



**SEMI-ANNUAL REPORT**

**FOR THE PERIOD JULY 1, 2009  
THROUGH DECEMBER 31, 2009**

**Unaudited**

**FEBRUARY 14, 2010**



**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)

February 14, 2010

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 December 31, 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 December 31, 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, July 1, 2009 through December 31, 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. The Commission did not convene any meetings during this reporting period.

In February 2009, the U.S. Congress enacted the American Recovery and Reinvestment Act (the Act), certain provisions of which pertain to the issuance of municipal bonds. During this reporting period general obligation bonds were issued under a new class of taxable governmental bonds created in the Act entitled "Build America Bonds - Direct Payment" (BABS). BABS are taxable obligations that provide for the issuer to receive a payment from the United States Treasury equal to thirty-five percent (35%) of the applicable interest, on or about each interest payment date. Issuances of BABS are represented on a gross basis, exclusive of expected direct payments from the United States Treasury. The Commission has incorporated new schedules within this report detailing payments expected and received from the United States Treasury.

On November 9, 2009, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State to issue general obligation bonds to provide compensation to Ohio veterans who have served during the Persian Gulf, Afghanistan, and Iraq conflicts. During this reporting period, no bonds have been issued for this purpose.

This semi-annual report is designed to provide the State of Ohio's citizens, taxpayers, customers, 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).

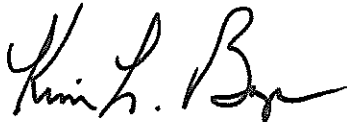
Respectfully Submitted,



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 DECEMBER 31, 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	198,000,000	325,000,000
Bonds Authorized, but not Issued .....	827,000,000	33,000,000	25,000,000
Bonds Matured .....	1,266,500,000	136,610,000	169,705,000
Outstanding Bonded Debt (B) .....	678,500,000	61,390,000	158,705,000
Total Interest Cost to Maturity .....	504,576,813	50,952,880	113,720,307
Interest Paid through 12/31/09 .....	405,267,897	41,725,654	80,508,102
Remaining Interest through Maturity .....	99,308,916	9,227,226	33,212,205
Original Discount on Capital Appreciation Bonds .....	-	-	-
Accreted Principal Paid through 12/31/09 .....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	98,104,018	2,269,623	397,521
Final Maturity Date .....	5/1/2018	8/1/2019	4/1/2024
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 .....	606,080,000	492,035,000	1,167,249,352
Outstanding Bonded Debt (B) .....	2,662,870,000	1,498,935,000	1,462,847,613
Total Interest Cost to Maturity (C) .....	1,758,590,381	1,091,142,754	1,309,074,922
Interest Paid through 12/31/09 .....	742,321,526	517,929,561	762,478,728
Remaining Interest through Maturity (C) .....	1,016,268,855	573,213,193	546,596,194
Original Discount on Capital Appreciation Bonds .....	-	-	281,518,034
Accreted Principal Paid through 12/31/09 .....	-	-	183,235,647
Remaining Discount through Maturity .....	-	-	98,282,387
Cash Balance in Bond Service Fund .....	16,937	4,240	26
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 DECEMBER 31, 2009**  
**(Continued)**

<b>Legal Authority &amp; Date of Voter Authorization</b>	<b>CONSERVATION PROJECTS BONDS Section 2o of Article VIII, Ohio Constitution 11/7/2000</b>	<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS Section 2p of Article VIII, Ohio Constitution 11/8/2005</b>	<b>THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS Section 2p of Article VIII, Ohio Constitution 11/8/2005</b>
Bonds Authorized .....	\$ 300,000,000	\$ 450,000,000	\$ 120,000,000
Bonds Issued (A) .....	284,040,000	255,700,000	75,000,000
Bonds Authorized, but not Issued .....	15,960,000	194,300,000	45,000,000
Bonds Matured .....	50,455,000	31,355,000	8,265,000
Outstanding Bonded Debt (B) .....	198,790,000	224,345,000	66,735,000
Total Interest Cost to Maturity .....	97,561,571	63,038,538	16,723,246
Interest Paid through 12/31/09 .....	36,322,088	12,675,496	2,739,987
Remaining Interest through Maturity .....	61,239,483	50,363,042	13,983,259
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 12/31/09 .....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	701,892	4,937,013	863,997
Final Maturity Date .....	3/1/2024	11/1/2019	11/1/2019
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.
  - \$400 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 in lieu of bonded debt until all proceeds are expended.

**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 DECEMBER 31, 2009**

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

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, July 1, 2009.....</i>	6,838,516,212

*General Obligation Bonds Issued - July 1 through December 31, 2009:*

		Date of Issue
Coal Research & Development Bonds, Series J.....	10,000,000	September 4, 2009
Coal Research & Development Bonds, Series K*.....	30,000,000	September 4, 2009
Common Schools Capital Facilities Bonds, Series 2009C.....	240,830,000	October 6, 2009
Higher Education Capital Facilities Bonds, Series 2009C.....	262,430,000	October 6, 2009
Conservation Projects Bonds, Series 2009A.....	34,040,000	October 6, 2009
Natural Resources Capital Facilities Bonds, Series M.....	5,285,000	October 6, 2009
Third Frontier Research & Development Bonds, Series 2009B.....	75,000,000	November 3, 2009
Job Ready Site Development Bonds, Series 2009A.....	18,885,000	November 17, 2009
Job Ready Site Development Bonds, Series 2009B**.....	26,115,000	November 17, 2009
Conservation Projects Bonds, Series 2009B.....	16,765,000	December 16, 2009
Conservation Projects Bonds, Series 2009C**.....	33,235,000	December 16, 2009
Natural Resources Capital Facilities Bonds, Series N.....	9,835,000	December 16, 2009
Natural Resources Capital Facilities Bonds, Series O**.....	20,165,000	December 16, 2009
<i>Total Issuances.....</i>	782,585,000	

*General Obligation Bonds Refunded - July 1 through December 31, 2009:*

		Date Refunded
Common Schools Capital Facilities Bonds.....	246,955,000	October 6, 2009
Higher Education Capital Facilities Bonds.....	264,295,000	October 6, 2009
Conservation Projects Bonds.....	34,795,000	October 6, 2009
Natural Resources Capital Facilities Bonds.....	5,040,000	October 6, 2009
<i>Total Refunded.....</i>	551,085,000	

*General Obligation Bonds Matured - July 1 through December 31, 2009:*

		Date of Maturity
Public Infrastructure Capital Improvements Bonds		
Series 1991.....	2,842,740	August 1, 2009
Series 1992.....	6,118,936	August 1, 2009
Series 1993.....	603,652	August 1, 2009
Series 1995.....	1,054,926	August 1, 2009
Series 1996.....	949,297	August 1, 2009
Series 2003B.....	2,545,000	August 1, 2009
Series 2003E.....	142,404	August 1, 2009
Series 1989.....	5,351,644	September 1, 2009
Series 2007A.....	3,820,000	September 1, 2009
	23,428,599	
Coal Research and Development Bonds:		
Series F.....	1,610,000	August 1, 2009
Series G.....	1,565,000	August 1, 2009
Series I.....	885,000	August 1, 2009
	4,060,000	
Natural Resources Capital Facilities Bonds:		
Series G.....	1,875,000	October 1, 2009
Series H.....	4,105,000	October 1, 2009
Series J.....	4,410,000	October 1, 2009
Series L.....	2,625,000	October 1, 2009
	13,015,000	
Common Schools Capital Facilities Bonds:		
Series 2003E.....	10,515,000	September 15, 2009
	10,515,000	

(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 DECEMBER 31, 2009**

(Continued)

Conservation Projects Bonds:		
Series 2002A.....	3,280,000	September 1, 2009
Series 2007A.....	2,600,000	September 1, 2009
	<u>5,880,000</u>	
<i>Total Maturities.....</i>	<u>56,898,599</u>	
<i>Outstanding General Obligation Bond Principal, December 31, 2009:</i>		
Highway Capital Improvements Bonds .....	678,500,000	
Coal Research and Development Projects Bonds .....	61,390,000	
Natural Resources Capital Facilities Bonds .....	158,705,000	
Common Schools Capital Facilities Bonds .....	2,662,870,000	
Higher Education Capital Facilities Bonds .....	1,498,935,000	
Public Infrastructure Capital Improvements Bonds .....	1,462,847,613	
Conservation Projects Bonds .....	198,790,000	
Third Frontier Research & Development Projects Bonds .....	224,345,000	
Third Frontier Job Ready Site Development Bonds.....	66,735,000	
<i>Total Outstanding, December 31, 2009.....</i>	<u>\$ 7,013,117,613</u>	
<i>Interest &amp; Accreted Principal Paid, July 1 through December 31, 2009:</i>		
	<u>Interest</u>	<u>Accreted Principal</u>
Highway Capital Improvements Bonds .....	\$ 15,631,985	\$ -
Coal Research and Development Projects Bonds .....	503,234	-
Natural Resources Capital Facilities Bonds .....	2,851,475	-
Common Schools Capital Facilities Bonds .....	52,378,361	-
Higher Education Capital Facilities Bonds .....	31,499,817	-
Public Infrastructure Capital Improvements Bonds .....	26,573,558	19,166,401
Conservation Projects Bonds .....	3,580,718	-
Third Frontier Research & Development Projects Bonds .....	3,739,865	-
Third Frontier Job Ready Site Development Bonds.....	406,165	-
<i>Total Interest and Accreted Principal Paid.....</i>	<u>\$ 137,165,178</u>	<u>\$ 19,166,401</u>
<i>Interest Rate Swap Agreements-Net Receipts &amp; Payments,</i>		
<i>July 1 through December 31, 2009:</i>		
	<u>Net Swap Receipts</u>	<u>Net Swap Payments</u>
Common Schools Capital Facilities Bonds .....	\$ -	\$ 5,713,049
Public Infrastructure Capital Improvements Bonds .....	55,469	2,972,793
<i>Total Net Receipts and Payments.....</i>	<u>\$ 55,469</u>	<u>\$ 8,685,842</u>

\*The project to be financed by the proceeds of Coal Research & Development Bonds, Series K, was abandoned. As a result, it is contemplated that the net premium of \$2.2M and project fund deposit of \$30M (total of \$32.2M) and any accrued interest generated will be used to defease the obligations in the near future.

\*\*Issued as Federally Taxable, Build America Bonds - Direct Payment. See Schedule of Schedule of American Recovery and Reinvestment Act Bonds and the Schedule of American Recovery and Reinvestment Act Expected Payments for more information.

**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 this report period the following actions occurred with respect to the State's general obligation bond rating:

On August 24, 2009, Moody's revised its rating outlook associated with the rating from "stable to "negative."

On September 23, 2009, Standard and Poor's revised the "stable" rating outlook it assigned to "negative."

The table below reflects the ratings in effect for general obligation bonds during the period July 1, 2009 through December 31, 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.

Ratings Assigned to General Obligations			
Purpose	Bond Rating Agencies		
	Fitch	Moody's	Standard & Poor's
Highway Capital Improvements .....	AA	Aa2	AAA
Coal Research and Development .....	AA	Aa2	AA+
Natural Resources Capital Facilities .....	AA	Aa2	AA+
Common Schools Capital Facilities .....	AA	Aa2	AA+
Higher Education Capital Facilities .....	AA	Aa2	AA+
Public Infrastructure Capital Improvements .....	AA	Aa2	AA+
Conservation Projects .....	AA	Aa2	AA+
Third Frontier R & D Projects.....	AA	Aa2	AA+
Job Ready Site Development .....	AA	Aa2	AA+

Source: Ohio Office of Budget and Management

General Obligation Bond Sales						
Details on bond sales that closed during the six-month period ended December 31, 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
<b>Coal Research and Development Bonds:</b>						
Series J.....	9/4/09	\$ 10,000,000	\$ 144,343	\$ (53,193)	\$ (91,150)	\$ 10,000,000
Series K.....	9/4/09	30,000,000	255,203	(139,703)	(115,500)	\$ 30,000,000
<b>Common Schools Facilities Bonds:</b>						
Series 2009C.....	10/6/09	240,830,000	34,983,914	(944,750)	(246,000)	\$ 274,623,164
<b>Conservation Projects Bonds:</b>						
Series 2009A.....	10/6/09	34,040,000	4,082,244	(133,644)	(107,000)	\$ 37,881,600
Series 2009B.....	12/16/09	16,765,000	450,878	(71,512)	(41,250)	\$ 17,103,116
Series 2009C*.....	12/16/09	33,235,000	-	(215,116)	(123,000)	\$ 32,896,884
<b>Higher Education Facilities Bonds:</b>						
Series 2009C.....	10/6/09	262,430,000	32,847,431	(1,016,428)	(287,000)	\$ 293,974,003
<b>Job Ready Site Development Bonds:</b>						
Series 2009A.....	11/17/09	18,885,000	444,589	(82,545)	(107,000)	\$ 19,140,044
Series 2009B*.....	11/17/09	26,115,000	-	(156,169)	(98,875)	\$ 25,859,956
<b>Natural Resources Facilities Bonds:</b>						
Series M.....	10/6/09	5,285,000	105,192	(17,520)	(17,000)	\$ 5,355,672
Series N.....	12/16/09	9,835,000	333,377	(45,596)	(41,250)	\$ 10,081,531
Series O*.....	12/16/09	20,165,000	-	(136,531)	(110,000)	\$ 19,918,469
<b>Third Frontier R &amp; D Projects Bonds:</b>						
Series 2009B.....	11/3/09	75,000,000	453,328	(303,328)	(150,000)	\$ 75,000,000

\*Issued as Federally Taxable, Build America Bonds - Direct Payment. See Schedule of Schedule of American Recovery and Reinvestment Act Bonds and the Schedule of American Recovery and Reinvestment Act Expected Payments for more information.

**STATE OF OHIO**  
**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BOND PRINCIPAL BALANCES**  
**THROUGH FINAL SCHEDULED MATURITY**  
**As of DECEMBER 31, 2009**

As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public Infrastructure Capital Improvements	Conservation Projects	Third Frontier Research & Development Projects	Third Frontier Job Ready Site Development	Total Outstanding
12/31/09	\$ 678,500,000	\$ 61,390,000	\$ 158,705,000	\$ 2,662,870,000	\$ 1,498,935,000	\$ 1,462,847,613	\$ 198,790,000	\$ 224,345,000	\$ 66,735,000	\$7,013,117,613
06/30/10	539,500,000	58,245,000	151,750,000	2,595,095,000	1,459,110,000	1,457,490,636	192,840,000	211,845,000	63,965,000	6,729,840,636
06/30/11	423,000,000	52,315,000	132,390,000	2,451,555,000	1,373,385,000	1,350,057,848	179,580,000	190,810,000	59,075,000	6,212,167,848
06/30/12	326,500,000	45,145,000	111,780,000	2,303,260,000	1,279,190,000	1,240,155,915	164,845,000	166,170,000	53,085,000	5,690,130,915
06/30/13	230,000,000	41,260,000	94,215,000	2,135,320,000	1,187,245,000	1,137,278,266	149,500,000	138,385,000	45,535,000	5,158,738,266
06/30/14	147,000,000	25,195,000	75,915,000	1,966,720,000	1,084,455,000	1,016,306,998	132,075,000	117,215,000	37,710,000	4,602,591,998
06/30/15	80,000,000	9,075,000	59,775,000	1,800,270,000	968,075,000	900,328,600	113,925,000	95,320,000	29,565,000	4,056,333,600
06/30/16	47,000,000	6,415,000	45,715,000	1,627,240,000	873,700,000	787,180,000	95,040,000	72,325,000	21,150,000	3,575,765,000
06/30/17	14,000,000	4,885,000	32,950,000	1,448,680,000	775,470,000	678,360,000	75,405,000	48,215,000	16,070,000	3,094,035,000
06/30/18	-	3,305,000	19,670,000	1,262,855,000	672,790,000	575,030,000	59,610,000	26,920,000	10,860,000	2,631,040,000
06/30/19	-	1,680,000	15,245,000	1,069,815,000	566,255,000	486,750,000	43,150,000	9,665,000	5,510,000	2,198,070,000
06/30/20	-	-	10,670,000	868,455,000	454,455,000	405,285,000	30,445,000	-	-	1,769,310,000
06/30/21	-	-	8,125,000	673,650,000	338,005,000	329,870,000	22,170,000	-	-	1,371,820,000
06/30/22	-	-	5,500,000	481,025,000	234,100,000	261,245,000	13,565,000	-	-	995,435,000
06/30/23	-	-	2,795,000	296,150,000	138,785,000	199,025,000	4,605,000	-	-	641,360,000
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 DECEMBER 31, 2009**

**HIGHWAY CAPITAL IMPROVEMENTS BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 139,000,000	\$ 15,631,985	\$ 154,631,985
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	13,111,664	160,111,664
2020-2024.....	-	-	-
2025-2029.....	-	-	-
<b>Total.....</b>	<b>678,500,000</b>	<b>99,308,916</b>	<b>777,808,916</b>

Original Discount  
Applicable to  
Outstanding Capital  
Appreciation Bonds.....

	-	-	-
	\$ 678,500,000	\$ 99,308,916	\$ 777,808,916

**COAL RESEARCH AND DEVELOPMENT BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 3,145,000	\$ 1,035,861	\$ 4,180,861
2011.....	5,930,000	2,145,031	8,075,031
2012.....	7,170,000	1,910,778	9,080,778
2013.....	3,885,000	1,679,381	5,564,381
2014.....	16,065,000	1,230,769	17,295,769
2015-2019.....	23,515,000	1,198,106	24,713,106
2020-2024.....	1,680,000	27,300	1,707,300
2025-2029.....	-	-	-
<b>Total.....</b>	<b>61,390,000</b>	<b>9,227,226</b>	<b>70,617,226</b>

Original Discount  
Applicable to  
Outstanding Capital  
Appreciation Bonds.....

	-	-	-
	\$ 61,390,000	\$ 9,227,226	\$ 70,617,226

**NATURAL RESOURCES CAPITAL FACILITIES BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 6,955,000	\$ 2,927,535	\$ 9,882,535
2011.....	19,360,000	5,855,330	25,215,330
2012.....	20,610,000	5,065,277	25,675,277
2013.....	17,565,000	4,312,484	21,877,484
2014.....	18,300,000	3,578,537	21,878,537
2015-2019.....	60,670,000	9,432,822	70,102,822
2020-2024.....	15,245,000	2,040,220	17,285,220
2025-2029.....	-	-	-
<b>Total.....</b>	<b>158,705,000</b>	<b>33,212,205</b>	<b>191,917,205</b>

Original Discount  
Applicable to  
Outstanding Capital  
Appreciation Bonds.....

	-	-	-
	\$ 158,705,000	\$ 33,212,205	\$ 191,917,205

**COMMON SCHOOLS CAPITAL FACILITIES BONDS**

	Principal	Interest (A)	Total
FY Ending June 30,			
2010.....	\$ 67,775,000	\$ 61,185,215	\$ 128,960,215
2011.....	143,540,000	119,231,839	262,771,839
2012.....	148,295,000	112,528,176	260,823,176
2013.....	167,940,000	105,484,699	273,424,699
2014.....	168,600,000	97,200,496	265,800,496
2015-2019.....	896,905,000	364,732,738	1,261,637,738
2020-2024.....	901,115,000	146,252,333	1,047,367,333
2025-2029.....	168,700,000	9,653,359	178,353,359
<b>Total.....</b>	<b>2,662,870,000</b>	<b>1,016,268,855</b>	<b>3,679,138,855</b>

Original Discount  
Applicable to  
Outstanding Capital  
Appreciation Bonds.....

	-	-	-
	\$ 2,662,870,000	\$ 1,016,268,855	\$ 3,679,138,855

**HIGHER EDUCATION CAPITAL FACILITIES BONDS**

	Principal	Interest	Total
FY Ending June 30,			
2010.....	\$ 39,825,000	\$ 34,066,551	\$ 73,891,551
2011.....	85,725,000	69,121,559	154,846,559
2012.....	94,195,000	64,987,974	159,182,974
2013.....	91,945,000	60,541,085	152,486,085
2014.....	102,790,000	55,708,275	158,498,275
2015-2019.....	518,200,000	203,712,075	721,912,075
2020-2024.....	489,555,000	79,809,240	569,364,240
2025-2029.....	76,700,000	5,266,434	81,966,434
<b>Total.....</b>	<b>1,498,935,000</b>	<b>573,213,193</b>	<b>2,072,148,193</b>

Original Discount  
Applicable to  
Outstanding Capital  
Appreciation Bonds.....

	-	-	-
	\$ 1,498,935,000	\$ 573,213,193	\$ 2,072,148,193

**PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**

	Principal	Interest (A)	Total
FY Ending June 30,			
2010.....	\$ 6,040,000	\$ 33,937,868	\$ 39,977,868
2011.....	130,450,000	64,704,559	195,154,559
2012.....	136,595,000	60,450,731	197,045,731
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>1,561,130,000</b>	<b>546,596,194</b>	<b>2,107,726,194</b>

Original Discount  
Applicable to  
Outstanding Capital  
Appreciation Bonds.....

	-	-	-
	\$ 1,561,130,000	\$ 546,596,194	\$ 2,107,726,194

**STATE OF OHIO**  
**SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS**  
As of DECEMBER 31, 2009  
(Continued)

	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
FY Ending June 30,									
2010.....	\$ 5,950,000	\$ 3,618,971	\$ 9,568,971	\$ 12,500,000	\$ 4,762,568	\$ 17,262,568	\$ 2,770,000	\$ 1,195,880	\$ 3,965,880
2011.....	13,260,000	8,424,731	21,684,731	21,035,000	8,925,985	29,960,985	4,890,000	2,432,363	7,322,363
2012.....	14,735,000	7,916,981	22,651,981	24,640,000	8,110,853	32,750,853	5,990,000	2,269,103	8,259,103
2013.....	15,345,000	7,397,106	22,742,106	27,785,000	7,151,440	34,936,440	7,550,000	2,032,048	9,582,048
2014.....	17,425,000	6,717,106	24,142,106	21,170,000	6,038,690	27,208,690	7,825,000	1,687,636	9,512,636
2015-2019.....	88,925,000	22,035,062	110,960,062	107,550,000	15,167,081	122,717,081	32,200,000	4,239,911	36,439,911
2020-2024.....	43,150,000	5,129,526	48,279,526	9,665,000	206,425	9,871,425	5,510,000	126,318	5,636,318
2025-2029.....	-	-	-	-	-	-	-	-	-
<b>Total.....</b>	<b>198,790,000</b>	<b>61,239,483</b>	<b>260,029,483</b>	<b>224,345,000</b>	<b>50,363,042</b>	<b>274,708,042</b>	<b>66,735,000</b>	<b>13,983,259</b>	<b>80,718,259</b>
Original Discount Applicable to Outstanding Capital Appreciation Bonds....	-	-	-	-	-	-	-	-	-
	<b>\$ 198,790,000</b>	<b>\$ 61,239,483</b>	<b>\$ 260,029,483</b>	<b>\$ 224,345,000</b>	<b>\$ 50,363,042</b>	<b>\$ 274,708,042</b>	<b>\$ 66,735,000</b>	<b>\$ 13,983,259</b>	<b>\$ 80,718,259</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 DECEMBER 31, 2009**

<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS</b>			<b>COAL RESEARCH AND DEVELOPMENT BONDS</b>			<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS</b>		
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 December 31, 2009..... \$ 2,772,000,000

Total Authorizations,  
as of December 31, 2009..... \$ 231,000,000

Total Authorizations,  
as of December 31, 2009..... \$ 350,000,000

<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS</b>			<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS</b>			<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS</b>		
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 December 31, 2009..... \$ 3,345,000,000

Total Authorizations,  
as of December 31, 2009..... \$ 2,613,000,000

Total Authorizations,  
as of December 31, 2009..... \$ 2,880,000,000

**STATE OF OHIO**  
**SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES**  
As of DECEMBER 31, 2009  
(Continued)

CONSERVATION PROJECTS BONDS			THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS			THIRD FRONTIER JOB READY SITE DEVELOPMENT 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 16	126th	\$ 100,000,000	Senate Bill 236	126th	\$ 200,000,000	Senate Bill 236	126th	\$ 30,000,000
House Bill 16	126th	50,000,000	House Bill 119	127th	150,000,000	House Bill 530	126th	30,000,000
House Bill 530	126th	50,000,000	House Bill 2	128th	100,000,000	House Bill 699	126th	30,000,000
House Bill 562	127th	40,000,000				House Bill 562	127th	30,000,000
House Bill 2 (C)	128th	(40,000,000)						
House Bill 2	128th	100,000,000						
Total Authorizations,		\$ 300,000,000	Total Authorizations,		\$ 450,000,000	Total Authorizations,		\$ 120,000,000
as of December 31, 2009.....		<u><u>300,000,000</u></u>	as of December 31, 2009.....		<u><u>450,000,000</u></u>	as of December 31, 2009.....		<u><u>120,000,000</u></u>

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 in lieu of bonded debt until all proceeds are expended.
- (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 in lieu of bonded debt (Am. Sub. HB 562, Sec. 518.03) until all proceeds are expended; 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 DECEMBER 31, 2009**

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 05/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	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	22,500,000	67,877,344	67,244,531	632,813
F	02/01/01	05/01/02	05/01/11	4.1271%	200,000,000	160,000,000	40,000,000	20,000,000	57,171,324	55,126,364	2,044,960
G	12/04/02	05/01/04	05/01/13	4.1271%	135,000,000	81,000,000	54,000,000	13,500,000	38,185,816	32,672,107	5,513,709
H	03/04/04	05/01/05	05/01/14	2.9603%	160,000,000	80,000,000	80,000,000	16,000,000	42,039,742	32,343,346	9,696,396
I	05/18/05	05/01/06	05/01/15	3.5103%	140,000,000	56,000,000	84,000,000	14,000,000	36,241,844	23,893,488	12,348,356
J	03/08/06	05/01/07	05/01/15	3.7830%	180,000,000	60,000,000	120,000,000	20,000,000	40,516,925	23,853,096	16,663,829
K	04/11/07	05/01/08	05/01/17	3.8650%	190,000,000	38,000,000	152,000,000	19,000,000	49,452,649	20,438,368	29,014,281
L	05/01/08	05/01/09	05/01/18	3.3940%	140,000,000	14,000,000	126,000,000	14,000,000	31,322,863	7,928,291	23,394,572
<b>TOTAL</b>					\$ 1,945,000,000	\$ 1,266,500,000	\$ 678,500,000	\$ 139,000,000	\$ 504,576,813	\$ 405,267,897	\$ 99,308,916

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 DECEMBER 31, 2009**

	<b>JULY 1, 2009 THROUGH DECEMBER 31, 2009</b>	<b>CUMULATIVE SINCE INCEPTION SEPTEMBER 1996</b>
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 736,309</b>	
<b>CASH INFLOWS:</b>		
Transfers from Other State Funds.....	113,094,506	\$ 1,692,072,436
Bond Proceeds.....	-	48,263,522
Accrued Interest on Bonds Sold.....	-	1,875,117
Interest Earnings.....	12,633	28,755,139
<b>TOTAL CASH INFLOWS.....</b>	<b>113,107,139</b>	<b>1,770,966,214</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	-	1,266,500,000
Interest Paid.....	15,631,985	405,267,897
Bond Sale and Miscellaneous Expenses.....	107,445	1,094,299
<b>TOTAL CASH OUTFLOWS.....</b>	<b>15,739,430</b>	<b>1,672,862,196</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 98,104,018</b>	<b>\$ 98,104,018</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Highway Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$60,476 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$150 in investment earnings held in STAROhio, and \$60,326 in administrative fees that remain unspent.

## 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 DECEMBER 31, 2009

<b>CURRENT INTEREST BONDS</b>											
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 02/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	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	1,490,000	3,358,622	3,321,372	37,250
F	08/01/01	08/01/02	08/01/11	4.0330%	15,000,000	11,560,000	3,440,000	-	3,808,725	3,585,965	222,760
G	05/01/02	08/01/03	08/01/12	3.9950%	15,000,000	9,900,000	5,100,000	-	3,504,175	3,072,235	431,940
H	04/01/04	02/01/05	02/01/12	2.3885%	13,000,000	7,910,000	5,090,000	1,655,000	1,390,750	1,176,000	214,750
I	09/20/07	08/01/08	08/01/15	3.9283%	8,000,000	1,730,000	6,270,000	-	1,567,660	597,810	969,850
J	09/04/09	08/01/11	08/01/19	2.8752%	10,000,000	-	10,000,000	-	2,064,582	-	2,064,582
K <sup>(B)</sup>	09/04/09	08/01/13	08/01/14	2.1188%	30,000,000	-	30,000,000	-	5,286,094	-	5,286,094
<b>TOTAL</b>					\$ 198,000,000	\$ 136,610,000	\$ 61,390,000	\$ 3,145,000	\$ 50,952,880	\$ 41,725,654	\$ 9,227,226

Notes:

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

(B) The project to be financed by the proceeds of Coal Research & Development Bonds, Series K, was abandoned. As a result, it is contemplated that the net premium of \$2.2M and project fund deposit of \$30M (total of \$32.2M) and any accrued interest generated will be used to defease the obligations in the near future.

**STATE OF OHIO**  
**COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

	JULY 1, 2009 THROUGH DECEMBER 31, 2009	CUMULATIVE SINCE INCEPTION AUGUST 1986
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 14,127</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	4,545,781	\$ 178,208,813
Bond Proceeds.....	2,249,319	2,407,051
Accrued Interest on Bonds Sold.....	-	207,442
Royalties from Research and Development Grants.....	18,712	131,416
Interest Earnings.....	1,593	180,320
Unused Administrative Fees.....	3,325	3,325
<b>TOTAL CASH INFLOWS.....</b>	<b>6,818,730</b>	<b>181,138,367</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	4,060,000	136,610,000
Interest Paid.....	503,234	41,725,654
Bond Sale and Miscellaneous Expenses.....	-	533,090
<b>TOTAL CASH OUTFLOWS.....</b>	<b>4,563,234</b>	<b>178,868,744</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 2,269,623</b>	<b>\$ 2,269,623</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Coal Research and Development Bond Service Fund, the Sinking Fund Commission had \$5,777 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 \$5,751 in excess cost of issuance, which were transferred to the Coal Research and Development Bond Service Fund in January 2009.



## **NATURAL RESOURCES CAPITAL FACILITIES BONDS**

---

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 DECEMBER 31, 2009

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 04/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	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	2,150,000	7,500,231	7,446,481	53,750
F	08/01/01	04/01/02	04/01/16	4.4462%	20,000,000	9,230,000	8,030,000	2,740,000	1,340,000	5,467,643	5,329,143	138,500
G	03/15/02	10/01/03	10/01/17	4.4905%	30,000,000	11,990,000	4,470,000	13,540,000	-	10,225,823	7,226,582	2,999,241
H	08/15/02	10/01/03	10/01/10	2.9924%	17,640,000	15,415,000	-	2,225,000	-	3,490,840	3,415,746	75,094
I	06/17/03	04/01/05	04/01/18	3.2244%	30,000,000	8,920,000	-	21,080,000	1,970,000	10,030,364	6,206,528	3,823,836
J	09/28/04	04/01/05	10/01/14	3.3163%	47,425,000	10,345,000	-	37,080,000	-	12,534,771	8,432,769	4,102,002
K	03/01/05	04/01/06	04/01/20	3.5730%	25,000,000	5,565,000	-	19,435,000	1,495,000	7,812,048	3,640,335	4,171,713
L	06/21/07	10/01/08	10/01/17	4.2413%	30,000,000	4,830,000	-	25,170,000	-	8,162,332	2,817,607	5,344,725
M	10/06/09	10/01/13	10/01/15	2.0534%	5,285,000	-	-	5,285,000	-	637,980	-	637,980
N	12/16/09	04/01/11	04/01/16	1.8858%	9,835,000	-	-	9,835,000	-	1,534,185	-	1,534,185
O	12/16/09	04/01/17	04/01/24	3.1108%	20,165,000	-	-	20,165,000	-	10,331,179	-	10,331,179
<b>TOTAL</b>					\$ 395,350,000	\$ 169,705,000	\$ 66,940,000	\$ 158,705,000	\$ 6,955,000	\$ 113,720,307	\$ 80,508,102	\$ 33,212,205

Notes:

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

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

	Series H		Series J		Series M		Refunding Bonds	
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Original Principal	Change in Principal Outstanding
Series A	\$ 8,400,000	2005-2009	\$ -	-	\$ -	-	\$ 17,640,000	\$ 880,000
Series C	3,800,000	2008	17,100,000	2009-2012	-	2009-2012	47,425,000	2,285,000
Series D	2,300,000	2010	10,200,000	2011-2014	-	2011-2014	5,285,000	245,000
Series E	2,260,000	2011	10,380,000	2012-2015	-	2012-2015	-	-
Series F	-	-	2,990,000	2012 & 2013	5,040,000	2014-2016	-	-
Series G	-	-	4,470,000	2013 & 2014	-	-	\$ 70,350,000	\$ 3,410,000
<b>\$ 16,760,000</b>			<b>\$ 45,140,000</b>		<b>\$ 5,040,000</b>		<b>\$ 66,940,000</b>	

**STATE OF OHIO**  
**NATURAL RESOURCES PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

	JULY 1, 2009 THROUGH DECEMBER 31, 2009	CUMULATIVE SINCE INCEPTION OCTOBER 1994
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 1,588</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	15,861,559	\$ 249,065,053
Bond Proceeds.....	397,517	1,535,403
Accrued Interest on Bonds Sold.....	-	418,719
Interest Earnings.....	7	60,647
Unused Administrative Fees.....	3,325	3,325
<b>TOTAL CASH INFLOWS.....</b>	<b>16,262,408</b>	<b>251,083,147</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	13,015,000	169,705,000
Interest Paid.....	2,851,475	80,508,102
Bond Sale and Miscellaneous Expenses.....	-	472,524
<b>TOTAL CASH OUTFLOWS.....</b>	<b>15,866,475</b>	<b>250,685,626</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 397,521</b>	<b>\$ 397,521</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Natural Resources Projects Bond Service Fund, the Sinking Fund Commission had \$41,216 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 \$41,190 in bond proceeds held for cost of issuance.

## 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 DECEMBER 31, 2009**

<b>CURRENT INTEREST BONDS</b>													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (G)	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 03/15/10	Principal Maturing on 06/15/10	Total Interest to Maturity	Interest Paid through 12/31/09	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	\$ 9,185,000	-	-	\$ 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	48,818,642	183,700
2001B	08/15/01	09/15/02	09/15/16	4.7040%	200,000,000	50,575,000	96,370,000	53,055,000	-	-	82,043,543	67,901,275	14,142,268
2002A	03/15/02	09/15/03	09/15/22	4.7969%	200,000,000	44,970,000	86,195,000	68,835,000	-	-	95,579,581	67,184,169	28,395,412
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	55,781,908	50,430,182
2003A	02/20/03	03/15/04	03/15/23	4.2525%	250,000,000	58,490,000	22,690,000	168,820,000	-	-	139,915,539	71,436,989	68,478,550
2003B	08/07/03	06/15/05	06/15/23	4.3501%	200,000,000	29,665,000	28,280,000	142,055,000	-	8,335,000	112,609,185	55,332,301	57,276,884
2003C	12/15/03	03/15/05	03/15/19	3.5640%	133,000,000	36,295,000	26,080,000	70,625,000	-	-	52,280,041	31,288,134	20,991,907
2003E	01/23/04	09/15/09	09/15/13	3.2380%	58,235,000	10,515,000	-	47,720,000	-	-	22,548,461	16,435,211	6,113,250
2004A	04/13/04	06/15/05	06/15/24	4.0442%	200,000,000	31,165,000	28,170,000	140,665,000	-	8,500,000	105,340,127	47,062,396	58,277,731
2004B	09/28/04	03/15/05	03/15/24	4.1748%	200,000,000	37,570,000	19,695,000	142,735,000	7,525,000	-	107,064,527	44,741,902	62,322,625
2004C	09/28/04	09/15/10	09/15/14	3.4579%	18,880,000	-	-	18,880,000	-	-	7,528,911	4,685,911	2,843,000
2005C	08/23/05	06/15/06	06/15/25	4.2020%	200,000,000	20,315,000	27,520,000	152,165,000	-	7,660,000	99,691,345	35,196,672	64,494,673
2005D	08/23/05	09/15/14	09/15/19	3.9234%	71,900,000	-	-	71,900,000	-	-	46,426,814	16,059,664	30,367,150
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	32,029,509	75,588,875
2006D	10/11/06	09/15/07	09/15/26	4.1104%	250,000,000	19,000,000	21,445,000	209,555,000	-	-	128,906,416	33,150,531	95,755,885
2007A	03/08/07	06/15/08	06/15/26	4.1467%	250,000,000	9,050,000	35,630,000	205,320,000	-	9,770,000	120,448,219	30,846,419	89,601,800
2009A	01/27/09	09/15/11	09/15/18	2.5720%	91,170,000	-	-	91,170,000	-	-	24,217,453	2,242,190	21,975,263
2009B	05/29/09	09/15/12	09/15/20	2.8164%	102,970,000	-	-	102,970,000	-	-	34,038,936	1,373,686	32,665,250
2009C	10/06/09	09/15/13	09/15/20	2.5597%	240,830,000	-	-	240,830,000	-	-	80,036,850	-	80,036,850
TOTAL					\$ 3,406,985,000	\$ 548,670,000	\$ 605,035,000	\$ 2,253,280,000	\$ 7,525,000	\$ 43,450,000	\$ 1,557,387,164	\$ 697,445,909	\$ 859,941,255

<b>VARIABLE RATE BONDS</b>													
Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 03/15/10	Principal Maturing on 06/15/10	Total Estimated Interest to Maturity	Interest Paid through 12/31/09	Remaining Interest through Maturity
2003D	12/15/03	03/15/20	03/15/24	(B)	\$ 67,000,000	\$ -	\$ -	\$ 67,000,000	\$ -	\$ -	\$ 41,972,439	\$ 8,309,839	\$ 33,662,600
2005A	04/01/05	03/15/06	03/15/25	(C)	100,000,000	16,825,000	-	83,175,000	4,300,000	-	39,184,369	10,560,869	28,623,500
2005B	04/01/05	03/15/06	03/15/25	(D)	100,000,000	16,825,000	-	83,175,000	4,300,000	-	39,003,360	10,379,860	28,623,500
2006B	06/15/06	06/15/07	06/15/26	(E)	100,000,000	11,880,000	-	88,120,000	-	4,100,000	40,452,991	7,743,991	32,709,000
2006C	06/15/06	06/15/07	06/15/26	(F)	100,000,000	11,880,000	-	88,120,000	-	4,100,000	40,590,058	7,881,058	32,709,000
TOTAL					\$ 467,000,000	\$ 57,410,000	\$ -	\$ 409,590,000	\$ 8,600,000	\$ 8,200,000	\$ 201,203,217	\$ 44,875,617	\$ 156,327,600
GRAND TOTAL					\$ 3,873,985,000	\$ 606,080,000	\$ 605,035,000	\$ 2,662,870,000	\$ 16,125,000	\$ 51,650,000	\$ 1,758,590,381	\$ 742,321,526	\$ 1,016,268,855

(continued)

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
**As of DECEMBER 31, 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	Final Maturity	Variables	
									Estimated Variable Interest Rate Basis	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	\$ 3,158,472	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%	-	4,876,280	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%	-	4,876,391	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	3,293,898	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	3,293,898	6/15/2026	4.000%	

Total \$ 2,827,603 \$ 19,498,939

(continued)

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
**As of DECEMBER 31, 2009**  
**(Continued)**

Notes:

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

	Series 2003E		Series 2004C		Series 2005D		Series 2009A		Series 2009B		Series 2009C		Total
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	
Series 1999A	\$ 57,550,000	2010-2014	\$ -	-	\$ -	-	\$ -	-	\$ 9,715,000	2009	\$ -	-	\$ 67,265,000
Series 2001A	-	-	9,615,000	2011	79,425,000	2015-2020	31,700,000	2012-2014	8,780,000	2009	-	-	129,520,000
Series 2001B	-	-	-	-	-	-	58,100,000	2014-2018	8,315,000	2009	29,955,000	2016; 2019-2020	96,370,000
Series 2002A	-	-	-	-	-	-	-	-	8,330,000	2009	77,865,000	2013-2019	86,195,000
Series 2002B	-	-	-	-	-	-	-	-	8,415,000	2009	-	-	8,415,000
Series 2003A	-	-	-	-	-	-	-	-	10,570,000	2010	12,120,000	2014	22,690,000
Series 2003B	-	-	-	-	-	-	-	-	7,975,000	2009	20,305,000	2014-2015	28,280,000
Series 2003C	-	-	-	-	-	-	-	-	7,775,000	2010	18,305,000	2014-2015	26,080,000
Series 2004A	-	-	9,735,000	2015	-	-	-	-	8,320,000	2009	10,115,000	2016	28,170,000
Series 2004B	-	-	-	-	-	-	-	-	-	-	19,695,000	2015-2016	19,695,000
Series 2005C	-	-	-	-	-	-	-	-	7,430,000	2009	20,090,000	2016-2017	27,520,000
Series 2006A	-	-	-	-	-	-	-	-	7,760,000	2009	-	-	7,760,000
Series 2006D	-	-	-	-	-	-	-	-	9,170,000	2009	12,275,000	2017	21,445,000
Series 2007A	-	-	-	-	-	-	-	-	9,400,000	2009	26,230,000	2017-2018	35,630,000
	<u>\$ 57,550,000</u>		<u>\$ 19,350,000</u>		<u>\$ 79,425,000</u>		<u>\$ 88,800,000</u>		<u>\$ 111,955,000</u>		<u>\$ 246,955,000</u>		<u>\$ 605,035,000</u>

**Refunding Bonds**

	Original Principal	Change in Principal Outstanding
Series 2003E	\$ 58,235,000	\$ 685,000
Series 2004C	18,880,000	(470,000)
Series 2005D	71,900,000	(7,525,000)
Series 2009A	91,170,000	1,370,000
Series 2009B	102,970,000	(8,985,000)
Series 2009C	240,830,000	(6,125,000)

Total \$ 583,985,000 \$ (21,050,000)

**STATE OF OHIO**  
**COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

	<b>JULY 1, 2009 THROUGH DECEMBER 31, 2009</b>	<b>CUMULATIVE SINCE INCEPTION DECEMBER 1999</b>
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 29,440</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	68,809,061	\$ 1,257,213,529
Bond Proceeds.....	5,705	107,138,771
Accrued Interest on Bonds Sold.....	-	1,501,660
Net Receipts from Swap Agreements.....	-	2,827,603
Interest Earnings.....	140	886,164
Other.....	-	39,295
<b>TOTAL CASH INFLOWS.....</b>	<b>68,814,906</b>	<b>1,369,607,022</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	10,515,000	606,080,000
Interest Paid.....	52,378,361	742,321,526
Net Payments under Swap Agreements.....	5,713,049	19,498,939
Bond Sale and Miscellaneous Expenses.....	220,999	1,689,620
<b>TOTAL CASH OUTFLOWS.....</b>	<b>68,827,409</b>	<b>1,369,590,085</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 16,937</b>	<b>\$ 16,937</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Common Schools Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$130,019 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$326 in investment earnings held in STAROhio, and \$129,693 in administrative fees that remain unspent.



## 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 DECEMBER 31, 2009**

<b>CURRENT INTEREST BONDS</b>													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 02/01/10	Principal Maturing on 05/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	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	5.0804%	150,000,000	84,285,000	56,200,000	9,515,000	-	9,515,000	29,954,038	29,695,901	258,137
2001A	04/01/01	02/01/02	02/01/21	4.8344%	150,000,000	43,930,000	99,175,000	6,895,000	-	-	43,994,683	43,460,402	534,281
2001B	10/01/01	11/01/02	11/01/21	4.4619%	175,000,000	45,735,000	100,230,000	29,035,000	-	-	64,509,136	56,049,749	8,459,387
2002A	05/01/02	08/01/03	08/01/22	4.7918%	150,000,000	30,780,000	76,470,000	42,750,000	-	-	66,077,553	49,785,178	16,292,375
2002B	11/14/02	11/01/03	11/01/22	4.4916%	175,000,000	39,870,000	15,980,000	119,150,000	-	-	103,331,661	54,677,317	48,654,344
2002C	11/21/02	11/01/10	11/01/14	3.6478%	54,975,000	-	-	54,975,000	-	-	29,944,521	20,644,271	9,300,250
2003A	06/05/03	05/01/05	05/01/23	3.9450%	150,000,000	28,570,000	15,210,000	106,220,000	-	6,255,000	84,349,533	41,404,389	42,945,144
2004A	04/01/04	05/01/05	05/01/24	3.7685%	150,000,000	33,140,000	14,490,000	102,370,000	-	6,185,000	69,828,574	31,334,433	38,494,141
2004B	09/23/04	02/01/05	02/01/24	4.2010%	150,000,000	29,195,000	12,610,000	108,195,000	-	-	80,394,737	31,818,761	48,575,976
2005A	03/24/05	02/01/06	02/01/25	4.2516%	150,000,000	22,325,000	20,270,000	107,405,000	-	-	81,018,942	28,960,548	52,058,394
2005B	09/29/05	05/01/06	05/01/25	4.1350%	150,000,000	23,265,000	7,595,000	119,140,000	-	5,630,000	75,615,291	25,175,526	50,439,765
2005C	09/29/05	08/01/11	08/01/16	3.6526%	49,495,000	-	-	49,495,000	-	-	20,566,677	9,220,627	11,346,050
2006A	04/27/06	05/01/07	05/01/26	4.4320%	150,000,000	17,470,000	14,725,000	117,805,000	-	5,275,000	80,021,997	23,141,288	56,880,709
2006B	12/19/06	11/01/07	11/01/26	4.1520%	150,000,000	9,770,000	12,325,000	127,905,000	-	-	85,799,898	20,125,498	65,674,400
2009A	01/27/09	08/01/10	08/01/19	2.6494%	86,905,000	-	-	86,905,000	-	-	23,302,423	1,961,823	21,340,600
2009B	05/29/09	08/01/12	08/01/20	2.9096%	48,745,000	-	-	48,745,000	-	-	18,055,165	-	18,055,165
2009C	10/06/09	02/01/10	08/01/20	2.6414%	262,430,000	-	-	262,430,000	6,965,000	-	83,904,075	-	83,904,075
<b>TOTAL</b>					<b>\$2,502,550,000</b>	<b>\$ 492,035,000</b>	<b>\$ 511,580,000</b>	<b>\$1,498,935,000</b>	<b>\$ 6,965,000</b>	<b>\$ 32,860,000</b>	<b>\$ 1,091,142,754</b>	<b>\$ 517,929,561</b>	<b>\$ 573,213,193</b>

Notes:

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

(continued)

**STATE OF OHIO**  
**SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS**  
 As of DECEMBER 31, 2009  
 (Continued)

Notes:

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

	Series 2002C		Series 2005C		Series 2009A		Series 2009B		Series 2009C		Total
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	
Series 2000A	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
Series 2000B	56,200,000	2011-2015	-	-	56,600,000	2011-2015	9,700,000	2010	-	-	66,300,000
Series 2001A	-	-	49,810,000	2012-2017	31,305,000	2018-2020	6,565,000	2010	11,495,000	2021	56,200,000
Series 2001B	-	-	-	-	-	-	7,530,000	2009	92,700,000	2012-2020	99,175,000
Series 2002A	-	-	-	-	-	-	5,965,000	2009	70,505,000	2013-2020	100,230,000
Series 2002B	-	-	-	-	-	-	7,465,000	2009	8,515,000	2013	76,470,000
Series 2003A	-	-	-	-	-	-	-	-	15,210,000	2014-2015	15,980,000
Series 2004A	-	-	-	-	-	-	-	-	14,490,000	2015-2016	14,490,000
Series 2004B	-	-	-	-	-	-	5,615,000	2010	6,995,000	2015	12,610,000
Series 2005A	-	-	-	-	-	-	5,540,000	2010	14,730,000	2016-2017	20,270,000
Series 2005B	-	-	-	-	-	-	-	-	7,595,000	2017	7,595,000
Series 2006A	-	-	-	-	-	-	-	-	14,725,000	2017-2018	14,725,000
Series 2006B	-	-	-	-	-	-	4,990,000	2009	7,335,000	2017	12,325,000
	<u>\$ 56,200,000</u>		<u>\$ 49,810,000</u>		<u>\$ 87,905,000</u>		<u>\$ 53,370,000</u>		<u>\$ 264,295,000</u>		<u>\$ 511,580,000</u>

	Refunding Bonds	
	Original Principal	Change in Principal Outstanding
Series 2002C	\$ 54,975,000	\$ (1,225,000)
Series 2005C	49,495,000	(315,000)
Series 2009A	86,905,000	(1,000,000)
Series 2009B	48,745,000	(4,625,000)
Series 2009C	262,430,000	(1,865,000)
Total	<u>\$ 502,550,000</u>	<u>\$ (9,030,000)</u>

**STATE OF OHIO  
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND  
Cash Flow Statement  
For the Six Months Ended DECEMBER 31, 2009**

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	<u>JULY 1, 2009 THROUGH DECEMBER 31, 2009</u>	<u>CUMULATIVE SINCE INCEPTION FEBRUARY 2000</u>
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 1,894</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	31,480,298	\$ 934,164,217
Bond Proceeds.....	10,232	74,109,672
Accrued Interest on Bonds Sold.....	-	1,626,556
Interest Earnings.....	331	599,112
Unused Administrative Fees.....	12,302	12,302
<b>TOTAL CASH INFLOWS.....</b>	<b><u>31,503,163</u></b>	<b><u>1,010,511,859</u></b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	-	492,035,000
Interest Paid.....	31,499,817	517,929,561
Bond Sale and Miscellaneous Expenses.....	1,000	543,058
<b>TOTAL CASH OUTFLOWS.....</b>	<b><u>31,500,817</u></b>	<b><u>1,010,507,619</u></b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b><u>\$ 4,240</u></b>	<b><u>\$ 4,240</u></b>

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Note:

In addition to the December 31, 2009 cash balance reported above for the Higher Education Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$104 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$104 in investment earnings held in STAROhio.

## 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 DECEMBER 31, 2009**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (H)	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 02/01/10	Principal Maturing on 03/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	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	70,000,000	-	-	-	-	36,638,629	36,638,629	-						
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	62,290,000	17,405,000	12,025,000	-	-	42,485,717	40,912,069	1,573,648						
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	48,901,280	476,100						
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	44,853,164	3,986,988						
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	34,750,156	3,160,500						
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	16,605,130	3,230,938						
2002A	08/15/02	02/01/13	02/01/20	4.3584%	59,920,000	-	-	59,920,000	-	-	46,675,147	22,647,366	24,027,781						
2002B	11/01/02	03/01/14	03/01/21	4.5198%	120,000,000	29,415,000	67,520,000	23,065,000	-	-	21,538,904	16,645,787	4,893,117						
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	59,980,550	13,815,488						
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	5,315,000	-	55,864,788	23,582,884	32,281,904						
2004C	10/05/04	08/01/10	08/01/14	3.4246%	39,530,000	-	12,620,000	26,910,000	-	-	13,611,122	9,215,622	4,395,500						
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	24,511,478	40,916,525						
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	20,138,480	49,127,650						
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	14,321,459	48,306,181						
2007A	09/20/07	09/01/08	09/01/27	4.4172%	120,000,000	7,475,000	-	112,525,000	-	-	71,000,132	11,101,832	59,898,300						
2008A	10/16/08	09/01/10	09/01/28	5.2265%	240,000,000	-	7,640,000	232,360,000	-	-	147,567,585	10,068,266	137,499,319						
2009A	01/27/09	08/01/10	08/01/14	1.9116%	49,995,000	-	-	49,995,000	-	-	5,155,460	808,623	4,346,837						
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>											\$ 3,022,465,000	\$ 995,755,000	\$ 878,485,000	\$ 1,148,225,000	\$ 5,315,000	\$ -	\$ 1,183,293,703	\$ 723,109,509	\$ 460,184,194

(continued)

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of DECEMBER 31, 2009**  
(Continued)

<b>CAPITAL APPRECIATION BONDS</b>													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (H)	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 02/01/10	Principal Maturing on 03/01/10	Total Discount	Accreted Principal Paid through 12/31/09	Remaining Discount through Maturity
1989	12/01/89	09/01/95	09/01/09	6.5870%	\$ 49,999,935	\$ 49,999,935	\$ -	\$ -	\$ -	\$ -	\$ 58,370,064	\$ 58,370,064	\$ -
1991	12/01/91	08/01/99	08/01/11	6.2935%	40,020,445	34,863,715	-	5,156,730	-	-	56,229,555	43,386,285	12,843,270
1992	12/01/92	08/01/00	08/01/12	7.1152%	28,275,727	22,763,365	-	5,512,362	-	-	36,194,273	24,091,635	12,102,638
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	19,116,666	-	6,304,178	-	-	24,829,156	7,963,334	16,865,822
1995	01/01/95	08/01/02	08/01/14	6.1297%	21,494,889	14,645,791	-	6,849,098	-	-	26,540,111	12,804,208	13,735,903
1997R	01/01/98	08/01/03	08/01/08	5.2307%	11,164,295	6,233,769	-	4,930,526	-	-	11,850,705	4,581,231	7,269,474
1996	01/01/96	08/01/04	08/01/15	5.0609%	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	2,449,715	-	269,040	-	-	13,976,245	6,065,285	7,910,960
2004B	03/03/04	02/01/10	02/01/11	3.6346%	308,851	-	-	308,851	41,978	-	7,881,149	-	7,881,149
TOTAL					\$ 201,091,965	\$ 165,519,352	\$ -	\$ 35,572,613	\$ 41,978	\$ -	\$ 281,518,034	\$ 183,235,647	\$ 98,282,387

<b>VARIABLE RATE BONDS</b>													
Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 02/01/10	Principal Maturing on 03/01/10	Total Estimated Interest to Maturity	Interest Paid through 12/31/09	Remaining Interest through Maturity
2001B	11/29/01	08/01/14	08/01/21	(C)	\$ 63,900,000	\$ -	\$ -	\$ 63,900,000	\$ -	\$ -	\$ 32,113,316	\$ 9,785,316	\$ 22,328,000
2003B	02/26/03	08/01/09	08/01/17	(D)	104,315,000	2,545,000	-	101,770,000	-	-	39,411,412	14,335,412	25,076,000
2003D	03/20/03	02/01/11	02/01/19	(E)	58,085,000	-	-	58,085,000	-	-	23,834,376	7,945,476	15,888,900
2004A	03/03/04	02/01/05	02/01/23	(F)	58,725,000	3,430,000	-	55,295,000	-	-	30,422,115	7,303,015	23,119,100
TOTAL					\$ 285,025,000	\$ 5,975,000	\$ -	\$ 279,050,000	\$ -	\$ -	\$ 125,781,219	\$ 39,369,219	\$ 86,412,000
GRAND TOTAL					\$ 3,508,581,965	\$ 1,167,249,352	\$ 878,485,000	\$ 1,462,847,613	\$ 5,356,978	\$ -	\$ 1,590,592,956	\$ 945,714,375	\$ 644,878,581

(continued)

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of DECEMBER 31, 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	\$ 583,698	\$ 387,594	-	-
(C) 2001B	Floating-to-Fixed	11/29/2001	8/1/2021	SIFMA	4.630%	-	12,614,158	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	3,861,667	2/1/2019	4.000%*
(F) 2004A	Floating-to-Fixed	3/3/2004	2/1/2023	LIBOR*	3.510%	63,836	3,668,508	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 \$ 11,575,853 \$ 25,208,263



**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
As of DECEMBER 31, 2009  
(Continued)

Notes:

(H) 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;
1995	-	32,540,000	-	-	13,935,000	-	-	-	-	-	-	-	46,475,000	2011-2013
1996	-	-	-	-	60,810,000	-	-	-	-	-	-	-	60,810,000	2006-2014
1997	-	-	-	-	6,270,000	38,190,000	-	6,920,000	6,585,000	-	-	-	57,965,000	2006-2015
1997R	-	-	-	-	-	-	-	-	-	29,540,000	7,355,000	-	36,895,000	2003, 2008-2012;
1998A	-	-	-	-	6,250,000	43,155,000	-	-	-	20,630,000	-	-	70,035,000	2015-2016
1998B	-	-	-	-	5,750,000	40,850,000	-	-	12,550,000	-	-	-	59,150,000	2009-2014
1999	-	-	-	-	12,475,000	-	60,805,000	-	660,000	-	5,945,000	-	79,885,000	2003, 2009-2017
2000	-	-	-	60,450,000	11,450,000	-	-	-	520,000	-	5,270,000	-	77,690,000	2009-2012;
2001A	-	-	-	-	-	-	-	-	-	-	-	-	5,270,000	2015-2018
2002B	-	-	-	-	-	-	-	52,115,000	10,740,000	-	4,665,000	-	67,520,000	2004; 2010-2019
2003A	-	-	-	-	-	-	-	-	-	-	26,405,000	-	26,405,000	2010; 2013-2014;
2003F	-	-	-	-	-	-	-	-	-	-	-	-	9,070,000	2017-2023
2004C	-	-	-	-	-	-	-	-	9,070,000	-	-	-	9,070,000	2009
2004D	-	-	-	-	-	-	-	-	-	-	12,620,000	-	12,620,000	2014-2015
2005A	-	-	-	-	-	-	-	-	-	-	4,665,000	-	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
														2009
	\$ 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	Change in Principal Outstanding
	\$ 98,665,739	\$ (9,261)
Series 1997R	50,260,670	(4,330)
Series 1998R	12,634,986	(14)
Series 2002A	59,920,000	(530,000)
Series 2003A	233,585,000	(2,095,000)
Series 2003B & 2003C	122,186,829	(8,171)
Series 2003D & 2003E	60,803,755	(1,245)
Series 2004A & 2004B	59,033,851	(1,149)
Series 2004C	39,530,000	(595,000)
Series 2009A	49,995,000	(175,000)
Series 2009B	81,990,000	(6,470,000)
Total	\$ 868,595,830	\$ (9,889,170)

**STATE OF OHIO**  
**STATE CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

	JULY 1, 2009 THROUGH DECEMBER 31, 2009	CUMULATIVE SINCE INCEPTION DECEMBER 1988 (Revised)
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 11,298</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	72,238,204	\$ 2,095,952,541
Bond Proceeds.....	4,806	26,629,990
Accrued Interest on Bonds Sold.....	-	4,931,221
Net Receipts from Swap Agreements.....	55,469	11,575,853
Interest Earnings.....	25	1,196,999
Other.....	-	194
<b>TOTAL CASH INFLOWS.....</b>	<b>72,298,504</b>	<b>2,140,286,798</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	23,428,599	1,167,249,352
Interest Paid.....	26,573,558	762,478,728
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	19,166,401	183,235,647
Net Payments under Swap Agreements.....	2,972,793	25,208,263
Bond Sale and Miscellaneous Expenses.....	168,425	2,114,782
<b>TOTAL CASH OUTFLOWS.....</b>	<b>72,309,776</b>	<b>2,140,286,772</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 26</b>	<b>\$ 26</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$91,195 in cash and investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$357 in investment earnings held in STAROhio, and \$90,838 in administrative fees that remain unspent.

## 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.

Section 2q of Article VIII, Ohio Constitution, as approved by voters on November 4, 2008, authorizes the issuance of \$200 million of Conservation Projects Bonds. The vote was: Yes-3,574,294; No-1,585,410.

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 \$400 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.

Section 2q of Article VIII, Ohio Constitution, was implemented by the General Assembly with the adoption of House Bill 2, in 2009, which amended Section 151.09 (B) (1) of the Ohio Revised Code.

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 DECEMBER 31, 2009**

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/09	Principal Refunded through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 03/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	Remaining Interest through Maturity
2002A	01/15/02	09/01/02	09/01/16	4.2932%	\$ 50,000,000	\$ 22,705,000	\$ 20,335,000	\$ 6,960,000	\$ -	\$ 14,163,208	\$ 13,735,708	\$ 427,500
2004A	01/27/04	03/01/05	03/01/19	3.5530%	50,000,000	14,795,000	3,315,000	31,890,000	2,975,000	17,047,099	9,164,484	7,882,615
2005A	11/07/05	03/01/07	03/01/20	4.2106%	50,000,000	8,270,000	3,570,000	38,160,000	2,975,000	19,856,827	8,457,140	11,399,687
2007A	06/21/07	09/01/08	09/01/22	4.4493%	50,000,000	4,685,000	7,575,000	37,740,000	-	17,978,618	4,964,756	13,013,862
2009A	10/06/09	09/01/12	09/01/19	2.5806%	34,040,000	-	-	34,040,000	-	9,151,783	-	9,151,783
2009B	12/16/09	03/01/11	03/01/16	1.8718%	16,765,000	-	-	16,765,000	-	2,462,931	-	2,462,931
2009C	12/16/09	03/01/17	03/01/24	3.1084%	33,235,000	-	-	33,235,000	-	16,901,105	-	16,901,105
<b>TOTAL</b>					\$ 284,040,000	\$ 50,455,000	\$ 34,795,000	\$ 198,790,000	\$ 5,950,000	\$ 97,561,571	\$ 36,322,088	\$ 61,239,483

Notes:

(A) Series 2009A bonds refunded the following Conservation Projects Bonds:

	Series 2009A		Refunding Bonds	
	Principal Refunded	Maturities Refunded	Original Principal	Change in Principal Outstanding
Series 2002A	\$ 20,335,000	2012-2016	Series 2009A	\$ (755,000)
Series 2004A	3,315,000	2015		
Series 2005A	3,570,000	2014		
Series 2007A	7,575,000	2018-2019		
	\$ 34,795,000			

**STATE OF OHIO**  
**CONSERVATION PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

	<u>JULY 1, 2009 THROUGH DECEMBER 31, 2009</u>	<u>CUMULATIVE SINCE INCEPTION JANUARY 2002</u>
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 6</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	9,457,386	\$ 81,940,753
Bond Proceeds.....	699,428	5,571,626
Accrued Interest on Bonds Sold.....	-	93,497
Interest Earnings.....	2,465	80,956
Unused Administrative Fees.....	3,325	3,325
<b>TOTAL CASH INFLOWS.....</b>	<b>10,162,604</b>	<b>87,690,157</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	5,880,000	50,455,000
Interest Paid.....	3,580,718	36,322,088
Bond Sale and Miscellaneous Expenses.....	-	211,177
<b>TOTAL CASH OUTFLOWS.....</b>	<b>9,460,718</b>	<b>86,988,265</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 701,892</b>	<b>\$ 701,892</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Conservation Projects Bond Service Fund, the Sinking Fund Commission had \$38,776 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 \$38,750 in bond proceeds held for cost of issuance.

## 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 DECEMBER 31, 2009**

**CURRENT INTEREST BONDS**

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 05/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	Remaining Interest through Maturity
2006A	08/24/06	05/01/13	3.9869%	\$ 50,000,000	\$ 22,280,000	\$ 27,720,000	\$ 6,510,000	\$ 7,828,405	\$ 5,234,862	\$ 2,593,543
2007A	06/05/07	05/01/17	5.5059%	30,720,000	5,075,000	25,645,000	2,660,000	9,558,185	3,664,236	5,893,949
2008A	08/19/08	05/01/18	5.1795%	39,980,000	4,000,000	35,980,000	3,330,000	11,171,481	2,210,658	8,960,823
2009A	03/05/09	11/01/18	2.8020%	60,000,000	-	60,000,000	-	15,473,695	1,565,740	13,907,955
2009B	11/03/09	11/01/19	3.0108%	75,000,000	-	75,000,000	-	19,006,772	-	19,006,772
<b>TOTAL</b>				<b>\$ 255,700,000</b>	<b>\$ 31,355,000</b>	<b>\$ 224,345,000</b>	<b>\$ 12,500,000</b>	<b>\$ 63,038,538</b>	<b>\$ 12,675,496</b>	<b>\$ 50,363,042</b>

**STATE OF OHIO**  
**THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

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	<b>JULY 1, 2009 THROUGH DECEMBER 31, 2009</b>	<b>CUMULATIVE SINCE INCEPTION AUGUST 2006</b>
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ 4,297</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	3,725,392	\$ 38,569,220
Bond Proceeds.....	4,943,664	10,409,511
Interest Earnings.....	30	28,669
Unused Administrative Fees.....	3,495	3,495
<b>TOTAL CASH INFLOWS.....</b>	<b>8,672,581</b>	<b>49,010,895</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	-	31,355,000
Interest Paid.....	3,739,865	12,675,496
Bond Sale and Miscellaneous Expenses.....	-	43,386
<b>TOTAL CASH OUTFLOWS.....</b>	<b>3,739,865</b>	<b>44,073,882</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 4,937,013</b>	<b>\$ 4,937,013</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Third Frontier Research and Development Projects Bond Service Fund, the Sinking Fund Commission had \$4,630 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, and \$4,590 in excess cost of issuance, which were transferred to the Third Frontier Research and Development Bond Service Fund in January 2009.



### 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 DECEMBER 31, 2009**

<b>CURRENT INTEREST BONDS</b>												
Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/09	Outstanding Principal, as of 12/31/09	Principal Maturing on 05/01/10	Total Interest to Maturity	Interest Paid through 12/31/09	Remaining Interest through Maturity		
2006A	12/05/06	05/01/16	3.7589%	\$ 30,000,000	\$ 8,265,000	\$ 21,735,000	\$ 2,770,000	\$ 5,724,035	\$ 2,739,987	\$ 2,984,048		
2009A	11/17/09	11/01/14	1.9025%	18,885,000	-	18,885,000	-	2,425,938	-	2,425,938		
2009B	11/17/09	11/01/19	4.1744%	26,115,000	-	26,115,000	-	8,573,273	-	8,573,273		
<b>TOTAL</b>				<b>\$ 75,000,000</b>	<b>\$ 8,265,000</b>	<b>\$ 66,735,000</b>	<b>\$ 2,770,000</b>	<b>\$ 16,723,246</b>	<b>\$ 2,739,987</b>	<b>\$ 13,983,259</b>		

**STATE OF OHIO**  
**THIRD FRONTIER JOB READY SITE DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended DECEMBER 31, 2009**

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	<b>JULY 1, 2009 THROUGH DECEMBER 31, 2009</b>	<b>CUMULATIVE SINCE INCEPTION DECEMBER 2006</b>
	<u>                    </u>	<u>                    </u>
<b>CASH BALANCE, JULY 1, 2009.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	401,826	\$ 11,011,327
Bond Proceeds.....	863,998	876,966
Interest Earnings.....	8	2,103
Unused Administrative Fees.....	4,330	4,330
	<u>                    </u>	<u>                    </u>
<b>TOTAL CASH INFLOWS.....</b>	<b>1,270,162</b>	<b>11,894,726</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	-	8,265,000
Interest Paid.....	406,165	2,739,987
Bond Sale and Miscellaneous Expenses.....	-	25,742
	<u>                    </u>	<u>                    </u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>406,165</b>	<b>11,030,729</b>
<b>CASH BALANCE, DECEMBER 31, 2009.....</b>	<b>\$ 863,997</b>	<b>\$ 863,997</b>

Note:

In addition to the December 31, 2009 cash balance reported above for the Third Frontier Job Ready Site Development Bond Service Fund, the Sinking Fund Commission had \$58,899 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 \$58,884 in bond proceeds held for cost of issuance.

## **PERSIAN GULF, AFGHANISTAN, & IRAQ CONFLICTS COMPENSATION BONDS**

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On November 9, 2009, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State, under Section 2r of Article VIII, of the Ohio Constitution, to issue up \$200 million in general obligation bonds to provide compensation to veterans who have served in active duty in the United States armed forces at any time during the Persian Gulf, Afghanistan, and Iraq conflicts. The vote was: Yes – 2,227,521; No – 876,520.

Upon request of the Department of Veterans Services, the Ohio Public Facilities Commission shall issue and sell bonds or other obligations to provide all or part of the funds as may be required to pay the compensation to veterans of the Persian Gulf, Afghanistan, and Iraq conflicts as established under Section 2R of Article VIII of the Ohio Constitution.

Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Bonds issued shall mature not later than December 31 of the 15th calendar year after issuance, except obligations issued to refund obligations shall mature not later than December 31 of the 15th calendar in which the original obligation was issued. Except for obligations issued under this section to retire or refund obligations previously issued, no obligations shall be issued later than December 31, 2013.

The full faith and credit, revenue and taxing power of the State is pledged for payment of debt service on such obligations issued under this authorization.

As of December 31, 2009 no bonds have been issued.

## AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

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On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law. ARRA created several new types of tax-exempt bonds and tax credit bonds under the Internal Revenue Code. To date general obligation bonds have been issued which utilize the following ARRA program:

### **BUILD AMERICA BONDS – DIRECT PAYMENT (BABS)**

The Act provided for various provisions pertaining to the issuance of municipal bonds including the addition of Sections 54AA and 6431 to the Internal Revenue Code of 1986 (the Code) which permit state or local governments to obtain certain tax advantages when issuing certain taxable obligations referred to as Build America Bonds (BABS). This new category of taxable governmental bonds provides a federal subsidy for a portion of the borrowing cost. This program only applies to bonds issued after the enactment date and before January 1, 2011.

The State will apply to receive payments directly from the United States Department of the Treasury equal to thirty-five percent (35%) of the corresponding taxable interest payable. Applications for payment will be filed no earlier than 90 days before the applicable interest payment date and no later than 45 days prior to such date. Payments will be made contemporaneously with each applicable interest payment date and will be received and deposited to the state's general revenue fund by the Treasurer of State. Direct payments received from the United States Treasury are not pledged as security for payment of debt service.

**STATE OF OHIO**  
**SCHEDULE OF AMERICAN RECOVERY AND REINVESTMENT ACT BONDS**  
As of DECEMBER 31, 2009

**BUILD AMERICA BONDS - DIRECT PAYMENTS**

Name	Series	Issue Date	First Payment Date	Final Payment Date	Original Principal	Original Interest	Total Payments Expected	Payments Received Through 12/31/09	Remaining Payments Expected As of 12/31/09	Expected Payment 3/1/10	Expected Payment 4/1/10	Expected Payment 5/1/10	Total Expected Payments Through 6/30/10
Conservation Site Development	2009C	12/16/09	03/01/10	03/01/24	\$ 33,235,000	\$ 16,901,105	\$ 5,915,387	\$ -	\$ 5,915,387	\$ 111,852	\$ -	\$ -	\$ 111,852
Natural Resources	2009B	11/17/09	05/01/10	11/01/19	26,115,000	8,573,273	3,000,645	-	3,000,645	-	-	167,117	167,117
	O	12/16/09	04/01/10	04/01/24	20,165,000	10,331,179	3,615,913	-	3,615,913	-	95,009	-	95,009
<b>TOTAL</b>					<b>\$ 79,515,000</b>	<b>\$ 35,805,557</b>	<b>\$ 12,531,945</b>	<b>\$ -</b>	<b>\$ 12,531,945</b>	<b>\$ 111,852</b>	<b>\$ 95,009</b>	<b>\$ 167,117</b>	<b>\$ 373,978</b>

**STATE OF OHIO**  
**SCHEDULE OF EXPECTED PAYMENTS -**  
**ASSOCIATED WITH THE AMERICAN RECOVERY AND REINVESTMENT ACT THROUGH FINAL MATURITY**  
**As of DECEMBER 31, 2009**

<b>BUILD AMERICA BONDS - DIRECT PAYMENTS</b>												
As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public Infrastructure Capital Improvements	Conservation Projects	Third Frontier Research & Development Projects	Third Frontier Job Ready Site Development	Total Payments		
12/31/09	-	-	-	-	-	-	-	-	-	-	-	-
06/30/10	-	-	95,009	-	-	-	111,852	-	167,117	-	-	373,978
06/30/11	-	-	325,744	-	-	-	536,891	-	366,842	-	-	1,229,477
06/30/12	-	-	325,744	-	-	-	536,891	-	366,842	-	-	1,229,477
06/30/13	-	-	325,744	-	-	-	536,891	-	366,842	-	-	1,229,477
06/30/14	-	-	325,744	-	-	-	536,891	-	366,842	-	-	1,229,477
06/30/15	-	-	325,744	-	-	-	536,891	-	366,842	-	-	1,229,477
06/30/16	-	-	325,744	-	-	-	536,891	-	338,969	-	-	1,201,604
06/30/17	-	-	325,744	-	-	-	536,891	-	277,535	-	-	1,140,170
06/30/18	-	-	294,950	-	-	-	486,174	-	208,190	-	-	989,314
06/30/19	-	-	259,228	-	-	-	427,275	-	130,413	-	-	816,916
06/30/20	-	-	221,593	-	-	-	365,307	-	44,211	-	-	631,111
06/30/21	-	-	181,564	-	-	-	299,400	-	-	-	-	480,964
06/30/22	-	-	139,511	-	-	-	230,001	-	-	-	-	369,512
06/30/23	-	-	95,218	-	-	-	157,023	-	-	-	-	252,241
06/30/24	-	-	48,629	-	-	-	80,120	-	-	-	-	128,749
06/30/25	-	-	-	-	-	-	-	-	-	-	-	-

## 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 DECEMBER 31, 2009**

BALANCES, AS OF December 31, 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, December 31, 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 DECEMBER 31, 2009**  
**(Continued)**

BALANCES, AS OF December 31, 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, December 31, 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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American Recovery & Reinvestment Act (ARRA)	American Recovery and Reinvestment Act of 2009 created several new types of tax-exempt bonds and tax credit bonds under the Internal Revenue Code. A number of programs created new tax incentives whereby certain taxable governmental issuers may elect (in lieu of issuing tax-exempt bonds) to receive a direct refundable credit payment from the Federal government equal to a percentage of the interest payments on these bonds.
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.
Build America Bonds - Direct Payment (BABS)	A program under the ARRA of 2009, which provides a Federal subsidy through a refundable tax credit paid to state or local governmental issuers by the U.S. Treasury Department and the Internal Revenue Service in an amount equal to thirty-five percent (35%) of the total coupon interest payable to investors of these taxable bonds.
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 borrowed or the part of the amount borrowed which remains unpaid, distinguished from interest or profit.
Series	A group of bonds issued at the same time, but with different maturity dates and stated interest rates.

(continued)

**GLOSSARY**  
**(Continued)**

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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 (BMA).	Securities Industry and Financial Markets Association. Formerly Bond Market Association
LIBOR	London Inter-Bank Offered Rate
Matched Rate	The State receives the exact rate paid on its associated variable rate bonds.



Prepared by the Sinking Fund Commission  
30 E. Broad St 9th Floor  
Columbus, Ohio 43215

