



ROBERT SPRAGUE

OHIO TREASURER

ANNUAL REPORT 2023





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— OHIO TREASURER —
ANNUAL REPORT 2023



MISSION

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

GUIDING PRINCIPLES

SERVICE AND STEWARDSHIP

We are here to serve Ohio – 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.



ABOUT THE TREASURER

Robert Sprague Ohio's 49th Treasurer of State



As Ohio's 49th Treasurer of State, Treasurer Sprague serves as chief investment officer for the state's investment and debt portfolios, while also overseeing daily cash flows of state monies and serving as custodian of certain funds and investment assets outside the state treasury.

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 heart of the office's work since the start of his administration.

As Treasurer, Sprague successfully launched ResultsOHIO, a program that empowers policymakers and innovators to pursue pay for success projects aimed at tackling social and public health challenges facing the Buckeye State. ResultsOHIO protects taxpayer dollars by focusing on bold, new results-based ideas. Through the initiative, public dollars are only used to reimburse pilot project costs if the project has proven to deliver verifiable results.

Through his Ohio Gains initiative, Treasurer Sprague has championed a series of new and innovative ways to put the state's balance sheet to work for Ohio. The cornerstone of this effort was a robust overhaul of the popular Ag-LINK program, which makes reduced interest loans available to Ohio's farming community. The new and improved Ag-LINK was an immediate success, as 2022 set a new record providing more than \$2 million in savings to the state's ag community. However, that annual record was shattered in 2023, as the first full year of implemented Ag-LINK reforms resulted in more than \$13.7 million in savings for Ohio's farmers, agribusinesses, and agricultural co-ops.

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, which empowers individuals living with disabilities through specialized savings and investment accounts, has witnessed unprecedented growth in recent years. Under Sprague's leadership, program participation has grown from fewer than 10,000 accounts at the start of 2019 to more than 37,000 at the end of 2023. Additionally, the Treasurer's office has partnered 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, are the proud parents of five children and continue to live in Findlay.



TREASURER'S MESSAGE

It's hard to believe five years have passed since I first had the honor of being sworn-in as our state's treasurer.

During this time, Ohio has met new challenges head-on and capitalized on a series of fresh and exciting opportunities. Today, the Buckeye State is welcoming a new era of economic opportunity as world-renowned companies and industry giants are choosing Ohio to expand operations and make landmark investments.

In the Treasurer's office, we've supported these efforts by remaining steadfast in our commitment to be trusted stewards of public dollars, wise investors in our state's future, and bold innovators focused on improving the lives of our residents.

Over the past year, we've continued our work to modernize long-standing programs and processes, while also identifying creative new ways to support Ohio's families and communities.

Highlights from the past year include:

- Release of the final evaluation of the inaugural ResultsOHIO pilot project, marking the first-time a state-supported pay for success project has achieved completion
- More than \$13.7 million in record-shattering savings made possible through the Ag-LINK program
- Introduction of a new and specialized CPIM curriculum focused on the important role local fiscal officers play in economic development efforts
- Enactment of our Treasury Modernization legislation that repealed more than 60 outdated sections of Revised Code and updated more than 100 other provisions
- A new all-time high of more than \$23 billion for the STAR Ohio investment pool

The following report goes into greater detail about these accomplishments and many others, while also providing a full overview of our work in the Treasurer's office.

While I'm pleased with all that's been accomplished over the past 12 months, I also know that our work is not done. In the coming year, we will continue to find new and impactful ways to put the power of the state's balance sheet to work for all Ohioans.

Ohio's future is bright, and we have every reason to look ahead with excitement. The Treasurer's office stands ready to do its part in supporting our leaders and communities so that we may build on all this recent success – together.

Sincerely,



Robert Sprague
Ohio Treasurer

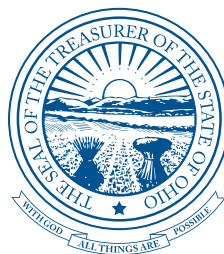


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AT A GLANCE




SHATTERS RECORDS
\$13.7M IN ANNUAL SAVINGS



FIRST TIME EVER
\$23 BILLION IN TOTAL ASSETS MANAGED

MORE THAN
\$1 BILLION INVESTMENT EARNINGS RETURNED TO STAR OHIO PARTICIPANTS IN 2023



iSee Project HITS THE MARK

96% REFERRED STUDENTS RECEIVED EYE EXAMS

100% STUDENTS PRESCRIBED GLASSES RECEIVED NEW GLASSES

\$90.8 BILLION DEPOSITED INTO STATE TREASURY

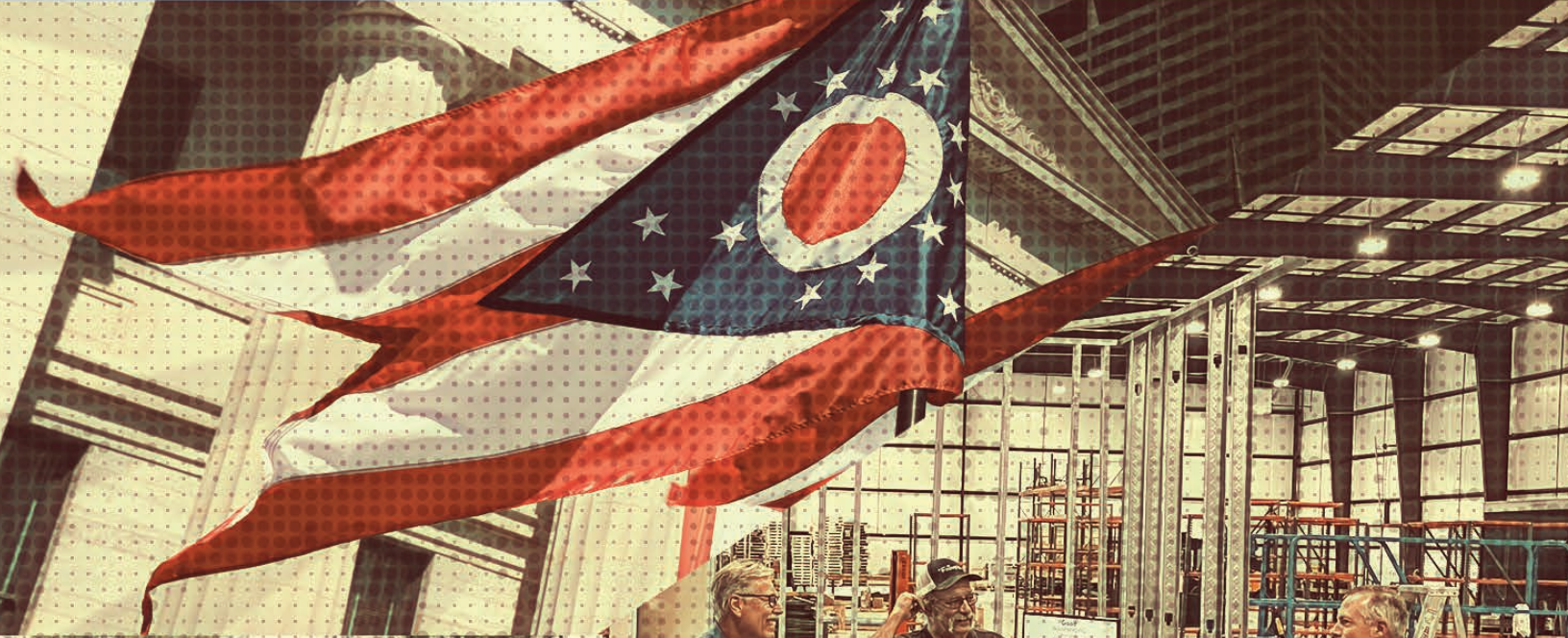
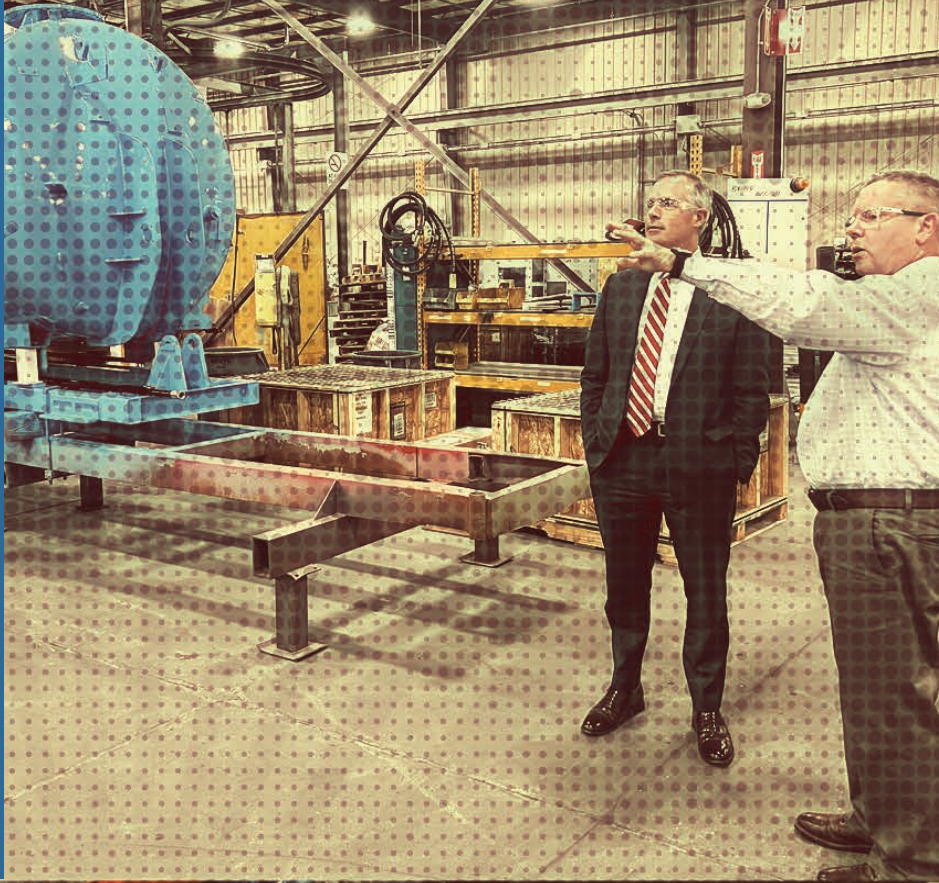
INVESTMENT PORTFOLIO
\$30.7 BILLION

DEBT PORTFOLIO
\$9.9 BILLION



MORE THAN
37,000 ACCOUNTHOLDERS

ASSETS UNDER MANAGEMENT
\$255 BILLION



Treasury Modernization: Bringing the Treasury into the 21st Century

In March, Treasurer Sprague announced plans to modernize and reform a number of the processes and methods the office relies on to conduct its day-to-day business. Sponsored by state Senator Theresa Gavarone (R – Bowling Green), Senate Bill 74 served as a “Treasury Modernization” package to update and align Ohio law with the modern-day operations of the Treasurer’s office.

In total, the legislation repealed more than 60 outdated and unnecessary sections of Ohio Revised Code and updated over 100 other provisions – resulting in a variety of much-needed, common-sense reforms. Highlights of the measure include:

- **Repealing a 40+ year-old section of code that created a fund that was never utilized;**
- **Amending sections of Ohio Revised Code addressing electronic tax payments to account for the existence of the Ohio Business Gateway;**
- **Updating code sections regarding investment terminology, debt management, and banking relationships that had not been revised for decades; and**
- **Amending law to achieve statutory consistency regarding matters of pledged collateral among state agencies.**

Senate Bill 74, which was later amended into and passed as part of the FY 2024-25 state operating budget, also repealed and replaced outdated language surrounding the office’s various linked deposit programs. New, standardized guidelines were established for each program to make them more useful and accessible for Ohioans.



“The law is at the core of everything we do in the Treasurer’s office, and it’s critical that the Ohio Revised Code reflects how the work of modern finance is conducted. Over the last four years, much of our work has been focused on making necessary updates and removing redundancies, and this legislation is the next step of that ongoing effort.”

TREASURER SPRAGUE

OHIO HOMEBUYER PLUS

A SAVINGS PLAN FOR OHIOANS

Coming Soon: Ohio Homebuyer Plus

As part of his State of the State address, Governor Mike DeWine announced plans to work with Treasurer Sprague to create a new homeownership savings account program to help more Ohioans achieve their dream of owning a home. The measure was later passed by the General Assembly as part of the FY 2024-25 state operating budget.

Deemed Ohio Homebuyer Plus, the program is set to launch in January 2024.

Housed in the Treasurer's office and following the same linked deposit model as Ag-LINK and other programs, Ohio Homebuyer Plus will provide Ohioans with access to specialized, tax-advantaged savings accounts to assist them in their homebuying journeys. Individuals who open an account will benefit from above-market interest rates and may also qualify for certain state income tax deductions.

Individuals opening an account through Ohio Homebuyer Plus must have a primary residence in the State of Ohio and use the account proceeds toward the down payment or closing costs of a home.



"To own a home in Ohio is to invest in Ohio. Through Ohio Homebuyer Plus, we're putting the strength of the state's balance sheet to work for Ohioans as they build their nest egg and the savings needed to make one of life's most important purchases."

TREASURER SPRAGUE





Ag-LINK Shatters Records, Reaches New Heights



The Ag-LINK reform efforts of 2021 and 2022 were fully realized in 2023, as it marked the first full year that farmers, agribusinesses, and co-ops could take advantage of the recently overhauled program.

Since 1986, Ag-LINK has helped Ohio's agricultural community to finance upfront costs for feed, seed, fertilizer, fuel, equipment, and other expenses. Though the program has long been a trusted tool in helping borrowers drive down costs associated with operating loans, the revamped and modernized Ag-LINK has quickly proven to be more helpful and more impactful than ever before.

In 2023, Ag-LINK saved Ohio's farming community more than \$13.7 million, setting a new single-year record and shattering the previous year's record of \$2.038 million in savings. Additionally, 2023 saw the program provide interest rate reductions on a total of \$601,138,583 in loans to 2,972 borrowers.

As part of Treasurer Sprague's Ohio Gains initiative, Ag-LINK was re-imagined to be more accessible for borrowers and more adaptable to ever-changing economic conditions. Programmatic reforms included the removal of outdated caps on loan size, the inclusion of agricultural co-ops as eligible borrowers, and – for the first time ever – a year-round application period. Not only have the

updates led to a significant increase in Ag-LINK participation, but they also ensure that low-cost capital is available to borrowers whenever they may need it most.

By modernizing long-standing investment strategies and working to keep more Ohio dollars here in Ohio, the Treasurer's office is doing its part to ensure agriculture remains the backbone of our economy.

Ag-LINK Through The Years Total Savings



ResultsOHIO

Inaugural pay for success effort achieves completion, exceeds metrics set for success



Tribune Chronicle

Public-Private Partnership of Sprague Works

“Public-private partnerships can be effective uses of taxpayer money. They can also be a waste of those dollars. Sprague’s office deserves credit for finding a way to focus on results. The task now is to keep that success rolling.”

In June, Treasurer Sprague announced findings from the first pilot project launched under the ResultsOHIO pay for success program.

Conducted in partnership with the Foundation for Appalachian Ohio, Vision To Learn, and the Ohio Optometric Foundation, the iSee project spanned two school years and deployed mobile vision clinics to schools in high-need areas across Ohio’s Appalachian region.

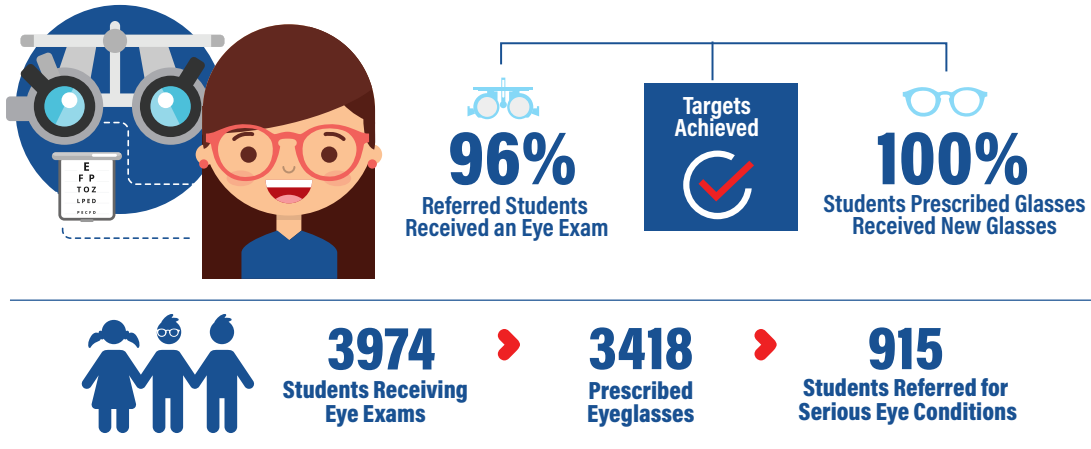
Through these mobile vision clinics, students received access to necessary vision exams and services.

The University of Cincinnati Evaluation Services Center served as the project’s independent evaluator and, upon the project’s conclusion, determined that the iSee project had exceeded key performance metrics established at the project’s outset.



THE BLADE

“The ultimate goal of the ResultsOHIO model is to demonstrate the value of taking a pay-for-success approach to piloting policy solutions so that innovative strategies can be tested, proven, and eventually brought to a greater scale.”



Performance metrics for the project included:

- **Eye Exam Percentage:** Percentage of students who received eye exams from Vision To Learn in participating Title I schools in Appalachian Ohio, out of the total students who consented and were referred.
- **Eyeglasses Percentage:** Percentage of students who received eyeglasses from Vision To Learn in participating Title I schools in Appalachian Ohio, out of the total students who were prescribed glasses.

Final project data indicated that 96% of referred students received an eye exam and 100% of students prescribed eyeglasses received new glasses – well above the targets of 90%.

In total, 3,974 students received eye exams and 3,418 students were prescribed and received eyeglasses. Additionally, 915 students who received exams through the iSee project were referred for further treatment due to having a serious eye condition.

The culmination of the iSee project took on added significance, as its conclusion marked the first-ever completion of a state-supported pay for success project in Ohio.

Launched by Treasurer Sprague in 2019, ResultsOHIO created a streamlined pay for success model that enables policymakers to try bold, new ideas through pilot projects without jeopardizing taxpayer dollars. The ultimate goal of the ResultsOHIO model is to demonstrate the value of taking a pay for success approach to piloting policy solutions so that innovative strategies can be tested, proven, and eventually brought to a greater scale.

Foundation for Appalachian Ohio's iSee Project Final Evaluation Report
June 2023

Sara T. Stacy, PhD, Ann Marie Castleman, MPH, MA, Nan Yang, PhD, Sonya Turner, MPA, Carissa Schutzman, PhD

UC EVALUATION SERVICES CENTER
Data Inspiring Change

The purpose of this report is to summarize cumulative findings from the final evaluation of the Foundation for Appalachian Ohio's iSee project. Results in this report summarize important outcomes and lessons learned throughout the duration (2021-22 and 2022-23 school years).

Project Background
In partnership with the Foundation for Appalachian Ohio, Vision To Learn, and the Ohio Optometric Foundation, the iSee project uses mobile vision clinics to provide on site vision care to students across Appalachian counties in Ohio. This is an inaugural effort launched under the ResultsOHIO model, an infrastructure within the Ohio Treasurer's Office, where upfront project costs are funded by private investors and government repayment to investors only occurs if verifiable results are achieved.

ResultsOHIO

FOUNDATION FOR APPALACHIAN OHIO | Vision To Learn | Ohio Optometric Foundation

Project Evaluation
The University of Cincinnati Evaluation Services Center (UCESC) serves as the external, independent evaluator to measure the payment metrics and learning agenda for this project.

Payment Metrics
These indicators determine the extent to which the project will be supported by public dollars. The payment metrics for the iSee project are:

- 1 Eye Exam Percentage:** Percentage of students who received eye exams from Vision To Learn in participating Title I schools in Appalachian Ohio, out of the total students consented and referred.
- 2 Eyeglasses Percentage:** Percentage of students who received eyeglasses from Vision To Learn in participating Title I schools in Appalachian Ohio, out of the total students who were prescribed glasses.

Learning Agenda
Indicators support project learning and growth to answer questions beyond the payment metrics.



“This inaugural effort through ResultsOHIO has not only found a vision services model that was highly effective in reaching students across an underserved region, but it also brought together public and private partners to pursue data driven solutions while protecting taxpayer dollars. With this project in the books, we hope more government partners will embrace the ResultsOHIO model and consider a pay for success approach when pursuing new and innovative pilot projects.”

TREASURER SPRAGUE

STABLE Account Continues to Grow

STABLE ACCOUNT



The STABLE Account program reached new heights in 2023, with program enrollment surpassing 37,000 active accountholders and total assets reaching \$380,000,000. These latest milestones further demonstrate Treasurer Sprague's commitment to empowering the lives of people with disabilities and creating opportunities to achieve greater financial security.

Since taking office in January 2019, Treasurer Sprague has more than tripled the size of the STABLE Account program. Through the specialized savings and investment accounts, accountholders can save up to \$17,000 each year without jeopardizing federal assistance such as Medicaid or Supplemental Security Income (SSI), and if the accountholder is employed, they can save an additional \$13,590 per year.

The STABLE Account program was launched in 2016 following passage of the federal Achieving a Better Life Experience (ABLE) Act. Prior to STABLE Account, people with disabilities could only save a total of \$2,000 before losing their benefits. Earnings on a STABLE account grow tax-free and are not subject to federal income tax, so long as they are spent on Qualified Disability Expenses. Qualified Disability Expenses include education, housing, transportation, healthcare, assistive technology, basic living expenses, and other items.

STABLE accounts continue to be a life-changing tool for individuals and families that allows them to work and live more independently.



37,000+ Active Accountholders \$380,000,000 in Assets*

*as of 12/1

Forging New Partnerships



Throughout the year, the office continued to partner with employers across the state to make it easier for working individuals to contribute to STABLE accounts. Through the payroll direct deposit option, eligible employees can opt-in to have a portion of their paycheck deposited directly into a STABLE account for themselves or a qualifying family member.

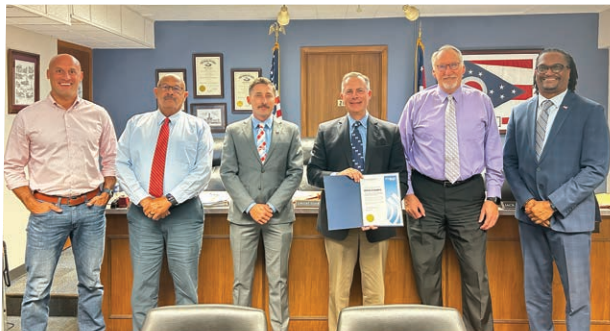
Throughout the year, Lucas, Ross, and Montgomery counties all entered new partnerships with the Treasurer's office to provide their employees with a STABLE Account direct deposit option. As of December 2023, a total of eight Ohio counties are offering this added benefit to their employees.

THE BLADE

Saving is independence for those with disability

“In ‘21, I moved into a new apartment, and I was able to furnish this new apartment from my STABLE account.”

– JoRita Fox, STABLE accountholder



OHIO GAINS

OUR MONEY, OUR FUTURE.

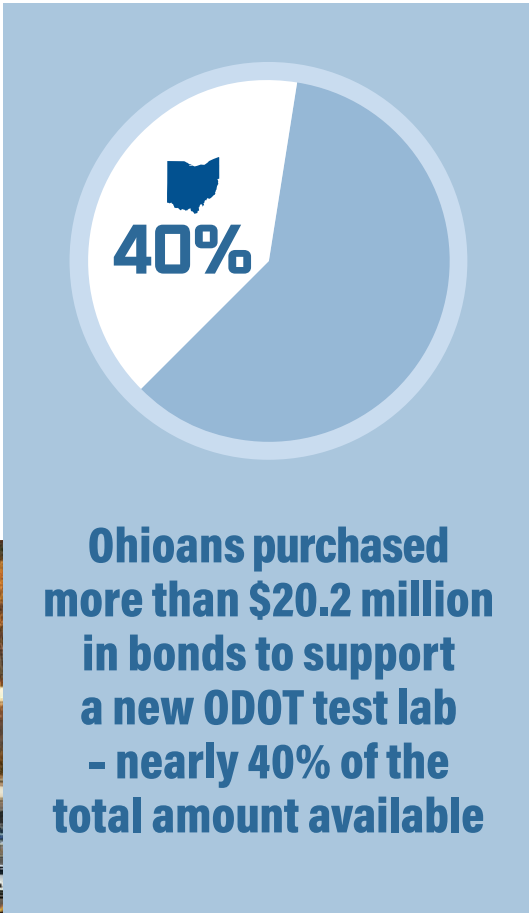
Upon announcing the Ohio Gains initiative in 2021, Treasurer Sprague made it a priority to identify new and innovative strategies to keep more Ohio dollars here in Ohio.

Keeping with that same spirit, a bond sale was conducted in May to finance a new test lab for the Ohio Department of Transportation (ODOT). While bond sales are a regular occurrence for the office, Treasurer Sprague attached special goals to the sale – increasing participation from Ohioans and promoting the investment of more Ohio dollars right here in the Buckeye State.

Priority was given to Ohio individuals or non-professional investors who were buying and selling securities through brokerage firms or retirement accounts like a 401(k).

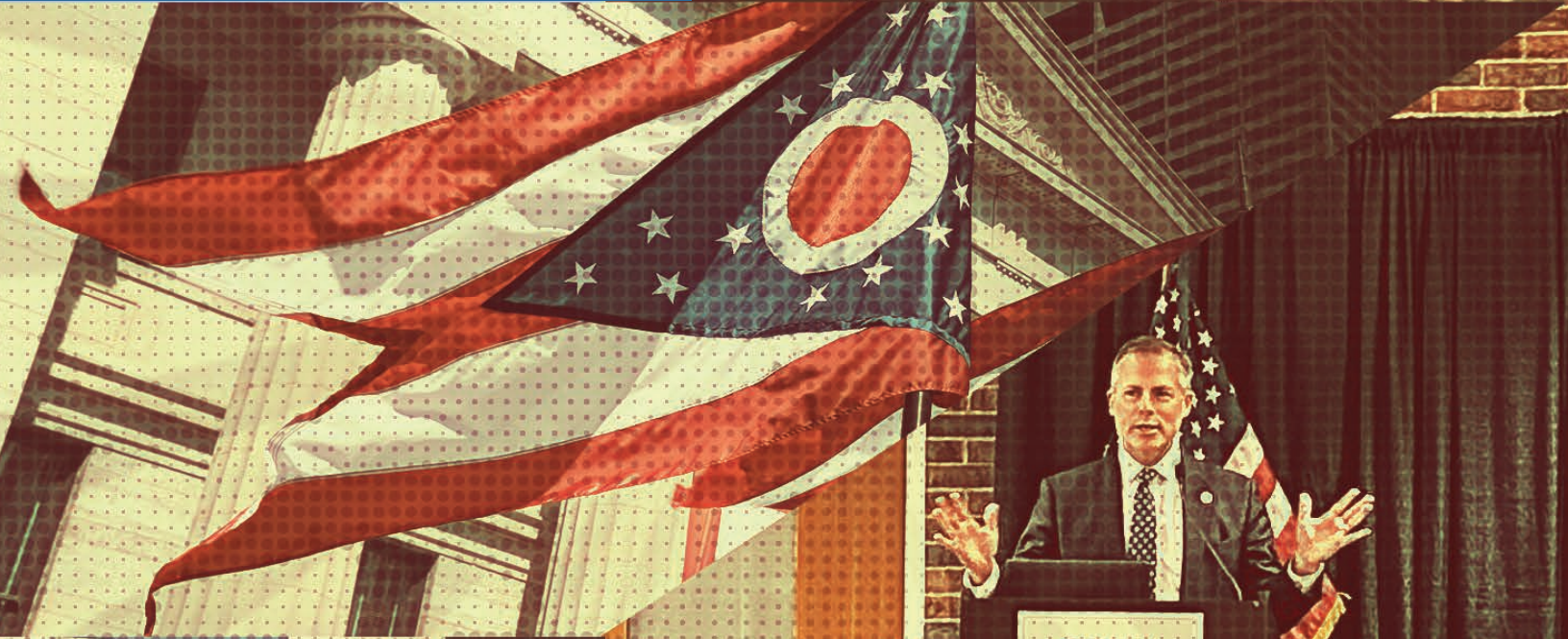
The May bond sale generated \$52.8 million, and Ohioans purchased more than \$20.2 million of those bonds – nearly 40% of the total bonds sold.

This bond sale serves as further proof of Treasurer Sprague's commitment to seeking out effective ways to better serve our residents. Ohio retail investors benefited from the state's strong credit profile while supporting critical infrastructure projects – a win-win for the Buckeye State.



Ohioans purchased more than \$20.2 million in bonds to support a new ODOT test lab – nearly 40% of the total amount available





Financial Education

It's never too early to start building a basic understanding of how finances work. Whether young or old, everyone can benefit from making the pursuit of financial education a life-long journey.

The Treasurer's office continues to find ways to promote financial literacy education across the state. As part of those efforts, the office has formed a variety of partnerships to expand the reach of certain programs, while highlighting the great work and contributions of others.



Real Money. Real World.



THE OHIO STATE UNIVERSITY

COLLEGE OF FOOD, AGRICULTURAL,
AND ENVIRONMENTAL SCIENCES

In 2023, the Treasurer's office continued its partnership with The Ohio State University to expand participation in the *Real Money. Real World.* financial literacy curriculum, which provides students with interactive programming about personal finance. The program places students in real-life scenarios that reflect the type of budgeting decisions students will face as adults.

Throughout the year, personnel from the Treasurer's office traveled the state staffing in-school simulations. TOS staff visited 51 schools across 25 counties, delivering financial education curriculum to thousands of students. In total, *Real Money. Real World.* is now offered to students across 82 Ohio counties.

The year also saw Treasurer's office staff once again joining OSU Extension educators at the Ohio State Fair to co-host a booth featuring interactive *Real Money. Real World.* activities for fairgoers. Housed in the Ohio Farm Bureau's Land & Living Exhibit, the booth activity engaged fairgoers of all ages by challenging them to make personal finance decisions with guidance from Treasurer's office staff and OSU educators.



In November, the **Association for Financial Counseling & Planning Education** presented its **Outstanding Educational Program Award** to Ohio State Extension in recognition of the *Real Money. Real World.* program. Each year, this national award goes to an educational program that is innovative and adaptable for other practitioners and educators to replicate and adapt into their curriculum.



The Compass Award program highlights organizations and individuals working to bring financial literacy to their communities. Each quarter, Compass Awards are given to honorees that have demonstrated a strong commitment to empowering Ohioans through financial literacy and education.

2023 Compass Award Honorees

FIRST QUARTER:

- Lebanon High School (Warren County)
- Lake County Treasurer’s Office

SECOND QUARTER:

- Superior Credit Union
- Peoples Bank

THIRD QUARTER:

- Cincinnati Works
- Lakewood Area Collaborative

FOURTH QUARTER:

- Bowling Green High School DECA
- Courtney Warman, Healthy Finances Program Specialist, OSU CFAES



CPIM

CENTER FOR PUBLIC INVESTMENT MANAGEMENT

Local government finance officials are trusted to manage, invest, and protect public funds in communities across Ohio. This responsibility is critical in ensuring the success and financial well-being of our state's local governments.

Administered through the Treasurer's office, the Center for Public Investment Management (CPIM) provides continuing financial education for local government finance officials. CPIM courses cover a variety of topics, including finance, investment, cash and debt management, ethics, cyber security, fraud, and more.

October's annual conference not only marked the return to in-person CPIM events, but also introduced a new and innovative collaboration with the Auditor of State's office.

For the 2023 CPIM Conference, the Treasurer's office partnered with Ohio Auditor Keith Faber and his staff to develop a unique and specialized curriculum tailored to the role government fiscal officers play in economic development planning and preparedness.

Recent years have seen world-renowned companies and industry giants choosing Ohio to expand operations and make landmark investments. Local fiscal officers play a central role in preparing communities to make the most of economic development opportunities whenever they may arise. Entitled *Leadership in Public Finance and Economic Development: The Role of Fiscal Officers in Ohio's Future*, programming offered through the conference was tailor-made to provide fiscal officers with the skill set and knowledge to prepare for these types of opportunities as they arise in the coming years.

In total, nearly 200 local government officials converged on Columbus to join staff from the Treasurer and Auditor's office for the day-long education event.

2023 SNAPSHOT

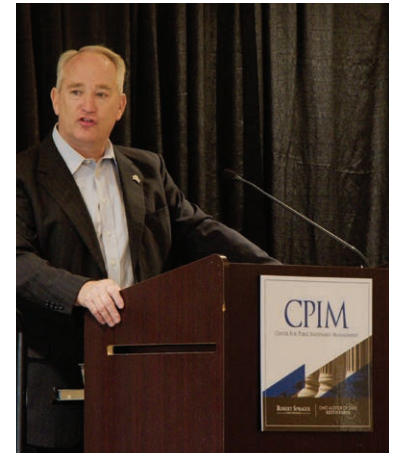
5 TOS-hosted In-Person Sessions 

4 TOS-hosted Webinars 

380 Sessions Accredited 

87 Events Accredited 

11,223 Credit Hours Completed 



Mentoring the Leaders of Tomorrow

The Treasurer's office continued its partnership with Cristo Rey Columbus High School throughout 2023. Through the school's Professional Work-Study Program, students work five days a month as interns as a way to contribute to the cost of their college-preparatory classes, while also gaining valuable real-world experience.

Student interns are responsible for staffing the front desk and assisting with constituent services, as well as various tasks and assignments provided to them by departments throughout the office. During their time in the Treasurer's office, interns had the chance to shadow staff, create a mock-marketing project, and practice professionalism in an office setting.



TOS Interns Get High Marks

Cristo Rey Columbus High School honored our office's student interns in Spring 2023, naming them the school's "Job Team of the Year." The distinction was provided to these young ladies for successfully demonstrating excellence in the workplace.



STAR Ohio Sets New Records Throughout 2023



\$1 BILLION Investment Earnings Returned to Public Entities in 2023

Government entities across Ohio continued turning to STAR Ohio as a trusted and reliable source for investing public dollars.

The State Treasury Asset Reserve of Ohio (STAR Ohio) allows government subdivisions to invest in high-grade, short-term securities, while offering safety, penalty-free liquidity, and comparatively higher yields.

In 2023, the investment pool set a new high mark as total assets managed under STAR Ohio surpassed the \$23 billion mark for the first time in the program’s history.

Additionally, it was announced in May that STAR Ohio had surpassed \$1 billion in total investment earnings distributed to government entities since Treasurer Sprague took office in January 2019. However, historic earnings and disbursements didn’t end there. On November 22, the investment pool officially crossed the \$1 billion milestone for investment income generated and returned in just 2023 alone.

At the start of Treasurer Sprague’s first term in office, STAR Ohio’s total assets totaled \$9.55 billion. In fewer than five years, that number would grow to exceed \$23 billion. Much of the investment pool’s growth in recent years was the result of participating entities regularly turning to it as a reliable investment option for COVID-19 relief funds.

Since 1995, STAR Ohio has maintained Standard & Poor’s highest rating of AAAm, demonstrating a long history of soundness and security.

More than
\$23 Billion
in Total Assets

Highest Daily Yield:
5.58%

Treasurer Robert Sprague
@OhioTreasurer

Another milestone for #STAROhio!

For the first time ever, the investment pool reaches \$23 billion in total assets managed.

This new all-time high reaffirms STAR Ohio as a trusted and sound investment option for local governments across the Buckeye State.

\$23 Billion
New All-Time High

ROBERT SPRAGUE OHIO TREASURER STAR OHIO State Treasury Asset Reserve of Ohio



Supporting and Enhancing Our Local Communities

When local governments across the state look to make important community improvements and upgrades, they often turn to the municipal debt market. As the interest rate environment saw increased volatility in 2022 and 2023, the Ohio Market Access Program (OMAP) proved even more valuable in helping government entities lower interest costs on short-term notes.

OMAP helps to reduce risk and save thousands of dollars in interest and ratings costs for local governments, putting the state's high credit rating and excess liquidity to work for Ohio communities looking to make important infrastructure investments.

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:

In calendar year 2023*, OMAP helped 33 communities access municipal debt markets and generated an estimated \$682,701 in savings.

Since the program launched in 2014, the Treasurer's office has supported more than 290 deals, ranging from \$365,000 to over \$103 million. Also, during that time, 55 communities have leveraged OMAP multiple times to achieve meaningful savings on interest costs. There have been no defaults, and to date, OMAP has generated nearly \$5.4 million in estimated savings for local governments.

*figures as of 12/01/2023



How Communities Utilized OMAP in 2023



The City of Vandalia saved \$2,730 while investing in the purchase of a new fire truck.



The City of Forest Park saved \$75,790 while upgrading sidewalks, street lighting, and traffic signals.



Lake County saved \$3,900 on building and facilities improvements and construction for various county projects.

Israel Bonds

On October 7, a series of terrorist attacks against Israel marked the start of a tragic war in the Middle East. In the immediate wake of these attacks, the Treasurer's office took quick action in support of Israel by making an additional \$20 million investment in Israel Bonds.

Since 1993, every Ohio Treasurer has invested in Israel Bonds, joining more than 115 other state and municipal public employee pension and treasury funds. Treasurer Sprague has continued that tradition and maintained Ohio's status as one of the largest government holders of these bonds in the United States.

However, the purchase announced on October 11 took on special relevance as it provided support to the State of Israel in its defense against terrorism. Ohio was joined by Florida, Illinois, Pennsylvania, and other states in making bond purchases to raise a total of \$200 million.

The bonds purchased in October will mature on October 1, 2028, with an interest rate of 5.74%. Since Treasurer Sprague took office in 2019, the Ohio Treasury has invested a total of \$227.5 million in Israel Bonds.

21 WFMJ

**Ohio Buys Israeli Bonds,
continuing to show support**

THE BLADE

**Ohio treasurer to make
\$20M purchase in Israel Bonds**

cleveland.com

**Ohio increasing investment in Israeli debt,
following weekend attack by Hamas, outbreak
of war.**

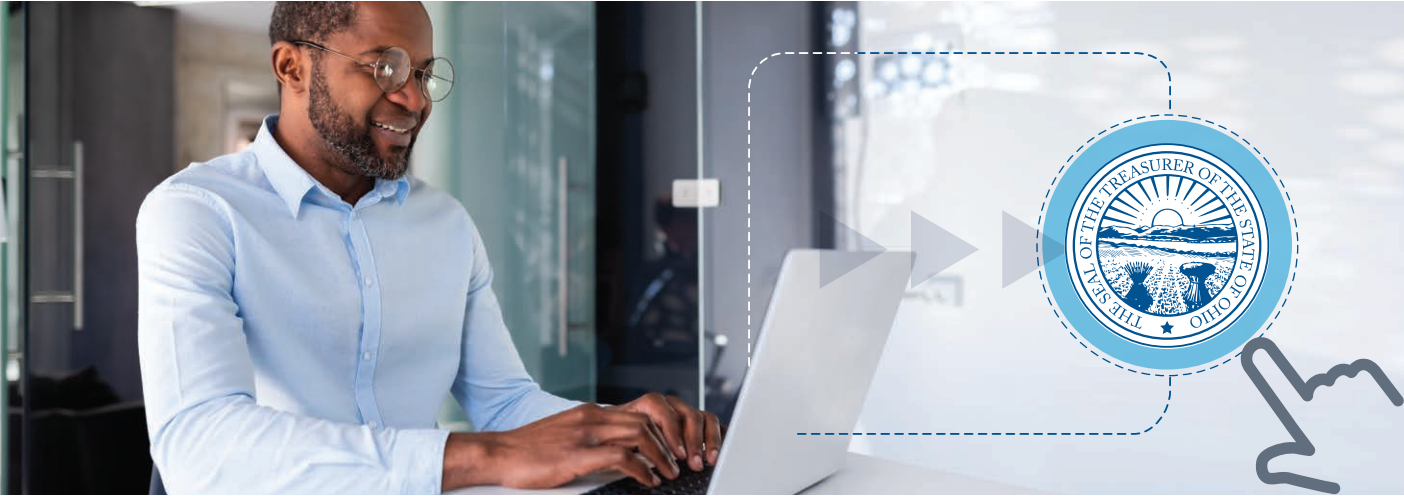


"Now is the time to stand with Israel. For 30 years, Israel Bonds have been - and continue to be - a strong investment for the Ohio Treasury. We're proud to make this \$20 million purchase and provide desperately needed liquidity to Israel as they fight against these heinous acts of terrorism."



TREASURER SPRAGUE

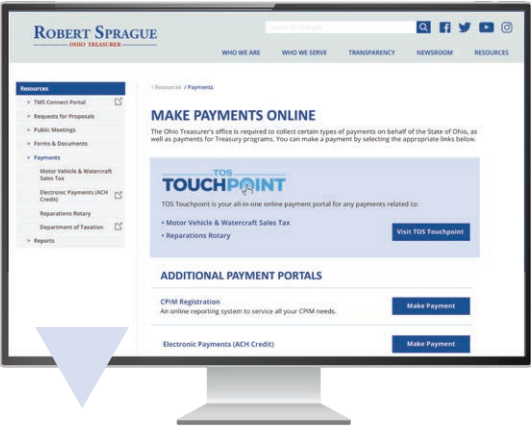
Introducing TOS Touchpoint



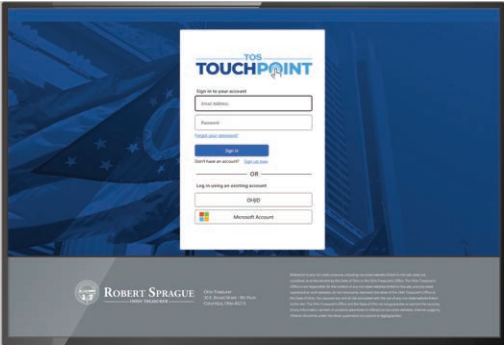
September saw the launch of TOS Touchpoint – an enhanced online portal that allows payers to submit appropriate information and payments directly to the Treasurer’s office through ACH debit transactions.

Payments related to Sales Tax and Reparatons Rotary were the first to be migrated to the new online portal. The launch of Ohio Homebuyer Plus in early 2024 will see that program’s process also accessed through the TOS Touchpoint portal.

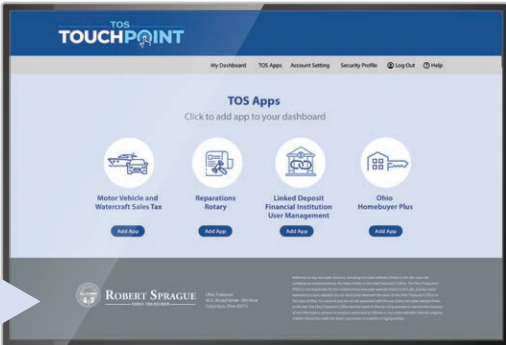
Over time, additional areas of application and forms of payment are expected to be transitioned onto the TOS Touchpoint platform.



Access into TOS Touchpoint portal via ohiotreasurer.gov



Secure, user-specific TOS Touchpoint portal login screen



TOS Touchpoint portal allows institutions to customize their workflow with TOS



State Funds

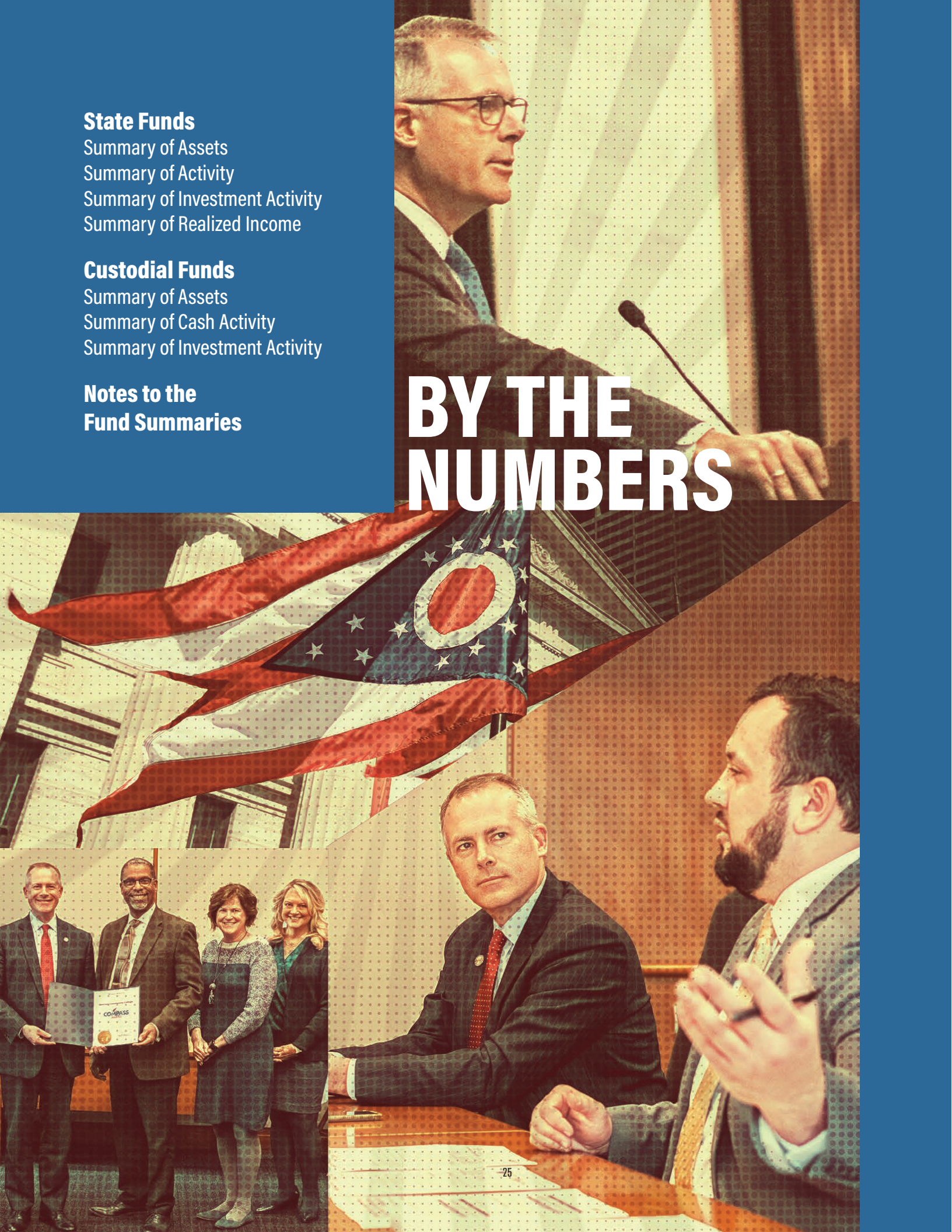
Summary of Assets
Summary of Activity
Summary of Investment Activity
Summary of Realized Income

Custodial Funds

Summary of Assets
Summary of Cash Activity
Summary of Investment Activity

Notes to the Fund Summaries

BY THE NUMBERS



STATE FUNDS | SUMMARY OF ASSETS

AS OF JUNE 30, 2023 · UNAUDITED

The notes are an integral part of the fund summaries.

ACTIVE DEPOSITS	
Money Market (NOW) Accounts	\$ 853,529,625
Insured Cash Sweep Accounts	128,130,731
Returned Checks and Other Items	218,873
TOTAL ACTIVE DEPOSITS	981,879,229
INTERIM DEPOSITS	
State's Investment Portfolio	
Certificates of Deposit	672,695,881
STAR Ohio Investment Pool	1,715,275,620
Bond Mutual Funds	1,128,404
Commercial Paper	4,456,542,674
U.S. Government Securities	7,485,653,799
U.S. Agency Securities	6,012,818,347
Negotiable Certificates of Deposit	6,121,001,429
Corporate Bonds and Notes	2,826,239,555
Municipal Bonds	126,520,000
Israel Bonds	172,500,000
Lottery Commission's Portfolio	
STAR Ohio Investment Pool	7,076,857
U.S. Government Securities	214,536,466
U.S. Agency Securities	7,458,501
Negotiable Certificates of Deposit	5,000,000
TOTAL INTERIM DEPOSITS	29,824,447,533
LESS: Net Receipts Unprocessed by State Agencies	(44,262,335)
TOTAL STATE FUNDS	\$ 30,762,064,427

STATE FUNDS | SUMMARY OF ACTIVITY

FOR FISCAL YEAR ENDED JUNE 30, 2023 · UNAUDITED

The notes are an integral part of the fund summaries.

BEGINNING BALANCE, JULY 1, 2022	\$ 28,515,810,127
Receipts	90,837,262,873
Disbursements	(88,591,008,573)
ENDING BALANCE, JUNE 30, 2023	\$ 30,762,064,427

STATE FUNDS | SUMMARY OF INVESTMENT ACTIVITY¹

FOR FISCAL YEAR ENDED JUNE 30, 2023 · UNAUDITED

The notes are an integral part of the fund summaries.

FUND CATEGORY / INVESTMENT TYPE	BEGINNING BALANCE JULY 1, 2022	PURCHASES	SALES / MATURITIES / CALLS	ENDING BALANCE JUNE 30, 2023
State's Investment Portfolio				
Certificates of Deposit	\$ 154,633,024	\$ 855,620,242	\$ 337,565,387	\$ 672,695,881
STAR Ohio Investment Pool	1,601,658,238	4,987,917,382	4,874,300,000	1,715,275,620
Bond Mutual Funds	2,886,212	435,242,192	437,000,000	1,128,404
Repurchase Agreements	250,000,000	7,875,000,000	8,125,000,000	-
Commercial Paper	6,247,091,543	37,492,751,119	39,381,285,416	4,456,542,673
U.S. Government Securities	6,387,817,930	4,558,851,911	3,478,519,501	7,482,549,556
U.S. Agency Securities	5,359,403,111	1,179,357,606	518,924,021	6,012,784,294
Negotiable Certificates of Deposit	5,514,958,141	10,643,648,763	10,038,041,511	6,121,001,429
Corporate Bonds and Notes	2,252,760,368	927,924,752	350,417,959	2,824,300,535
Municipal Bonds	15,185,000	116,000,000	4,665,000	126,520,000
Israel Bonds	192,500,000	30,000,000	50,000,000	172,500,000
State's Investment Portfolio	27,978,893,567	69,102,313,967	67,595,718,795	29,585,298,392
Lottery Commission's Portfolio				
STAR Ohio Investment Pool	3,028,755	29,430,105	25,382,003	7,076,857
U.S. Government Securities	207,706,168	24,746,281	25,482,250	214,536,466
U.S. Agency Securities	13,033,393	-	22,996,000	7,458,501
Negotiable Certificates of Deposit	-	5,000,000	-	5,000,000
Lottery Commission's Portfolio	223,768,316	59,176,386	73,860,253	234,071,824
TOTAL STATE FUNDS	\$28,202,661,883	\$69,161,490,353	\$67,669,579,048	\$29,819,370,216

¹The Summary of Investment Activity does not reflect discounts, premiums, gains, losses or purchased accrued interest. Therefore, the lines for some types of investments do not crossfoot and the ending balances for some types of investments do not match the amounts reported on the State Funds Summary of Assets. The Summary of Investment Activity also contains rounded amounts, which may impact footing and crossfooting.

STATE FUNDS | SUMMARY OF REALIZED INCOME

FOR FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED

The notes are an integral part of the fund summaries.

MONTH	STATE PORTFOLIO		LOTTERY PORTFOLIO		GRAND TOTAL
	Investments	Securities Lending	Investments	Securities Lending	
Jul-22	\$ 16,618,963	\$ 1,095,595	\$ 4,890	\$ 23,538	\$ 17,742,987
Aug-22	32,414,159	1,003,047	1,033,420	21,339	34,471,966
Sep-22	36,390,720	1,071,182	1,243,321	24,944	38,730,167
Oct-22	33,236,227	1,127,654	8,263	23,240	34,395,385
Nov-22	50,556,945	1,082,464	12,558,966	27,140	64,225,515
Dec-22	53,390,513	745,065	22,009	21,189	54,178,777
Jan-23	51,629,625	729,321	324,442	19,724	52,703,111
Feb-23	60,404,113	878,337	5,375,165	18,210	66,675,826
Mar-23	57,801,980	906,300	55,055	14,636	58,777,971
Apr-23	57,081,589	984,522	74,970	15,135	58,156,217
May-23	84,526,169	893,472	4,631,613	11,812	90,063,065
Jun-23	78,256,118	1,015,564	63,442	8,571	79,343,696
FY23 TOTAL	\$ 612,307,122	\$ 11,532,524	\$ 25,395,557	\$ 229,478	\$ 649,464,682

CUSTODIAL FUNDS | SUMMARY OF ASSETS

AS OF JUNE 30, 2023 - UNAUDITED

The notes are an integral part of the fund summaries.

AGENCY / CUSTODIAL FUND	CASH BALANCE	INVESTMENT BALANCE
Air Quality Development Authority/Solar Generation	\$ 28,048,997	\$ -
Attorney General's Office		
Collections Enforcement	42,151,669	-
Revenue Recovery 1	4,997,012	37,466,280
Ohio Board of Embalmers & Funeral Directors/Preneed	5,220	1,771,068
Ohio Board of Pharmacy	100,718	-
Ohio Bureau of Workers Compensation		
State Insurance Fund	6,479,093	-
Coal Workers Pneumoconiosis	897	-
Disabled Workers Relief	3,079	-
Marine Industry	263	-
Public Workers Relief	2,184	-
Self Insuring Employers Guaranty	2,393	-
Ohio Department of Commerce/Prevailing Wage	2,335,621	-
Ohio Department of Development		
Loan Guarantee	15,854,249	970,673
Enterprise Bond Retirement	2,993,233	1,020,761
Volume Cap	1,666,222	4,140,559
Ohio Department of Job and Family Services		
Child Support Payment Central	62,379,343	6,320,945
Unemployment Compensation Program Benefits	11,734,414	-
Unemployment Compensation Program	14,728	-
Unemployment Lost Wages Assistance	1,712,388	-
Clearing	1,283,150	-
Ohio Department of Natural Resources		
Mine Subsidence Insurance	435,512	12,544,843
Lake Katharine Management	5,000	145,281
Reclamation	24,658	57,022
Wildlife Habitat	-	115,143
Ohio Department of Public Safety		
Ohio Investigative Unit Custodial	758,041	-
Ohio Investigative Unit Contingency	249,313	-
State Highway Patrol Forfeiture	4,392,278	-
BMV Agency Collateral	330,000	-
Ohio Department of Taxation / Enforcement	1,000	-
Ohio Department of Transportation / Letting Contracts	550,020	-
Ohio Housing Finance Agency / Housing Development	9,501,200	5,301,195

(CONTINUED)

CUSTODIAL FUNDS | SUMMARY OF ASSETS

AS OF JUNE 30, 2023 - UNAUDITED (CONTINUED)

The notes are an integral part of the fund summaries.

AGENCY / CUSTODIAL FUND	CASH BALANCE	INVESTMENT BALANCE
Ohio Lottery Commission		
Lottery Gross Revenue	\$ 244,672,954	\$ -
Lottery - Video Lottery	45,480,988	-
Lottery VLT	2,203,959	-
Lottery Bank Cashing	1,042,362	-
Mega Millions	10,006,896	-
Sports Gaming	470,115	-
Ohio Public Employees Deferred Compensation Board	10,114,307	-
Ohio Retirement Study Commission	412,352	-
Ohio State School for the Blind	4,152	384,739
Ohio State School for the Deaf	5,425	-
Ohio Tuition Trust Authority		
Trust	2,711,701	-
Suspense	865,820	-
Trust Reserve	410,222	-
Petroleum Underground Storage Tank Release Compensation Board/Financial Assurance	3,443,821	25,590,342
Retirement Systems		
Police and Fire Pension Fund	577,967	-
Public Employees Retirement System	3,653,876	-
School Employees Retirement System	160,336,234	-
State Highway Patrol Retirement System	4,184,478	-
State Teachers Retirement System	45,346,502	-
Student Tuition Recovery Authority	42,675	924,037
Treasurer of State's Office, including Sinking Fund Commission		
Treasurer of State's Bond Clearance	765,518	-
Cultural Facilities Commission Bond Service	27,300	-
Mental Health Bond Service	16,300	-
Parks and Recreation Bond Service	121,849	-
Retired Bearer Bond Consolidation	711,376	-
Administrative Bond Service	52,020	-
Adult Correctional Bond Service	71,305	-
Juvenile Bond Service	41,300	-
Transportation Building Bond Service	70,739	-
Torrens Law Assurance	26,299	1,594,591
Health Care Education Student Loan Servicing	1,593,860	-
Treasurer of State's Custodial Contingency Fund	342,862	-
TOTAL - CUSTODIAL FUNDS	\$ 737,839,429	\$ 98,347,479

CUSTODIAL FUNDS | SUMMARY OF CASH ACTIVITY

FOR FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED

The notes are an integral part of the fund summaries.

The Summary of Cash Activity contains rounded amounts which may impact footing and cross footing.

AGENCY/CUSTODIAL FUND	BEGINNING BALANCE JULY 1, 2022	INFLOWS	OUTFLOWS	ENDING BALANCE JUNE 30, 2023
Air Quality Development Authority				
Solar Generation	\$ 10,469,478	\$ 20,061,277	\$ 2,481,758	\$ 28,048,997
Attorney General's Office				
Collections Enforcement	35,764,820	505,783,635	499,396,786	42,151,669
Revenue Recovery 1	4,997,012	4,236,618	4,236,618	4,997,012
Revenue Recovery 2	2,324,781	-	2,324,781	-
Ohio Board of Embalmers and Funeral Directors				
Preneed	1,030	380,680	376,490	5,220
Ohio Board of Pharmacy				
Board of Pharmacy	100,718	-	-	100,718
Ohio Bureau of Workers Compensation				
State Insurance Fund	11,177,131	2,039,744,831	2,044,442,869	6,479,093
Coal Workers Pneumoconiosis	897	2,824,788	2,824,788	897
Disabled Workers Relief	3,079	35,406,687	35,406,687	3,079
Marine Industry	263	240,889	240,889	263
Public Workers Relief	2,184	47,147	47,147	2,184
Self Insuring Employers Guaranty	2,393	7,004,151	7,004,151	2,393
Collateral	736,000	-	736,000	-
Ohio Department of Administrative Services				
Payroll Withheld Child Support	-	10,733,231	10,733,231	-
Ohio Department of Commerce				
Prevailing Wage	2,321,141	800,951	786,471	2,335,621
Ohio Department of Development				
Loan Guarantee	23,643,163	46,876	7,835,790	15,854,249
Electronic Funds Payment	-	13,930,826	13,930,826	-
Enterprise Bond Retirement	50,000	18,276,965	15,333,732	2,993,233
Volume Cap	1,807,222	1,036,500	1,177,500	1,666,222
Ohio Department of Job and Family Services				
Child Support Payment Central	63,002,824	1,643,770,765	1,644,394,246	62,379,343
Unemployment Compensation Program Benefits	3,744,461	708,876,545	700,886,592	11,734,414
Unemployment Compensation Program	149,951	126,467,281	126,602,504	14,728
Lost Wages Assistance	-	1,712,388	-	1,712,388
Clearing	870,111	1,197,304,664	1,196,891,625	1,283,150
Ohio Department of Medicaid				
IRS Payments	178	1,406	1,584	-
Ohio Department of Natural Resources				
Mine Subsidence Insurance	119,262	3,287,890	2,971,640	435,512
Lake Katharine Management	5,000	-	-	5,000
Reclamation	24,658	-	-	24,658
Wildlife Habitat	-	3,037	3,037	-

CONTINUED

CUSTODIAL FUNDS | SUMMARY OF CASH ACTIVITY

FOR FISCAL YEAR ENDED JUNE 30, 2023 - UNAUDITED (CONTINUED)

The notes are an integral part of the fund summaries.

The Summary of Cash Activity contains rounded amounts which may impact footing and cross footing.

AGENCY/CUSTODIAL FUND	BEGINNING BALANCE JULY 1, 2022	INFLOWS	OUTFLOWS	ENDING BALANCE JUNE 30, 2023
Ohio Department of Public Safety				
Ohio Investigative Unit Custodial	\$ 387,506	\$ 710,159	\$ 339,624	\$ 758,041
Ohio Investigative Unit Contingency	258,808	-	9,495	249,313
State Highway Patrol Forfeiture	1,341,554	3,519,259	468,535	4,392,278
BMV Agency Collateral	360,000	-	30,000	330,000
Ohio Department of Taxation				
Enforcement	1,000	-	-	1,000
Ohio Department of Transportation				
Letting Contracts	600,020	10,200,000	10,250,000	550,020
Ohio Housing Finance Agency				
Housing Development	3,751,200	186,753,872	181,003,872	9,501,200
Ohio Lottery Commission				
Lottery Gross Revenue	184,593,535	3,374,599,537	3,314,520,118	244,672,954
Lottery - Video Lottery	35,130,933	465,755,074	455,405,019	45,480,988
Lottery VLT	2,065,008	289,555	150,604	2,203,959
Lottery Bank Cashing	3,030,702	16,161	2,004,501	1,042,362
Mega Millions	254,487	112,048,261	102,295,852	10,006,896
Sports Gaming	-	2,446,897	1,976,782	470,115
Ohio Public Employees Deferred Compensation Board				
Employer Receiving	3,042,475	1,524,241,674	1,517,169,842	10,114,307
Ohio Retirement Study Commission				
Retirement Study Commission	526,938	1,050,981	1,165,567	412,352
Ohio State School for the Blind				
School for the Blind	4,864	-	712	4,152
Ohio State School for the Deaf				
School for the Deaf	5,425	-	-	5,425
Ohio Tuition Trust Authority				
Trust	4,536,884	14,961,522	16,786,705	2,711,701
Suspense	1,023,763	16,702,660	16,860,603	865,820
Trust Reserve	533,819	748,608	872,205	410,222
Petroleum Underground Storage Tank Release Compensation Board				
Financial Assurance	3,573,440	26,151,933	26,281,552	3,443,821
Retirement Systems				
Police and Fire Pension Fund	8,394,712	2,727,071,822	2,734,888,567	577,967
Public Employees Retirement System	11,563,917	11,230,253,055	11,238,163,096	3,653,876
School Employees Retirement System	246,932,659	1,546,230,136	1,632,826,561	160,336,234
State Highway Patrol Retirement System	1,815,645	96,656,833	94,288,000	4,184,478
State Teachers Retirement System	38,507,344	41,190,742,918	41,183,903,760	45,346,502
Student Tuition Recovery Authority				
Student Tuition Recovery	48,791	144,600	150,716	42,675

CONTINUED

CUSTODIAL FUNDS | SUMMARY OF CASH ACTIVITY

FOR FISCAL YEAR ENDED JUNE 30, 2023 · UNAUDITED (CONTINUED)

The notes are an integral part of the fund summaries.

The Summary of Cash Activity contains rounded amounts which may impact footing and cross footing.

AGENCY/CUSTODIAL FUND	BEGINNING BALANCE JULY 1, 2022	INFLOWS	OUTFLOWS	ENDING BALANCE JUNE 30, 2023
Treasurer of State's Office, Including Sinking Fund Commission				
Treasurer's Bond Clearance	\$ 695,517	\$ 1,510,709,200	\$ 1,510,639,199	\$ 765,518
Cultural Facilities Commission Bond Service	29,159	28,687,241	28,689,100	27,300
Mental Health Facilities Bond Service	12,388	54,719,092	54,715,180	16,300
Parks and Recreation Facilities Bond Service	128,374	60,347,565	60,354,090	121,849
Retired Bearer Bond Consolidation	711,376	-	-	711,376
Administrative Facilities Bond Service	46,666	86,543,535	86,538,181	52,020
Adult Correctional Facilities Bond Service	247,044	107,027,711	107,203,450	71,305
Juvenile Correctional Facilities Bond Service	35,638	15,275,149	15,269,487	41,300
Transportation Building Bond Service	25,834	76,763,619	76,718,714	70,739
Torrens Law Assurance	26,299	-	-	26,299
Health Care Education Student Loan Servicing	1,589,967	7,893	4,000	1,593,860
Custodial Contingency	329,450	16,108	2,696	342,862
TOTAL CUSTODIAL FUNDS	\$717,480,898	\$70,813,372,658	\$70,793,014,127	\$737,839,429

CUSTODIAL FUNDS | SUMMARY OF INVESTMENT ACTIVITY

FOR FISCAL YEAR ENDED JUNE 30, 2023 · UNAUDITED

The notes are an integral part of the fund summaries.

AGENCY / CUSTODIAL FUND	BEGINNING BALANCE JULY 1, 2022	PURCHASES	GAINS	SALES/ MATURITIES	ENDING BALANCE JUNE 30, 2023
Attorney General's Office					
Revenue Recovery 1	\$ 20,553,762	\$15,826,500	\$ 1,086,018	\$ -	\$ 37,466,280
Ohio Board of Embalmers & Funeral Directors					
Preneed	1,352,077	358,868	60,123	-	1,771,068
Ohio Department of Development					
Loan Guarantee	936,629	-	34,044	-	970,673
Enterprise Bond Retirement	7,271,021	11,102,500	297,826	17,650,586	1,020,761
Volume Cap	3,981,895	-	158,664	-	4,140,559
Ohio Department of Job and Family Services					
Child Support Payment Central	6,334,786	-	247,678	261,519	6,320,945
Ohio Department of Natural Resources					
Mine Subsidence Insurance	12,580,138	2,003,841	282,975	2,322,111	12,544,843
Lake Katharine Management	139,714	-	5,567	-	145,281
Reclamation	54,837	-	2,185	-	57,022
Wildlife Habitat	113,693	-	4,486	3,036	115,143
Ohio Housing Finance Agency					
Housing Development	459,762	4,750,000	91,433	-	5,301,195
Ohio State School for the Blind					
School for the Blind	369,996	-	14,743	-	384,739
Petroleum Underground Storage Tank Release Compensation Board					
Financial Assurance	21,713,092	17,885,396	1,376,904	15,385,050	25,590,342
Student Tuition Recovery Authority					
Student Tuition Recovery	971,395	-	37,642	85,000	924,037
Treasurer of State's Office					
Torrens Law Assurance	1,533,488	-	61,103	-	1,594,591
TOTAL CUSTODIAL FUNDS	\$78,366,285	\$51,927,105	\$3,761,391	\$35,707,302	\$98,347,479

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 verifies the payment of warrants presented by the banks for settlement, manages the State's investment portfolio, and acts as the custodian 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*, the Treasurer's office is 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 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 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 Treasurer's Revenue Management unit. Disbursements are recorded when warrants are presented and approved for payment or when electronic fund transfers are processed.

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. See Note 2 for further discussion of legal and policy restrictions.

2. Custodial Funds

Custodial funds are established under specific sections of the ORC that designate the Treasurer as custodian of the respective funds. Custodial investment balances are reported on a cost at settlement basis.

NOTES TO THE FUND SUMMARIES

[NOTE 2] DEPOSITS AND INVESTMENTS – STATE FUNDS

A. Legal Requirements

The deposit and investment policies of the Treasurer 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 and may be invested in the following instruments:

- U.S. Treasury bills, notes, bonds, or any other obligations or securities issued by the U.S. or any other obligation guaranteed as to principal and interest by the United States, provided that floating rate U.S. obligations shall be indexed to the three-month U.S. Treasury Bill.
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, provided that floating rate U.S. obligations shall be based on a money market index that resets to any of the following indices:
 - Prime Rate
 - Federal Funds Rate (includes Federal Funds Effective Rate)
 - Three-month U.S. Treasury Bill
 - Six-month U.S. Treasury Bill
 - One-year U.S. Treasury Bill
 - Secured Overnight Financing Rate
 - Overnight Bank Funding Rate

The final maturity of any floating rate obligation shall be no longer than three (3) years at the time of purchase.

- Bonds, notes, and other obligations of the State of Ohio including, but not limited to, those issued by the Treasurer, the Ohio Public Facilities Commission, the Ohio Housing Finance Agency, the Ohio Water Development Authority, the Ohio Turnpike Infrastructure Commission, the Ohio Higher Educational Facility Commission, and state institutions of higher education as defined in ORC§3345.011.
- 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/dealer, provided that the Treasurer is not the sole purchaser at original issuance.
- Bonds, notes, and other obligations issued by foreign nations diplomatically recognized by the U.S. government, provided that (i) the debt is backed by the full faith and credit of the foreign nation; (ii) the term to maturity does not exceed five years at the time of purchase; (iii) the interest and principal is denominated and payable in U.S. dollars; and (iv) the debt interest itself or the implicit rating of the issuer has a short-term debt rating in the three highest categories by two rating agencies. The total amount invested in debt issued by foreign nations shall not exceed two percent of the State's total average portfolio.
- Written repurchase agreements with (i) an eligible Ohio financial institution that is a member of the Federal Reserve System; (ii) a Federal Home Loan Bank; (iii) any registered U.S. government securities dealer; or (iv) any other institution permitted by ORC §135.143, provided that the total amount invested in repurchase transactions with any one counterparty does not exceed ten percent of the book value of the portfolio. 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 and having a market value of at least 102 percent of the principal value of the repurchase transaction.

NOTES TO THE FUND SUMMARIES

- Securities lending agreements with any eligible financial institution that is a member of the Federal Reserve System, Federal Home Loan Bank, or any registered U.S. government securities dealer. (see Note 2.G)
- 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 and the total amount invested in the debt of a single issuer, including commercial paper, shall not exceed, in the aggregate, five percent of the book value of the portfolio. At the time of issuance, the term to maturity shall not exceed 397 days.
- Acceptances of any domestic bank or federally chartered domestic branch office of a foreign bank, maturing in 270 days or less, provided that the total invested in bankers acceptances at any time shall not exceed ten percent of the State's total average portfolio and the amount invested in any single issuer at any time shall not exceed five percent of the book value of the portfolio.
- Negotiable certificates of deposit denominated in U.S. dollars issued by a nationally or state-chartered bank, a savings association, a state or federal credit union, or a federally licensed branch of a foreign bank, provided that, at the time of purchase, (i) the term to maturity does not exceed 397 days at the time of purchase; and (ii) the issuer has a short-term debt rating in the two highest categories by two or more rating agencies. At any time, the total amount invested in negotiable certificates of deposit shall not exceed 25 percent of the State's total average portfolio and the total amount invested in the debt of a single issuer, including negotiable certificates of deposit, shall not exceed in the aggregate five percent of the book value of the portfolio.
- Bank deposits in eligible institutions applying for interim moneys, including those through Bid Ohio or the Linked Deposit programs or other certificates of deposit (CDs) or savings or deposit accounts. These deposits must be insured and collateralized in accordance with ORC §135.18.
- The State Treasurer's investment pool known as the State Treasury Asset Reserve (STAR) Ohio. See Note 3.
- Insured cash sweep accounts whereby deposits are redeposited in accounts at various financial institutions to obtain full Federal Deposit Insurance Corporation (FDIC) coverage for all deposited funds.
- 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, provided that (i) investments in debt interests other than commercial paper shall not exceed in the aggregate 25 percent of the State's total average portfolio; (ii) 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; and (iii) at the time of purchase, the remaining term to maturity of the debt interests issued by the corporation does not exceed five years.
- Open-end, no-load 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 provided the fund has the highest category from one or more rating agencies. The portfolio shall hold no more than ten percent of the book value of the portfolio in any single fund, and the portfolio's holdings shall not represent more than ten percent of the total assets under management by that fund.
- Obligations of any Ohio political subdivision issued as part of the Ohio Market Access Program (OMAP).
- Obligations issued by the State of Ohio, any political subdivision thereof, or by or on behalf of any nonprofit corporation or association doing business in this state rated in the four highest categories by at least one nationally recognized rating agency and identified in an agreement described in ORC§135.143(K).

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, 2023, the state treasury had no inactive deposits to report.

B. Certificates of Deposit

CDs totaling \$672,695,881 are comprised of holdings for the Bid Ohio and the Linked Deposit programs.

- Bid Ohio is a competitive live auction of interim funds conducted twice each month whereby three-month and/or six-month CDs are placed with financial institutions making successful bids.
- Up to twelve percent of the State's investment portfolio can be invested in Linked Deposit programs. The Treasurer's office agrees to earn lower interest rates on CDs placed with participating financial institutions that, in turn, offer lower rate loans to Linked Deposit borrowers. Additionally, as part of the portfolio of the Ag-LINK program, the Treasurer holds \$276,600,000 in Federal Farm Credit Bank adjustable-rate bonds, that have been included under U.S. Agency Securities on the Summary of Assets for state funds.

NOTES TO THE FUND SUMMARIES

C. Custodial Credit Risk

Although risk is minimized through compliance with the legal requirements and internal policies adopted by the Treasurer as described above, 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. With the implementation of the Ohio Pooled Collateral Program, certain financial institutions are eligible to have a reduced collateral floor. As of June 30, 2023, a portion of the interim funds held in CDs and negotiated bank deposits was exposed to custodial credit risk; the uncollateralized balance is \$896,912,605.

Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, or are not registered in the government's name, or are held by either the counterparty or the counterparty's trust department but not in the government's name. As of June 30, 2023, investments were not exposed to custodial credit risk because they were held by the Treasurer's agent in the State's name, or they were not, by their nature, subject to custodial credit risk.

D. 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 Treasurer. As of June 30, 2023, all investments, as categorized by credit ratings in the tables below at fair value (000's omitted), meet the requirements of state law and the Treasurer's policies.

Credit Risk

(DOLLARS IN THOUSANDS)	FAIR VALUE	AAA/Aaa	AA/Aa	A/A-1	Unrated
State's Investment Portfolio					
STAR Ohio	\$ 1,715,276	\$ 1,715,276	\$ -	\$ -	\$ -
Bond Mutual Funds	1,128	1,128	-	-	-
Commercial Paper	4,456,543	4,456,543	-	-	-
U.S. Government Securities	7,197,781	1,263,455	5,934,326	-	-
U.S. Agency Securities	5,645,365	-	5,368,765	-	276,600
Negotiable Certificates of Deposit	6,121,511	5,920,977	49,918	150,616	-
Corporate Bonds/Notes	2,685,178	210,922	827,703	1,646,553	-
Municipal Bonds	126,496	115,000	11,496	-	-
Israel Bonds	172,500	-	-	172,500	-
Lottery Commission's Portfolio					
STAR Ohio	7,077	7,077	-	-	-
U.S. Government Securities	262,196	53	262,065	-	78
U.S. Agency Securities	29,583	-	27,269	-	2,314
Negotiable Certificates of Deposit	5,000	5,000	-	-	-

NOTES TO THE FUND SUMMARIES

E. Concentration of Credit Risk

The potential for loss of value increases when investments are not diversified. State law and the Treasurer's policies have imposed limits on the types of authorized investments to prevent this type of loss. As of June 30, 2023, all investments meet the requirements.

F. Fair Value

Investment balances are reported on a cost at settlement basis, including purchased accrued interest (PAI) as applicable. See the table below for carrying and fair values of the State's investments as of June 30, 2023.

Book vs Fair Value

(IN WHOLE DOLLARS)	Book Value	Fair Value
State's Investment Portfolio		
STAR Ohio	\$ 1,715,275,620	\$ 1,715,275,620
Bond Mutual Funds	1,128,404	1,128,404
Commercial Paper (includes PAI)	4,456,542,673	4,456,542,673
U.S. Government Securities (includes PAI)	7,485,653,799	7,197,781,184
U.S. Agency Securities	6,012,818,347	5,645,364,635
Negotiable Certificates of Deposit	6,121,001,429	6,121,511,329
Corporate Bonds and Notes (includes PAI)	2,826,239,555	2,685,177,874
Municipal Bonds	126,520,000	126,496,320
Israel Bonds	172,500,000	172,500,000
Lottery Commission's Portfolio		
STAR Ohio	7,076,857	7,076,857
U.S. Government Securities	214,536,466	262,195,899
U.S. Agency Securities	7,458,501	29,583,062
Negotiable Certificates of Deposit	5,000,000	5,000,000
TOTAL INVESTMENTS - STATE FUNDS	\$ 29,151,751,651	\$ 28,425,633,858

G. Securities Lending Transactions

During Fiscal Year 2023, the Treasurer's office participated in a securities lending program, pursuant to ORC §135.143, for securities included in the State's investment portfolio. A securities lending agent administers the 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 2023, 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 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, 2023, the Treasurer reported \$1,799,680,304 invested in STAR Ohio for the following state and custodial funds:

Summary of STAR Ohio Funds

(IN WHOLE DOLLARS)	INVESTED BALANCE
STATE FUNDS	
State Investment Portfolio	\$ 1,715,275,620
Lottery Commission's Portfolio	7,076,857
TOTAL - STATE FUNDS	1,722,352,477
CUSTODIAL FUNDS	
Attorney General	
Revenue Recovery	37,466,280
Ohio Board of Embalmers & Funeral Directors	
Preneed	1,771,068
Ohio Department of Development	
Loan Guarantee	970,673
Enterprise Bond Retirement	1,020,761
Volume Cap	4,140,559
Ohio Department of Job and Family Services:	
Child Support Payment Central	6,320,945
Ohio Department of Natural Resources	
Mine Subsidence Insurance	6,469,748
Lake Katharine Management	145,281
Reclamation	57,022
Wildlife Habitat	115,143
Ohio Housing Finance Agency	
Housing Development	5,301,195
Ohio State School for the Blind	
	384,739
Petroleum Underground Storage Tank Release Compensation Board	
	10,645,785
Student Tuition Recovery Authority	
	924,037
Treasurer of State's Office	
Torrens Law Assurance	1,594,591
TOTAL - CUSTODIAL FUNDS	77,327,827
TOTAL STAR OHIO INVESTMENTS-STATE & CUSTODIAL FUNDS	\$ 1,799,680,304

[NOTE 4] NET RECEIPTS UNPROCESSED BY STATE AGENCIES

The adjustment of \$44,262,335 reported on the Summary of Assets for state funds, as of June 30, 2023, represents the receipts collected and credited to the State's bank accounts, but for which state agencies had not yet presented pay-in documents to the Treasurer's Revenue Management unit for processing. Consequently, the collections had not been recorded as revenue transactions in OAKS, as of June 30, 2023. While pending their recording in OAKS, however, the Treasurer's office invested the receipts collected.





ROBERT SPRAGUE

OHIO TREASURER

30 E. Broad Street • Columbus, Ohio 43215



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