



**SEMI-ANNUAL REPORT**  
**FOR THE PERIOD JANUARY 1, 2009**  
**THROUGH JUNE 30, 2009**

**Unaudited**

**August 14, 2009**



# **State of Ohio**

## **Commissioners of the Sinking Fund**

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Mary Taylor  
Auditor of State  
*President*

*Term beginning January 8, 2007*

Jennifer Brunner  
Secretary of State  
*Secretary*

*Term beginning January 8, 2007*

Ted Strickland  
Governor  
*Member*

*Term beginning January 8, 2007*

Kevin L. Boyce  
Treasurer of State  
*Member*

*Term beginning January 7, 2009*

Richard Cordray  
Attorney General  
*Member*

*Term beginning January 7, 2009*



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**STATE OF OHIO**  
**BOARD OF COMMISSIONERS OF THE SINKING FUND**

30 East Broad Street, 9<sup>th</sup> Floor  
Columbus, Ohio 43215

614.466.3930  
614.752.8461 (FAX)

August 14, 2009

The Honorable Ted Strickland, Governor and  
The Honorable Members of the Ohio General Assembly

In accordance with Section 11 of Article VIII, Ohio Constitution and Section 129.22, Ohio Revised Code, we are pleased to submit this full and detailed report of the Commission's proceedings to the Governor and to members of the General Assembly.

The Commission prepared this report, which covers general obligation bond balances and activity, as of and for the six months ended June 30, 2009, on the cash basis of accounting. All information presented herein is unaudited.

Brief summaries on the status of the State's general obligation bonds, debt service requirements, and funding sources, as of June 30, 2009, and the changes in debt principal, including issuances and maturities, interest and accreted principal paid, and net interest rate swap receipts realized and net interest rate swap payments made, for the period, January 1, 2009 through June 30, 2009, immediately follow this letter. The report also presents more detailed descriptions and financial information on the nine types of outstanding general obligation bonds and their associated debt service funds as well as historical information on past general obligation bond issues, which have been retired.

On January 7, 2009, Kevin L. Boyce was appointed Treasurer of State of Ohio to fill the remaining term of Richard Cordray. Richard Cordray was elected in November 2008 to succeed Nancy H. Rogers as Attorney General of Ohio January 7, 2009. The Commission did not convene any meetings during this reporting period.

This semi-annual report is designed to provide the State of Ohio's citizens, taxpayers, customers, and investors and creditors with a general overview of the State's general obligation bonds and to demonstrate accountability for the money the State borrows. Questions regarding any of the information provided in this report or requests for additional information should be addressed to the Sinking Fund Commission, 30 East Broad Street, 9<sup>th</sup> Floor, Columbus, Ohio 43215, or by e-mail at [treasurer@tos.ohio.gov](mailto:treasurer@tos.ohio.gov).

Respectfully Submitted,



Mary Taylor, Auditor of State  
*President*



Jennifer Brunner, Secretary of State  
*Secretary*



Kevin L. Boyce, Treasurer of State  
*Member*



Ted Strickland, Governor  
*Member*



Richard Cordray, Attorney General  
*Member*





**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
**As of JUNE 30, 2009**

	<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS</b> Section 2m of Article VIII, Ohio Constitution 11/7/1995	<b>COAL RESEARCH AND DEVELOPMENT BONDS</b> Section 15 of Article VIII, Ohio Constitution 11/5/1985	<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS</b> Section 2l of Article VIII, Ohio Constitution 11/2/1993
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized .....	\$ 2,772,000,000	\$ 231,000,000	\$ 350,000,000
Bonds Issued (A) .....	1,945,000,000	158,000,000	295,000,000
Bonds Authorized, but not Issued .....	827,000,000	73,000,000	55,000,000
Bonds Matured .....	1,266,500,000	132,550,000	156,690,000
Outstanding Bonded Debt (B) .....	678,500,000	25,450,000	141,475,000
Total Interest Cost to Maturity .....	504,576,813	43,602,204	102,537,983
Interest Paid through 06/30/09 .....	389,635,912	41,222,420	77,656,627
Remaining Interest through Maturity .....	114,940,901	2,379,784	24,881,356
Original Discount on Capital Appreciation Bonds .....	-	-	-
Accreted Principal Paid through 06/30/09 .....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	736,309	14,127	1,588
Final Maturity Date .....	5/1/2018	8/1/2015	4/1/2020
Funding Source(s) .....	Highway Use Tax, Gasoline Tax & International Registration Plan Fees	General Revenue Fund Appropriation	General Revenue Fund Appropriation

	<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS</b> Section 2n of Article VIII, Ohio Constitution 11/2/1999	<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS</b> Section 2n of Article VIII, Ohio Constitution 11/2/1999	<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS</b> Section 2m of Article VIII, Ohio Constitution 11/3/1987
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized (D) .....	\$ 3,345,000,000	\$ 2,613,000,000	\$ 2,880,000,000
Bonds Issued (A) .....	3,290,000,000	2,000,000,000	2,639,986,135
Bonds Authorized, but not Issued .....	55,000,000	613,000,000	240,013,865
Bonds Matured .....	595,565,000	492,035,000	1,143,820,753
Outstanding Bonded Debt (B) .....	2,679,510,000	1,500,800,000	1,486,276,212
Total Interest Cost to Maturity (C) .....	1,777,571,883	1,109,466,198	1,314,321,633
Interest Paid through 06/30/09 .....	689,943,165	486,429,744	735,905,170
Remaining Interest through Maturity (C) .....	1,087,628,718	623,036,454	578,416,463
Original Discount on Capital Appreciation Bonds .....	-	-	281,518,034
Accreted Principal Paid through 06/30/09 .....	-	-	164,069,246
Remaining Discount through Maturity .....	-	-	117,448,788
Cash Balance in Bond Service Fund .....	29,440	1,894	11,298
Final Maturity Date .....	9/15/2026	11/1/2026	9/1/2028
Funding Source(s) .....	General Revenue Fund Appropriation & Net Lottery Proceeds	General Revenue Fund Appropriation	General Revenue Fund Appropriation

(continued)

**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of JUNE 30, 2009  
(Continued)

Legal Authority & Date of Voter Authorization	CONSERVATION PROJECTS BONDS Section 2o of Article VIII, Ohio Constitution 11/7/2000	THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS Section 2p of Article VIII, Ohio Constitution 11/8/2005	THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS Section 2p of Article VIII, Ohio Constitution 11/8/2005
Bonds Authorized .....	\$ 300,000,000	\$ 350,000,000	\$ 120,000,000
Bonds Issued (A) .....	200,000,000	180,700,000	30,000,000
Bonds Authorized, but not Issued .....	100,000,000	169,300,000	90,000,000
Bonds Matured .....	44,575,000	31,355,000	8,265,000
Outstanding Bonded Debt (B) .....	155,425,000	149,345,000	21,735,000
Total Interest Cost to Maturity .....	79,699,014	44,031,766	5,724,035
Interest Paid through 06/30/09 .....	32,741,370	8,935,631	2,333,822
Remaining Interest through Maturity .....	46,957,644	35,096,135	3,390,213
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 06/30/09 .....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	6	4,297	-
Final Maturity Date .....	9/1/2022	11/1/2018	5/1/2016
Funding Source(s) .....	General Revenue Fund Appropriation	General Revenue Fund Appropriation	General Revenue Fund Appropriation

**Notes:**

- (A) The "Bonds Issued" balance includes bonds issued and refunded, but excludes refunding bonds in cases when issued. Also, not more than
- \$220 million in Highway Capital Improvements Bonds may be issued in any year.
  - \$50 million in Natural Resources Capital Facilities Bonds may be issued in any fiscal year.
  - \$120 million in Public Infrastructure Capital Improvements Bonds may be issued annually through fiscal year 2013 and not more than \$150 million may be issued annually in fiscal years 2014 through 2018; the total bonds issued may not exceed \$3.75 billion.
  - \$50 million in Conservation Projects Bonds may be issued in any fiscal year.
  - \$100 million in Third Frontier Research and Development Projects Bonds may be issued in each of the first three fiscal years and not more than \$50 million in any other fiscal year.
  - \$30 million in Third Frontier Job Ready Site Development Bonds may be issued in each of the first three fiscal years and not more than \$15 million in any other fiscal year.
- (B) The "Outstanding Bonded Debt" balance excludes bonds refunded, but includes refunding bonds in cases when issued. Also, not more than
- \$1.2 billion in Highway Capital Improvements Bonds may be outstanding at any time.
  - \$100 million in Coal Research and Development Bonds may be outstanding at any time.
  - \$200 million in Natural Resources Capital Facilities Bonds may be outstanding at any time.
  - \$200 million in Conservation Projects Bonds may be outstanding at any time.
- (C) The "Total Interest Cost to Maturity" and "Remaining Interest through Maturity" balances for the Common Schools Capital Facilities Bonds and the Public Infrastructure Capital Improvements Bonds include estimates for interest payable on variable rate bonds in the future.
- (D) The amounts of general obligations authorized for Common Schools Facilities and for Higher Education Facilities have been reduced by \$800 million and \$950 million, respectively, as a result of proceeds generated by the Buckeye Tobacco Settlement Financing Authority, which will be used to fund such purposes for fiscal year 2008 and 2009 in lieu of bonded debt.

**STATE OF OHIO**  
**SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST**  
**AND ACCRETED PRINCIPAL PAID, AND NET INTEREST RATE SWAP TRANSACTIONS**  
**For the Six Months Ended JUNE 30, 2009**

*Outstanding General Obligation Bond Principal, January 1, 2009:*

Highway Capital Improvements Bonds .....	\$ 837,500,000
Coal Research and Development Projects Bonds .....	28,480,000
Natural Resources Capital Facilities Bonds .....	150,345,000
Common Schools Capital Facilities Bonds .....	2,728,550,000
Higher Education Capital Facilities Bonds .....	1,564,135,000
Public Infrastructure Capital Improvements Bonds .....	1,522,546,212
Conservation Projects Bonds .....	161,185,000
Third Frontier Research & Development Projects Bonds .....	102,140,000
Third Frontier Job Ready Site Development Bonds.....	24,405,000
<i>Total Outstanding, January 1, 2009.....</i>	7,119,286,212

*General Obligation Bonds Issued - January 1 through June 30, 2009:*

		Date of Issue
Common Schools Capital Facilities Bonds, Series 2009A.....	91,170,000	January 27, 2009
Higher Education Capital Facilities Bonds, Series 2009A.....	86,905,000	January 27, 2009
Public Infrastructure Capital Improvements Bonds, Series 2009A.....	49,995,000	January 27, 2009
Third Frontier Research & Development Projects Bonds, Series 2009A.....	60,000,000	March 5, 2009
Common Schools Capital Facilities Bonds, Series 2009B.....	102,970,000	May 29, 2009
Higher Education Capital Facilities Bonds, Series 2009B.....	48,745,000	May 29, 2009
Public Infrastructure Capital Improvements Bonds, Series 2009B.....	81,990,000	May 29, 2009
<i>Total Issuances.....</i>	521,775,000	

*General Obligation Bonds Refunded - January 1 through June 30, 2009:*

		Date Refunded
Common Schools Capital Facilities Bonds.....	89,800,000	January 27, 2009
Higher Education Capital Facilities Bonds.....	87,905,000	January 27, 2009
Public Infrastructure Capital Improvements Bonds.....	50,170,000	January 27, 2009
Common Schools Capital Facilities Bonds.....	111,955,000	May 29, 2009
Higher Education Capital Facilities Bonds.....	53,370,000	May 29, 2009
Public Infrastructure Capital Improvements Bonds.....	88,460,000	May 29, 2009
<i>Total Refunded.....</i>	481,660,000	

*General Obligation Bonds Matured - January 1 through June 30, 2009:*

		Date of Maturity
<i>Highway Capital Improvements Bonds:</i>		
Series D.....	20,000,000	May 1, 2009
Series E.....	22,500,000	May 1, 2009
Series F.....	20,000,000	May 1, 2009
Series G.....	13,500,000	May 1, 2009
Series H.....	16,000,000	May 1, 2009
Series I.....	14,000,000	May 1, 2009
Series J.....	20,000,000	May 1, 2009
Series K.....	19,000,000	May 1, 2009
Series L.....	14,000,000	May 1, 2009
	159,000,000	
<i>Coal Research and Development Bonds:</i>		
Series E.....	1,410,000	February 1, 2009
Series H.....	1,620,000	February 1, 2009
	3,030,000	
<i>Natural Resources Capital Facilities Bonds:</i>		
Series D.....	2,200,000	April 1, 2009
Series E.....	2,040,000	April 1, 2009
Series F.....	1,285,000	April 1, 2009
Series I.....	1,890,000	April 1, 2009
Series K.....	1,455,000	April 1, 2009
	8,870,000	
<i>Common Schools Capital Facilities Bonds:</i>		
Series 2003A.....	10,260,000	March 15, 2009
Series 2003C.....	7,455,000	March 15, 2009
Series 2004B.....	7,170,000	March 15, 2009
Series 2005A.....	4,250,000	March 15, 2009
Series 2005B.....	4,250,000	March 15, 2009
Series 2006B.....	4,020,000	June 15, 2009
Series 2006C.....	4,020,000	June 15, 2009
	41,425,000	

(continued)

**STATE OF OHIO**  
**SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST**  
**AND ACCRETED PRINCIPAL PAID AND NET INTEREST RATE SWAP TRANSACTIONS**  
**As of JUNE 30, 2009**  
**(Continued)**

Higher Education Capital Facilities Bonds:		
Series 2000A.....	9,200,000	February 1, 2009
Series 2001A.....	6,240,000	February 1, 2009
Series 2004B.....	5,360,000	February 1, 2009
Series 2005A.....	5,305,000	February 1, 2009
Series 2000B.....	9,045,000	May 1, 2009
Series 2003A.....	6,020,000	May 1, 2009
Series 2004A.....	6,055,000	May 1, 2009
Series 2005B.....	5,405,000	May 1, 2009
Series 2006A.....	5,080,000	May 1, 2009
	<u>57,710,000</u>	
Public Infrastructure Capital Improvements Bonds:		
Series 1999.....	5,640,000	February 1, 2009
Series 2000.....	5,000,000	February 1, 2009
Series 2003F.....	5,175,000	February 1, 2009
Series 2004A.....	695,000	February 1, 2009
Series 2002B.....	4,490,000	March 1, 2009
Series 2004D.....	4,445,000	March 1, 2009
Series 2006A.....	4,180,000	March 1, 2009
	<u>29,625,000</u>	
Conservation Projects Bonds:		
Series 2004A.....	2,910,000	March 1, 2009
Series 2005A.....	2,850,000	March 1, 2009
	<u>5,760,000</u>	
Third Frontier Research & Development Bonds:		
Series 2006A.....	6,265,000	May 1, 2009
Series 2007A.....	2,530,000	May 1, 2009
Series 2008A.....	4,000,000	May 1, 2009
	<u>12,795,000</u>	
Third Frontier Job Ready Site Development Bonds:		
Series 2006A.....	2,670,000	May 1, 2009
	<u>2,670,000</u>	
	<u>320,885,000</u>	
<i>Total Maturities.....</i>		
<i>Outstanding General Obligation Bond Principal, June 30, 2009:</i>		
Highway Capital Improvements Bonds .....	678,500,000	
Coal Research and Development Projects Bonds .....	25,450,000	
Natural Resources Capital Facilities Bonds .....	141,475,000	
Common Schools Capital Facilities Bonds .....	2,679,510,000	
Higher Education Capital Facilities Bonds .....	1,500,800,000	
Public Infrastructure Capital Improvements Bonds .....	1,486,276,212	
Conservation Projects Bonds .....	155,425,000	
Third Frontier Research & Development Projects Bonds .....	149,345,000	
Third Frontier Job Ready Site Development Bonds.....	21,735,000	
<i>Total Outstanding, June 30, 2009.....</i>	<u>\$ 6,838,516,212</u>	
<i>Interest &amp; Accreted Principal Paid, January 1 through June 30, 2009:</i>		
	<u>Interest</u>	<u>Accreted Principal</u>
Highway Capital Improvements Bonds .....	\$ 19,225,906	\$ -
Coal Research and Development Projects Bonds .....	554,684	-
Natural Resources Capital Facilities Bonds .....	3,053,175	-
Common Schools Capital Facilities Bonds .....	54,216,301	-
Higher Education Capital Facilities Bonds .....	36,062,067	-
Public Infrastructure Capital Improvements Bonds .....	29,003,319	-
Conservation Projects Bonds .....	3,674,615	-
Third Frontier Research & Development Projects Bonds .....	2,434,205	-
Third Frontier Job Ready Site Development Bonds.....	451,221	-
<i>Total Interest and Accreted Principal Paid.....</i>	<u>\$ 148,675,493</u>	<u>\$ -</u>
<i>Interest Rate Swap Agreements-Net Receipts &amp; Payments,</i>		
<i>January 1 through June 30, 2009:</i>		
	<u>Net Swap Receipts</u>	<u>Net Swap Payments</u>
Common Schools Capital Facilities Bonds .....	\$ -	\$ 4,739,880
Public Infrastructure Capital Improvements Bonds .....	23,764	1,744,545
<i>Total Net Receipts and Payments.....</i>	<u>\$ 23,764</u>	<u>\$ 6,484,425</u>

**STATE OF OHIO  
GENERAL OBLIGATION BOND RATINGS**

Ratings in effect from time to time reflect only the views of the particular rating organization. An explanation of a specific rating agency's view on the meaning and significance of its assigned ratings may be obtained from the respective rating agency. There can be no assurance that the ratings assigned will continue for any given time, or that a rating will not be lowered or withdrawn by a rating agency if in its judgment circumstances so warrant.

During the period of activity this report covers, the following actions occurred with respect to the State's general obligation bond rating:

On December 15, 2008, Fitch announced that it had changed its ratings outlook for the State from "stable" to "negative." According to Fitch, a change in ratings outlook is not a ratings change, but does indicate that a change is likely, although not inevitable, over the next one to two years. On June 10, 2009, Fitch downgraded the State's AA+ general obligation credit rating to AA and revised the "negative" rating outlook it assigned on December 15, 2008 to "stable."

On June 15, 2009, Moody's downgraded the State's general obligation credit rating to Aa2 from Aa1 and revised the "negative" credit outlook it assigned to the State on February 16, 2007 to "stable."

The table below reflects the ratings in effect for general obligation bonds during the period January 1, 2009 through June 30, 2009. The underlying ratings that have been assigned by the three major bond rating agencies are exclusive of any credit enhancement that may be attached to a particular issue.

<b>Ratings Assigned to General Obligations</b>					
Purpose	Bond Rating Agencies				
	Fitch		Moody's		Standard & Poor's
	1/1/09- 6/9/09	6/10/09- 6/30/09	1/1/09- 6/14/09	6/15/09- 6/30/09	6/30/09
Ratings in effect					
Highway Capital Improvements .....	AA+	AA	Aa1	Aa2	AAA
Coal Research and Development .....	AA+	AA	Aa1	Aa2	AA+
Natural Resources Capital Facilities .....	AA+	AA	Aa1	Aa2	AA+
Common Schools Capital Facilities .....	AA+	AA	Aa1	Aa2	AA+
Higher Education Capital Facilities .....	AA+	AA	Aa1	Aa2	AA+
Public Infrastructure Capital Improvements .....	AA+	AA	Aa1	Aa2	AA+
Conservation Projects .....	AA+	AA	Aa1	Aa2	AA+
Third Frontier Research and Development Projects and Job Ready Site Development .....	AA+	AA	Aa1	Aa2	AA+

Source: Ohio Office of Budget and Management

<b>General Obligation Bond Sales</b>						
Details on bond sales that closed during the six-month period ended June 30, 2009 are as follows:						
Issue	Date of Issue	Par Amount	Premium/ (Discount)	Under- writer's Discount	Cost of Issuance	Net Proceeds Delivered to Project Fund
Common Schools Facilities Bonds, Series 2009A.....	1/27/09	\$ 91,170,000	\$ 8,880,151	\$ (422,061)	\$ (116,341)	\$ 99,511,749
Common Schools Facilities Bonds, Series 2009B.....	5/29/09	102,970,000	12,600,150	(463,001)	(184,751)	114,922,398
Higher Education Facilities Bonds, Series 2009A.....	1/27/09	86,905,000	9,108,417	(402,382)	(133,362)	95,477,673
Higher Education Facilities Bonds, Series 2009B.....	5/29/09	48,745,000	6,761,966	(234,910)	(109,291)	55,162,765
Public Infrastructure Capital Improvements Bonds, Series 2009A.....	1/27/09	49,995,000	2,343,957	(233,962)	(98,503)	52,006,492
Public Infrastructure Capital Improvements Bonds, Series 2009B.....	5/29/09	81,990,000	9,551,149	(390,702)	(142,322)	91,008,125
Third Frontier Research & Development Bonds, Series 2009A.....	3/5/09	60,000,000	5,242,137	(286,367)	(132,500)	64,823,270

**STATE OF OHIO**  
**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BOND PRINCIPAL BALANCES**  
**THROUGH FINAL SCHEDULED MATURITY**  
**As of JUNE 30, 2009**

As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public			Third Frontier Research & Development Projects	Third Frontier Job Ready Site Development	Total Outstanding
						Infrastructure Capital Improvements	Conservation Projects	Development Projects			
06/30/09	\$ 678,500,000	\$ 25,450,000	\$ 141,475,000	\$ 2,679,510,000	\$ 1,500,800,000	\$ 1,486,276,212	\$ 155,425,000	\$ 149,345,000	\$ 21,735,000	\$ 6,838,516,212	
06/30/10	539,500,000	18,245,000	121,505,000	2,601,220,000	1,467,940,000	1,457,490,636	143,595,000	136,845,000	18,965,000	6,505,305,636	
06/30/11	423,000,000	12,315,000	102,645,000	2,457,680,000	1,382,215,000	1,350,057,848	131,335,000	118,810,000	16,075,000	5,994,132,848	
06/30/12	326,500,000	6,145,000	83,035,000	2,309,385,000	1,288,020,000	1,240,155,915	118,600,000	99,170,000	13,085,000	5,484,095,915	
06/30/13	230,000,000	3,360,000	67,455,000	2,141,445,000	1,187,565,000	1,137,278,266	105,355,000	78,710,000	9,980,000	4,961,148,266	
06/30/14	147,000,000	2,295,000	51,300,000	1,962,535,000	1,079,745,000	1,016,306,998	91,530,000	65,080,000	6,780,000	4,422,571,998	
06/30/15	80,000,000	1,175,000	37,365,000	1,797,215,000	964,615,000	900,328,600	77,045,000	50,985,000	3,450,000	3,912,178,600	
06/30/16	47,000,000	-	25,550,000	1,625,360,000	871,155,000	787,180,000	61,805,000	36,090,000	-	3,454,140,000	
06/30/17	14,000,000	-	15,065,000	1,447,800,000	774,005,000	678,360,000	45,925,000	20,435,000	-	2,995,590,000	
06/30/18	-	-	4,120,000	1,262,600,000	671,990,000	575,030,000	33,980,000	7,995,000	-	2,555,715,000	
06/30/19	-	-	2,100,000	1,069,735,000	565,770,000	486,750,000	21,480,000	-	-	2,145,835,000	
06/30/20	-	-	-	868,455,000	454,115,000	405,285,000	12,850,000	-	-	1,740,705,000	
06/30/21	-	-	-	673,650,000	338,005,000	329,870,000	8,775,000	-	-	1,350,300,000	
06/30/22	-	-	-	481,025,000	234,100,000	261,245,000	4,495,000	-	-	980,865,000	
06/30/23	-	-	-	296,150,000	138,785,000	199,025,000	-	-	-	633,960,000	
06/30/24	-	-	-	168,700,000	76,700,000	151,830,000	-	-	-	397,230,000	
06/30/25	-	-	-	80,520,000	33,595,000	111,610,000	-	-	-	225,725,000	
06/30/26	-	-	-	17,580,000	11,505,000	71,145,000	-	-	-	100,230,000	
06/30/27	-	-	-	-	-	45,595,000	-	-	-	45,595,000	
06/30/28	-	-	-	-	-	18,665,000	-	-	-	18,665,000	
06/30/29	-	-	-	-	-	-	-	-	-	-	

**STATE OF OHIO**  
**SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS**  
**As of JUNE 30, 2009**

**HIGHWAY CAPITAL  
IMPROVEMENTS BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 139,000,000	\$ 31,263,971	\$ 170,263,971
2011.....	116,500,000	24,914,146	141,414,146
2012.....	96,500,000	19,727,596	116,227,596
2013.....	96,500,000	15,198,839	111,698,839
2014.....	83,000,000	10,724,686	93,724,686
2015-2019.....	147,000,000	13,111,663	160,111,663
2020-2024.....	-	-	-
2025-2029.....	-	-	-
<b>Total.....</b>	<b>678,500,000</b>	<b>114,940,901</b>	<b>793,440,901</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 678,500,000	\$ 114,940,901	\$ 793,440,901

**COAL RESEARCH AND  
DEVELOPMENT BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 7,205,000	\$ 920,919	\$ 8,125,919
2011.....	5,930,000	631,131	6,561,131
2012.....	6,170,000	406,878	6,576,878
2013.....	2,785,000	201,981	2,986,981
2014.....	1,065,000	120,169	1,185,169
2015-2019.....	2,295,000	98,706	2,393,706
2020-2024.....	-	-	-
2025-2029.....	-	-	-
<b>Total.....</b>	<b>25,450,000</b>	<b>2,379,784</b>	<b>27,829,784</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 25,450,000	\$ 2,379,784	\$ 27,829,784

**NATURAL RESOURCES CAPITAL  
FACILITIES BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 19,970,000	\$ 5,467,980	\$ 25,437,980
2011.....	18,860,000	4,701,311	23,561,311
2012.....	19,610,000	3,926,258	23,536,258
2013.....	15,580,000	3,203,465	18,783,465
2014.....	16,155,000	2,546,069	18,701,069
2015-2019.....	49,200,000	4,957,523	54,157,523
2020-2024.....	2,100,000	78,750	2,178,750
2025-2029.....	-	-	-
<b>Total.....</b>	<b>141,475,000</b>	<b>24,881,356</b>	<b>166,356,356</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 141,475,000	\$ 24,881,356	\$ 166,356,356

**COMMON SCHOOLS CAPITAL  
FACILITIES BONDS**

	Principal	Interest (A)	Total
FY Ending June 30,			
2010.....	\$ 78,290,000	\$ 124,373,725	\$ 202,663,725
2011.....	143,540,000	120,095,008	263,635,008
2012.....	148,295,000	113,391,345	261,686,345
2013.....	167,940,000	106,347,868	274,287,868
2014.....	178,910,000	98,579,368	277,489,368
2015-2019.....	892,800,000	368,855,248	1,261,655,248
2020-2024.....	901,035,000	146,332,799	1,047,367,799
2025-2029.....	168,700,000	9,653,357	178,353,357
<b>Total.....</b>	<b>2,679,510,000</b>	<b>1,087,628,718</b>	<b>3,767,138,718</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 2,679,510,000	\$ 1,087,628,718	\$ 3,767,138,718

**HIGHER EDUCATION CAPITAL  
FACILITIES BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 32,860,000	\$ 72,532,360	\$ 105,392,360
2011.....	85,725,000	70,964,560	156,689,560
2012.....	94,195,000	66,830,974	161,025,974
2013.....	100,455,000	62,171,335	162,626,335
2014.....	107,820,000	57,027,800	164,847,800
2015-2019.....	513,975,000	207,946,669	721,921,669
2020-2024.....	489,070,000	80,296,321	569,366,321
2025-2029.....	76,700,000	5,266,435	81,966,435
<b>Total.....</b>	<b>1,500,800,000</b>	<b>623,036,454</b>	<b>2,123,836,454</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 1,500,800,000	\$ 623,036,454	\$ 2,123,836,454

**PUBLIC INFRASTRUCTURE CAPITAL  
IMPROVEMENTS BONDS**

	Principal	Interest (A)	Total
FY Ending June 30,			
2010.....	\$ 48,635,000	\$ 65,758,138	\$ 114,393,138
2011.....	130,450,000	64,704,559	195,154,559
2012.....	136,595,000	60,450,730	197,045,730
2013.....	133,015,000	56,371,551	189,386,551
2014.....	131,815,000	51,599,704	183,414,704
2015-2019.....	536,465,000	182,414,626	718,879,626
2020-2024.....	334,920,000	79,895,958	414,815,958
2025-2029.....	151,830,000	17,221,197	169,051,197
<b>Total.....</b>	<b>1,603,725,000</b>	<b>578,416,463</b>	<b>2,182,141,463</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 1,603,725,000	\$ 578,416,463	\$ 2,182,141,463

**STATE OF OHIO**  
**SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS**  
As of JUNE 30, 2009  
(Continued)

FY Ending June 30,	CONSERVATION PROJECT BONDS			THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS			THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2010.....	\$ 11,830,000	\$ 7,047,083	\$ 18,877,083	\$ 12,500,000	\$ 7,108,199	\$ 19,608,199	\$ 2,770,000	\$ 812,330	\$ 3,582,330
2011.....	12,260,000	6,610,883	18,870,883	18,035,000	6,136,185	24,171,185	2,890,000	718,843	3,608,843
2012.....	12,735,000	6,133,133	18,868,133	19,640,000	5,401,053	25,041,053	2,990,000	620,583	3,610,583
2013.....	13,245,000	5,611,239	18,856,239	20,460,000	4,579,890	25,039,890	3,105,000	517,428	3,622,428
2014.....	13,825,000	5,031,458	18,856,458	13,630,000	3,678,890	17,308,890	3,200,000	354,415	3,554,415
2015-2019.....	70,050,000	14,628,181	84,678,181	65,080,000	8,191,918	73,271,918	6,780,000	366,614	7,146,614
2020-2024.....	21,480,000	1,895,667	23,375,667	-	-	-	-	-	-
2025-2029.....	-	-	-	-	-	-	-	-	-
<b>Total.....</b>	<b>155,425,000</b>	<b>46,957,644</b>	<b>202,382,644</b>	<b>149,345,000</b>	<b>35,096,135</b>	<b>184,441,135</b>	<b>21,735,000</b>	<b>3,390,213</b>	<b>25,125,213</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds....	-	-	-	-	-	-	-	-	-
	<b>\$ 155,425,000</b>	<b>\$ 46,957,644</b>	<b>\$ 202,382,644</b>	<b>\$ 149,345,000</b>	<b>\$ 35,096,135</b>	<b>\$ 184,441,135</b>	<b>\$ 21,735,000</b>	<b>\$ 3,390,213</b>	<b>\$ 25,125,213</b>

Notes:

(A) The future funding of interest amounts include estimates calculated for the variable rate bonds using an interest rate of 4.00 percent through maturity. The variable interest rate paid to bondholders is reset weekly until the variable rate bonds mature.



**STATE OF OHIO**  
**SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES**  
**As of JUNE 30, 2009**

HIGHWAY CAPITAL IMPROVEMENTS BONDS			COAL RESEARCH AND DEVELOPMENT BONDS			NATURAL RESOURCES CAPITAL FACILITIES BONDS		
Legislation	General Assembly Session	Amount of Authorization	Legislation	General Assembly Session	Amount of Authorization	Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 73	124th	\$ 1,092,500,000	Senate Bill 206	119th	\$ 50,000,000	All Acts Prior to House Bill 675	124th	\$ 272,000,000
House Bill 73	124th	257,500,000	House Bill 298	119th	50,000,000	House Bill 675	124th	15,000,000
House Bill 87	125th	420,000,000	House Bill 152	120th	50,000,000	House Bill 16	126th	14,000,000
House Bill 68	126th	360,000,000	House Bill 66	126th	15,000,000	House Bill 530	126th	5,000,000
House Bill 67	127th	290,000,000	House Bill 554	127th	66,000,000	House Bill 699	126th	16,000,000
House Bill 2	128th	352,000,000				House Bill 562	127th	28,000,000

Total Authorizations,  
as of June 30, 2009..... \$ 2,772,000,000

Total Authorizations,  
as of June 30, 2009..... \$ 231,000,000

Total Authorizations,  
as of June 30, 2009..... \$ 350,000,000

COMMON SCHOOLS CAPITAL FACILITIES BONDS			HIGHER EDUCATION CAPITAL FACILITIES BONDS			PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS		
Legislation	General Assembly Session	Amount of Authorization	Legislation	General Assembly Session	Amount of Authorization	Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 95	125th	\$ 2,382,000,000	All Acts Prior to Senate Bill 189	125th	\$ 1,798,000,000	All Acts Prior to House Bill 530	126th	\$ 2,280,000,000
House Bill 95	125th	123,000,000	Senate Bill 189	125th	53,000,000	House Bill 530	126th	120,000,000
House Bill 16	126th	530,000,000	House Bill 16	126th	476,000,000	House Bill 699	126th	120,000,000
House Bill 530	126th	580,000,000	House Bill 530	126th	54,000,000	House Bill 496	127th	120,000,000
House Bill 699	126th	530,000,000	House Bill 699	126th	576,000,000	House Bill 554	127th	120,000,000
House Bill 562 (A)	127th	(800,000,000)	House Bill 562 (B)	127th	(344,000,000)	House Bill 562	127th	120,000,000

Total Authorizations,  
as of June 30, 2009..... \$ 3,345,000,000

Total Authorizations,  
as of June 30, 2009..... \$ 2,613,000,000

Total Authorizations,  
as of June 30, 2009..... \$ 2,880,000,000

**STATE OF OHIO**  
**SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES**  
As of JUNE 30, 2009  
(Continued)

CONSERVATION PROJECTS BONDS			THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS			THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS		
Legislation	General Assembly Session		Legislation	General Assembly Session		Legislation	General Assembly Session	
	Amount of Authorization			Amount of Authorization			Amount of Authorization	
All Acts Prior to								
House Bill 16	\$ 100,000,000		Senate Bill 236	126th	\$ 200,000,000	Senate Bill 236	126th	\$ 30,000,000
House Bill 16	50,000,000		House Bill 119	127th	150,000,000	House Bill 530	126th	30,000,000
House Bill 530	50,000,000					House Bill 699	126th	30,000,000
House Bill 562	40,000,000					House Bill 562	127th	30,000,000
House Bill 2 (C)	(40,000,000)							
House Bill 2	100,000,000							
<b>Total Authorizations,</b> as of June 30, 2009.....	<b>\$ 300,000,000</b>		<b>Total Authorizations,</b> as of June 30, 2009.....	<b>\$ 350,000,000</b>		<b>Total Authorizations,</b> as of June 30, 2009.....	<b>\$ 120,000,000</b>	

Notes:

- (A) The amounts of general obligations authorized for Common Schools Facilities were reduced by \$800 million as a result of proceeds generated by the Buckeye Tobacco Settlement Financing Authority, which were used to fund such purposes for fiscal year 2008 and 2009 in lieu of bonded debt.
- (B) The net reduction of general obligations authorized for Higher Education Facilities in the amount of \$344 million was a result of a reduction of \$950 million in proceeds generated by the Buckeye Tobacco Settlement Financing Authority, which were used to fund such purposes for fiscal year 2008 and 2009 in lieu of bonded debt (Am. Sub. HB 562, Sec. 518.03); and an increase of \$606 million in additional obligations authorized (Am. Sub. HB 562, Sec. 233.60.30).
- (C) HB2 replaced the \$40 million authorized in HB562, passed in 2008, with a new \$100 million authorization, effective 01/01/10, making the total authorized for Conservation Projects Bonds \$300 million.

## HIGHWAY CAPITAL IMPROVEMENTS BONDS

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Section 2m of Article VIII, Ohio Constitution, as approved by voters on November 7, 1995, authorizes the issuance of Highway Capital Improvements Bonds. The vote was: Yes—1,398,467; No—856,505.

Highway Capital Improvement Bonds finance the acquisition, construction, reconstruction, expansion, improvement, planning and equipping of highways, including those on the state highway system and urban extensions thereof, those within or leading to public parks or recreation areas, and those within or leading to municipal corporations, and for participation in such highway capital improvements with municipal corporations, counties, townships, or other governmental entities as designated by law, or any one or more of them, by grants, loans, or contributions to them for any such capital improvements.

Not more than \$220 million in bond principal, plus the principal of Highway Capital Improvements Bonds that in any prior fiscal years could have been but were not issued within the \$220 million fiscal-year limit, can be issued in any fiscal year, and not more than \$1.2 billion in bond principal can be outstanding at any one time.

Highway Capital Improvements Bonds mature in not more than 30 years from the date of issuance, or if issued to retire or refund other obligations, within 30 years from the date the debt originally was contracted.

The moneys referred to in Section 5a of Article XII, Ohio Constitution, can be pledged to the payment of debt service on Highway Capital Improvements Bonds from the Highway Capital Improvement Bond Service Fund, as created under Section 151.06, Ohio Revised Code. In each year that moneys referred to in Section 5a of Article XII, Ohio Constitution, pledged to the payment of debt service on Highway Capital Improvements Bonds are available for such purpose, the moneys are to be appropriated thereto and the required application of any other excises and taxes are reduced in corresponding amount.

Section 2m of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of Senate Bill 257, in 1996, which enacted Sections 5528.51 to 5528.56, Ohio Revised Code.

The authority to issue Highway Capital Improvements Bonds in amounts authorized by the General Assembly was conferred upon the Sinking Fund Commission in House Bill 257. The Commission's authority to issue additional Highway Capital Improvements Bonds was withdrawn, however, when provisions in House Bill 640 became effective on September 14, 2000. The law enacted Sections 151.01 and 151.06, Ohio Revised Code, which called upon the Treasurer of State to become the issuer of the bonds. Section 52 of House Bill 640 provides for the Treasurer of State to supersede the Sinking Fund Commission in all matters relating to the bonds.

Legislation authorizing the issuance of Highway Capital Improvements Bonds further requires that the obligations be issued from time to time in such amounts as necessary to provide sufficient moneys to the credit of the Highway Capital Improvement Fund, a fund created under Section 5528.53, Ohio Revised Code, to pay costs charged to that fund when due as estimated by the Director of Transportation.

**STATE OF OHIO**  
**SCHEDULE OF HIGHWAY CAPITAL IMPROVEMENTS BONDS**  
**As of JUNE 30, 2009**

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 11/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
A	09/15/96	05/01/97	05/01/06	4.8425%	\$ 50,000,000	\$ 50,000,000	\$ -	\$ -	\$ 12,415,563	\$ 12,415,563	\$ -
B	06/15/97	05/01/98	05/01/07	4.6609%	125,000,000	125,000,000	-	-	31,440,243	31,440,243	-
C	07/01/98	05/01/99	05/01/08	4.3728%	200,000,000	200,000,000	-	-	51,016,667	51,016,667	-
D	06/01/99	05/01/00	05/01/09	4.4346%	200,000,000	200,000,000	-	-	46,895,833	46,895,833	-
E	04/01/00	05/01/01	05/01/10	5.0475%	225,000,000	202,500,000	22,500,000	-	67,877,344	66,611,719	1,265,625
F	02/01/01	05/01/02	05/01/11	4.1271%	200,000,000	160,000,000	40,000,000	-	57,171,324	54,106,205	3,065,119
G	12/04/02	05/01/04	05/01/13	4.1271%	135,000,000	81,000,000	54,000,000	-	38,185,816	31,317,333	6,868,483
H	03/04/04	05/01/05	05/01/14	2.9603%	160,000,000	80,000,000	80,000,000	-	42,039,742	30,408,867	11,630,875
I	05/18/05	05/01/06	05/01/15	3.5103%	140,000,000	56,000,000	84,000,000	-	36,241,844	21,846,407	14,395,437
J	03/08/06	05/01/07	05/01/15	3.7830%	180,000,000	60,000,000	120,000,000	-	40,516,925	21,232,082	19,284,843
K	04/11/07	05/01/08	05/01/17	3.8650%	190,000,000	38,000,000	152,000,000	-	49,452,649	16,874,774	32,577,875
L	05/01/08	05/01/09	05/01/18	3.3940%	140,000,000	14,000,000	126,000,000	-	31,322,863	5,470,219	25,852,644
<b>TOTAL</b>					\$ 1,945,000,000	\$ 1,266,500,000	\$ 678,500,000	\$ -	\$ 504,576,813	\$ 389,635,912	\$ 114,940,901

Note:

(A) Interest rates for the Series A through Series E bonds reflect the net interest cost.

**STATE OF OHIO**  
**HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

	<b>JANUARY 1, 2009 THROUGH JUNE 30, 2009</b>	<b>CUMULATIVE SINCE INCEPTION SEPTEMBER 1996</b>
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ 115,144,100</b>	
<b>CASH INFLOWS:</b>		
Transfers from Other State Funds.....	62,535,426	\$ 1,578,977,930
Bond Proceeds.....	-	48,263,522
Accrued Interest on Bonds Sold.....	-	1,875,117
Interest Earnings.....	1,282,689	28,742,506
<b>TOTAL CASH INFLOWS.....</b>	<b>63,818,115</b>	<b>1,657,859,075</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	159,000,000	1,266,500,000
Interest Paid.....	19,225,906	389,635,912
Bond Sale and Miscellaneous Expenses.....	-	986,854
<b>TOTAL CASH OUTFLOWS.....</b>	<b>178,225,906</b>	<b>1,657,122,766</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 736,309</b>	<b>\$ 736,309</b>

Note:

In addition to the June 30, 2009 cash balance reported above for the Highway Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$13,405 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$103 in investment earnings held in STAROhio, and \$13,302 in administrative fees, which were transferred to the Highway Capital Improvements Bond Service Fund in July 2009.

## COAL RESEARCH AND DEVELOPMENT BONDS

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Section 15 of Article VIII, Ohio Constitution, as approved by voters on November 5, 1985, authorizes the issuance of Coal Research and Development Bonds. The vote was: Yes—1,439,344; No—807,647.

Coal Research and Development Bonds provide the financing for financial assistance for research and development of coal technology that will encourage the use of Ohio coal.

Not more than \$100 million in bond principal can be outstanding at any one time.

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer of the Treasurer of State, of the amount certified by the Ohio Coal Development Office, from the State's General Revenue Fund to the Coal Research and Development Bond Service Fund, a fund created under Section 151.07, Ohio Revised Code.

Section 15 of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of House Bill 750, in 1986, which enacted Sections 1555.01 et seq., Ohio Revised Code, and with the adoption from time to time of laws authorizing the issuance of Coal Research and Development Bonds and appropriating the proceeds for the purposes for which the bonds may be issued.

The authority to issue Coal Research and Development Bonds in amounts authorized by the General Assembly was conferred upon the Sinking Fund Commission in House Bill 750. The Commission's authority to issue additional Coal Research and Development Bonds was withdrawn, however, when provisions in House Bill 640 became effective on September 14, 2000. The law enacted Sections 151.01 and 151.07, Ohio Revised Code, which called upon the Ohio Public Facilities Commission to become the issuer of the bonds. Section 52 of House Bill 640 provides for the Ohio Public Facilities Commission to supersede the Sinking Fund Commission in all matters relating to the bonds.

Legislation for each authorized issuance of Coal Research and Development Bonds further provides that the bonds are to be dated, issued, and sold from time to time in such amounts as necessary to provide sufficient moneys to the credit of the Coal Research and Development Fund, a fund created under Section 1555.15, Ohio Revised Code, to pay program costs charged to the fund, as determined by the Director of the Ohio Coal Development Office.

**STATE OF OHIO**  
**SCHEDULE OF COAL RESEARCH AND DEVELOPMENT BONDS**  
As of JUNE 30, 2009

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 08/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
A	08/15/86	02/01/87	08/01/96	6.1750%	\$ 50,000,000	\$ 50,000,000	\$ -	\$ -	\$ 17,608,443	\$ 17,608,443	\$ -
B	01/15/92	08/01/93	08/01/02	5.0205%	15,000,000	15,000,000	-	-	4,878,368	4,878,368	-
C	06/15/93	02/01/94	02/01/03	4.6351%	15,000,000	15,000,000	-	-	3,867,563	3,867,563	-
D	09/15/95	02/01/96	02/01/05	4.5413%	15,000,000	15,000,000	-	-	3,617,898	3,617,898	-
E	04/01/00	02/01/01	02/01/10	5.0249%	12,000,000	10,510,000	1,490,000	-	3,358,622	3,284,122	74,500
F	08/01/01	08/01/02	08/01/11	4.0330%	15,000,000	9,950,000	5,050,000	1,610,000	3,808,725	3,476,200	332,525
G	05/01/02	08/01/03	08/01/12	3.9950%	15,000,000	8,335,000	6,665,000	1,565,000	3,504,175	2,936,035	568,140
H	04/01/04	02/01/05	02/01/12	2.3885%	13,000,000	7,910,000	5,090,000	-	1,390,750	1,108,025	282,725
I	09/20/07	08/01/08	08/01/15	3.9283%	8,000,000	845,000	7,155,000	885,000	1,567,660	445,766	1,121,894
<b>TOTAL</b>					\$ 158,000,000	\$ 132,550,000	\$ 25,450,000	\$ 4,060,000	\$ 43,602,204	\$ 41,222,420	\$ 2,379,784

Note:

(A) Interest rates for the Series A through Series E bonds reflect the net interest cost.

**STATE OF OHIO**  
**COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

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	<u>JANUARY 1, 2009 THROUGH JUNE 30, 2009</u>	<u>CUMULATIVE SINCE INCEPTION AUGUST 1986</u>
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ 415</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	3,584,139	\$ 173,663,032
Bond Proceeds.....	-	157,732
Accrued Interest on Bonds Sold.....	-	207,442
Royalties from Research and Development Grants.....	14,031	112,704
Interest Earnings.....	226	178,727
	<u>3,598,396</u>	<u>174,319,637</u>
<b>TOTAL CASH INFLOWS.....</b>	<b>3,598,396</b>	<b>174,319,637</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	3,030,000	132,550,000
Interest Paid.....	554,684	41,222,420
Bond Sale and Miscellaneous Expenses.....	-	533,090
	<u>3,584,684</u>	<u>174,305,510</u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>3,584,684</b>	<b>174,305,510</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 14,127</b>	<b>\$ 14,127</b>

Note:

In addition to the June 30, 2009 cash balance reported above for the Coal Research and Development Bond Service Fund, the Sinking Fund Commission had \$3,351 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$26 in investment earnings held in STAROhio, and \$3,325 in administrative fees, which were transferred to the Coal Research and Development Bond Service Fund in July 2009.



## NATURAL RESOURCES CAPITAL FACILITIES BONDS

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Section 2I of Article VIII, Ohio Constitution, as approved by voters on November 2, 1993, authorizes the issuance of Natural Resources Capital Facilities Bonds. The vote was: Yes—1,547,841; No—1,008,182.

Natural Resources Capital Facilities Bonds finance or assist in the financing of the costs of capital improvements for state and local parks and land and water recreation facilities; soil and water restoration and protection, land management, including preservation of natural areas and reforestation; water management, including dam safety, stream, and lake management, and flood control and flood damage reduction; fish and wildlife resource management; and other projects that enhance the use and enjoyment of natural resources by individuals. Such capital improvements include, without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

Not more than \$50 million in principal can be issued in any fiscal year, and not more than \$200 million in principal can be outstanding at any one time

Natural Resources Capital Facilities Bonds mature not more than 25 years from the date of issuance, or, if issued to retire or refund other obligations issued under this section, within 25 years from the date the debt was originally contracted.

Funds to retire the bonds issued are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Natural Resources Projects Bond Service Fund, as created under Section 151.05, Ohio Revised Code. The Commissioners of the Sinking Fund certify to the Director of Budget and Management the amount necessary to pay the bonds when due. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified.

The General Assembly initially implemented Section 2I of Article VIII, Ohio Constitution, with the adoption of House Bill 790, in 1994, which enacted Sections 1557.01 et seq., Ohio Revised Code, and appropriated the proceeds for purposes for which the bonds are issued.

The authority to issue Natural Resources Capital Facilities Bonds in amounts authorized by the General Assembly was conferred upon the Sinking Fund Commission in House Bill 790. The Commission's authority to issue additional Natural Resources Capital Facilities Bonds was withdrawn, however, when provisions in House Bill 640 became effective on September 14, 2000. The law enacted Sections 151.01 and 151.05, Ohio Revised Code, which called upon the Ohio Public Facilities Commission to become the issuer of the bonds. Section 52 of House Bill 640 provides for the Ohio Public Facilities Commission to supersede the Sinking Fund Commission in all matters relating to the bonds.

Legislation authorizing the issuance of Natural Resources Capital Facilities Bonds further provides that the bonds are to be dated, issued, and sold from time to time in such amounts as necessary to provide sufficient moneys to the credit of the Ohio Parks and Natural Resources Fund, a fund created under Section 1557.04, Ohio Revised Code, to pay costs charged to that fund when due as estimated by the Director of Natural Resources.

**STATE OF OHIO**  
**SCHEDULE OF NATURAL RESOURCES CAPITAL FACILITIES BONDS**  
As of JUNE 30, 2009

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 10/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
A	10/01/94	10/01/95	10/01/04	5.5811%	\$ 20,000,000	\$ 11,600,000	\$ 8,400,000	\$ -	\$ -	\$ 7,140,100	\$ 7,140,100	\$ -
B	06/01/95	10/01/95	10/01/05	4.4777%	30,000,000	30,000,000	-	-	-	7,543,983	7,543,983	-
C	06/15/97	04/01/98	04/01/07	4.9058%	50,000,000	29,100,000	20,900,000	-	-	14,180,411	14,180,411	-
D	06/01/99	04/01/00	04/01/09	4.7670%	30,000,000	17,500,000	12,500,000	-	-	7,128,417	7,128,417	-
E	06/01/00	04/01/01	04/01/10	5.2186%	30,000,000	15,210,000	12,640,000	2,150,000	-	7,500,231	7,392,731	107,500
F	08/01/01	04/01/02	04/01/16	4.4462%	20,000,000	9,230,000	2,990,000	7,780,000	-	6,788,663	5,141,503	1,647,160
G	03/15/02	10/01/03	10/01/17	4.4905%	30,000,000	10,115,000	4,470,000	15,415,000	1,875,000	10,225,823	6,885,116	3,340,707
H	08/15/02	10/01/03	10/01/10	2.9924%	17,640,000	11,310,000	-	6,330,000	4,105,000	3,490,840	3,296,099	194,741
I	06/17/03	04/01/05	04/01/18	3.2244%	30,000,000	8,920,000	-	21,080,000	-	10,030,364	5,792,254	4,238,110
J	09/28/04	04/01/05	10/01/14	3.3163%	47,425,000	5,935,000	-	41,490,000	4,410,000	12,534,771	7,648,444	4,886,327
K	03/01/05	04/01/06	04/01/20	3.5730%	25,000,000	5,565,000	-	19,435,000	-	7,812,048	3,285,268	4,526,780
L	06/21/07	10/01/08	10/01/17	4.2413%	30,000,000	2,205,000	-	27,795,000	2,625,000	8,162,332	2,222,301	5,940,031
<b>TOTAL</b>					<b>\$ 360,065,000</b>	<b>\$ 156,690,000</b>	<b>\$ 61,900,000</b>	<b>\$ 141,475,000</b>	<b>\$ 13,015,000</b>	<b>\$ 102,537,983</b>	<b>\$ 77,656,627</b>	<b>\$ 24,881,356</b>

Notes:

(A) Interest rates for the Series A through Series D bonds reflect the net interest cost.

(B) Series H and J bonds refunded the following Natural Resources Capital Facilities Bonds:

	Series H			Series J			Refunding Bonds	
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Original Principal		
Series A	\$ 8,400,000	2005-2009	\$ -	-	-	Series H	\$ 17,640,000	
Series C	3,800,000	2008	17,100,000	2009-2012	20,900,000	Series J	47,425,000	
Series D	2,300,000	2010	10,200,000	2011-2014	12,500,000			
Series E	2,260,000	2011	10,380,000	2012-2015	12,640,000			
Series F	-	-	2,990,000	2012 & 2013	2,990,000			
Series G	-	-	4,470,000	2013 & 2014	4,470,000			
	<b>\$ 16,760,000</b>		<b>\$ 45,140,000</b>		<b>\$ 61,900,000</b>			

**STATE OF OHIO**  
**NATURAL RESOURCES PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

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	<u>JANUARY 1, 2009 THROUGH JUNE 30, 2009</u>	<u>CUMULATIVE SINCE INCEPTION OCTOBER 1994</u>
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ 1,881</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	11,921,111	\$ 233,203,494
Bond Proceeds.....	-	1,137,886
Accrued Interest on Bonds Sold.....	-	418,719
Interest Earnings.....	1,771	60,640
	<u>11,922,882</u>	<u>234,820,739</u>
<b>TOTAL CASH INFLOWS.....</b>	<b>11,922,882</b>	<b>234,820,739</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	8,870,000	156,690,000
Interest Paid.....	3,053,175	77,656,627
Bond Sale and Miscellaneous Expenses.....	-	472,524
	<u>11,923,175</u>	<u>234,819,151</u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>11,923,175</b>	<b>234,819,151</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 1,588</b>	<b>\$ 1,588</b>

Note:

In addition to the June 30, 2009 cash balance reported above for the Natural Resources Projects Bond Service Fund, the Sinking Fund Commission had \$3,351 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$26 in investment earnings held in STAROhio, and \$3,325 in administrative fees, which were transferred to the Natural Resources Projects Bond Service Fund in July 2009.

## COMMON SCHOOLS CAPITAL FACILITIES BONDS

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Section 2n of Article VIII, Ohio Constitution, as approved by voters on November 2, 1999, authorizes the issuance of Common Schools Capital Facilities Bonds. The vote was: Yes—1,285,277; No—828,426.

Common Schools Capital Facilities Bonds finance the costs of facilities for a system of common schools throughout the state. Such costs include, without limitation, the cost of acquisition, construction, improvement, expansion, planning, and equipping.

Common Schools Capital Facilities Bonds mature not later than December 31 of the 25th calendar year after issuance, except that obligations issued to refund other obligations mature not later than December 31 of the 25th calendar year after the year in which the original obligation to pay was issued.

Section 2n of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of Senate Bill 206 in 1999. This legislation set forth, in uncodified law, temporary authority for the Treasurer of State to issue obligations under this section in an aggregate principal amount not to exceed \$150 million (of which \$140 million was issued) and specified the purposes and application of the proceeds of such obligations. There is not a limitation specified in the constitution as to the amount of bond principal that can be outstanding at any one time of the total par amount of bonds issued within a given year.

Subsequent to the passage of Senate Bill 206 and the initial issuance of obligations under this section by the Treasurer of State, the General Assembly passed House Bill 640, which enacted Sections 151.01 and 151.03, Ohio Revised Code, effective September 14, 2000, providing for the issuance of Common Schools Capital Facilities Bonds after that date by the Ohio Public Facilities Commission. Section 52.05 of House Bill 640 provides for the Ohio Public Facilities Commission to supersede the Treasurer of State in all matters relating to the bonds.

Funds to pay debt service and financing costs on the bonds are provided by a transfer from the State's General Revenue Fund and, in the judgment of the Director of the Office of Budget and Management, from net state lottery proceeds in the State Lottery Fund or the Lottery Profits Education Fund, to the Common Schools Capital Facilities Bond Service Fund, as created under Section 151.03, Ohio Revised Code. Certification is made to the Director of Budget and Management as to the amount of moneys required, and the sources of that money, during the fiscal year to meet all debt service and financing costs in full.

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
**As of JUNE 30, 2009**

<b>CURRENT INTEREST BONDS</b>													
Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (G)	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal as of 06/30/09	Principal Maturing on 09/15/09	Principal Maturing on 12/15/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
1999A	12/15/99	06/15/00	06/15/08	5.3915%	\$ 140,000,000	\$ 72,735,000	\$ 67,265,000	\$ -	\$ -	\$ -	\$ 35,878,400	\$ 35,878,400	\$ -
2001A	01/15/01	06/15/01	06/15/10	4.5250%	200,000,000	61,295,000	129,520,000	9,185,000	-	-	49,002,342	48,634,942	367,400
2001B	08/15/01	09/15/02	09/15/16	4.7040%	200,000,000	50,575,000	66,415,000	83,010,000	-	-	97,676,363	65,808,564	31,867,799
2002A	03/15/02	09/15/03	09/15/22	4.7969%	200,000,000	44,970,000	8,330,000	146,700,000	-	-	125,041,981	63,434,455	61,607,526
2002B	08/15/02	09/15/03	09/15/22	4.1586%	200,000,000	46,085,000	8,415,000	145,500,000	-	-	106,212,090	52,469,683	53,742,407
2003A	02/20/03	03/15/04	03/15/23	4.2525%	250,000,000	58,490,000	10,570,000	180,940,000	-	-	142,642,539	67,020,339	75,622,200
2003B	08/07/03	06/15/05	06/15/23	4.3501%	200,000,000	29,665,000	7,975,000	162,360,000	-	-	118,366,960	51,845,844	66,521,116
2003C	12/15/03	03/15/05	03/15/19	3.5640%	133,000,000	36,295,000	7,775,000	88,930,000	10,515,000	-	22,548,461	14,979,336	27,766,238
2003E	01/23/04	09/15/09	09/15/13	3.2380%	58,235,000	-	-	58,235,000	-	-	108,880,377	43,628,940	7,569,125
2004A	04/13/04	06/15/05	06/15/24	4.0442%	200,000,000	31,165,000	18,055,000	150,780,000	-	-	112,985,152	40,681,152	72,304,000
2004B	09/28/04	03/15/05	03/15/24	4.1748%	200,000,000	37,570,000	-	162,430,000	-	-	107,237,345	31,788,934	75,448,411
2004C	09/28/04	09/15/10	09/15/14	3.4579%	18,880,000	-	-	18,880,000	-	-	7,528,911	4,213,911	3,315,000
2005C	08/23/05	06/15/06	06/15/25	4.2020%	200,000,000	20,315,000	7,430,000	172,255,000	-	-	107,237,345	31,788,934	75,448,411
2005D	08/23/05	09/15/14	09/15/19	3.9234%	71,900,000	-	-	71,900,000	-	-	46,426,814	14,082,414	32,344,400
2006A	02/01/06	09/15/06	09/15/25	4.0932%	200,000,000	20,945,000	7,760,000	171,295,000	-	-	107,618,384	27,942,459	79,675,925
2006D	10/11/06	09/15/07	09/15/26	4.1104%	250,000,000	19,000,000	9,170,000	221,830,000	-	-	133,816,416	27,906,621	105,909,795
2007A	03/08/07	06/15/08	06/15/26	4.1467%	250,000,000	9,050,000	9,400,000	231,550,000	-	-	131,608,719	26,068,569	105,540,150
2009A	01/27/09	09/15/11	09/15/18	2.5720%	91,170,000	-	-	91,170,000	-	-	24,217,453	-	24,217,453
2009B	05/29/09	09/15/12	09/15/20	2.8164%	102,970,000	-	-	102,970,000	-	-	34,038,936	-	34,038,936
<b>TOTAL</b>					\$ 3,166,155,000	\$ 538,155,000	\$ 358,080,000	\$ 2,269,920,000	\$ 10,515,000	\$ -	\$ 1,568,603,809	\$ 645,494,491	\$ 923,109,318

<b>VARIABLE RATE BONDS</b>													
Series	Issue Date	Date of First Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal as of 06/30/09	Principal Maturing on 09/15/09	Principal Maturing on 12/15/09	Total Estimated Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
2003D	12/15/03	03/15/20	03/15/24	(B)	\$ 67,000,000	\$ -	\$ -	\$ 67,000,000	\$ -	\$ -	\$ 43,221,025	\$ 8,218,425	\$ 35,002,600
2005A	04/01/05	03/15/06	03/15/25	(C)	100,000,000	16,825,000	-	83,175,000	-	-	40,773,240	10,486,240	30,287,000
2005B	04/01/05	03/15/06	03/15/25	(D)	100,000,000	16,825,000	-	83,175,000	-	-	40,590,795	10,303,795	30,287,000
2006B	06/15/06	06/15/07	06/15/26	(E)	100,000,000	11,880,000	-	88,120,000	-	-	42,123,819	7,652,419	34,471,400
2006C	06/15/06	06/15/07	06/15/26	(F)	100,000,000	11,880,000	-	88,120,000	-	-	42,259,195	7,787,795	34,471,400
<b>TOTAL</b>					\$ 467,000,000	\$ 57,410,000	\$ -	\$ 409,590,000	\$ -	\$ -	\$ 208,968,074	\$ 44,448,674	\$ 164,519,400
<b>GRAND TOTAL</b>					\$ 3,633,155,000	\$ 595,565,000	\$ 358,080,000	\$ 2,679,510,000	\$ 10,515,000	\$ -	\$ 1,777,571,883	\$ 689,943,165	\$ 1,087,628,718

(continued)

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
As of JUNE 30, 2009  
(Continued)

Notes:

(A) The interest rate for the Series 1999A bonds reflect the net interest cost.

The Ohio Revised Code Section 151.01 permits the State to enter into interest rate swap agreements as part of its debt management. The following table reflects the terms, payments and receipts for each swap. The interest rate paid to bondholders is reset weekly until maturity.

Series	Agreement Type	Effective Date	Termination Date	State Receives	State Pays	Net Interest Received	Net Interest Paid	Variables	
								Final Maturity	Estimated Variable Interest Rate Basis
(B) 2003D	Floating-to-Fixed	9/15/2007*	3/15/2024	65% of 1-month LIBOR + 25 basis-points	3.414%	\$ 1,186,871	\$ 2,188,425	3/15/2024	4.000%*
* 12/15/03 to 9/14/07, Fixed-to-Floating, State Received 2.665%, State Paid SIFMA									
(C) 2005A	Floating-to-Fixed	1/15/2008*	3/15/2010**	67% of 1-year LIBOR + 72.6 basis-points	3.750%	-	3,725,586	3/15/2025	4.000%
* 4/1/05 to 3/15/07 State Received SIFMA, State Paid 4.081% 3/16/07 to 1/14/08 State Received 62% of 10-year LIBOR (CMS), State Paid 3.75%									
** 3/16/10 to 3/15/25 State Receives 62% of 10-year LIBOR (CMS), State Pays 3.75%									
(D) 2005B	Floating-to-Fixed	1/15/2008*	3/15/2010**	67% of 1-year LIBOR + 72.6 basis-points	3.750%	-	3,725,697	3/15/2025	4.000%
* 4/1/05 to 3/15/07 State Received SIFMA, State Paid 4.081% 3/16/07 to 1/14/08 State Received 62% of 10-year LIBOR (CMS), State Paid 3.75%									
** 3/16/10 to 3/15/25 State Receives 62% of 10-year LIBOR (CMS), State Pays 3.75%									
(E) 2006B	Floating-to-Fixed	6/15/2006	6/15/2026	65% of 1-month LIBOR + 25 basis-points	3.202%	820,366	2,073,091	6/15/2026	4.000%
(F) 2006C	Floating-to-Fixed	6/15/2006	6/15/2026	65% of 1-month LIBOR + 25 basis-points	3.202%	820,366	2,073,091	6/15/2026	4.000%
						Total		\$ 2,827,603    \$ 13,785,890	

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
**As of JUNE 30, 2009**  
**(Continued)**

Notes:

(G) Series 2003E, Series 2004C, Series 2005D, 2009A, and 2009B bonds refunded the following Common Schools Capital Facilities Bonds:

	Series 2003E			Series 2004C			Series 2005D			Series 2009A			Series 2009B			
	Principal Refunded	Maturities Refunded		Principal Refunded	Maturities Refunded		Principal Refunded	Maturities Refunded		Principal Refunded	Maturities Refunded		Principal Refunded	Maturities Refunded	Total	
Series 1999A	\$ 57,550,000	2010-2014	\$ -	-	-	\$ -	-	-	\$ -	-	-	\$ -	9,715,000	2009	\$ 67,265,000	
Series 2001A	-	-	9,615,000	2011	2011	79,425,000	31,700,000	2012-2014	2012-2014	8,780,000	2009	2012-2014	8,780,000	2009	129,520,000	
Series 2001B	-	-	-	-	-	-	58,100,000	2014-2018	2014-2018	8,315,000	2009	2014-2018	8,315,000	2009	66,415,000	
Series 2002A	-	-	-	-	-	-	-	-	-	8,330,000	2009	-	8,330,000	2009	8,330,000	
Series 2002B	-	-	-	-	-	-	-	-	-	8,415,000	2009	-	8,415,000	2009	8,415,000	
Series 2003A	-	-	-	-	-	-	-	-	-	10,570,000	2010	-	10,570,000	2010	10,570,000	
Series 2003B	-	-	-	-	-	-	-	-	-	7,975,000	2009	-	7,975,000	2009	7,975,000	
Series 2003C	-	-	-	-	-	-	-	-	-	7,775,000	2010	-	7,775,000	2010	7,775,000	
Series 2004A	-	-	9,735,000	2015	2015	-	-	-	-	8,320,000	2009	-	8,320,000	2009	18,055,000	
Series 2005C	-	-	-	-	-	-	-	-	-	7,430,000	2009	-	7,430,000	2009	7,430,000	
Series 2006A	-	-	-	-	-	-	-	-	-	7,760,000	2009	-	7,760,000	2009	7,760,000	
Series 2006D	-	-	-	-	-	-	-	-	-	9,170,000	2009	-	9,170,000	2009	9,170,000	
Series 2007A	-	-	-	-	-	-	-	-	-	9,400,000	2009	-	9,400,000	2009	9,400,000	
	<u>\$ 57,550,000</u>		<u>\$ 19,350,000</u>			<u>\$ 79,425,000</u>				<u>\$ 89,800,000</u>			<u>\$ 111,955,000</u>		<u>\$ 358,080,000</u>	

Refunding Bonds	
	Original Principal
Series 2003E	\$ 58,235,000
Series 2004C	18,880,000
Series 2005D	71,900,000
Series 2009A	91,170,000
Series 2009B	102,970,000
<b>Total</b>	<u><u>\$ 343,155,000</u></u>

**STATE OF OHIO**  
**COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

	JANUARY 1, 2009 THROUGH JUNE 30, 2009	CUMULATIVE SINCE INCEPTION DECEMBER 1999
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ 45,245</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	100,356,763	\$ 1,188,404,468
Bond Proceeds.....	-	107,133,066
Accrued Interest on Bonds Sold.....	-	1,501,660
Net Receipts from Swap Agreements.....	-	2,827,603
Interest Earnings.....	8,613	886,024
Other.....	-	39,295
<b>TOTAL CASH INFLOWS.....</b>	<b>100,365,376</b>	<b>1,300,792,116</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	41,425,000	595,565,000
Interest Paid.....	54,216,301	689,943,165
Net Payments under Swap Agreements.....	4,739,880	13,785,890
Bond Sale and Miscellaneous Expenses.....	-	1,468,621
<b>TOTAL CASH OUTFLOWS.....</b>	<b>100,381,181</b>	<b>1,300,762,676</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 29,440</b>	<b>\$ 29,440</b>



## HIGHER EDUCATION CAPITAL FACILITIES BONDS

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Section 2n of Article VIII, Ohio Constitution, as approved by voters on November 2, 1999, authorizes the issuance of Higher Education Capital Facilities Bonds. The vote was: Yes—1,285,277; No—828,426.

Higher Education Capital Facilities Bonds finance the costs of facilities for state-supported and state-assisted institutions of higher education. Such costs include, without limitation, the cost of acquisition, construction, improvement, expansion, planning, and equipping.

Higher Education Capital Facilities Bonds mature not later than December 31 of the 25th calendar year after issuance, except that obligations issued to refund other obligations mature not later than December 31 of the 25th calendar year after the year in which the original obligation to pay was issued.

Section 2n of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of Senate Bill No. 206, in 1999. This legislation set forth, in uncodified law, temporary authority for the Ohio Public Facilities Commission to issue obligations under this section in an aggregate principal amount not to exceed \$150 million (all of which was issued) and specified the purposes and application of the bond proceeds. There is not a limitation specified in the constitution as to the amount of bond principal that can be outstanding at any one time of the total par amount of bonds issued within a given year.

Subsequent to the passage of Senate Bill 206 and the initial issuance of obligations under this section, the General Assembly passed House Bill 640, which enacted Sections 151.01 and 151.04, Ohio Revised Code, effective September 14, 2000, providing for the issuance of Higher Education Capital Facilities Bonds after that date by the Ohio Public Facilities Commission.

Funds to pay debt service and financing costs on the bonds issued under this section are provided by a transfer from the State's General Revenue Fund to the Higher Education Capital Facilities Bond Service Fund, as created under Section 151.04, Ohio Revised Code.

**STATE OF OHIO**  
**SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS**  
**As of JUNE 30, 2009**

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 08/01/09	Principal Maturing on 11/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity						
2000A	02/01/00	02/01/01	02/01/09	5.3589%	\$ 150,000,000	\$ 83,700,000	\$ 66,300,000	\$ -	\$ -	\$ -	\$ 50,473,850	\$ 50,473,850	\$ -						
2000B	11/01/00	05/01/01	05/01/10	5.0604%	150,000,000	84,285,000	56,200,000	9,515,000	-	-	29,954,038	29,437,763	516,275						
2001A	04/01/01	02/01/02	02/01/21	4.8344%	150,000,000	43,930,000	87,680,000	18,390,000	-	-	50,604,308	42,994,933	7,609,375						
2001B	10/01/01	11/01/02	11/01/21	4.4619%	175,000,000	45,735,000	7,530,000	121,735,000	-	-	100,726,136	55,400,155	45,325,981						
2002A	05/01/02	08/01/03	08/01/22	4.7918%	150,000,000	30,780,000	5,965,000	113,255,000	-	-	95,524,553	46,840,659	48,683,894						
2002B	11/14/02	11/01/03	11/01/22	4.4916%	175,000,000	39,870,000	7,465,000	127,665,000	-	-	105,343,330	51,583,827	53,759,503						
2002C	11/21/02	11/01/10	11/01/14	3.6478%	54,975,000	-	-	54,975,000	-	-	29,944,521	19,157,883	10,786,638						
2003A	06/05/03	05/01/05	05/01/23	3.9450%	150,000,000	28,570,000	-	121,430,000	-	-	88,535,783	38,799,064	49,736,719						
2004A	04/01/04	05/01/05	05/01/24	3.7685%	150,000,000	33,140,000	-	116,860,000	-	-	74,072,299	29,063,542	45,008,757						
2004B	09/23/04	02/01/05	02/01/24	4.2010%	150,000,000	29,195,000	5,615,000	115,190,000	-	-	82,318,362	28,951,107	53,367,255						
2005A	03/24/05	02/01/06	02/01/25	4.2516%	150,000,000	22,325,000	5,540,000	122,135,000	-	-	86,185,192	25,936,854	60,248,338						
2005B	09/29/05	05/01/06	05/01/25	4.1350%	150,000,000	23,265,000	-	126,735,000	-	-	78,653,291	22,462,691	56,190,600						
2005C	09/29/05	08/01/11	08/01/16	3.6526%	49,495,000	-	-	49,495,000	-	-	20,566,677	8,019,677	12,547,000						
2006A	04/27/06	05/01/07	05/01/26	4.4320%	150,000,000	17,470,000	-	132,530,000	-	-	86,288,997	20,344,566	65,944,431						
2006B	12/19/06	11/01/07	11/01/26	4.1520%	150,000,000	9,770,000	4,990,000	135,240,000	-	-	88,917,273	16,963,173	71,954,100						
2009A	01/27/09	08/01/10	08/01/19	2.6494%	86,905,000	-	-	86,905,000	-	-	23,302,423	-	23,302,423						
2009B	05/29/09	08/01/12	08/01/20	2.9096%	48,745,000	-	-	48,745,000	-	-	18,055,165	-	18,055,165						
<b>TOTAL</b>											<b>\$ 2,240,120,000</b>	<b>\$ 492,035,000</b>	<b>\$ 247,285,000</b>	<b>\$ 1,500,800,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,109,466,198</b>	<b>\$ 486,429,744</b>	<b>\$ 623,036,454</b>

**Notes:**

(A) The interest rate for the Series 2000A bonds reflect the net interest cost

(B) Series 2002C, Series 2005C, 2009A, and 2009B bonds refunded the following Higher Education Capital Facilities Bonds:

Series	Series 2002C		Series 2005C		Series 2009A		Series 2009B		Total	Refunding Bonds	
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded		Original Principal	Principal
Series 2000A	\$ -	-	\$ -	-	\$ 56,600,000	2011-2015	\$ 9,700,000	2010	\$ 66,300,000	Series 2002C	\$ 54,975,000
Series 2000B	56,200,000	2011-2015	-	-	-	-	-	-	56,200,000	Series 2005C	49,495,000
Series 2001A	-	-	49,810,000	2012-2017	31,305,000	2018-2020	6,565,000	2010	87,680,000	Series 2009A	86,905,000
Series 2001B	-	-	-	-	-	-	7,530,000	2009	7,530,000	Series 2009B	48,745,000
Series 2002A	-	-	-	-	-	-	5,965,000	2009	5,965,000		
Series 2002B	-	-	-	-	-	-	7,465,000	2009	7,465,000		
Series 2004B	-	-	-	-	-	-	5,615,000	2010	5,615,000		
Series 2005A	-	-	-	-	-	-	5,540,000	2010	5,540,000		
Series 2006B	-	-	-	-	-	-	4,990,000	2009	4,990,000		
<b>\$ 56,200,000</b>										<b>\$ 49,810,000</b>	
<b>\$ 49,810,000</b>										<b>\$ 53,370,000</b>	<b>\$ 247,285,000</b>

**STATE OF OHIO  
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND  
Cash Flow Statement  
For the Six Months Ended JUNE 30, 2009**

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	<b>JANUARY 1, 2009 THROUGH JUNE 30, 2009</b>	<b>CUMULATIVE SINCE INCEPTION FEBRUARY 2000</b>
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	93,771,127	\$ 902,683,919
Bond Proceeds.....	-	74,099,440
Accrued Interest on Bonds Sold.....	-	1,626,556
Interest Earnings.....	2,834	598,781
<b>TOTAL CASH INFLOWS.....</b>	<b>93,773,961</b>	<b>979,008,696</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	57,710,000	492,035,000
Interest Paid.....	36,062,067	486,429,744
Bond Sale and Miscellaneous Expenses.....	-	542,058
<b>TOTAL CASH OUTFLOWS.....</b>	<b>93,772,067</b>	<b>979,006,802</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 1,894</b>	<b>\$ 1,894</b>

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Note:

In addition to the June 30, 2009 cash balance reported above for the Higher Education Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$80,286 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$103 in investment earnings held in STAROhio, \$13,302 in administrative fees, which were transferred to the Higher Education Capital Facilities Bond Service Fund in July 2009, and \$66,881 in bond proceeds held for cost of issuance.

## PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS

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Section 2k of Article VIII, Ohio Constitution, as approved by voters on November 3, 1987, originally authorized the issuance of Public Infrastructure Capital Improvements Bonds.

The bonds financed or assisted in the financing of the costs of public infrastructure capital improvements of municipal corporation, counties, townships, and other governmental entities as designated by law. Capital improvements include, without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

Under the original authorization, not more than \$120 million in principal could be issued in any calendar year, provided, however that the aggregate total principal amount of bonds and other obligations issued did not exceed \$1.2 billion. Of the authorized amount, the Treasurer of State issued bonds totaling \$1,199,986,136.

On November 7, 1995, voters approved Section 2m, Article VIII, Ohio Constitution, which authorized the issuance of additional Public Infrastructure Capital Improvements Bonds only after the State had exhausted its authority to issue under Section 2k. The vote was: Yes—1,389,467; No—856,505.

The additional bond issues finance or assist in the financing of the costs of public infrastructure capital improvements of municipal corporations, counties, townships, and other governmental entities as designated by law. The capital improvements are limited to roads and bridges, wastewater treatment systems, water supply systems, solid waste disposal facilities, and storm water and sanitary collection, storage, and treatment facilities, including real property, interests in real property, facilities, and equipment related to or incidental thereto, and include without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

Not more than \$120 million in principal, plus the principal of Public Infrastructure Capital Improvements Bonds that in any prior fiscal years could have been but were not issued within the \$120 million fiscal-year limit, can be issued in any fiscal year,

and not more than \$1.2 billion in principal can be issued under this additional authority. If bonds are issued under this section to retire or refund obligations previously issued under this section the new bonds are not counted against those fiscal year or total issuance limitations to the extent that their principal amount does not exceed the principal amount of the obligations to be refunded or retired.

Public Infrastructure Capital Improvements Bonds mature in not more than 30 years from the date of issuance, or if issued to retire or refund other obligations, within 30 years from the date the debt originally was contracted.

Section 2k of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of House Bill No. 704, in 1988, which enacted Chapter 164, Ohio Revised Code, and appropriated the proceeds for the purposes for which the bonds were issued. The authority to issue Public Infrastructure Capital Improvements Bonds in amounts authorized by the General Assembly was conferred upon the Treasurer of State.

The statutory provisions regarding the application of proceeds from additional Public Infrastructure Capital Improvements Bonds under Section 2m was continued in Chapter 164, Ohio Revised Code, however, the 123rd General Assembly passed House Bill 640, which enacted Sections 151.01 and 151.08, Ohio Revised Code, effective September 14, 2000, providing for the issuance of Public Infrastructure Capital Improvements Bonds after that date. Nonetheless, with that change, the issuing authority remained the Treasurer of State.

Subsequently, the 126th General Assembly passed House Bill 16, which amended Section 151.01, Ohio Revised Code, providing for further issuance of such obligations by the Ohio Public Facilities Commission. Section 39.02 of House Bill 16, which went into effect on July 1, 2005, provides for the Ohio Public Facilities Commission to supersede the Treasurer of State in all matters relating to the obligations.

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of JUNE 30, 2009**

Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (G)	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 08/01/09	Principal Maturing on 09/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity						
1988	12/01/88	09/01/89	09/01/92	7.1800%	\$ 120,000,000	\$ 21,335,000	\$ 98,665,000	\$ -	\$ -	\$ -	\$ 28,937,008	\$ 28,937,008	\$ -						
1989	12/01/89	09/01/90	09/01/09	6.5870%	70,000,000	66,640,000	-	3,360,000	-	3,360,000	36,638,629	36,526,909	111,720						
1991	12/01/91	08/01/92	08/01/01	6.2935%	79,975,000	62,250,000	17,725,000	-	-	-	22,636,876	22,636,876	-						
1992	12/01/92	08/01/93	08/01/12	7.1152%	91,720,000	57,945,000	17,405,000	16,370,000	4,345,000	-	42,485,717	40,352,890	2,132,827						
1992R	12/01/92	09/01/93	09/01/03	7.0015%	90,855,000	90,855,000	-	-	-	-	26,267,079	26,267,079	-						
1993	11/01/93	08/01/94	08/01/03	5.1640%	94,575,000	41,215,000	53,360,000	-	-	-	35,911,961	35,911,961	-						
1994	02/01/94	08/01/94	08/01/10	5.1640%	120,000,000	51,455,000	60,610,000	7,935,000	-	-	49,377,380	48,663,230	714,150						
1995	01/01/95	08/01/95	08/01/05	6.1297%	98,505,000	52,030,000	46,475,000	-	-	-	26,946,049	26,946,049	-						
1996	01/01/96	08/01/96	08/01/05	5.0609%	108,835,000	48,025,000	60,810,000	-	-	-	34,567,050	34,567,050	-						
1997	01/01/97	08/01/97	08/01/14	5.2307%	120,000,000	45,455,000	57,965,000	16,580,000	-	-	48,840,152	44,411,668	4,428,484						
1997R	01/01/98	02/01/98	02/01/08	4.9204%	44,400,000	7,505,000	36,895,000	-	-	-	21,195,328	21,195,328	-						
1998A	01/01/98	08/01/98	08/01/08	4.6670%	120,000,000	49,965,000	70,035,000	-	-	-	37,659,221	37,659,221	-						
1998B	07/01/98	02/01/99	02/01/14	4.9055%	120,000,000	45,850,000	59,150,000	15,000,000	-	-	37,910,656	34,356,406	3,554,250						
1998R	08/01/98	08/01/99	08/01/07	4.5317%	10,850,000	10,850,000	-	-	-	-	3,439,525	3,439,525	-						
1999	09/15/99	02/01/00	02/01/09	5.4396%	120,000,000	40,115,000	79,885,000	-	-	-	28,580,924	28,580,924	-						
2000	10/15/00	02/01/01	02/01/09	5.3026%	120,000,000	42,310,000	77,690,000	-	-	-	19,239,095	19,239,095	-						
2001A	11/15/01	08/01/03	08/01/13	4.1967%	56,100,000	26,955,000	5,270,000	23,875,000	-	-	19,836,068	15,989,383	3,846,685						
2002A	08/15/02	02/01/13	02/01/20	4.3584%	59,920,000	-	-	59,920,000	-	-	46,675,147	21,020,660	25,654,487						
2002B	11/01/02	03/01/04	03/01/21	4.5198%	120,000,000	29,415,000	67,520,000	23,065,000	-	-	21,538,904	16,086,322	5,452,582						
2003A	02/01/03	08/01/03	08/01/15	3.3043%	233,585,000	105,200,000	26,405,000	101,980,000	-	-	73,796,038	57,395,688	16,400,350						
2003C	02/26/03	08/01/04	08/01/08	3.2866%	11,630,000	11,630,000	-	-	-	-	2,046,618	2,046,618	-						
2003F	12/04/03	02/01/05	02/01/23	4.1883%	120,000,000	24,800,000	9,070,000	86,130,000	-	-	55,864,788	21,684,403	34,180,385						
2004C	10/05/04	08/01/10	08/01/14	3.4246%	39,530,000	-	12,620,000	26,910,000	-	-	13,611,122	8,542,872	5,068,250						
2004D	12/01/04	03/01/05	03/01/24	4.5512%	120,000,000	21,600,000	4,665,000	93,735,000	-	-	65,428,003	22,232,466	43,195,537						
2005A	12/01/05	09/01/06	09/01/25	4.4230%	120,000,000	11,985,000	4,275,000	103,740,000	-	-	69,266,130	17,612,805	51,653,325						
2006A	11/16/06	03/01/07	03/01/26	4.3310%	120,000,000	15,190,000	4,350,000	100,460,000	-	-	62,627,640	11,951,540	50,676,100						
2007A	09/20/07	09/01/08	09/01/27	4.4172%	120,000,000	3,655,000	-	116,345,000	-	3,820,000	71,000,132	8,286,707	62,713,425						
2008A	10/16/08	09/01/10	09/01/28	5.2265%	240,000,000	-	7,640,000	232,360,000	-	-	147,567,585	4,380,457	143,187,128						
2009A	01/27/09	08/01/10	08/01/14	1.9116%	49,995,000	-	-	49,995,000	-	-	5,155,460	-	5,155,460						
2009B	05/29/09	08/01/12	08/01/20	2.9063%	81,990,000	-	-	81,990,000	-	-	28,247,418	-	28,247,418						
<b>TOTAL</b>											<b>\$ 3,022,465,000</b>	<b>\$ 984,230,000</b>	<b>\$ 878,485,000</b>	<b>\$ 1,159,750,000</b>	<b>\$ 4,345,000</b>	<b>\$ 7,180,000</b>	<b>\$ 1,183,293,703</b>	<b>\$ 696,921,140</b>	<b>\$ 486,372,563</b>

(continued)

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of JUNE 30, 2009**  
(Continued)

<b>CAPITAL APPRECIATION BONDS</b>													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (G)	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 08/01/09	Principal Maturing on 09/01/09	Total Discount	Accreted Principal Paid through 06/30/09	Remaining Discount through Maturity
1989	12/01/89	09/01/95	09/01/09	6.5870%	\$ 49,999,935	\$ 48,008,291	\$ -	\$ 1,991,644	\$ -	\$ 1,991,644	\$ 58,370,064	\$ 53,136,708	\$ 5,233,356
1991	12/01/91	08/01/99	08/01/11	6.2935%	40,020,445	32,020,975	-	7,999,470	2,842,740	-	36,229,555	37,229,025	19,000,530
1992	12/01/92	08/01/00	08/01/12	7.1152%	28,275,727	20,989,430	-	7,286,297	1,773,936	-	36,194,273	20,890,570	15,303,703
1992R	12/01/92	09/01/99	09/01/00	7.0015%	7,800,739	7,800,739	-	-	-	-	13,509,261	13,509,261	-
1993	11/01/93	08/01/95	08/01/13	5.1640%	25,420,844	18,513,014	-	6,907,830	603,652	-	24,829,156	7,166,986	17,662,170
1995	01/01/95	08/01/02	08/01/14	6.1297%	21,494,889	13,590,866	-	7,904,023	1,054,926	-	26,540,111	11,284,134	15,255,977
1996	01/01/96	08/01/04	08/01/15	5.0609%	11,164,295	5,284,472	-	5,879,823	949,297	-	11,850,705	3,630,528	8,220,177
1997R	01/01/98	08/01/03	08/01/08	5.2307%	5,860,670	5,860,670	-	-	-	-	10,064,330	10,064,330	-
1998R	08/01/98	08/01/08	08/01/08	4.5317%	1,784,986	1,784,986	-	-	-	-	2,400,014	2,400,014	-
2003C	02/26/03	08/01/11	08/01/12	3.2866%	6,241,829	-	-	6,241,829	-	-	19,673,171	-	19,673,171
2003E	03/20/03	08/01/04	08/01/12	3.2313%	2,718,755	2,307,310	-	411,445	142,405	-	13,976,245	4,757,690	9,218,555
2004B	03/03/04	02/01/10	02/01/11	3.6346%	308,851	-	-	308,851	-	-	7,881,149	-	7,881,149
<b>TOTAL</b>					\$ 201,091,965	\$ 156,160,753	\$ -	\$ 44,931,212	\$ 7,366,956	\$ 1,991,644	\$ 281,518,034	\$ 164,069,246	\$ 117,448,788

<b>VARIABLE RATE BONDS</b>													
Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/09	Principal Refunded through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 08/01/09	Principal Maturing on 09/01/09	Total Estimated Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
2001B	11/29/01	08/01/14	08/01/21	(C)	\$ 63,900,000	\$ -	\$ -	\$ 63,900,000	\$ -	\$ -	\$ 33,328,186	\$ 9,722,186	\$ 23,606,000
2003B	02/26/03	08/01/09	08/01/17	(D)	104,315,000	-	-	104,315,000	2,545,000	-	41,346,463	14,184,163	27,162,300
2003D	03/20/03	02/01/11	02/01/19	(E)	58,085,000	-	-	58,085,000	-	-	24,911,829	7,861,229	17,050,600
2004A	03/03/04	02/01/05	02/01/23	(F)	58,725,000	3,430,000	-	55,295,000	-	-	31,441,452	7,216,452	24,225,000
<b>TOTAL</b>					\$ 285,025,000	\$ 3,430,000	\$ -	\$ 281,595,000	\$ 2,545,000	\$ -	\$ 131,027,930	\$ 38,984,030	\$ 92,043,900
<b>GRAND TOTAL</b>					\$ 3,508,581,965	\$ 1,143,820,753	\$ 878,485,000	\$ 1,486,276,212	\$ 14,256,956	\$ 9,171,644	\$ 1,595,839,667	\$ 899,974,416	\$ 695,865,251

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
As of JUNE 30, 2009  
(Continued)

Notes:

(A) The interest rates for the Series 1988, 1989, 1992, and 1992R bonds reflect the net interest cost.

The Ohio Revised Code Section 151.01 permits the State to enter into interest rate swap agreements as part of its debt management. The following table reflects the terms, payments and receipts for each swap. The interest rate paid to bondholders is reset weekly until maturity.

Series	Agreement Type	Effective Date	Termination Date	Swaps			Variable Rate Bonds		
				State Receives	State Pays	Net Interest Received	Net Interest Paid	Final Maturity	Estimated Variable Interest Rate Basis
(B) 2003F	Fixed-to-Floating	12/14/2003	2/1/2010	2.540%	SIFMA	\$ 528,229	\$ 387,591	-	-
(C) 2001B	Floating-to-Fixed	11/29/2001	8/1/2021	SIFMA	4.630%	-	11,275,816	8/1/2021	4.000%
(D) 2003B	Floating-to-Fixed	2/26/2003	8/1/2008	Matched Rate	2.960%	1,195,544	4,676,335	8/1/2017	4.000%*
(E) 2003D	Floating-to-Fixed	3/20/2003	2/1/2010	Matched Rate	3.035%	578,579	3,059,578	2/1/2019	4.000%*
(F) 2004A	Floating-to-Fixed	3/3/2004	2/1/2023	LIBOR*	3.510%	63,836	2,836,150	2/1/2023	4.000%
(G) Multiple	Fixed-to-Floating	4/5/2002	7/1/2002*	4.26%	SIFMA	1,244,598	-	-	-
		7/5/2002	9/24/2002*	4.27%	SIFMA	4,194,598	-	-	-
		12/4/2002	9/24/2002*	4.21%	SIFMA	3,715,000	-	-	-

\* Terms: 63% of one-month LIBOR+25 basis-points, if the weighted average rate is below 5.00% or 68% of the average one-month LIBOR-USD fixed rate, if the weighted average rate is 5.00% or above.

\* The Treasurer of State exercised the option to terminate these swaps prior to their effective date which resulted in a net payment to the State of \$9,154,196

Total \$ 11,520,384 \$ 22,235,470

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of JUNE 30, 2009**  
(Continued)

(G) The following table provides details on refunded Public Infrastructure Capital Improvements Bonds.

Refunded Bonds	Refunding Bonds											Total	Refunded Maturities	
	1992R	1997R	1998R	2002A	2003A	2003B & 2003C	2003D & 2003E	2004A & 2004B	2004C	2009A	2009B			
1988	\$ 98,665,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,665,000	1993-2003
1991	-	17,725,000	-	-	-	-	-	-	-	-	-	-	17,725,000	2002-2011
1992	-	-	12,635,000	-	4,770,000	-	-	-	-	-	-	-	17,405,000	2004-2008
1993	-	-	-	-	53,360,000	-	-	-	-	-	-	-	53,360,000	2004-2011
1994	-	-	-	-	60,610,000	-	-	-	-	-	-	-	60,610,000	2005-2009; 2011-2013
1995	-	32,540,000	-	-	13,935,000	-	-	-	-	-	-	-	46,475,000	2006-2014
1996	-	-	-	-	60,810,000	-	-	-	-	-	-	-	60,810,000	2006-2015
1997	-	-	-	-	6,270,000	38,190,000	-	6,920,000	6,585,000	-	-	-	57,965,000	2003, 2008-2012; 2015-2016
1997R	-	-	-	-	-	-	-	-	-	29,540,000	7,355,000	-	36,895,000	2009-2014
1998A	-	-	-	-	6,250,000	43,155,000	-	-	-	20,630,000	-	-	70,035,000	2003; 2009-2017
1998B	-	-	-	-	5,750,000	40,850,000	-	-	12,550,000	-	-	-	59,150,000	2009-2012;
1999	-	-	-	-	12,475,000	-	60,805,000	-	660,000	-	-	-	79,885,000	2015-2018
2000	-	-	-	60,450,000	11,450,000	-	-	-	520,000	-	-	-	77,690,000	2004; 2010-2019
2001A	-	-	-	-	-	-	-	-	-	-	5,270,000	-	5,270,000	2010-2020
2002B	-	-	-	-	-	-	-	52,115,000	10,740,000	-	-	-	67,520,000	2009
2003A	-	-	-	-	-	-	-	-	-	-	4,665,000	-	4,665,000	2010; 2013-2014;
2003F	-	-	-	-	-	-	-	-	-	-	26,405,000	-	26,405,000	2017-2023
2004C	-	-	-	-	-	-	-	-	9,070,000	-	-	-	9,070,000	2009
2004D	-	-	-	-	-	-	-	-	-	-	12,620,000	-	12,620,000	2014-2015
2005A	-	-	-	-	-	-	-	-	-	-	-	-	4,665,000	2009
2006A	-	-	-	-	-	-	-	-	-	-	4,275,000	-	4,275,000	2010
2008A	-	-	-	-	-	-	-	-	-	-	4,350,000	-	4,350,000	2009
	-	-	-	-	-	-	-	-	-	-	7,640,000	-	7,640,000	2010
	\$ 98,665,000	\$ 50,265,000	\$ 12,635,000	\$ 60,450,000	\$ 235,680,000	\$ 122,195,000	\$ 60,805,000	\$ 59,035,000	\$ 40,125,000	\$ 50,170,000	\$ 88,460,000	\$ 878,485,000		

Refunding Bonds	
Original	Principal
Series 1992R	\$ 98,655,739
Series 1997R	50,260,670
Series 1998R	12,634,986
Series 2002A	59,920,000
Series 2003A	233,585,000
Series 2003B	104,315,000
Series 2003C	17,871,829
Series 2003D	58,085,000
Series 2003E	2,718,755
Series 2004A	58,725,000
Series 2004B	308,851
Series 2004C	39,530,000
Series 2009A	49,995,000
Series 2009B	81,990,000
<b>Total</b>	<b>\$ 868,595,830</b>



**STATE OF OHIO**  
**STATE CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

	JANUARY 1, 2009 THROUGH JUNE 30, 2009	CUMULATIVE SINCE INCEPTION DECEMBER 1988 (Revised)
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ 8,644</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	60,337,951	\$ 2,023,714,337
Bond Proceeds.....	11,228	26,625,184
Accrued Interest on Bonds Sold.....	-	4,931,221
Net Receipts from Swap Agreements.....	23,764	11,520,384
Interest Earnings.....	2,575	1,196,974
Other.....	-	194
<b>TOTAL CASH INFLOWS.....</b>	<b>60,375,518</b>	<b>2,067,988,294</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	29,625,000	1,143,820,753
Interest Paid.....	29,003,319	735,905,170
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	-	164,069,246
Net Payments under Swap Agreements.....	1,744,545	22,235,470
Bond Sale and Miscellaneous Expenses.....	-	1,946,357
<b>TOTAL CASH OUTFLOWS.....</b>	<b>60,372,864</b>	<b>2,067,976,996</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 11,298</b>	<b>\$ 11,298</b>

Note:

In addition to the June 30, 2009 cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$150,824 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$306 in investment earnings held in STAROhio, \$80,168 in administrative fees, which were transferred to the State Capital Improvements Bond Service Fund in July 2009, and \$70,350 in bond proceeds held for cost of issuance.

## CONSERVATION PROJECTS BONDS

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Section 2o of Article VIII, Ohio Constitution, as approved by voters on November 7, 2000, authorizes the issuance of Conservation Projects Bonds. The vote was: Yes—2,197,773; No—1,628,716.

Conservation Projects Bonds provides financing to be used for conservation purposes, meaning conservation and preservation of natural areas, open spaces, and farmlands, and other lands devoted to agriculture, including by acquiring land or interests therein; provision of state and local park and recreation facilities, and other actions that permit and enhance the availability, public use and enjoyment of natural areas and open spaces in Ohio; and land, forest water, and other natural resources management projects.

Not more than \$50 million principal amount of Conservation Projects Bonds, plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued within the \$50 million fiscal-year limit, can be issued in any fiscal year, and not more than \$200 million principal amount can be outstanding at any one time.

Conservation Projects Bonds mature not later than December 31 of the 25th calendar year after issuance, except that obligations issued to refund other obligations mature not later than December 31 of the 25th calendar year after the year in which the original obligation to pay was issued.

Section 2o of Article VIII, Ohio Constitution, was implemented by the General Assembly with the adoption of House Bill 3, in 2001, which amended Section 154.01 and Sections 901.21 through 901.23, Ohio Revised Code, enacted Section 154.09, Sections 164.20 through 164.27, and Sections 1519.05 and 1519.06, Ohio Revised Code, and appropriated the proceeds for the purposes for which the bonds may be issued. The authority to issue Conservation Projects Bonds in amounts authorized by the General Assembly was conferred upon the Ohio Public Facilities Commission in House Bill 3.

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer from the State's

General Revenue Fund to the Conservation Projects Bond Service Fund, as created under Section 151.09, Ohio Revised Code. The Commissioners of the Sinking Fund certify to the Director of Budget and Management the amount necessary to pay the bonds when due. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified.

Legislation authorizing the issuance of Conservation Projects Bonds further requires the issuance of bonds when the Ohio Public Works Commission certifies amounts needed for the purposes of the Clean Ohio Conservation Fund, created in Section 164.27, Ohio Revised Code; the Clean Ohio Agricultural Easement Fund, created in Section 901.21, Ohio Revised Code; and the Clean Ohio Trail Fund, created in Section 1519.05, Ohio Revised Code.

**STATE OF OHIO**  
**SCHEDULE OF CONSERVATION PROJECTS BONDS**  
As of JUNE 30, 2009

<b>CURRENT INTEREST BONDS</b>												
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 09/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity	
2002A	01/15/02	09/01/02	09/01/16	4.2932%	\$ 50,000,000	\$ 19,425,000	\$ 30,575,000	\$ 3,280,000	\$ 19,498,845	\$ 13,009,120	\$ 6,489,725	
2004A	01/27/04	03/01/05	03/01/19	3.5530%	50,000,000	14,795,000	35,205,000	-	17,958,724	8,428,649	9,530,075	
2005A	11/07/05	03/01/07	03/01/20	4.2106%	50,000,000	8,270,000	41,730,000	-	20,660,077	7,448,777	13,211,300	
2007A	06/21/07	09/01/08	09/01/22	4.4493%	50,000,000	2,085,000	47,915,000	2,600,000	21,581,368	3,854,824	17,726,544	
<b>TOTAL</b>					<b>\$ 200,000,000</b>	<b>\$ 44,575,000</b>	<b>\$ 155,425,000</b>	<b>\$ 5,880,000</b>	<b>\$ 79,699,014</b>	<b>\$ 32,741,370</b>	<b>\$ 46,957,644</b>	

**STATE OF OHIO**  
**CONSERVATION PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

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	<b>JANUARY 1, 2009 THROUGH JUNE 30, 2009</b>	<b>CUMULATIVE SINCE INCEPTION JANUARY 2002</b>
	<u>                    </u>	<u>                    </u>
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ 1,914</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	9,432,518	\$ 72,483,367
Bond Proceeds.....	-	4,872,198
Accrued Interest on Bonds Sold.....	-	93,497
Interest Earnings.....	189	78,491
	<u>                    </u>	<u>                    </u>
<b>TOTAL CASH INFLOWS.....</b>	<b>9,432,707</b>	<b>77,527,553</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	5,760,000	44,575,000
Interest Paid.....	3,674,615	32,741,370
Bond Sale and Miscellaneous Expenses.....	-	211,177
	<u>                    </u>	<u>                    </u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>9,434,615</b>	<b>77,527,547</b>
<b>CASH BALANCE, JUNE 30, 2009</b>	<b>\$ 6</b>	<b>\$ 6</b>

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Note:

In addition to the June 30, 2009 cash balance reported above for the Conservation Projects Bond Service Fund, the Sinking Fund Commission had \$3,351 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$26 in investment earnings held in STAROhio, and \$3,325 in administrative fees, which were transferred to the Conservation Projects Bond Service Fund in July 2009.

## THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS

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On November 8, 2005, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State, under Section 2p of Article VIII, Ohio Constitution, to issue up to \$2 billion in general obligation bonds to improve local government infrastructure, support research and development applicable to high-tech business, and enhance business site development. The vote was: Yes—1,512,669; No—1,282,571.

The State is authorized to issue the Third Frontier Research and Development Projects Bonds to provide financial assistance for research and development in support of Ohio industry, commerce, and business, including research and product innovation, development, and commercialization as provided for by law, but excluding purposes provided for in Section 15 of Article VIII, Ohio Constitution. The amendment also authorizes state-supported and state-assisted institutions of higher education to issue obligations to pay costs of research and development purposes.

Third Frontier Research and Development Projects Bonds can be issued in each of the first three fiscal years to no more than \$100 million and in any other fiscal year to no more than \$50 million (plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued).

Section 2p of Article VIII, Ohio Constitution, and particularly sections 151.01 and 151.10 of the Revised Code, was initially implemented by the General Assembly with the adoption of Senate Bill No. 236, in 2005. This legislation authorizes the Ohio Public Facilities Commission to issue obligations under this section in an aggregate amount not to exceed \$200 million.

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Third Frontier Research and Development Projects Bond Service Fund, as created under Section 151.10, Ohio Revised Code.

**STATE OF OHIO**  
**SCHEDULE OF THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS**  
As of JUNE 30, 2009

**CURRENT INTEREST BONDS**

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 11/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
2006A	08/24/06	05/01/13	3.9869%	\$ 50,000,000	\$ 22,280,000	\$ 27,720,000	\$ -	\$ 7,828,405	\$ 4,625,718	\$ 3,202,687
2007A	06/05/07	05/01/17	5.5059%	30,720,000	5,075,000	25,645,000	-	9,558,185	2,980,112	6,578,073
2008A	08/19/08	05/01/18	5.1795%	39,980,000	4,000,000	35,980,000	-	11,171,481	1,329,801	9,841,680
2009A	03/05/09	11/01/18	2.8020%	60,000,000	-	60,000,000	-	15,473,695	-	15,473,695
<b>TOTAL</b>				\$ 180,700,000	\$ 31,355,000	\$ 149,345,000	\$ -	\$ 44,031,766	\$ 8,935,631	\$ 35,096,135

**STATE OF OHIO**  
**THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

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	JANUARY 1, 2009 THROUGH JUNE 30, 2009	CUMULATIVE SINCE INCEPTION AUGUST 2006
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	10,389,195	\$ 34,843,828
Bond Proceeds.....	4,835,567	5,465,847
Interest Earnings.....	10,225	28,639
	<b>15,234,987</b>	<b>40,338,314</b>
<b>TOTAL CASH INFLOWS.....</b>	<b>15,234,987</b>	<b>40,338,314</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	12,795,000	31,355,000
Interest Paid.....	2,434,205	8,935,631
Bond Sale and Miscellaneous Expenses.....	1,485	43,386
	<b>15,230,690</b>	<b>40,334,017</b>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>15,230,690</b>	<b>40,334,017</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ 4,297</b>	<b>\$ 4,297</b>

Note:

In addition to the June 30, 2009 cash balance reported above for the Third Frontier Research and Development Projects Bond Service Fund, the Sinking Fund Commission had \$35,185 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$40 in investment earnings held in STAROhio, \$3,495 in administrative fees, which were transferred to the Third Frontier Research and Development Bond Service Fund in July 2009, and \$31,650 in bond proceeds held for cost of issuance.

## **THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS**

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On November 8, 2005, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State, under Section 2p of Article VIII, Ohio Constitution, to issue up to \$2 billion in general obligation bonds to improve local government infrastructure, support research and development applicable to high-tech business, and enhance business site development. The vote was: Yes—1,512,669; No—1,282,571.

For the development of sites and facilities (Job Ready Sites) in Ohio for and in support of industry, commerce, distribution, and research and development, the constitutional amendment limits Third Frontier Job Ready Site Development Bond issuances to \$150 million with no more than \$30 million in each of the first three fiscal years and no more than \$15 million in any other fiscal year (plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued).

Section 2p of Article VIII, Ohio Constitution, and particularly sections 151.01 and 151.11 of the Revised Code, was initially implemented by the General Assembly with the adoption of Senate Bill No. 236, in 2005. This legislation authorizes the Ohio Public Facilities Commission to issue obligations under this section in an aggregate amount not to exceed \$30 million.

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Third Frontier Job Ready Site Development Bond Service Fund, as created under Section 151.11.



**STATE OF OHIO**  
**SCHEDULE OF THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS**  
**As of JUNE 30, 2009**

**CURRENT INTEREST BONDS**

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/09	Outstanding Principal, as of 06/30/09	Principal Maturing on 11/01/09	Total Interest to Maturity	Interest Paid through 06/30/09	Remaining Interest through Maturity
2006A	12/05/06	05/01/16	3.7589%	\$ 30,000,000	\$ 8,265,000	\$ 21,735,000	\$ -	\$ 5,724,035	\$ 2,333,822	\$ 3,390,213
TOTAL										
				\$ 30,000,000	\$ 8,265,000	\$ 21,735,000	\$ -	\$ 5,724,035	\$ 2,333,822	\$ 3,390,213

**STATE OF OHIO**  
**THIRD FRONTIER JOB READY SITE DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended JUNE 30, 2009**

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	<u>JANUARY 1, 2009 THROUGH JUNE 30, 2009</u>	<u>CUMULATIVE SINCE INCEPTION DECEMBER 2006</u>
<b>CASH BALANCE, JANUARY 1, 2009.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	3,121,072	\$ 10,609,501
Bond Proceeds.....	-	12,968
Interest Earnings.....	149	2,095
	<u>3,121,221</u>	<u>10,624,564</u>
<b>TOTAL CASH INFLOWS.....</b>	<b>3,121,221</b>	<b>10,624,564</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	2,670,000	8,265,000
Interest Paid.....	451,221	2,333,822
Bond Sale and Miscellaneous Expenses.....	-	25,742
	<u>3,121,221</u>	<u>10,624,564</u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>3,121,221</b>	<b>10,624,564</b>
<b>CASH BALANCE, JUNE 30, 2009.....</b>	<b>\$ -</b>	<b>\$ -</b>

Note:

For the Third Frontier Job Ready Site Development Bond Service Fund, the Sinking Fund Commission had \$4,345 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$15 in investment earnings held in STAROhio, and \$4,330 in administrative fees, which were transferred to the Third Frontier Job Ready Site Development Bond Service Fund in July 2009.

## OVERVIEW OF RETIRED GENERAL OBLIGATION BOND ISSUES

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This section of the semi-annual report provides historical information on the State of Ohio's general obligations bonds issued and retired in past years.

### HIGHWAY OBLIGATIONS

Section 2i of Article VIII, Ohio Constitution, as approved by voters on November 5, 1968, authorized the issuance of Highway Obligations Bonds. The vote was: Yes—1,732,512; No—1,550,959.

Highway Obligations Bonds financed construction, reconstruction or improvements for the state highway system. The bonds also provided funds for highway-related land acquisition, highway transportation research and development, and matching funds for joint projects with other governmental units. Section 5528.4, Ohio Revised Code, required that 50 percent of the first \$500 million paid into the Highway Obligations Construction Fund was to be used for urban extensions of state highways and highways within or leading to municipal corporations.

Not more than \$100 million in Highway Obligations Bonds was to be issued in any calendar year, and not more than \$500 million in principal was to be outstanding at any one time. Also, Highway Obligations Bonds could not be outstanding for more than 30 years.

On November 7, 1995, voters approved Section 2m of Article VIII, Ohio Constitution, authorizing the issuance of Highway Capital Improvements Bonds. Section 2m specifically provides that, after December 31, 1996, no additional Highway Obligations Bonds could be issued for any highway purposes under Section 2i of Article VIII, Ohio Constitution, except to refund highway obligations issued under Section 2i that were outstanding on that date.

The State issued all of the \$1.745 billion in Highway Obligations that had been authorized to be issued, and the bonds were fully retired by May 15, 2004.

### DEVELOPMENT BONDS

Section 2h of Article VIII, Ohio Constitution, as approved by voters on May 4, 1965, authorized the issuance of Development Bonds. The vote was: Yes—715,642; No—548,557.

The bonds financed the following: construction of buildings at state-assisted colleges and universities, including land purchases; development costs of state lands for water impoundment, flood control,

parks and recreational uses, or conservation of natural resources; development of state parks and recreational facilities, including construction, reconstruction and improvement of roads and highways; assistance to local governments for the costs of construction and extension of water and sewage lines and mains and the acquisition, construction, reconstruction, improvement, and equipping of water pipelines, stream flow improvements, airports, and historical or educational facilities.

The State issued all of the \$290 million in Development Bonds that had been authorized to be issued. The final maturity for the bonds was August 15, 1995.

### PUBLIC IMPROVEMENTS BONDS

Section 2i of Article VIII, Ohio Constitution, as approved by voters on November 5, 1968, authorized the issuance of Public Improvements Bonds. The vote was: Yes—1,732,512; No—1,550,959.

Public Improvements Bonds financed the costs of water pollution control and abatement projects and various construction projects at state facilities.

The State issued all of the \$257 million in Public Improvements Bonds that had been authorized to be issued, and the bonds were fully retired by June 15, 1995.

### HIGHWAY IMPROVEMENT BONDS

Section G of Article VIII, Ohio Constitution, as approved by voters on May 5, 1964, authorized the issuance of the issuance of Highway Improvement Bonds. The vote was: Yes—1,011,817; No—538,684.

Highway Improvement Bonds financed the acquisition of rights-of-way and the construction and reconstruction of highways on the state highway system and urban extensions thereof.

Fees, excises, or license taxes levied by the State of Ohio, relating to registration, operation, or use of vehicles on public highways, and gasoline excise and highway use taxes funded the debt.

The State issued all of the \$500 million in Highway Improvement Bonds authorized to be issued. The final maturity date for the bonds was October 15, 1989.

## **IMPROVEMENT BONDS**

Section 2f of Article VIII, Ohio Constitution, as approved by voters on November 5, 1963, authorized the issuance of Improvement Bonds. The vote was: Yes— Yes—1,397,971; No—922,687.

Improvement Bonds financed land acquisition and building construction projects for community colleges, municipal universities, and university branches and for state functions, activities, offices, and institutions. The bonds also provided funding for the construction of classroom facilities, for the public schools leased or sold by the State to public school districts unable to provide adequate facilities without assistance from the State and assistance in the development of the State by the acquisition of lands for water impoundment sites, park and recreational uses and conservation of natural resources.

Borrowing was limited to \$100 million a calendar year, and the bonds could not be outstanding for more than 30 years.

Cigarette tax was the primary revenue source that funded the debt service on the bonds.

The State issued all of the \$250 million in Improvement Bonds that had been authorized to be issued, and the bonds were fully retired by April 15, 1975.

## **CAPITAL IMPROVEMENTS CONSTRUCTION BONDS**

Section 2e of Article VIII, Ohio Constitution, as approved by voters on November 8, 1955, authorized the issuance of \$150 million in Capital Improvements Construction Bonds. The vote was: Yes— 1,154,976; No—909,303.

The bonds financed the costs of acquiring, constructing, reconstructing and otherwise improving and equipping buildings and structures, excluding highways, and for the purpose of acquiring sites for such buildings and structures, for the State's penal, correctional, mental and welfare institutions; for the state-supported universities and colleges, for classroom facilities leased or sold by the State to public school districts unable within limitations provided by law to provide adequate facilities without assistance from the State; and for state offices.

The borrowing was limited to \$30 million a calendar year. All Capital Improvements Construction Bonds matured within 20 years from the date of issuance, and no more than \$75 million was expended for state-supported universities and colleges, public

school classroom facilities and state offices, and no more than \$75 million was expended for penal, correctional, mental and welfare institutions of the State. The State deposited the proceeds from the sale of the bonds in the Capital Improvements Construction Fund.

Cigarette tax was the primary source of revenue used to fund the debt, which was initially deposited in the Improvements Bond Retirement Fund for subsequent transfer to the Capital Improvement Bond Retirement Fund, the fund that serviced the costs of the Capital Improvements Construction Bonds.

The State issued all of the \$150 million in Capital Improvements Bonds that had been authorized to be issued. Final maturity for the bonds was June 15, 1977.

## **MAJOR THOROUGHFARE CONSTRUCTION BONDS**

Section 2c of Article VIII, Ohio Constitution, as approved by voters on November 3, 1953, authorized the issuance of \$500 million in Major Thoroughfare Construction Bonds. The vote was: Yes—1,035,869; No— 676,496.

The bonds financed the costs of rights-of-way acquisition and construction and reconstruction of highways on the state highway system. The borrowing was limited to \$125 million per calendar year. The State deposited the proceeds from the sale of these bonds into the Major Thoroughfare Construction Fund.

Fees, excises, or license taxes levied by the State of Ohio, relating to registration, operation, or use of vehicles on public highways, and gasoline excise taxes funded the debt.

The State issued all of the \$500 million in bonds that had been authorized to be issued. Final maturity for the bonds was September 15, 1972.

## **VIETNAM CONFLICT COMPENSATION BONDS**

Section 2j of Article VIII, Ohio Constitution, as approved by voters on November 6, 1973, authorized the issuance of \$300 million in Vietnam Conflict Compensation Bonds. The vote was: Yes— 1,650,120; No— 647,629.

The bonds financed compensation to those Ohioans who served in the military during the Vietnam Conflict. Compensation provided was in cash, or, if elected, in educational assistance.

The State only issued \$185 million of the \$300 million in Vietnam Conflict Compensation Bonds authorized to be issued, and the bonds were fully retired by October 15, 1989.

#### **KOREAN CONFLICT COMPENSATION BONDS**

Section 2d of Article VIII, Ohio Constitution, as approved by voters on November 6, 1956, authorized the issuance of Korean Conflict Compensation Bonds. The vote was: Yes—2,202,510; No—889,245.

The bonds financed the payment of bonuses to persons serving in the U.S. Armed Forces between June 25, 1950 and July 19, 1953. To qualify, a recipient had to be an Ohio resident for not less than one year immediately preceding entry into the armed forces and had to have been separated from the Armed Forces under honorable conditions or still be in the service.

The payment, which had to have been made before January 1, 1959, was set at \$10 for each month of active domestic service and \$15 for each month of active foreign service with the total amount of compensation to be paid to any one person not to exceed \$400.

Of the \$90 million authorized to be sold in bonds, only \$60 million in bonds were sold on May 1, 1957. Funds to retire this debt were provided by a yearly 2/10 mill state levy on all taxable property on the general tax lists of all counties in the State of Ohio.

#### **WORLD WAR II COMPENSATION BONDS**

Section 2b of Article VIII, Ohio Constitution, as approved by voters on November 4, 1947, authorized the issuance of World War II Compensation Bonds. The vote was: Yes—1,497,804; No—478,701.

The Commissioners of the Sinking Fund were authorized to issue and sell a maximum of \$300 million of the bonds to finance the payment of compensation to certain of Ohio's citizens who served in the U.S. Armed Forces during World War II or to certain of their survivors.

Of the \$300 million in bonds authorized to be issued, the State issued only \$212.5 million in bonds.

**STATE OF OHIO**  
**SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES**  
**Summary of Balances and Cumulative Cash Flow Statement**  
**As of JUNE 30, 2009**

BALANCES, AS OF June 30, 2009:	HIGHWAY		PUBLIC		HIGHWAY		CAPITAL	
	OBLIGATIONS	DEVELOPMENT	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENT	IMPROVEMENT	IMPROVEMENT
Cash on Deposit with Bond-Paying Agents.....	\$ 169,997	\$ 237,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678		
Matured Bonds Outstanding.....	\$ 115,000	\$ 135,000	\$ 105,000	\$ 40,000	\$ 105,000	\$ -		
Matured Interest Coupons Outstanding.....	53,747	102,073	43,808	15,288	25,255	678		
Working Fund Balance.....	1,250	442	-	-	-	-		
<b>TOTAL.....</b>	<b>\$ 169,997</b>	<b>\$ 237,515</b>	<b>\$ 148,808</b>	<b>\$ 55,288</b>	<b>\$ 130,255</b>	<b>\$ 678</b>		

**CUMULATIVE SINCE INCEPTION:**

	DECEMBER 1969	OCTOBER 1967	FEBRUARY 1970	MAY 1965	JULY 1964	NOVEMBER 1955
<b>CASH INFLOWS:</b>						
Gasoline and Other Highway Taxes and Fees.....	\$ 2,165,259,713	\$ -	\$ -	\$ 619,248,216	\$ -	\$ -
Cigarette Taxes.....	-	-	-	-	365,571,441	110,429,425
State Property Tax Levy.....	-	-	-	-	-	-
State Appropriations.....	-	-	-	-	-	-
Interest Earnings.....	211,252,401	4,050,476	2,057,362	36,315,072	148,061,427	3,088,157
Accrued Interest on Bonds Sold.....	5,754,196	372,468	304,977	305,519	87,539	-
Transfers from the General Revenue Fund.....	-	505,670,464	404,276,812	250,000	10,431,302	-
Transfers from Other State Funds.....	-	-	-	513,140	223,353	60,511,782
Other Cash Receipts.....	-	250,000	200,000	250,000	277,607	200,780
<b>TOTAL CASH INFLOWS.....</b>	<b>2,382,266,310</b>	<b>510,343,408</b>	<b>406,839,151</b>	<b>656,881,947</b>	<b>524,652,669</b>	<b>174,230,144</b>
<b>CASH OUTFLOWS:</b>						
Principal Paid.....	1,744,885,000	289,865,000	258,895,000	499,960,000	249,895,000	150,000,000
Interest Paid.....	633,077,064	219,038,032	146,859,718	152,814,581	211,203,970	23,690,950
Bond Sale and Miscellaneous Expenses.....	3,260,016	1,070,536	582,606	540,692	559,773	315,163
Transfers to the General Revenue Fund.....	874,233	132,325	153,019	-	2,101,889	-
Transfers to Other State Funds.....	-	-	-	3,511,386	60,561,782	223,353
Other Cash Payments.....	-	-	200,000	-	200,000	-
<b>TOTAL CASH OUTFLOWS.....</b>	<b>2,382,096,313</b>	<b>510,105,893</b>	<b>406,690,343</b>	<b>656,826,659</b>	<b>524,522,414</b>	<b>174,229,466</b>
<b>CASH BALANCE, June 30, 2009.....</b>	<b>\$ 169,997</b>	<b>\$ 237,515</b>	<b>\$ 148,808</b>	<b>\$ 55,288</b>	<b>\$ 130,255</b>	<b>\$ 678</b>

(continued)

**STATE OF OHIO**  
**SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES**  
**Summary of Balances and Cumulative Cash Flow Statement**  
**As of JUNE 30, 2009**  
**(Continued)**

BALANCES, AS OF June 30, 2009:	STATE					TOTAL
	HIGHWAY (Major Thoroughfare)	VIETNAM CONFLICT COMPENSATION	KOREAN CONFLICT COMPENSATION	WORLD WAR II COMPENSATION	TOTAL	
Cash on Deposit with Bond-Paying Agents.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 779,271	
Matured Bonds Outstanding.....	\$ 5,000	\$ 15,000	\$ -	\$ -	\$ 520,000	
Matured Interest Coupons Outstanding.....	2,701	10,194	435	190	254,369	
Working Fund Balance.....	-	3,160	-	50	4,902	
<b>TOTAL.....</b>	<b>\$ 7,701</b>	<b>\$ 28,354</b>	<b>\$ 435</b>	<b>\$ 240</b>	<b>\$ 779,271</b>	
<b>CUMULATIVE SINCE INCEPTION:</b>						
	OCTOBER 1954	MAY 1974	MAY 1957	MAY 1947		
<b>CASH INFLOWS:</b>						
Gasoline and Other Highway Taxes and Fees.....	\$ 583,203,680	\$ -	\$ -	\$ -	\$ 3,367,711,609	
Cigarette Taxes.....	-	-	-	-	476,000,866	
State Property Tax Levy.....	-	-	74,050,765	50,088,901	124,139,666	
State Appropriations.....	-	-	-	200,000,000	200,000,000	
Accrued Earnings.....	19,660,055	1,183,471	7,471,684	3,225,690	436,365,795	
Interest on Bonds Sold.....	-	365,708	65,000	-	7,255,407	
Transfers from the General Revenue Fund.....	750,000	203,281,431	-	-	1,124,660,009	
Transfers from Other State Funds.....	5,194,544	76,307,074	400,000	98,438	143,248,331	
Other Cash Receipts.....	567,073	246,840	1,311,896	-	3,304,196	
<b>TOTAL CASH INFLOWS.....</b>	<b>609,375,352</b>	<b>281,384,524</b>	<b>83,299,345</b>	<b>253,413,029</b>	<b>5,882,685,879</b>	
<b>CASH OUTFLOWS:</b>						
Principal Paid.....	499,995,000	184,985,000	60,000,000	212,500,000	4,150,980,000	
Interest Paid.....	108,470,175	95,746,648	15,846,015	33,991,795	1,640,738,948	
Bond Sale and Miscellaneous Expenses.....	389,336	65,073	-	-	6,783,195	
Transfers to the General Revenue Fund.....	-	559,449	-	6,430,861	10,251,776	
Transfers to Other State Funds.....	513,140	-	7,197,705	-	72,007,366	
Other Cash Payments.....	-	-	255,190	490,133	1,145,323	
<b>TOTAL CASH OUTFLOWS.....</b>	<b>609,367,651</b>	<b>281,356,170</b>	<b>83,298,910</b>	<b>253,412,789</b>	<b>5,881,906,608</b>	
<b>CASH BALANCE, June 30, 2009.....</b>	<b>\$ 7,701</b>	<b>\$ 28,354</b>	<b>\$ 435</b>	<b>\$ 240</b>	<b>\$ 779,271</b>	

## GLOSSARY

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Bond Proceeds	For purposes of this report, the “Bond Proceeds” account can include bond premiums to be applied to future debt service payments, proceeds from which bond issuance costs can be paid, and unspent proceeds also to be applied to future debt service payments in cases when actual bond issuance costs were less than originally estimated at the closing of a bond deal.
General Revenue Fund (GRF)	The GRF is the primary operating fund of the state. This fund receives the unrestricted revenues of the State, primarily from such sources as the personal income tax, the sales and use tax, the corporate franchise tax, and the public utilities excise tax.
Interest	The fee charged a borrower for the use of borrowed money, usually expressed as an annual percentage of the principal.
Interest Rate Swap	An exchange of interest payments on a specific principal amount, as agreed under a counterparty agreement. An interest rate swap usually involves two parties, but can involve more. Often, an interest rate swap is an exchange of a fixed amount per payment period for a payment that is not fixed (the floating side of the swap would usually be linked to another interest rate, often the London Inter-Bank Offer Rate, also known as the LIBOR rate or the Bond Market Association rate, also known as the BMA index). In an interest rate swap, the principal amount is never exchanged with a counterparty; rather, it is just a notional principal amount. Also, on a payment date, usually only the difference (i.e., the net) between the two payments is turned over to the party that is entitled to it, as opposed to exchanging the full interest amounts.
Maturity Date	The date when payment of a debt comes due.
Net Interest Cost (NIC)	Under the NIC method, the total dollar amount of interest payable over the life of the bonds is adjusted by the amount of premium or discount; this method does not take into account the time value of money. Rates within this report using the NIC method are noted.
Principal	The amount of money borrowed.
Series	A group of bonds issued at the same time, but with different maturity dates and stated interest rates.
True Interest Cost (TIC)	Under the TIC method, interest cost is defined as the rate, compounded semiannually, necessary to discount the amounts payable on principal and interest maturity dates to the purchase price of the bonds; this method does take into consideration the time value of money. All rates within this report are reflected using the TIC method unless otherwise noted.
SIFMA	Securities Industry and Financial Markets Association. Formerly Bond Market Association (BMA).
LIBOR	London Inter-Bank Offered Rate
Matched Rate	The State receives the exact rate paid on its associated variable rate bonds.





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