors/Preneed	1,000	337,877	77,952	(250,042)	10,883
Ohio Department of Medicaid/IRS Payments	-	11,390	11,321	-	69
Ohio Department of Natural Resources					
Mine Subsidence Insurance	169,630	916,615	993,835	29,825	122,234
Lake Katharine Management	5,000	222	-	(222)	5,000
Reclamation	24,658	87	-	(87)	24,658
Wildlife Habitat	-	181	211	30	-
Ohio Department of Taxation/Enforcement	1,076	48	260	-	865
Ohio Department of Transportation/Letting Contracts	825,000	11,450,000	11,775,000	-	500,000
Ohio Housing Finance Agency/Housing Development	8,146,496	97,964,697	105,750,737	5,567,612	5,928,068
Ohio Lottery Commission/Lottery Gross Revenue	153,351,140	3,620,272,318	3,584,103,006	-	189,520,452
Ohio Public Employees Deferred Compensation Board					
Employer Receiving	2,555,538	2,065,001,676	2,065,617,423	-	1,939,792

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF CASH ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	BEGINNING CASH BALANCE JULY 1, 2020	INFLOWS	OUTFLOWS	NET CASH FROM INVESTMENT TRANSACTIONS	ENDING CASH BALANCE JUNE 30, 2021
<i>(Continued)</i>					
Ohio Public Utilities Commission/ Electronic Payments	\$ 97,867	\$ 1,993,295	\$ 2,091,162	\$ -	\$ -
Ohio Retirement Study Council	347,176	637,763	547,805	-	437,134
Ohio State School for the Blind	4,677	677	-	(678)	4,676
Ohio State School for the Deaf	5,425	-	-	-	5,425
Ohio Tobacco Use Prevention and Control Foundation	34,604	1,722	-	(1,032)	35,294
Ohio Tuition Trust Authority					
Trust	7,320,750	21,531,958	24,319,393	-	4,533,315
Suspense	833,281	24,074,713	24,013,157	-	894,837
Trust Reserve	426,711	675,016	817,260	-	284,466
Petroleum Underground Storage Tank Release Compensation Board/Financial Assurance	3,138,950	11,350,317	13,494,985	1,876,931	2,871,213
Board of Pharmacy	5,000	4,699	4,699	-	5,000
Retirement Systems					
Police and Fire Pension Fund	7,780,439	3,891,482,459	3,897,462,855	-	1,800,043
Public Employees Retirement System	17,873,512	10,208,399,463	10,215,523,056	-	10,749,919
School Employees Retirement System	208,761	8,065,192,638	7,848,123,041	-	217,278,357
State Highway Patrol Retirement System	3,214,587	100,129,400	100,768,829	-	2,575,158
State Teachers Retirement System	13,047,767	41,959,861,394	41,958,911,812	-	13,997,349
Southern Ohio Agriculture & Community Development Foundation	399,937	609,116	780,762	62,866	291,157

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF CASH ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	BEGINNING CASH BALANCE JULY 1, 2020	INFLOWS	OUTFLOWS	NET CASH FROM INVESTMENT TRANSACTIONS	ENDING CASH BALANCE JUNE 30, 2021
<i>(Continued)</i>					
Student Tuition Recovery Authority	53,443	62,262	146,590	73,240	42,355
Department of Public Safety					
Ohio Investigative Unit Custodial	78,531	250,340	81,734	-	247,137
Ohio Investigative Unit Contingency	249,026	92,814	45,784	-	296,055
State Highway Patrol Forfeiture	1,988,053	1,728,188	1,911,895	-	1,804,346
BMV Agency Collateral	300,000	60,000	30,000	-	330,000
Department of Commerce/ Prevailing Wage	1,964,527	285,076	243,160	-	2,006,444
Treasurer of State's Office, Including Sinking Fund Commission					
<i>General Obligation & Revenue Bond Service Funds:</i>					
Treasurer of State's Bond Clearance	1,555,845	1,900,908,111	1,902,018,912	-	445,044
<i>Special Obligation Bond Service Funds:</i>					
Cultural Facilities Commission Bond Service	25,694	84,691,990	84,690,899	-	26,785
Mental Health Bond Service	55,898	218,554,099	218,595,988	-	14,008
Parks and Recreation Bond Service	9,555	175,333,826	175,281,291	-	62,090
Retired Bearer Bond Consolidation	711,376	-	-	-	711,376
<i>Other:</i>					
Torrens Law Assurance	26,299	2,435	-	(2,435)	26,299
Health Care Education Student Loan Servicing	1,618,661	46,160	75,013	-	1,589,808
Transportation Building Bond Fund	24,819	16,533,980	16,532,764	-	26,035
Treasurer of State's Custodial Contingency Fund	-	16,493	6,972	(9,521)	-
TOTAL - CUSTODIAL FUNDS	\$ 670,993,061	\$ 105,280,422,734	\$ 105,321,536,850	\$ (20,104,543)	\$ 609,774,402

CUSTODIAL FUNDS

SUMMARY OF INVESTMENT ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	BEGINNING INVESTMENT BALANCE JULY 1, 2020	PURCHASES	GAINS	SALES/ MATURITIES	ENDING INVESTMENT BALANCE JUNE 30, 2021
Attorney General's Office					
Revenue Recovery 1	\$ -	\$ 20,496,149	\$ 404	\$ -	\$ 20,496,553
Collections Enforcement	23,573,464	185,134,031	-	178,274,468	30,433,027
Ohio Department of Development					
Enterprise Bond Retirement	6,180,258	16,038,816	13,282	15,109,661	7,122,695
Loan Guarantee	933,416	-	1,427	-	934,843
Volume Cap	3,964,488	-	6,322	-	3,970,810
Ohio Department of Job and Family Services					
Child Support Payment Central	6,336,139	-	10,103	1,121	6,345,121
Ohio Board of Embalmers and Funeral Directors					
	759,845	248,760	1,282	-	1,009,887
Ohio Department of Natural Resources					
Mine Subsidence Insurance	11,515,236	1,058,943	20,175	51,679	12,542,675
Lake Katharine Management	139,103	-	222	-	139,325
Reclamation	54,597	-	88	-	54,685
Wildlife Habitat	113,407	-	181	211	113,377
Ohio Housing Finance Agency					
Housing Development	6,026,094	250,000	3,832	5,821,444	458,482
Ohio State School for the Blind					
	478,091	-	763	-	478,854
Ohio Tobacco Use Prevention & Control					
	675,013	-	1,032	-	676,045
Petroleum Underground Storage Tank Release Compensation Board					
Financial Assurance	30,261,040	39,210,319	30,407	41,117,656	28,384,110

CONTINUED

CUSTODIAL FUNDS

SUMMARY OF INVESTMENT ACTIVITY

THE NOTES ARE AN INTEGRAL PART OF THE FUND SUMMARIES.

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

AGENCY/CUSTODIAL FUND	BEGINNING INVESTMENT BALANCE JULY 1, 2020	PURCHASES	GAINS	SALES/ MATURITIES	ENDING INVESTMENT BALANCE JUNE 30, 2021
<i>(Continued)</i>					
Southern Ohio Agriculture & Community Development Foundation	\$ 62,866	\$ -	\$ 30	\$ 62,896	\$ -
Student Tuition Recovery Authority					
Student Tuition Recovery	1,116,923	-	1,761	75,000	1,043,684
Treasurer of State's Office					
Torrens Law Assurance	1,526,784	-	2,435	-	1,529,219
Custodial Contingency Fund	312,263	16,493	-	6,972	321,784
TOTAL - CUSTODIAL FUNDS	\$ 94,029,029	\$ 262,453,511	\$ 93,746	\$ 240,521,108	\$ 116,055,176

NOTES TO THE FUND SUMMARIES

INTRODUCTION

The office of the Treasurer of State was established under Ohio Revised Code (ORC) Chapter 113, for the custodianship of public monies belonging to the State of Ohio. The Treasurer's office collects and processes certain taxes and fees, and processes certain tax refunds. The Treasurer's office 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's deposits and investments, including those of various governmental entities that administer custodial funds. Additionally, the Treasurer's office administers the internal operations of the office, which are funded through appropriations 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 No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, the Treasurer's office is considered to be part of the State of Ohio's primary government, and in turn, the State's financial reporting entity. Therefore, the balances and activity presented in this report are incorporated in the State of Ohio's Annual Comprehensive Financial Report 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 are presented in the Summary of Assets, the Summary of Activity, and the Summary of Investment Activity.

Custodial Funds - The Treasurer's office is statutorily designated as custodian for the deposits and investments of certain state agencies, and in some cases, other governmental entities. Cash and investments held in custody by the Treasurer's office and activity of the custodial funds are presented in the Summary of Assets, the Summary of Cash Activity, and the Summary of Investment Activity.

B. Basis of Accounting

Balances and activity of state and custodial funds are reported using the cash basis of accounting. Receipts are recorded when pay-in documents have been received from the state agencies and processed by the Treasury Management Department. Disbursements are recorded when warrants are presented for payment or when the Treasurer's office processes electronic fund transfers.

NOTES TO THE FUND SUMMARIES

C. Fund Accounting

In order to observe the restrictions placed on resources and expenditures of funds, the Treasurer's office follows the principles of fund accounting. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Individual funds segregate transactions related to certain functions or activities to aid financial management and demonstrate legal compliance.

1. State Funds

ORC Chapter 131 broadly outlines the establishment and governance of state funds. The Treasurer's office invests state funds in compliance with the Uniform Depository Act as set forth in ORC Chapter 135. Legal provisions for investments are further discussed in Note 2.

2. Custodial Funds

Custodial funds are established under specific sections of the Ohio Revised Code that designate the Treasurer's office as custodian of the respective fund. Custodial investment balances are reported on a cost at settlement basis.

NOTE 2:

DEPOSITS AND INVESTMENTS – STATE FUNDS

A. Legal Requirements

The deposit and investment policies of the Treasurer's office and the State Board of Deposit are governed by the Uniform Depository Act

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.

Interim Deposits

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

- U.S. Treasury bills, notes, bonds, or other obligations or securities issued by or guaranteed as to principal and interest by the United States;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;

NOTES TO THE FUND SUMMARIES

- Bonds, notes, and other direct obligations of the State of Ohio issued by the Treasurer's office, and of the Ohio Public Facilities Commission, the Ohio Housing Finance Agency, the Ohio Water Development Authority, and the Ohio Turnpike Infrastructure Commission;
- Bonds, notes, and other obligations of any state or political subdivision thereof, rated at the time of purchase in the three highest categories by at least one nationally recognized rating agency, and purchased through a registered securities broker or dealer;
- 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 registered 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, 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 40 percent of the State's total average portfolio;
- Bankers acceptances, maturing in 270 days or less, of any domestic bank of federally chartered domestic branch office of a foreign bank, provided that the total 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, including those through Bid Ohio or the Linked Deposit programs;
- The State Treasurer's investment pool known as the State Treasury Asset Reserve (STAR) Ohio;
- Debt interests, other than commercial paper, rated at the time of purchase in the three highest categories by two nationally recognized rating agencies and issued by corporations that are incorporated under the laws of the United States or a state, or issued by foreign nations diplomatically recognized by the U.S. government, or

NOTES TO THE FUND SUMMARIES

any instrument based on, derived from, or related to such interests, that are denominated and payable in U.S. funds, provided that:

- A. Investments in debt interests other than commercial paper shall not exceed in the aggregate 25 percent of the state's portfolio;
 - B. Investments in debt interests issued by a foreign nations shall not exceed in the aggregate two percent of the state's portfolio; and
 - C. When combined with commercial paper holdings, investments in the debt interests of a single issuer shall not exceed in the aggregate five percent of the state's 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 any Ohio political subdivision issued as part of the Ohio Market Access Program (OMAP).

Inactive Deposits

Inactive deposits are statutorily defined under ORC Chapter 135 as public deposits other than interim deposits or active deposits. As of June 30, 2021, the state treasury had no inactive deposits to report.

B. Custodial Credit Risk

Although compliance with the legal requirements explained above and internal policies adopted by the State Treasurer minimizes risk, the deposits and investments are exposed to risks that may lead to losses of value.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, deposits or collateral securities in the possession of an outside party may not be fully recovered. 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 ORC § 135.18. 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's office.

With the implementation of the Ohio pooled collateral program, certain financial institutions are eligible to have a reduced collateral floor. Therefore, as of June 30, 2021, a portion of the interim funds held in certificates of deposits (CDs) were exposed to custodial credit risk; the uncollateralized balance is \$7,126,503. See Note 4 for more information about these CDs.

Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, or are not registered in the government name,

NOTES TO THE FUND SUMMARIES

or are held by either the counterparty or the counterparty's trust department but not in the government's name. As of June 30, 2021, investments were not exposed to custodial credit risk because they were held by the Treasurer's office agent in the State's name, or they were not, by their nature, subject to custodial credit risk.

C. Credit Risk

The risk that an investment's issuer or counterparty will not satisfy its obligation is called credit risk. The exposure to this risk has been minimized through state laws and policies adopted by the State Treasurer.

As of June 30, 2021, all investments, as categorized by credit ratings in the table below (000's omitted), meet the requirements of state law and Treasurer's office policies.

D. Concentration of Credit Risk

The potential for loss of value increases when investments are not diversified. State law and the State Treasurer's policies have imposed limits on the types of authorized investments to prevent this type of loss. As of June 30, 2021, all investments meet the requirements.

E. Fair Value

Investment balances are reported on a cost at settlement basis, including purchased accrued

<i>(dollars in thousands)</i>	FAIR VALUE					
	AAA/Aaa	AA/Aa	A/A-1	BBB/Baa	Unrated	
Investments:						
U.S. Government Securities	\$ 7,658,330	\$ -	\$ 7,658,330	\$ -	\$ -	\$ -
U.S. Agency Securities	2,578,431	-	2,578,431	-	-	-
Corporate Bonds/Notes	1,406,226	123,347	430,530	831,860	20,489	-
Commercial Paper	6,428,775	6,428,775	-	-	-	-
Israel Bonds	200,000	-	-	200,000	-	-
Money Market Funds	2,941,336	2,259,055	208,199	427,334	-	46,748
STAR Ohio	1,054,662	1,054,662	-	-	-	-
Municipal Bonds	20,421	-	20,421	-	-	-
Lottery Commission:						
U.S. Government Securities	190,843		190,843			
U.S. Agency-STRIPS	68,146	-	68,146	-	-	-
U.S. Agency Obligations	5,689	-	-	-	-	5,689
STAR Ohio	6,591	6,591	-	-	-	-

NOTES TO THE FUND SUMMARIES

	<i>Book Value</i>	<i>Fair Value</i>
Investments:		
U.S. Government Securities (includes PAI)	\$ 7,632,868,687	\$ 7,658,329,750
U.S. Agency Securities (includes PAI)	2,585,620,035	2,578,431,072
Corporate Bonds and Notes (includes PAI)	1,390,312,906	1,406,226,248
Commercial Paper	6,426,497,118	6,428,774,504
Israel Bonds	200,000,000	200,150,276
Money Market Funds	2,941,336,350	2,941,336,350
STAR Ohio Investment Pool	1,054,661,910	1,054,661,910
Municipal Bonds	20,170,000	20,421,225
Lottery Commission's Portfolio:		
U.S. Government Securities	190,842,935	284,078,754
U.S. Agency Strip	20,845,898	68,145,759
U.S. Agency Securities	1,194,360	5,689,410
STAR Ohio Investment Pool	6,590,723	6,590,723
Total Investments, State Funds, as of June 30, 2021	\$ 22,470,940,920	\$ 22,652,835,980

interest (PAI), as applicable. See the table above for carrying and fair values of the State's investments as of June 30, 2021.

F. Securities Lending Transactions

During Fiscal Year 2021, the Treasurer's office participated in securities lending programs, pursuant to ORC § 135.143, for securities included in the state's investment portfolio. A securities lending agent administers each lending program, whereby certain securities are transferred to an independent broker/dealer (borrower) in exchange for collateral. If the loaned security is a treasury bill, discount note, or treasury STRIP, the amount of the collateral shall be no lower than the lesser of the par amount of the security or 102 percent of the lent security's market value at the time of lending.

For all other types of securities, collateral shall be equal to no less than 102 percent of the market value of the lent securities at the time of lending. During the term of any loan, collateral will be at least equal to the market value of the lent securities.

The Treasurer's office minimizes exposure to a borrower's credit risk by requiring the securities lending agent to determine daily that collateral requirements are met. During Fiscal Year 2021, the Treasurer's office did not experience any losses due to credit or market risk on securities lending activity.

As permitted under state law, the Treasurer's office uses the income earned from securities lending to fund its operations in part.

NOTES TO THE FUND SUMMARIES

NOTE 3:

STAR OHIO FUNDS

The Treasurer's office is the investment advisor and administrator of STAR Ohio, a statewide external investment pool authorized under ORC §135.45. The audited stand-alone financial report for STAR Ohio may be found at <http://www.ohiotreasurer.gov/starohio>.

As of June 30, 2021, the Treasurer's office reported \$1,130,625,797 invested in STAR Ohio for the state and custodial funds listed in the table on page 45.

NOTE 4:

CERTIFICATES OF DEPOSIT

Certificates of deposit (CDs) totaling \$211,502,076 comprise holdings for the Bid Ohio program and the Ag-LINK, ECO-Link, Grow NOW and Re-Energize Ohio Linked Deposit programs.

Bid Ohio is a competitive live auction of interim funds conducted twice each month whereby up to \$50 million is placed in three-month and/or six-month CDs with financial institutions making successful bids.

Up to 12 percent of the state's investment portfolio can be invested in Linked Deposit programs to assist Ohio's agricultural industry, support job growth, and promote financial stability. The Treasurer's office agrees to earn lower rates on CDs placed with participating

financial institutions that, in turn, offer loans promoting economic development. Additionally, as part of the portfolio of the Ag-LINK program, the Treasurer holds a \$5,000,000 Federal Farm Credit Bank adjustable rate bond, that has been included under U.S. Agency Securities on the Summary of Assets for state funds.

NOTE 5:

NET RECEIPTS UNPROCESSED BY STATE AGENCIES

The adjustment of \$122,054,372 reported on the Summary of Assets for state funds, as of June 30, 2021, represents the amount of receipts collected and credited to the State's bank accounts, but for which state agencies had not yet presented pay-in documents to the Treasury Management Department for processing. Consequently, the collections had not been recorded as revenue transactions in OAKS, as of June 30, 2021. While pending their recording in OAKS however, the Treasurer's office invested the receipts collected.

NOTES TO THE FUND SUMMARIES

STAR OHIO FUNDS

State Funds: (in whole dollars)	Invested Balance
State Investment Portfolio	\$ 1,054,661,910
Ohio Lottery Commission-Structured Investments Portfolio	6,590,723
Total- State Funds	<u>1,061,252,632</u>

Custodial Funds: (in whole dollars)	Invested Balance
Attorney General / Revenue Recovery	20,496,553
Ohio Department of Development:	
Enterprise Bond Retirement	7,122,951
Loan Guarantee	934,843
Volume Cap	3,970,810
Ohio Department of Job and Family Services / Child Support Payment Central	6,345,121
Ohio Board of Embalmers and Funeral Directors	1,009,887
Ohio Department of Natural Resources:	
Mine Subsidence Insurance	12,542,675
Lake Katharine Management	139,325
Reclamation	54,685
Wildlife Habitat	113,377
Ohio Housing Finance Agency / Housing Development	458,482
Ohio State School for the Blind	478,854
Ohio Tobacco Use Control and Prevention Foundation	676,045
Petroleum Underground Storage Tank Release Compensation Board	12,456,549
Student Tuition Recovery Authority	1,043,684
Treasurer of State's Office / Torrens Law Assurance	1,529,219
Total-Custodial Funds	<u>69,373,060</u>
Total STAR Ohio Investments-State & Custodial Funds, as of June 30, 2021	<u>\$ 1,130,625,693</u>

SUMMARY OF REALIZED INCOME

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

MONTH	REGULAR ACCOUNT		BANK INITIATIVES	STRUCTURED ACCOUNT		GRAND TOTAL
	Investments	Securities Lending		Investments	Securities Lending	
Jul-20	\$9,941,470	\$732,647	\$257,663	\$3,794,107	\$26,102	\$14,751,990
Aug-20	8,764,580	774,786	299,983	748,256	25,311	10,612,916
Sep-20	9,595,112	741,911	277,157	2,850,504	22,661	13,487,344
Oct-20	7,949,248	644,231	106,887	1,637,998	19,578	10,357,942
Nov-20	12,476,770	645,782	161,260	4,261,923	19,692	17,565,427
Dec-20	7,295,176	654,431	279,004	948	24,525	8,254,084
Jan-21	5,170,754	620,605	106,087	321,996	29,700	6,249,142
Feb-21	3,664,632	660,156	166,245	739,581	30,251	5,260,865
Mar-21	11,010,938	759,309	48,920	1,720,975	24,634	13,564,777
Apr-21	8,064,754	939,582	467,814	401	25,049	9,497,601
May-21	9,926,201	865,440	142,206	6,655,513	21,030	17,610,390
Jun-21	7,279,550	971,086	32,897	430	21,922	8,305,886
FY21 TOTAL	\$101,139,185	\$9,009,968	\$2,346,122	\$22,732,632	\$290,455	\$135,518,363

LINKED DEPOSIT AWARDS BY COUNTY

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

County	GrowNOW	Ag-LINK	ECO-link	ReEnergize Ohio	Total Active Funds By County
	Funded	Funded	Funded	Funded	
Allen	\$ -	\$ 1,140,000	\$ -	\$ -	\$ 1,140,000
Ashland	-	923,712	-	-	923,712
Ashtabula	-	175,000	-	-	175,000
Auglaize	-	150,000	-	-	150,000
Champaign	-	635,000	-	-	635,000
Clark	96,000	1,770,000	-	208,250	2,074,250
Clermont	81,517	-	209,951	-	291,468
Clinton	-	150,000	-	-	150,000
Coshocton	-	100,000	-	-	100,000
Crawford	-	190,000	-	-	190,000
Cuyahoga	1,044,000	-	254,200	-	1,298,200
Defiance	-	1,905,000	-	-	1,905,000
Delaware	-	1,955,000	266,000	-	2,221,000
Fairfield	-	5,049,078	-	-	5,049,078
Fayette	-	2,150,000	-	-	2,150,000
Franklin	-	150,000	546,840	-	696,840
Fulton	-	2,970,000	-	-	2,970,000
Greene	158,291	150,000	-	-	308,291
Hamilton	-	-	600,000	-	600,000
Hancock	363,595	972,500	-	-	1,336,095
Hardin	-	528,000	-	-	528,000
Henry	400,000	300,000	-	-	700,000
Highland	-	-	203,700	-	203,700
Hocking	-	200,000	129,238	-	329,238
Holmes	-	1,022,737	-	-	1,022,737
Huron	-	580,000	-	-	580,000
Knox	-	421,000	-	-	421,000
Lawrence	380,117	-	-	-	380,117
Licking	-	1,185,350	-	-	1,185,350
Logan	-	798,000	-	-	798,000
Lorain	400,000	100,000	-	-	500,000
Lucas	154,000	425,000	64,985	-	643,985
Madison	-	2,180,000	-	-	2,180,000
Marion	-	1,000,000	-	-	1,000,000

CONTINUED

LINKED DEPOSIT AWARDS BY COUNTY

FOR FISCAL YEAR ENDED JUNE 30, 2021

(UNAUDITED)

County	GrowNOW	Ag-LINK	ECO-link	ReEnergize Ohio	Total Active Funds By County
	Funded	Funded	Funded	Funded	
<i>(Continued)</i>					
Medina	\$ -	\$ 300,000	\$ -	\$ -	\$ 300,000
Meigs	34,223	-	-	-	34,223
Mercer	-	50,000	-	-	50,000
Miami	152,825	-	-	-	152,825
Montgomery	276,240	-	350,000	290,329	916,568
Morrow	-	-	23,990	-	23,990
Muskingum	400,000	-	-	-	400,000
Ottawa	-	265,000	-	-	265,000
Paulding	-	250,000	-	-	250,000
Pickaway	-	8,384,750	-	-	8,384,750
Pike	-	150,000	-	-	150,000
Portage	400,000	50,000	-	-	450,000
Preble	-	75,000	207,851	-	282,851
Putnam	-	2,902,235	175,000	-	3,077,235
Richland	-	1,290,000	-	-	1,290,000
Ross	-	3,091,090	-	-	3,091,090
Sandusky	-	100,000	-	-	100,000
Scioto	400,000	100,000	-	-	500,000
Seneca	-	850,000	-	-	850,000
Stark	14,526	765,000	244,650	-	1,024,176
Summit	-	-	55,000	-	55,000
Trumbull	-	207,750	-	-	207,750
Tuscarawas	304,633	40,000	-	-	344,633
Union	-	4,120,000	-	-	4,120,000
Vinton	-	70,000	-	-	70,000
Warren	84,661	150,000	-	-	234,661
Wayne	400,000	7,882,074	-	-	8,282,074
Williams	-	450,000	-	-	450,000
Wood	-	2,705,000	50,000	-	2,755,000
Totals:	\$ 5,544,628	\$ 63,523,276	\$ 3,381,405	\$ 498,579	\$ 72,947,888

# Participants:	32	571	20	3	626
# Counties:	19	52	15	2	63



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