



SEMI-ANNUAL REPORT
FOR THE PERIOD JANUARY 1, 2010
THROUGH JUNE 30, 2010

Unaudited

AUGUST 13, 2010

State of Ohio

Commissioners of the Sinking Fund

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, 9th Floor
Columbus, Ohio 43215

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August 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 June 30, 2010, on the cash basis of accounting. All information presented herein is unaudited.

Brief summaries on the status of the State's general obligation bonds, debt service requirements, and funding sources, as of June 30, 2010, and the changes in debt principal, including issuances and maturities, interest and accreted principal paid, and net interest rate swap receipts realized and net interest rate swap payments made, for the period, January 1, 2010 through June 30, 2010, 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.

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, 9th Floor, Columbus, Ohio 43215, or by e-mail at treasurer@tos.ohio.gov.

Respectfully Submitted,



Mary Taylor, Auditor of State
President



Jennifer Brunner, Secretary of State
Secretary



Kevin L. Boyce, Treasurer of State
Member



Ted Strickland, Governor
Member



Richard Cordray, Attorney General
Member

STATE OF OHIO
SCHEDULE OF GENERAL OBLIGATION BONDS
As of JUNE 30, 2010

	HIGHWAY CAPITAL IMPROVEMENTS BONDS Section 2m of Article VIII, Ohio Constitution 11/7/1995	COAL RESEARCH AND DEVELOPMENT BONDS Section 15 of Article VIII, Ohio Constitution 11/5/1985	NATURAL RESOURCES CAPITAL FACILITIES BONDS Section 2l of Article VIII, Ohio Constitution 11/2/1993
Legal Authority & Date of Voter Authorization			
Bonds Authorized	\$ 2,772,000,000	\$ 231,000,000	\$ 350,000,000
Bonds Issued (A)	2,115,000,000	198,000,000	325,000,000
Bonds Authorized, but not Issued	657,000,000	33,000,000	25,000,000
Bonds Matured.....	1,405,500,000	139,755,000	176,660,000
Outstanding Bonded Debt (B)	709,500,000	28,245,000	151,750,000
Total Interest Cost to Maturity	599,850,017	46,164,830	113,720,307
Interest Paid through 06/30/10	420,899,884	42,761,515	83,435,637
Remaining Interest through Maturity	178,950,133	3,403,315	30,284,670
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 06/30/10	-	-	-
Remaining Discount through Maturity	-	-	-
Cash Balance in Bond Service Fund	242,302	167,675	7,956
Final Maturity Date.....	5/1/2025	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

	COMMON SCHOOLS CAPITAL FACILITIES BONDS Section 2n of Article VIII, Ohio Constitution 11/2/1999	HIGHER EDUCATION CAPITAL FACILITIES BONDS Section 2n of Article VIII, Ohio Constitution 11/2/1999	PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS Section 2m of Article VIII, Ohio Constitution 11/3/1987
Legal Authority & Date of Voter Authorization			
Bonds Authorized (D)	\$ 3,870,000,000	\$ 2,613,000,000	\$ 3,000,000,000
Bonds Issued (A)	3,290,000,000	2,000,000,000	2,759,986,135
Bonds Authorized, but not Issued	580,000,000	613,000,000	240,013,865
Bonds Matured.....	630,540,000	500,750,000	1,172,606,329
Outstanding Bonded Debt (B)	2,626,980,000	1,484,425,000	1,578,920,636
Total Interest Cost to Maturity (C)	1,794,814,257	1,122,237,916	1,417,232,388
Interest Paid through 06/30/10	791,474,532	549,163,441	790,141,993
Remaining Interest through Maturity (C)	1,003,339,725	573,074,475	627,090,395
Original Discount on Capital Appreciation Bonds	-	-	281,518,034
Accreted Principal Paid through 06/30/10	-	-	183,918,671
Remaining Discount through Maturity	-	-	97,599,363
Cash Balance in Bond Service Fund	4,758	3,258	32,804
Final Maturity Date	9/15/2026	11/1/2026	9/1/2030
Funding Source(s)	General Revenue Fund Appropriation & Net Lottery Proceeds	General Revenue Fund Appropriation	General Revenue Fund Appropriation

(continued)

STATE OF OHIO
SCHEDULE OF GENERAL OBLIGATION BONDS
As of JUNE 30, 2010
(Continued)

Legal Authority & Date of Voter Authorization	CONSERVATION PROJECTS BONDS Section 2o of Article VIII, Ohio Constitution 11/7/2000	THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS Section 2p of Article VIII, Ohio Constitution 11/8/2005	THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS Section 2p of Article VIII, Ohio Constitution 11/8/2005
Bonds Authorized	\$ 300,000,000	\$ 450,000,000	\$ 120,000,000
Bonds Issued (A)	250,000,000	255,700,000	75,000,000
Bonds Authorized, but not Issued	50,000,000	194,300,000	45,000,000
Bonds Matured	56,405,000	43,855,000	11,035,000
Outstanding Bonded Debt (B)	192,840,000	211,845,000	63,965,000
Total Interest Cost to Maturity	97,561,571	63,038,538	16,723,245
Interest Paid through 06/30/10	39,941,058	17,438,064	3,935,867
Remaining Interest through Maturity	57,620,513	45,600,474	12,787,378
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 06/30/10	-	-	-
Remaining Discount through Maturity	-	-	-
Cash Balance in Bond Service Fund	4,868	2,137	4,290
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

Legal Authority & Date of Voter Authorization	PERSIAN GULF, AFGHANISTAN & IRAQ CONFLICTS COMPENSATION BONDS Section 2r of Article VIII, Ohio Constitution 11/9/2009
Bonds Authorized	\$ 200,000,000
Bonds Issued (A)	-
Bonds Authorized, but not Issued	200,000,000
Bonds Matured	-
Outstanding Bonded Debt.....	-
Total Interest Cost to Maturity	-
Interest Paid through 06/30/10	-
Remaining Interest through Maturity	-
Original Discount on Capital Appreciation Bonds.....	-
Accreted Principal Paid through 06/30/10	-
Remaining Discount through Maturity	-
Cash Balance in Bond Service Fund	-
Final Maturity Date	-
Funding Source(s)	General Revenue Fund Appropriation

(continued)

STATE OF OHIO
SCHEDULE OF GENERAL OBLIGATION BONDS
As of JUNE 30, 2010
(Continued)

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 in each of the first five fiscal years beginning with Fiscal Year 2008 and not more than \$150 million may be issued in each of the five fiscal years thereafter.
 - \$50 million in Conservation Projects Bonds may be issued in any fiscal year.
 - \$450 million in Third Frontier Research and Development Projects Bonds may be issued for the period including state fiscal years 2006 through 2011 and not more than \$225 million in Fiscal Year 2012, and no more than \$175 may be issued 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 JUNE 30, 2010

<i>Outstanding General Obligation Bond Principal, January 1, 2010:</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	1,462,847,614	
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, January 1, 2010.....</i>	7,013,117,614	
<i>General Obligation Bonds Issued - January 1 through June 30, 2010:</i>		
		<u>Date of Issue</u>
Common Schools Capital Facilities Bonds, Series 2010A.....	131,170,000	January 21, 2010
Common Schools Capital Facilities Bonds, Series 2010B.....	53,685,000	January 21, 2010
Higher Education Capital Facilities Bonds, Series 2010A.....	95,240,000	January 21, 2010
Higher Education Capital Facilities Bonds, Series 2010B.....	24,360,000	January 21, 2010
Highway Capital Improvements Bonds, Series M*.....	170,000,000	April 27, 2010
Public Infrastructure Capital Improvements Bonds, Series 2010A.....	51,290,000	January 21, 2010
Public Infrastructure Capital Improvements Bonds, Series 2010B*.....	120,000,000	March 5, 2010
Public Infrastructure Capital Improvements Bonds, Series 2010C.....	54,400,000	March 5, 2010
<i>Total Issuances.....</i>	700,145,000	
<i>General Obligation Bonds Refunded - January 1 through June 30, 2010:</i>		
		<u>Date Refunded</u>
Common Schools Capital Facilities Bonds.....	196,285,000	January 21, 2010
Higher Education Capital Facilities Bonds.....	125,395,000	January 21, 2010
Public Infrastructure Capital Improvements Bonds	49,550,000	January 21, 2010
Public Infrastructure Capital Improvements Bonds	54,710,000	March 5, 2010
Coal Research and Development Projects Bonds**.....	30,000,000	April 23, 2010
<i>Total Refunded.....</i>	455,940,000	
<i>General Obligation Bonds Matured - January 1 through June 30, 2010:</i>		
		<u>Date of Maturity</u>
Public Infrastructure Capital Improvements Bonds		
Series 2003F.....	5,315,000	February 1, 2010
Series 2004B.....	41,978	February 1, 2010
	5,356,978	
Coal Research and Development Bonds:		
Series E.....	1,490,000	February 1, 2010
Series H.....	1,655,000	February 1, 2010
	3,145,000	
Natural Resources Capital Facilities Bonds:		
Series E.....	2,150,000	April 1, 2010
Series F.....	1,340,000	April 1, 2010
Series I.....	1,970,000	April 1, 2010
Series K.....	1,495,000	April 1, 2010
	6,955,000	
Higher Education Capital Facilities Bonds		
Series 2009C.....	6,965,000	February 1, 2010
Series 2003A.....	1,750,000	May 1, 2010
	8,715,000	
Common Schools Capital Facilities Bonds:		
Series 2005A.....	4,300,000	March 15, 2010
Series 2005B.....	4,300,000	March 15, 2010
Series 2005C.....	7,660,000	June 15, 2010
Series 2006B.....	4,100,000	June 15, 2010
Series 2006C.....	4,100,000	June 15, 2010
	24,460,000	
Highway Capital Improvements Bonds		
Series E.....	22,500,000	May 1, 2010
Series F.....	20,000,000	May 1, 2010
Series G.....	13,500,000	May 1, 2010
Series H.....	16,000,000	May 1, 2010
Series I.....	14,000,000	May 1, 2010
Series J.....	20,000,000	May 1, 2010
Series K.....	19,000,000	May 1, 2010
Series L.....	14,000,000	May 1, 2010
	139,000,000	

(continued)

STATE OF OHIO
SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST
AND ACCRETED PRINCIPAL PAID AND NET INTEREST RATE SWAP TRANSACTIONS
As of JUNE 30, 2010
(Continued)

Conservation Projects Bonds:		
Series 2004A.....	2,975,000	March 1, 2010
Series 2005A.....	2,975,000	March 1, 2010
	<u>5,950,000</u>	
Third Frontier Research & Development Projects Bonds		
Series 2006A.....	6,510,000	May 1, 2010
Series 2007A.....	2,660,000	May 1, 2010
Series 2008A.....	3,330,000	May 1, 2010
	<u>12,500,000</u>	
Third Frontier Job Ready Site Development Bonds.....		
Series 2006A.....	2,770,000	May 1, 2010
	<u>2,770,000</u>	
	<u>208,851,978</u>	
<i>Total Maturities.....</i>		
<i>Outstanding General Obligation Bond Principal, June 30, 2010:</i>		
Highway Capital Improvements Bonds	709,500,000	
Coal Research and Development Projects Bonds	28,245,000	
Natural Resources Capital Facilities Bonds	151,750,000	
Common Schools Capital Facilities Bonds	2,626,980,000	
Higher Education Capital Facilities Bonds	1,484,425,000	
Public Infrastructure Capital Improvements Bonds	1,578,920,636	
Conservation Projects Bonds	192,840,000	
Third Frontier Research & Development Projects Bonds	211,845,000	
Third Frontier Job Ready Site Development Bonds.....	63,965,000	
<i>Total Outstanding, June 30, 2010.....</i>	<u>\$ 7,048,470,636</u>	
<i>Interest & Accreted Principal Paid, January 1 through June 30, 2010:</i>		
	<u>Interest</u>	<u>Accreted Principal</u>
Highway Capital Improvements Bonds	\$ 15,631,987	\$ -
Coal Research and Development Projects Bonds	1,035,861	-
Natural Resources Capital Facilities Bonds	2,927,535	-
Common Schools Capital Facilities Bonds	49,153,006	-
Higher Education Capital Facilities Bonds	31,233,880	-
Public Infrastructure Capital Improvements Bonds	27,663,265	683,023
Conservation Projects Bonds	3,618,970	-
Third Frontier Research & Development Projects Bonds	4,762,568	-
Third Frontier Job Ready Site Development Bonds.....	1,195,880	-
<i>Total Interest and Accreted Principal Paid.....</i>	<u>\$ 137,222,952</u>	<u>\$ 683,023</u>
<i>Interest Rate Swap Agreements-Net Receipts & Payments,</i>		
<i>January 1 through June 30, 2010:</i>		
	<u>Net Swap Receipts</u>	<u>Net Swap Payments</u>
Common Schools Capital Facilities Bonds	\$ -	\$ 5,839,312
Public Infrastructure Capital Improvements Bonds	59,216	3,026,125
<i>Total Net Receipts and Payments.....</i>	<u>\$ 59,216</u>	<u>\$ 8,865,437</u>

* 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.

** The project to be financed by the proceeds of Coal Research & Development Bonds, Series K, was abandoned. As a result, the bonds were legally defeased on April 23, 2010.

**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:

In April 2010, Fitch and Moody's recalibrated their municipal rating scales. According to those rating agencies, their recalibrations are to provide a greater degree of comparability of ratings among all issuers and obligations rated by each agency. The general obligation ratings provided are based on the recalibrated rating scales of Moody's and Fitch.

Ratings Assigned to General Obligations			
Purpose	Bond Rating Agencies		
	Fitch Ratings	Moody's Investors Service*	Standard & Poor's Ratings Services*
Highway Capital Improvements	AA+	Aa1	AAA
Coal Research and Development	AA+	Aa1	AA+
Natural Resources Capital Facilities	AA+	Aa1	AA+
Common Schools Capital Facilities	AA+	Aa1	AA+
Higher Education Capital Facilities	AA+	Aa1	AA+
Public Infrastructure Capital Improvements	AA+	Aa1	AA+
Conservation Projects	AA+	Aa1	AA+
Third Frontier R & D Projects.....	AA+	Aa1	AA+
Job Ready Site Development.....	AA+	Aa1	AA+

*Negative rating outlook, except S&P's Highway Capital Improvement rating outlook of stable
Source: Ohio Office of Budget and Management

General Obligation Bond Sales						
Details on bond sales that closed during the six-month period ended June 30, 2010 are as follows:						
Issue	Date of Issue	Par Amount	Premium/ (Discount)	Under-writer's Discount	Cost of Issuance	Net Proceeds Delivered to Project Fund
Common Schools Facilities Bonds:						
Series 2010A.....	1/21/10	\$ 131,170,000	\$ 17,699,050	\$ (599,189)	\$ (241,475)	\$ 148,028,386
Series 2010B.....	1/21/10	53,685,000	7,115,323	(208,496)	(109,300)	60,482,527
Higher Education Facilities Bonds:						
Series 2010A.....	1/21/10	95,240,000	10,473,155	(443,393)	(150,137)	105,119,625
Series 2010B.....	1/21/10	24,360,000	3,429,479	(109,123)	(94,050)	27,586,306
Infrastructure Improvement Bonds:						
Series 2010A.....	1/21/10	51,290,000	914,969	(240,331)	(107,211)	51,857,427
Series 2010B*.....	3/5/10	120,000,000	-	(829,568)	(223,650)	118,946,782
Series 2010C.....	3/5/10	54,400,000	6,463,588	(225,792)	(112,890)	60,524,907
Highway Capital Improvement Bonds:						
Series M*.....	4/27/10	170,000,000	-	(1,170,189)	(255,650)	168,574,161

* 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 JUNE 30, 2010

As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public			Third Frontier Research & Development Projects	Third Frontier Job Ready Site Development	Total Outstanding
						Infrastructure Capital Improvements	Conservation Projects	Development Projects			
06/30/10	\$ 709,500,000	\$ 28,245,000	\$ 151,750,000	\$ 2,626,980,000	\$ 1,484,425,000	\$ 1,578,920,636	\$ 192,840,000	\$ 211,845,000	\$ 63,965,000	\$ 7,048,470,636	
06/30/11	593,000,000	22,315,000	132,390,000	2,581,550,000	1,468,370,000	1,521,037,848	179,580,000	190,810,000	59,075,000	6,748,127,848	
06/30/12	496,500,000	15,145,000	111,780,000	2,433,255,000	1,374,175,000	1,411,135,915	164,845,000	166,170,000	53,085,000	6,226,090,915	
06/30/13	400,000,000	11,260,000	94,215,000	2,265,315,000	1,282,230,000	1,308,258,266	149,500,000	138,385,000	45,535,000	5,694,698,266	
06/30/14	317,000,000	10,195,000	75,915,000	2,088,270,000	1,173,145,000	1,184,676,998	132,075,000	117,215,000	37,710,000	5,136,201,998	
06/30/15	250,000,000	9,075,000	59,775,000	1,916,165,000	1,054,135,000	1,067,558,600	113,925,000	95,320,000	29,565,000	4,595,518,600	
06/30/16	217,000,000	6,415,000	45,715,000	1,722,910,000	947,470,000	947,560,000	95,040,000	72,325,000	21,150,000	4,075,585,000	
06/30/17	184,000,000	4,885,000	32,950,000	1,525,480,000	838,025,000	832,200,000	75,405,000	48,215,000	16,070,000	3,557,230,000	
06/30/18	163,415,000	3,305,000	19,670,000	1,331,155,000	729,970,000	725,170,000	59,610,000	26,920,000	10,860,000	3,070,075,000	
06/30/19	142,045,000	1,680,000	15,245,000	1,123,750,000	611,850,000	630,915,000	43,150,000	9,665,000	5,510,000	2,583,810,000	
06/30/20	120,070,000	-	10,670,000	908,145,000	487,595,000	542,645,000	30,445,000	-	-	2,099,570,000	
06/30/21	97,465,000	-	8,125,000	692,630,000	354,035,000	459,695,000	22,170,000	-	-	1,634,120,000	
06/30/22	74,195,000	-	5,500,000	481,025,000	235,100,000	381,245,000	13,565,000	-	-	1,190,630,000	
06/30/23	50,220,000	-	2,795,000	296,150,000	138,785,000	307,375,000	4,605,000	-	-	799,930,000	
06/30/24	25,500,000	-	-	168,700,000	76,700,000	248,165,000	-	-	-	519,065,000	
06/30/25	-	-	-	80,520,000	33,595,000	195,545,000	-	-	-	309,660,000	
06/30/26	-	-	-	17,580,000	11,505,000	142,270,000	-	-	-	171,355,000	
06/30/27	-	-	-	-	-	103,475,000	-	-	-	103,475,000	
06/30/28	-	-	-	-	-	62,830,000	-	-	-	62,830,000	
06/30/29	-	-	-	-	-	29,960,000	-	-	-	29,960,000	
06/30/30	-	-	-	-	-	15,245,000	-	-	-	15,245,000	

STATE OF OHIO
SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS
As of JUNE 30, 2010

FY Ending June 30,	HIGHWAY CAPITAL IMPROVEMENTS BONDS			COAL RESEARCH AND DEVELOPMENT BONDS		
	Principal	Interest	Total	Principal	Interest	Total
2011.....	\$ 116,500,000	\$ 32,892,002	\$ 149,392,002	\$ 5,930,000	\$ 925,331	\$ 6,855,331
2012.....	96,500,000	27,617,783	124,117,783	7,170,000	691,078	7,861,078
2013.....	96,500,000	23,089,026	119,589,026	3,885,000	459,681	4,344,681
2014.....	83,000,000	18,614,873	101,614,873	1,065,000	361,369	1,426,369
2015.....	67,000,000	14,688,650	81,688,650	1,120,000	314,938	1,434,938
2016-2020.....	129,930,000	44,293,014	174,223,014	9,075,000	650,918	9,725,918
2021-2025.....	120,070,000	17,754,785	137,824,785	-	-	-
2026-2030.....	-	-	-	-	-	-
2031.....	-	-	-	-	-	-
Total.....	709,500,000	178,950,133	888,450,133	28,245,000	3,403,315	31,648,315
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	-	-	-
	\$ 709,500,000	\$ 178,950,133	\$ 888,450,133	\$ 28,245,000	\$ 3,403,315	\$ 31,648,315

FY Ending June 30,	NATURAL RESOURCES CAPITAL FACILITIES BONDS			COMMON SCHOOLS CAPITAL FACILITIES BONDS		
	Principal	Interest	Total	Principal	Interest (A)	Total
2011.....	\$ 19,360,000	\$ 5,855,330	\$ 25,215,330	\$ 45,430,000	\$ 122,863,091	\$ 168,293,091
2012.....	20,610,000	5,065,277	25,675,277	148,295,000	118,911,545	267,206,545
2013.....	17,565,000	4,312,484	21,877,484	167,940,000	111,868,068	279,808,068
2014.....	18,300,000	3,578,537	21,878,537	177,045,000	103,425,003	280,470,003
2015.....	16,140,000	2,955,081	19,095,081	172,105,000	94,864,928	266,969,928
2016-2020.....	49,105,000	7,189,614	56,294,614	1,008,020,000	340,591,747	1,348,611,747
2021-2025.....	10,670,000	1,328,347	11,998,347	827,625,000	107,777,086	935,402,086
2026-2030.....	-	-	-	80,520,000	3,038,257	83,558,257
2031.....	-	-	-	-	-	-
Total.....	151,750,000	30,284,670	182,034,670	2,626,980,000	1,003,339,725	3,630,319,725
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	-	-	-
	\$ 151,750,000	\$ 30,284,670	\$ 182,034,670	\$ 2,626,980,000	\$ 1,003,339,725	\$ 3,630,319,725

FY Ending June 30,	HIGHER EDUCATION CAPITAL FACILITIES BONDS			PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS		
	Principal	Interest	Total	Principal	Interest (A)	Total
2011.....	\$ 16,055,000	\$ 71,108,879	\$ 87,163,879	\$ 80,900,000	\$ 70,654,971	\$ 151,554,971
2012.....	94,195,000	69,309,886	163,504,886	136,595,000	67,862,364	204,457,364
2013.....	91,945,000	64,862,998	156,807,998	133,015,000	63,783,185	196,798,185
2014.....	109,085,000	59,904,288	168,989,288	134,425,000	58,964,868	193,389,868
2015.....	119,010,000	54,250,223	173,260,223	122,275,000	53,349,460	175,624,460
2016-2020.....	566,540,000	193,263,458	759,803,458	526,665,000	194,951,819	721,616,819
2021-2025.....	454,000,000	58,680,995	512,680,995	347,100,000	93,263,082	440,363,082
2026-2030.....	33,595,000	1,693,750	35,288,750	180,300,000	23,844,303	204,144,303
2031.....	-	-	-	15,245,000	416,343	15,661,343
Total.....	1,484,425,000	573,074,475	2,057,499,475	1,676,520,000	627,090,395	2,303,610,395
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	(97,599,363)	-	(97,599,363)
	\$ 1,484,425,000	\$ 573,074,475	\$ 2,057,499,475	\$ 1,578,920,637	\$ 627,090,395	\$ 2,206,011,032

(continued)

STATE OF OHIO
SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS
As of JUNE 30, 2010
(Continued)

FY Ending June 30,	CONSERVATION PROJECT BONDS			THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS		
	Principal	Interest	Total	Principal	Interest	Total
2011.....	\$ 13,260,000	\$ 8,424,731	\$ 21,684,731	\$ 21,035,000	\$ 8,925,985	\$ 29,960,985
2012.....	14,735,000	7,916,981	22,651,981	24,640,000	8,110,853	32,750,853
2013.....	15,345,000	7,397,106	22,742,106	27,785,000	7,151,440	34,936,440
2014.....	17,425,000	6,717,106	24,142,106	21,170,000	6,038,690	27,208,690
2015.....	18,150,000	5,982,336	24,132,336	21,895,000	5,181,856	27,076,856
2016-2020.....	83,480,000	18,051,521	101,531,521	95,320,000	10,191,650	105,511,650
2021-2025.....	30,445,000	3,130,732	33,575,732	-	-	-
2026-2030.....	-	-	-	-	-	-
2031.....	-	-	-	-	-	-
Total.....	192,840,000	57,620,513	250,460,513	211,845,000	45,600,474	257,445,474
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	-	-	-
	\$ 192,840,000	\$ 57,620,513	\$ 250,460,513	\$ 211,845,000	\$ 45,600,474	\$ 257,445,474

FY Ending June 30,	THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS		
	Principal	Interest	Total
2011.....	\$ 4,890,000	\$ 2,432,363	\$ 7,322,363
2012.....	5,990,000	2,269,103	8,259,103
2013.....	7,550,000	2,032,048	9,582,048
2014.....	7,825,000	1,687,636	9,512,636
2015.....	8,145,000	1,386,836	9,531,836
2016-2020.....	29,565,000	2,979,392	32,544,392
2021-2025.....	-	-	-
2026-2030.....	-	-	-
2031.....	-	-	-
Total.....	63,965,000	12,787,378	76,752,378
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	\$ 63,965,000	\$ 12,787,378	\$ 76,752,378

Notes:

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

STATE OF OHIO
SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES
As of JUNE 30, 2010

HIGHWAY CAPITAL IMPROVEMENTS BONDS		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 73	124th	\$ 1,092,500,000
House Bill 73	124th	257,500,000
House Bill 87	125th	420,000,000
House Bill 68	126th	360,000,000
House Bill 67	127th	290,000,000
House Bill 2	128th	352,000,000
Total Authorizations, as of June 30, 2010.....		<u>\$ 2,772,000,000</u>

COAL RESEARCH AND DEVELOPMENT BONDS		
Legislation	General Assembly Session	Amount of Authorization
Senate Bill 206	119th	\$ 50,000,000
House Bill 298	119th	50,000,000
House Bill 152	120th	50,000,000
House Bill 66	126th	15,000,000
House Bill 554	127th	66,000,000
Total Authorizations, as of June 30, 2010.....		<u>\$ 231,000,000</u>

NATURAL RESOURCES CAPITAL FACILITIES BONDS		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 675	124th	\$ 272,000,000
House Bill 675	124th	15,000,000
House Bill 16	126th	14,000,000
House Bill 530	126th	5,000,000
House Bill 699	126th	16,000,000
House Bill 562	127th	28,000,000
Total Authorizations, as of June 30, 2010.....		<u>\$ 350,000,000</u>

COMMON SCHOOLS CAPITAL FACILITIES BONDS		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 16	125th	\$ 2,505,000,000
House Bill 16	126th	530,000,000
House Bill 530	126th	580,000,000
House Bill 699	126th	530,000,000
House Bill 562 (A)	127th	(800,000,000)
House Bill 462	128th	525,000,000
Total Authorizations, as of June 30, 2010.....		<u>\$ 3,870,000,000</u>

HIGHER EDUCATION CAPITAL FACILITIES BONDS		
Legislation	Assembly Session	Amount of Authorization
All Acts Prior to Senate Bill 189	125th	\$ 1,798,000,000
Senate Bill 189	125th	53,000,000
House Bill 16	126th	476,000,000
House Bill 530	126th	54,000,000
House Bill 699	126th	576,000,000
House Bill 562 (B)	127th	(344,000,000)
Total Authorizations, as of June 30, 2010.....		<u>\$ 2,613,000,000</u>

PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS		
Legislation	Assembly Session	Amount of Authorization
All Acts Prior to House Bill 699	126th	\$ 2,400,000,000
House Bill 699	126th	120,000,000
House Bill 496	127th	120,000,000
House Bill 554	127th	120,000,000
House Bill 562	127th	120,000,000
House Bill 462	127th	120,000,000
Total Authorizations, as of June 30, 2010.....		<u>\$ 3,000,000,000</u>

(continued)

STATE OF OHIO
SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES
As of JUNE 30, 2010
(Continued)

CONSERVATION PROJECTS BONDS		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to		
House Bill 16	126th	\$ 100,000,000
House Bill 16	126th	50,000,000
House Bill 530	126th	50,000,000
House Bill 562	127th	40,000,000
House Bill 2 (C)	128th	(40,000,000)
House Bill 2	128th	<u>100,000,000</u>
Total Authorizations, as of June 30, 2010.....		<u>\$ 300,000,000</u>

THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS		
Legislation	General Assembly Session	Amount of Authorization
Senate Bill 236	126th	\$ 200,000,000
House Bill 119	127th	150,000,000
House Bill 2	128th	<u>100,000,000</u>
Total Authorizations, as of June 30, 2010.....		<u>\$ 450,000,000</u>

THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS		
Legislation	Assembly Session	Amount of Authorization
Senate Bill 236	126th	\$ 30,000,000
House Bill 530	126th	30,000,000
House Bill 699	126th	30,000,000
House Bill 562	127th	<u>30,000,000</u>
Total Authorizations, as of June 30, 2010.....		<u>\$ 120,000,000</u>

VETERAN'S COMPENSATION BONDS		
Legislation	Assembly Session	Amount of Authorization
House Bill 462	128th	<u>\$ 200,000,000</u>
Total Authorizations, as of June 30, 2010.....		<u>\$ 200,000,000</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 January 1, 2010, making the total authorized for Conservation Projects Bonds \$300 million.

HIGHWAY CAPITAL IMPROVEMENTS BONDS

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 monies referred to in Section 5a of Article XII, Ohio Constitution, pledged to the payment of debt service on Highway Capital Improvements Bonds are available for such purpose, the moneys are to be appropriated thereto and the required application of any other excises and taxes are reduced in corresponding amount.

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

The authority to issue Highway Capital Improvements Bonds in amounts authorized by the General

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

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

STATE OF OHIO
SCHEDULE OF HIGHWAY CAPITAL IMPROVEMENTS BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS												
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 11/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	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	225,000,000	-	-	67,877,344	67,877,344	-	
F	02/01/01	05/01/02	05/01/11	4.1271%	200,000,000	180,000,000	20,000,000	-	57,171,324	56,146,524	1,024,800	
G	12/04/02	05/01/04	05/01/13	4.1271%	135,000,000	94,500,000	40,500,000	-	38,185,816	34,026,881	4,158,935	
H	03/04/04	05/01/05	05/01/14	2.9603%	160,000,000	96,000,000	64,000,000	-	42,039,742	34,277,825	7,761,917	
I	05/18/05	05/01/06	05/01/15	3.5103%	140,000,000	70,000,000	70,000,000	-	36,241,844	25,940,569	10,301,275	
J	03/08/06	05/01/07	05/01/15	3.7830%	180,000,000	80,000,000	100,000,000	-	40,516,925	26,474,110	14,042,815	
K	04/11/07	05/01/08	05/01/17	3.8650%	190,000,000	57,000,000	133,000,000	-	49,452,649	24,001,962	25,450,687	
L	05/01/08	05/01/09	05/01/18	3.3940%	140,000,000	28,000,000	112,000,000	-	31,322,863	10,386,363	20,936,500	
M	04/27/10	05/01/18	05/01/25	3.1087%	170,000,000	-	170,000,000	-	95,273,204	-	95,273,204	
TOTAL					\$ 2,115,000,000	\$ 1,405,500,000	\$ 709,500,000	\$ -	\$ 599,850,017	\$ 420,899,884	\$ 178,950,133	

Note:

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

STATE OF OHIO
HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	<u>JANUARY 1, 2010 THROUGH JUNE 30, 2010</u>	<u>CUMULATIVE SINCE INCEPTION SEPTEMBER 1996</u>
CASH BALANCE, JANUARY 1, 2010.....	\$ 98,104,018	
CASH INFLOWS:		
Transfers from Other State Funds.....	56,339,308	\$ 1,748,411,744
Bond Proceeds.....	4,655	48,268,177
Accrued Interest on Bonds Sold.....	201,205	2,076,322
Interest Earnings.....	225,103	28,980,242
	<u>56,770,271</u>	<u>1,827,736,485</u>
TOTAL CASH INFLOWS.....	56,770,271	1,827,736,485
CASH OUTFLOWS:		
Principal Paid.....	139,000,000	1,405,500,000
Interest Paid.....	15,631,987	420,899,884
Bond Sale and Miscellaneous Expenses.....	-	1,094,299
	<u>154,631,987</u>	<u>1,827,494,183</u>
TOTAL CASH OUTFLOWS.....	154,631,987	1,827,494,183
CASH BALANCE, JUNE 30, 2010.....	\$ 242,302	\$ 242,302

Note:

In addition to the June 30, 2010 cash balance reported above for the Highway Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$4.78 in investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$4.78 in investment earnings held in STAROhio.

COAL RESEARCH AND DEVELOPMENT BONDS

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

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

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

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

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

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

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

STATE OF OHIO
SCHEDULE OF COAL RESEARCH AND DEVELOPMENT BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Defeased	Principal Matured through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 08/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	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	-	12,000,000	-	-	3,358,622	3,358,622	-
F	08/01/01	08/01/02	08/01/11	4.0330%	15,000,000	-	11,560,000	3,440,000	1,680,000	3,808,725	3,659,505	149,220
G	05/01/02	08/01/03	08/01/12	3.9950%	15,000,000	-	9,900,000	5,100,000	1,630,000	3,504,175	3,177,918	326,257
H	04/01/04	02/01/05	02/01/12	2.3885%	13,000,000	-	9,565,000	3,435,000	-	1,390,750	1,243,975	146,775
I	09/20/07	08/01/08	08/01/15	3.9283%	8,000,000	-	1,730,000	6,270,000	925,000	1,567,660	731,047	836,613
J	09/04/09	08/01/11	08/01/19	2.8752%	10,000,000	-	-	10,000,000	-	2,064,582	120,132	1,944,450
K ^(B)	09/04/09	08/01/13	08/01/14	2.1188%	30,000,000	30,000,000	-	-	-	498,044	498,044	-
				TOTAL	\$ 198,000,000	\$ 30,000,000	\$ 139,755,000	\$ 28,245,000	\$ 4,235,000	\$ 46,164,830	\$ 42,761,515	\$ 3,403,315

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, on April 23, 2010 the bonds were legally defeased using unspent project fund proceeds, net premium, and accrued interest generated.

STATE OF OHIO
COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	JANUARY 1, 2010 THROUGH JUNE 30, 2010	CUMULATIVE SINCE INCEPTION AUGUST 1986
CASH BALANCE, JANUARY 1, 2010.....	\$ 2,269,623	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	4,147,536	\$ 182,356,349
Bond Proceeds.....	152,851	2,559,902
Accrued Interest on Bonds Sold.....	-	207,442
Royalties from Research and Development Grants.....	20,421	151,837
Interest Earnings.....	7,424	187,744
Unused Administrative Fees.....	-	3,325
TOTAL CASH INFLOWS.....	4,328,232	185,466,599
CASH OUTFLOWS:		
Principal Paid.....	3,145,000	139,755,000
Interest Paid.....	1,035,861	42,761,515
Bond Sale and Miscellaneous Expenses.....	2,249,319	2,782,409
TOTAL CASH OUTFLOWS.....	6,430,180	185,298,924
CASH BALANCE, JUNE 30, 2010.....	\$ 167,675	\$ 167,675

Note:

The project to be financed by the proceeds of Coal Research & Development Bonds, Series K, was abandoned. As a result, the bonds were legally defeased on April 23, 2010. As of June 30, 2010 \$147,100 in interest earnings attributable to Series K remained in the Bond Service Fund and will be credited to future debt service. As of July 8, 2010 an additional \$17,541.72 attributable to Series K interest earnings was deposited in the Bond Service Fund and will be used for future Series J debt service.

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 JUNE 30, 2010

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 10/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	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	17,360,000	12,640,000	-	-	7,500,231	7,500,231	-
F	08/01/01	04/01/02	04/01/16	4.4462%	20,000,000	10,570,000	8,030,000	1,400,000	-	5,467,643	5,397,643	70,000
G	03/15/02	10/01/03	10/01/17	4.4905%	30,000,000	11,990,000	4,470,000	13,540,000	1,945,000	10,225,823	7,530,547	2,695,276
H	08/15/02	10/01/03	10/01/10	2.9924%	17,640,000	15,415,000	-	2,225,000	2,225,000	3,490,840	3,453,293	37,547
I	06/17/03	04/01/05	04/01/18	3.2244%	30,000,000	10,890,000	-	19,110,000	-	10,030,364	6,620,801	3,409,563
J	09/28/04	04/01/05	10/01/14	3.3163%	47,425,000	10,345,000	-	37,080,000	6,980,000	12,534,771	9,150,943	3,383,828
K	03/01/05	04/01/06	04/01/20	3.5730%	25,000,000	7,060,000	-	17,940,000	-	7,812,048	3,995,403	3,816,645
L	06/21/07	10/01/08	10/01/17	4.2413%	30,000,000	4,830,000	-	25,170,000	2,730,000	8,162,332	3,363,694	4,798,638
M	10/06/09	10/01/13	10/01/15	2.0534%	5,285,000	-	-	5,285,000	-	637,980	60,205	577,775
N	12/16/09	04/01/11	04/01/16	1.8858%	9,835,000	-	-	9,835,000	-	1,534,185	98,510	1,435,675
O	12/16/09	04/01/17	04/01/24	3.1108%	20,165,000	-	-	20,165,000	-	10,331,179	271,456	10,059,723
TOTAL					\$ 395,350,000	\$ 176,660,000	\$ 66,940,000	\$ 151,750,000	\$ 13,880,000	\$ 113,720,307	\$ 83,435,637	\$ 30,284,670

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	Original Principal	Change in Principal Outstanding							
Series A	\$ 8,400,000	2005-2009	\$ -	-	\$ -	-	-	-	Series H	\$ 17,640,000	\$ 880,000
Series C	3,800,000	2008	17,100,000	2009-2012	-	2009-2012	-	20,900,000	Series J	47,425,000	2,285,000
Series D	2,300,000	2010	10,200,000	2011-2014	-	2011-2014	-	12,500,000	Series M	5,285,000	245,000
Series E	2,260,000	2011	10,380,000	2012-2015	-	2012-2015	-	12,640,000			
Series F	-	-	2,990,000	2012 & 2013	-	2014-2016	-	8,030,000			
Series G	-	-	4,470,000	2013 & 2014	-	-	-	4,470,000			
	\$ 16,760,000		\$ 45,140,000			\$ 5,040,000		\$ 66,940,000			

STATE OF OHIO
NATURAL RESOURCES PROJECTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	<u>JANUARY 1, 2010 THROUGH JUNE 30, 2010</u>	<u>CUMULATIVE SINCE INCEPTION OCTOBER 1994</u>
CASH BALANCE, JANUARY 1, 2010.....	\$ 397,521	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	9,486,296	\$ 258,551,349
Bond Proceeds.....	5,941	1,541,344
Accrued Interest on Bonds Sold.....	-	418,719
Interest Earnings.....	733	61,380
Unused Administrative Fees.....	-	3,325
TOTAL CASH INFLOWS.....	<u>9,492,970</u>	<u>260,576,117</u>
CASH OUTFLOWS:		
Principal Paid.....	6,955,000	176,660,000
Interest Paid.....	2,927,535	83,435,637
Bond Sale and Miscellaneous Expenses.....	-	472,524
TOTAL CASH OUTFLOWS.....	<u>9,882,535</u>	<u>260,568,161</u>
CASH BALANCE, JUNE 30, 2010.....	<u>\$ 7,956</u>	<u>\$ 7,956</u>

COMMON SCHOOLS CAPITAL FACILITIES BONDS

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

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

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

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

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

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

STATE OF OHIO
SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (G)	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 09/15/10	Principal Maturing on 12/15/10	Total Interest to Maturity	Interest Paid through 06/30/10	Remaining Interest through Maturity
1999A	12/15/99	06/15/00	06/15/08	5.3915%	\$ 140,000,000	\$ 72,735,000	\$ 67,265,000	\$ -	\$ -	\$ -	\$ 35,878,400	\$ 35,878,400	\$ -
2001A	01/15/01	06/15/01	06/15/10	4.5250%	200,000,000	61,295,000	138,705,000	-	-	-	48,818,642	48,818,642	-
2001B	08/15/01	09/15/02	09/15/16	4.7040%	200,000,000	50,575,000	105,100,000	44,325,000	-	-	81,602,410	69,018,046	12,584,364
2002A	03/15/02	09/15/03	09/15/22	4.7969%	200,000,000	44,970,000	94,840,000	60,190,000	-	-	95,233,781	68,729,678	26,504,103
2002B	08/15/02	09/15/03	09/15/22	4.1586%	200,000,000	46,085,000	36,950,000	116,965,000	-	-	102,199,640	58,479,908	43,719,732
2003A	02/20/03	03/15/04	03/15/23	4.2525%	250,000,000	58,490,000	46,200,000	145,310,000	-	-	135,632,289	74,962,889	60,669,400
2003B	08/07/03	06/15/05	06/15/23	4.3501%	200,000,000	29,665,000	56,675,000	113,660,000	-	-	108,161,288	58,136,874	50,024,414
2003C	12/15/03	03/15/05	03/15/19	3.5640%	133,000,000	36,295,000	45,295,000	51,410,000	-	-	48,226,291	32,547,678	15,678,613
2003E	01/23/04	09/15/09	09/15/13	3.2380%	58,235,000	10,515,000	-	47,720,000	11,055,000	-	22,548,461	17,628,211	4,920,250
2004A	04/13/04	06/15/05	06/15/24	4.0442%	200,000,000	31,165,000	45,370,000	123,465,000	-	-	104,511,777	50,084,902	54,426,875
2004B	09/28/04	03/15/05	03/15/24	4.1748%	200,000,000	37,570,000	35,125,000	127,305,000	-	-	106,283,527	47,924,527	58,359,000
2004C	09/28/04	09/15/10	09/15/14	3.4579%	18,880,000	-	-	18,880,000	9,385,000	-	7,528,911	5,157,911	2,371,000
2005C	08/23/05	06/15/06	06/15/25	4.2020%	200,000,000	27,975,000	27,520,000	144,505,000	-	-	99,691,345	38,604,410	61,086,935
2005D	08/23/05	09/15/14	09/15/19	3.9234%	71,900,000	-	-	71,900,000	-	-	46,426,814	18,036,914	28,389,900
2006A	02/01/06	09/15/06	09/15/25	4.0932%	200,000,000	20,945,000	15,775,000	163,280,000	-	-	107,217,634	35,916,184	71,301,450
2006D	10/11/06	09/15/07	09/15/26	4.1104%	250,000,000	19,000,000	30,940,000	200,060,000	-	-	128,431,666	37,850,191	90,581,475
2007A	03/08/07	06/15/08	06/15/26	4.1467%	250,000,000	9,050,000	55,560,000	185,390,000	-	-	119,441,969	35,126,019	84,315,950
2009A	01/27/09	09/15/11	09/15/18	2.5720%	91,170,000	-	-	91,170,000	-	-	24,217,453	4,012,340	20,205,113
2009B	05/29/09	09/15/12	09/15/20	2.8164%	102,970,000	-	-	102,970,000	-	-	34,038,936	3,706,361	30,332,575
2009C	10/06/09	09/15/13	09/15/20	2.5597%	240,830,000	-	-	240,830,000	-	-	80,036,850	5,164,475	74,872,375
2010A	01/21/10	09/15/13	09/15/21	3.0863%	131,170,000	-	-	131,170,000	-	-	52,719,338	-	52,719,338
2010B	01/21/10	09/15/13	09/15/15	1.9857%	53,685,000	-	-	53,685,000	-	-	12,520,184	379,121	12,141,063
TOTAL					\$ 3,591,840,000	\$ 556,330,000	\$ 801,320,000	\$ 2,234,190,000	\$ 20,440,000	\$ -	\$ 1,601,367,606	\$ 746,163,681	\$ 855,203,925

VARIABLE RATE BONDS													
Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 09/15/10	Principal Maturing on 12/15/10	Total Estimated Interest to Maturity	Interest Paid through 06/30/10	Remaining Interest through Maturity
2003D	12/15/03	03/15/20	03/15/24	(B)	\$ 67,000,000	\$ -	\$ -	\$ 67,000,000	\$ -	\$ -	\$ 40,713,903	\$ 8,391,303	\$ 32,322,600
2005A	04/01/05	03/15/06	03/15/25	(C)	100,000,000	21,125,000	-	78,875,000	-	-	37,597,937	10,637,937	26,960,000
2005B	04/01/05	03/15/06	03/15/25	(D)	100,000,000	21,125,000	-	78,875,000	-	-	37,416,928	10,456,928	26,960,000
2006B	06/15/06	06/15/07	06/15/26	(E)	100,000,000	15,980,000	-	84,020,000	-	-	38,789,648	7,843,048	30,946,600
2006C	06/15/06	06/15/07	06/15/26	(F)	100,000,000	15,980,000	-	84,020,000	-	-	38,928,235	7,981,635	30,946,600
TOTAL					\$ 467,000,000	\$ 74,210,000	\$ -	\$ 392,790,000	\$ -	\$ -	\$ 193,446,651	\$ 45,310,851	\$ 148,135,800
GRAND TOTAL					\$ 4,058,840,000	\$ 630,540,000	\$ 801,320,000	\$ 2,626,980,000	\$ 20,440,000	\$ -	\$ 1,794,814,257	\$ 791,474,532	\$ 1,003,339,725

(continued)

STATE OF OHIO
SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS
As of JUNE 30, 2010
(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	\$ 4,165,953	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%	-	6,066,141	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%	-	6,066,253	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	4,519,952	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	4,519,952	6/15/2026	4.000%	

Total \$ 2,827,603 \$ 25,338,251

(continued)

STATE OF OHIO
SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS
As of JUNE 30, 2010
(Continued)

Notes:

(G) The following table provides details on refunded Common Schools Capital Facilities Bonds:

Refunded Bonds	Refunding Bonds										Refunded Maturities
	2003E	2004C	2005D	2009A	2009B	2009C	2010A	2010B	Total		
1999A	\$ 57,550,000	\$ -	\$ -	\$ -	\$ 9,715,000	\$ -	\$ -	\$ -	\$ -	\$ 67,265,000	2009; 2010-2014
2001A	-	9,615,000	79,425,000	31,700,000	8,780,000	-	9,185,000	-	-	138,705,000	2009; 2010; 2011-2020 2009; 2010; 2016; 2014-2018; 2019-2020
2001B	-	-	-	58,100,000	8,315,000	29,955,000	8,730,000	-	-	105,100,000	2009; 2010; 2013-2019
2002A	-	-	-	-	8,330,000	77,865,000	8,645,000	-	-	94,840,000	2009; 2010; 2013-2014
2002B	-	-	-	-	8,415,000	-	8,705,000	19,830,000	-	36,950,000	2010; 2011; 2014, 2015
2003A	-	-	-	-	10,570,000	12,120,000	10,910,000	12,600,000	-	46,200,000	2009; 2010-2011; 2014-2015; 2016
2003B	-	-	-	-	7,975,000	20,305,000	17,055,000	11,340,000	-	56,675,000	2010; 2014-2015
2003C	-	-	-	-	7,775,000	18,305,000	8,125,000	11,090,000	-	45,295,000	2009; 2010-2011; 2015; 2016
2004A	-	9,735,000	-	-	8,320,000	10,115,000	17,200,000	-	-	45,370,000	2010-2011; 2015-2016
2004B	-	-	-	-	-	19,695,000	15,430,000	-	-	35,125,000	2009; 2016-2017
2005C	-	-	-	-	7,430,000	20,090,000	-	-	-	27,520,000	2009; 2010
2006A	-	-	-	-	7,760,000	-	8,015,000	-	-	15,775,000	2009; 2010; 2017
2006D	-	-	-	-	9,170,000	12,275,000	9,495,000	-	-	30,940,000	2009; 2010-2011; 2017-2018
2007A	-	-	-	-	9,400,000	26,230,000	19,930,000	-	-	55,560,000	
	\$ 57,550,000	\$ 19,350,000	\$ 79,425,000	\$ 89,800,000	\$ 111,955,000	\$ 246,955,000	\$ 141,425,000	\$ 54,860,000	\$ 801,320,000		

Refunding Bonds		Change in
Original Principal	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)
Series 2010A	131,170,000	(10,255,000)
Series 2010B	53,685,000	(1,175,000)
Total	\$ 768,840,000	\$ (32,480,000)

STATE OF OHIO
COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	<u>JANUARY 1, 2010 THROUGH JUNE 30, 2010</u>	<u>CUMULATIVE SINCE INCEPTION DECEMBER 1999</u>
CASH BALANCE, JANUARY 1, 2010.....	\$ 16,937	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	79,422,329	\$ 1,336,635,858
Bond Proceeds.....	16,654	107,155,425
Accrued Interest on Bonds Sold.....	-	1,501,660
Net Receipts from Swap Agreements.....	-	2,827,603
Interest Earnings.....	1,156	887,320
Other.....	-	39,295
TOTAL CASH INFLOWS.....	<u>79,440,139</u>	<u>1,449,047,161</u>
CASH OUTFLOWS:		
Principal Paid.....	24,460,000	630,540,000
Interest Paid.....	49,153,006	791,474,532
Net Payments under Swap Agreements.....	5,839,312	25,338,251
Bond Sale and Miscellaneous Expenses.....	-	1,689,620
TOTAL CASH OUTFLOWS.....	<u>79,452,318</u>	<u>1,449,042,403</u>
CASH BALANCE, JUNE 30, 2010.....	<u>\$ 4,758</u>	<u>\$ 4,758</u>

Note:

In addition to the June 30, 2010 cash balance reported above for the Common Schools Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$0.01 in investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$0.01 in investment earnings held in STAROhio.

HIGHER EDUCATION CAPITAL FACILITIES BONDS

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

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

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

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

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

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

STATE OF OHIO
SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 08/01/10	Principal Maturing on 11/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	Remaining Interest through Maturity
2000A	02/01/00	02/01/01	02/01/09	5.3589%	\$ 150,000,000	\$ 83,700,000	\$ 66,300,000	\$ -	\$ -	\$ -	\$ 50,473,850	\$ 50,473,850	\$ -
2000B	11/01/00	05/01/01	05/01/10	5.0604%	150,000,000	84,285,000	65,715,000	-	-	-	29,695,901	29,695,901	-
2001A	04/01/01	02/01/02	02/01/21	4.8344%	150,000,000	43,930,000	106,070,000	-	-	-	43,460,402	43,460,402	-
2001B	10/01/01	11/01/02	11/01/21	4.4619%	175,000,000	45,735,000	108,065,000	21,200,000	-	-	64,176,149	56,532,849	7,643,300
2002A	05/01/02	08/01/03	08/01/22	4.7918%	150,000,000	30,780,000	82,735,000	36,485,000	-	-	65,777,888	50,692,058	15,085,830
2002B	11/14/02	11/01/03	11/01/22	4.4916%	175,000,000	39,870,000	32,510,000	102,620,000	-	-	100,641,505	57,352,880	43,288,625
2002C	11/21/02	11/01/10	11/01/14	3.6478%	54,975,000	-	-	54,975,000	-	10,000,000	29,944,521	22,130,658	7,813,863
2003A	06/05/03	05/01/05	05/01/23	3.9450%	150,000,000	30,320,000	34,480,000	85,200,000	-	-	81,128,920	43,538,726	37,590,194
2004A	04/01/04	05/01/05	05/01/24	3.7685%	150,000,000	33,140,000	27,010,000	89,850,000	-	-	69,355,699	33,385,849	35,969,850
2004B	09/23/04	02/01/05	02/01/24	4.2010%	150,000,000	29,195,000	26,055,000	94,750,000	-	-	77,533,756	34,181,796	43,351,960
2005A	03/24/05	02/01/06	02/01/25	4.2516%	150,000,000	22,325,000	25,980,000	101,695,000	-	-	80,625,342	31,484,792	49,140,550
2005B	09/29/05	05/01/06	05/01/25	4.1350%	150,000,000	23,265,000	19,030,000	107,705,000	-	-	75,243,624	27,705,357	47,538,267
2005C	09/29/05	08/01/11	08/01/16	3.6526%	49,495,000	-	-	49,495,000	-	-	20,566,677	10,421,577	10,145,100
2006A	04/27/06	05/01/07	05/01/26	4.4320%	150,000,000	17,470,000	25,480,000	107,050,000	-	-	79,595,447	25,272,660	53,867,787
2006B	12/19/06	11/01/07	11/01/26	4.1520%	150,000,000	9,770,000	17,545,000	122,685,000	-	-	85,565,048	23,170,398	62,394,650
2009A	01/27/09	08/01/10	08/01/19	2.6494%	86,905,000	-	-	86,905,000	6,055,000	-	23,302,423	3,880,998	19,421,425
2009B	05/29/09	08/01/12	08/01/20	2.9096%	48,745,000	-	-	48,745,000	-	-	18,055,165	1,598,040	16,457,125
2009C	10/06/09	02/01/10	08/01/20	2.6414%	262,430,000	6,965,000	262,430,000	255,465,000	-	-	83,904,075	3,729,650	80,174,425
2010A	01/21/10	08/01/13	08/01/21	3.1640%	95,240,000	-	-	95,240,000	-	-	36,933,218	-	36,933,218
2010B	01/21/10	08/01/14	08/01/15	2.1608%	24,360,000	-	-	24,360,000	-	-	6,258,306	-	6,258,306
TOTAL					\$ 2,622,150,000	\$ 500,750,000	\$ 636,975,000	\$ 1,484,425,000	\$ 6,055,000	\$ 10,000,000	\$ 1,122,237,916	\$ 549,163,441	\$ 573,074,475

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 JUNE 30, 2010
(Continued)

Notes:

(B) The following table provides details on refunded Higher Education Capital Facilities Bonds.

Refunded Bonds	Refunding Bonds										Refunded Maturities
	2002C	2005C	2009A	2009B	2009C	2010A	2010B	Total			
2000A	\$ -	\$ -	\$ 56,600,000	\$ 9,700,000	\$ -	\$ -	\$ -	\$ -	\$ 66,300,000	2010; 2011-2015	
2000B	56,200,000	-	-	-	-	9,515,000	-	-	65,715,000	2010; 2011-2015	
2001A	-	49,810,000	31,305,000	6,565,000	11,495,000	6,895,000	-	-	106,070,000	2010; 2011-2021	
2001B	-	-	-	7,530,000	92,700,000	7,835,000	-	-	108,065,000	2009-2010; 2012-2020	
2002A	-	-	-	5,965,000	70,505,000	6,265,000	-	-	82,735,000	2009-2010; 2013-2020	
2002B	-	-	-	7,465,000	8,515,000	7,700,000	8,830,000	-	32,510,000	2009-2010; 2013-2014	
2003A	-	-	-	-	15,210,000	11,035,000	8,235,000	-	34,480,000	2010-2011; 2014-2016	
2004A	-	-	-	-	14,490,000	12,520,000	-	-	27,010,000	2010-2011; 2015-2016	
2004B	-	-	-	5,615,000	6,995,000	5,895,000	7,550,000	-	26,055,000	2016	
2005A	-	-	-	5,540,000	14,730,000	5,710,000	-	-	25,980,000	2010-2011; 2016-2017	
2005B	-	-	-	-	7,595,000	11,435,000	-	-	19,030,000	2010-2011; 2017	
2006A	-	-	-	-	14,725,000	10,755,000	-	-	25,480,000	2010-2011; 2017-2018	
2006B	-	-	-	4,990,000	7,335,000	5,220,000	-	-	17,545,000	2009-2010; 2017	
	\$ 56,200,000	\$ 49,810,000	\$ 87,905,000	\$ 53,370,000	\$ 264,295,000	\$ 100,780,000	\$ 24,615,000	\$ 636,975,000			

Refunding Bonds		Change in
Original Principal	Outstanding	Principal
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)
Series 2010A	95,240,000	(5,540,000)
Series 2010B	24,360,000	(255,000)
Total	\$ 622,150,000	\$ (14,825,000)

**STATE OF OHIO
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010**

	JANUARY 1, 2010 THROUGH JUNE 30, 2010	CUMULATIVE SINCE INCEPTION FEBRUARY 2000
CASH BALANCE, JANUARY 1, 2010.....	\$ 4,240	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	39,938,002	\$ 974,102,219
Bond Proceeds.....	9,426	74,119,098
Accrued Interest on Bonds Sold.....	-	1,626,556
Interest Earnings.....	470	599,582
Unused Administrative Fees.....	-	12,302
TOTAL CASH INFLOWS.....	39,947,898	1,050,459,757
CASH OUTFLOWS:		
Principal Paid.....	8,715,000	500,750,000
Interest Paid.....	31,233,880	549,163,441
Bond Sale and Miscellaneous Expenses.....	-	543,058
TOTAL CASH OUTFLOWS.....	39,948,880	1,050,456,499
CASH BALANCE, JUNE 30, 2010.....	\$ 3,258	\$ 3,258

PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS

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

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

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

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

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

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

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

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

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

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

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

STATE OF OHIO
SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (H)	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 08/01/10	Principal Maturing on 09/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	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	41,305,596	1,180,121						
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	68,545,000	-	-	-	48,901,280	48,901,280	-						
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	45,294,660	3,545,492						
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	35,143,906	2,766,750						
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	10,800,000	18,345,000	-	-	19,559,568	17,082,627	2,476,941						
2002A	08/15/02	02/01/13	02/01/20	4.3584%	59,920,000	-	-	59,920,000	-	-	46,675,147	24,274,072	22,401,075						
2002B	11/01/02	03/01/04	03/01/21	4.5198%	120,000,000	29,415,000	84,480,000	6,105,000	-	-	17,894,567	17,086,689	807,878						
2003A	02/01/03	08/01/03	08/01/15	3.3043%	233,585,000	105,200,000	26,405,000	101,980,000	23,475,000	-	73,796,038	62,565,413	11,230,625						
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	30,115,000	29,125,000	60,760,000	-	-	51,621,543	25,396,580	26,224,963						
2004C	10/05/04	08/01/10	08/01/14	3.4246%	39,530,000	-	12,620,000	26,910,000	6,690,000	-	13,611,122	9,888,372	3,722,750						
2004D	12/01/04	03/01/05	03/01/24	4.5512%	120,000,000	21,600,000	21,455,000	76,945,000	-	-	61,821,066	26,704,741	35,116,325						
2005A	12/01/05	09/01/06	09/01/25	4.4230%	120,000,000	11,985,000	13,040,000	94,975,000	-	-	67,917,755	22,586,717	45,331,038						
2006A	11/16/06	03/01/07	03/01/26	4.3310%	120,000,000	15,190,000	20,665,000	84,145,000	-	-	57,927,640	16,600,878	41,326,762						
2007A	09/20/07	09/01/08	09/01/27	4.4172%	120,000,000	7,475,000	4,000,000	108,525,000	-	-	70,840,132	13,760,557	57,079,575						
2008A	10/16/08	09/01/10	09/01/28	5.2265%	240,000,000	-	15,550,000	224,450,000	-	-	147,330,285	15,637,426	131,692,859						
2009A	01/27/09	08/01/10	08/01/14	1.9116%	49,995,000	-	-	49,995,000	11,380,000	-	5,155,460	1,599,666	3,555,794						
2009B	05/29/09	08/01/12	08/01/20	2.9063%	81,990,000	-	-	81,990,000	-	-	28,247,418	2,539,849	25,707,569						
2010A	01/21/10	08/01/13	08/01/21	3.1713%	51,290,000	-	-	51,290,000	-	-	14,546,009	-	14,546,009						
2010B	03/05/10	09/01/22	09/01/30	3.4348%	120,000,000	-	-	120,000,000	-	-	104,500,286	-	104,500,286						
2010C	03/05/10	09/01/13	09/01/17	2.0811%	54,400,000	-	-	54,400,000	-	-	13,046,583	-	13,046,583						
TOTAL																			
\$ 3,248,155,000												\$ 1,001,070,000	\$ 982,745,000	\$ 1,264,340,000	\$ 45,055,000	\$ -	\$ 1,296,693,787	\$ 750,434,392	\$ 546,259,395

(continued)

STATE OF OHIO
SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS
As of JUNE 30, 2010
(Continued)

CAPITAL APPRECIATION BONDS													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (H)	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal as of 06/30/10	Principal Maturing on 08/01/10	Principal Maturing on 09/01/10	Total Discount	Accrued Principal Paid through 06/30/10	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	2,662,650	-	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	2,030,170	-	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	762,058	-	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	1,710,972	-	26,540,111	12,804,209	13,735,902
1996	01/01/96	08/01/04	08/01/15	5.0609%	11,164,295	6,233,769	-	4,930,526	1,350,065	-	11,850,705	4,581,231	7,269,474
1997R	01/01/98	08/01/03	08/01/08	5.2307%	5,860,670	5,860,670	-	-	-	-	10,064,330	10,064,330	-
1998R	08/01/98	08/01/08	08/01/08	4.5317%	1,784,986	1,784,986	-	-	-	-	2,400,014	2,400,014	-
2003C	02/26/03	08/01/11	08/01/12	3.2866%	6,241,829	-	-	6,241,829	-	-	19,673,171	-	19,673,171
2003E	03/20/03	08/01/04	08/01/12	3.2313%	2,718,755	2,449,715	-	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	41,978	-	266,873	-	-	7,881,149	683,023	7,198,126
TOTAL					\$ 201,091,965	\$ 165,561,329	\$ -	\$ 35,530,636	\$ 8,515,913	\$ -	\$ 281,518,034	\$ 183,918,671	\$ 97,599,363

VARIABLE RATE BONDS													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/10	Principal Refunded through 06/30/10	Outstanding Principal as of 06/30/10	Principal Maturing on 08/01/10	Principal Maturing on 09/01/10	Total Estimated Interest to Maturity	Interest Paid through 06/30/10	Remaining Interest through Maturity
2001B	11/29/01	08/01/14	08/01/21	(C)	\$ 63,900,000	\$ -	\$ -	\$ 63,900,000	\$ -	\$ -	\$ 30,894,121	\$ 9,844,121	\$ 21,050,000
2003B	02/26/03	08/01/09	08/01/17	(D)	104,315,000	2,545,000	-	101,770,000	2,625,000	-	37,508,257	14,467,657	23,040,600
2003D	03/20/03	02/01/11	02/01/19	(E)	58,085,000	-	-	58,085,000	-	-	22,748,155	8,020,955	14,727,200
2004A	03/03/04	02/01/05	02/01/23	(F)	58,725,000	3,430,000	-	55,295,000	-	-	29,388,068	7,374,968	22,013,200
TOTAL					\$ 285,025,000	\$ 5,975,000	\$ -	\$ 279,050,000	\$ 2,625,000	\$ -	\$ 120,538,601	\$ 39,707,601	\$ 80,831,000
GRAND TOTAL					\$ 3,734,271,965	\$ 1,172,606,329	\$ 982,745,000	\$ 1,578,920,636	\$ 56,195,913	\$ -	\$ 1,698,750,422	\$ 974,060,664	\$ 724,689,758

(continued)

STATE OF OHIO
SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS
As of JUNE 30, 2010
(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	State Receives	State Pays	Net Interest Received	Net Interest Paid	Variable Rate Bonds		
								Final Maturity	Estimated Variable Interest Rate Basis	
(B) 2003F*	Fixed-to-Floating	12/14/2003	2/1/2010	2.540%	SIFMA	\$ 642,914	\$ 387,594	-	-	-
(C) 2001B	Floating-to-Fixed	11/29/2001	8/1/2021	SIFMA	4.630%	-	13,986,443	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%*	*2.96% prior to 8/1/2008
(E) 2003D*	Floating-to-Fixed	3/20/2003	2/1/2010	Matched Rate	3.035%	578,579	4,657,835	2/1/2019	4.000%*	*3.035% prior to 8/1/2008
(F) 2004A	Floating-to-Fixed	3/3/2004	2/1/2023	LIBOR*	3.510%	63,836	4,526,180	2/1/2023	4.000%	
(G) Multiple	Fixed-to-Floating	4/5/2002 7/5/2002 12/4/2002	7/1/2002* 9/24/2002* 9/24/2002*	4.26% 4.27% 4.21%	SIFMA SIFMA SIFMA	1,244,598 4,194,598 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 \$ 11,635,069 \$ 28,234,388

(continued)

STATE OF OHIO
SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS
 As of JUNE 30, 2010
 (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	2010A	2010C			
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	-	-	-	-	-	-	7,935,000	-	-	68,545,000	2005-2009; 2010
1995	-	32,540,000	-	-	13,935,000	-	-	-	-	-	-	-	-	-	46,475,000	2006-2014
1996	-	-	-	-	60,810,000	-	-	-	-	-	-	-	-	-	60,810,000	2006-2015
1997	-	-	-	-	6,270,000	38,190,000	-	6,920,000	6,585,000	-	-	-	-	-	57,965,000	2003, 2008-2012; 2015-2016
1997R	-	-	-	-	-	-	-	-	-	29,540,000	-	-	-	-	36,895,000	2009-2014
1998A	-	-	-	-	6,250,000	43,155,000	-	-	-	20,630,000	-	-	-	-	70,035,000	2003; 2009-2017
1998B	-	-	-	-	5,750,000	40,850,000	-	-	12,550,000	-	-	-	-	-	59,150,000	2009-2012; 2015-2018
1999	-	-	-	-	12,475,000	-	60,805,000	-	660,000	-	5,945,000	-	-	-	79,885,000	2004; 2010-2019
2000	-	-	-	60,450,000	11,450,000	-	-	-	520,000	-	5,270,000	-	-	-	77,690,000	2010-2020
2001A	-	-	-	-	-	-	-	-	-	-	5,270,000	5,530,000	-	-	10,800,000	2008; 2010
2002B	-	-	-	-	-	-	-	52,115,000	10,740,000	-	4,665,000	4,855,000	12,105,000	-	84,480,000	2014; 2015-2016
2003A	-	-	-	-	-	-	-	-	-	-	26,405,000	-	-	-	26,405,000	2017-2023
2003F	-	-	-	-	-	-	-	-	-	-	-	5,470,000	-	-	5,470,000	2009
2004C	-	-	-	-	-	-	-	-	9,070,000	-	12,620,000	-	14,585,000	-	29,125,000	2011; 2014-2015; 2016-2017
2004D	-	-	-	-	-	-	-	-	-	-	4,665,000	4,900,000	11,890,000	-	21,455,000	2009
2005A	-	-	-	-	-	-	-	-	-	-	4,275,000	4,425,000	4,340,000	-	13,040,000	2010; 2011; 2015-2016
2006A	-	-	-	-	-	-	-	-	-	-	4,350,000	4,525,000	11,790,000	-	20,665,000	2009; 2010; 2015
2007A	-	-	-	-	-	-	-	-	-	-	-	4,000,000	-	-	4,000,000	2010; 2011; 2017-
2008A	-	-	-	-	-	-	-	-	-	-	7,640,000	7,910,000	-	-	15,550,000	2018
	\$ 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	\$ 49,550,000	\$ 54,710,000	\$ 54,710,000	\$ 982,745,000	2009; 2010

	Refunding Bonds		Change in Principal
	Original Principal	Outstanding	
Series 1992R	\$ 98,655,739	\$ (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)	
Series 2010A	51,290,000	1,740,000	
Series 2010C	54,400,000	(310,000)	
Total	\$ 974,285,830	\$ (8,459,170)	

STATE OF OHIO
STATE CAPITAL IMPROVEMENTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	JANUARY 1, 2010 THROUGH JUNE 30, 2010	CUMULATIVE SINCE INCEPTION DECEMBER 1988 (Revised)
CASH BALANCE, JANUARY 1, 2010.....	\$ 26	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	36,682,979	\$ 2,132,635,520
Bond Proceeds.....	19,238	26,649,228
Accrued Interest on Bonds Sold.....	-	4,931,221
Net Receipts from Swap Agreements.....	59,216	11,635,069
Interest Earnings.....	736	1,197,735
Other.....	-	194
TOTAL CASH INFLOWS.....	36,762,169	2,177,048,967
CASH OUTFLOWS:		
Principal Paid.....	5,356,978	1,172,606,329
Interest Paid.....	27,663,265	790,141,993
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	683,023	183,918,671
Net Payments under Swap Agreements.....	3,026,125	28,234,388
Bond Sale and Miscellaneous Expenses.....	-	2,114,782
TOTAL CASH OUTFLOWS.....	36,729,391	2,177,016,163
CASH BALANCE, JUNE 30, 2010.....	\$ 32,804	\$ 32,804

Note:

In addition to the June 30, 2010 cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$0.67 in investments on hand in a custodial fund with the Treasurer of State's office. The balance represents \$0.67 in investment earnings held in STAROhio.

CONSERVATION PROJECTS BONDS

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 JUNE 30, 2010

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/10	Principal Refunded through 12/31/09	Outstanding Principal, as of 06/30/10	Principal Maturing on 09/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	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	\$ 3,410,000	\$ 14,163,208	\$ 13,876,683	\$ 286,525
2004A	01/27/04	03/01/05	03/01/19	3.5530%	50,000,000	17,770,000	3,315,000	28,915,000	-	17,047,099	9,817,444	7,229,655
2005A	11/07/05	03/01/07	03/01/20	4.2106%	50,000,000	11,245,000	3,570,000	35,185,000	-	19,856,827	9,376,252	10,480,575
2007A	06/21/07	09/01/08	09/01/22	4.4493%	50,000,000	4,685,000	7,575,000	37,740,000	2,700,000	17,978,618	5,836,562	12,142,056
2009A	10/06/09	09/01/12	09/01/19	2.5806%	34,040,000	-	-	34,040,000	-	9,151,783	598,508	8,553,275
2009B	12/16/09	03/01/11	03/01/16	1.8718%	16,765,000	-	-	16,765,000	-	2,462,931	116,031	2,346,900
2009C	12/16/09	03/01/17	03/01/24	3.1084%	33,235,000	-	-	33,235,000	-	16,901,105	319,578	16,581,527
TOTAL					\$ 284,040,000	\$ 56,405,000	\$ 34,795,000	\$ 192,840,000	\$ 6,110,000	\$ 97,561,571	\$ 39,941,058	\$ 57,620,513

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	\$ 34,040,000	\$ (755,000)
Series 2004A	3,315,000	2015		
Series 2005A	3,570,000	2014		
Series 2007A	7,575,000	2018-2019		
	<u>\$ 34,795,000</u>			

STATE OF OHIO
CONSERVATION PROJECTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	<u>JANUARY 1, 2010 THROUGH JUNE 30, 2010</u>	<u>CUMULATIVE SINCE INCEPTION JANUARY 2002</u>
CASH BALANCE, JANUARY 1, 2010.....	\$ 701,892	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	8,866,724	\$ 90,807,477
Bond Proceeds.....	4,250	5,575,876
Accrued Interest on Bonds Sold.....	-	93,497
Interest Earnings.....	972	81,928
Unused Administrative Fees.....	-	3,325
TOTAL CASH INFLOWS.....	<u>8,871,946</u>	<u>96,562,103</u>
CASH OUTFLOWS:		
Principal Paid.....	5,950,000	56,405,000
Interest Paid.....	3,618,970	39,941,058
Bond Sale and Miscellaneous Expenses.....	-	211,177
TOTAL CASH OUTFLOWS.....	<u>9,568,970</u>	<u>96,557,235</u>
CASH BALANCE, JUNE 30, 2010.....	<u>\$ 4,868</u>	<u>\$ 4,868</u>

THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS

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.

On May 4, 2010, Ohio voters approved State Issue 1, a constitutional amendment to Section 2p of Article VIII, Ohio Constitution, to continue funding for research and development purposes by authorizing the state to issue \$700 million of general obligation bonds to renew and continue programs for research and development in support of Ohio industry, commerce and business. The vote was: Yes-1,050,265; No-650,988.

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 to no more than \$450 million for the period including state fiscal years 2006 through 2011, no more than \$225 million in fiscal year 2012 and no more than \$175 in any fiscal year thereafter (plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued).

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

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

STATE OF OHIO
SCHEDULE OF THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 11/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	Remaining Interest through Maturity
2006A	08/24/06	05/01/07	05/01/13	3.9869%	\$ 50,000,000	\$ 28,790,000	\$ 21,210,000	\$ -	\$ 7,828,405	\$ 5,844,005	\$ 1,984,400
2007A	06/05/07	05/01/08	05/01/17	5.5059%	30,720,000	7,735,000	22,985,000	-	9,558,185	4,348,360	5,209,825
2008A	08/19/08	05/01/09	05/01/18	5.1795%	39,980,000	7,330,000	32,650,000	-	11,171,481	3,091,516	8,079,965
2009A	03/05/09	11/01/10	11/01/18	2.8020%	60,000,000	-	60,000,000	5,000,000	15,473,695	2,759,949	12,713,746
2009B	11/03/09	11/01/10	11/01/19	3.0108%	75,000,000	-	75,000,000	3,000,000	19,006,772	1,394,234	17,612,538
TOTAL					\$ 255,700,000	\$ 43,855,000	\$ 211,845,000	\$ 8,000,000	\$ 63,038,538	\$ 17,438,064	\$ 45,600,474

STATE OF OHIO
THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	<u>JANUARY 1, 2010 THROUGH JUNE 30, 2010</u>	<u>CUMULATIVE SINCE INCEPTION AUGUST 2006</u>
CASH BALANCE, JANUARY 1, 2010.....	\$ 4,937,013	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	12,303,858	\$ 50,873,078
Bond Proceeds.....	4,590	10,414,101
Interest Earnings.....	19,244	47,913
Unused Administrative Fees.....	-	3,495
	<u>12,327,692</u>	<u>61,338,587</u>
TOTAL CASH INFLOWS.....	12,327,692	61,338,587
CASH OUTFLOWS:		
Principal Paid.....	12,500,000	43,855,000
Interest Paid.....	4,762,568	17,438,064
Bond Sale and Miscellaneous Expenses.....	-	43,386
	<u>17,262,568</u>	<u>61,336,450</u>
TOTAL CASH OUTFLOWS.....	17,262,568	61,336,450
CASH BALANCE, JUNE 30, 2010.....	\$ 2,137	\$ 2,137

THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS

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

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

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

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

STATE OF OHIO
SCHEDULE OF THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS
As of JUNE 30, 2010

CURRENT INTEREST BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/10	Outstanding Principal, as of 06/30/10	Principal Maturing on 11/01/10	Total Interest to Maturity	Interest Paid through 06/30/10	Remaining Interest through Maturity
2006A	12/05/06	05/01/16	3.7589%	\$ 30,000,000	\$ 11,035,000	\$ 18,965,000	\$ -	\$ 5,724,035	\$ 3,146,152	\$ 2,577,883
2009A	11/17/09	11/01/10	1.9025%	18,885,000	-	18,885,000	2,000,000	2,425,938	312,238	2,113,700
2009B	11/17/09	11/01/15	4.1744%	26,115,000	-	26,115,000	-	8,573,272	477,477	8,095,795
TOTAL				\$ 75,000,000	\$ 11,035,000	\$ 63,965,000	\$ 2,000,000	\$ 16,723,245	\$ 3,935,867	\$ 12,787,378

STATE OF OHIO
THIRD FRONTIER JOB READY SITE DEVELOPMENT BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended JUNE 30, 2010

	<u>JANUARY 1, 2010 THROUGH JUNE 30, 2010</u>	<u>CUMULATIVE SINCE INCEPTION DECEMBER 2006</u>
CASH BALANCE, JANUARY 1, 2010.....	\$ 863,997	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	3,099,285	\$ 14,110,612
Bond Proceeds.....	4,134	881,100
Interest Earnings.....	2,754	4,857
Unused Administrative Fees.....	-	4,330
TOTAL CASH INFLOWS.....	<u>3,106,173</u>	<u>15,000,899</u>
CASH OUTFLOWS:		
Principal Paid.....	2,770,000	11,035,000
Interest Paid.....	1,195,880	3,935,867
Bond Sale and Miscellaneous Expenses.....	-	25,742
TOTAL CASH OUTFLOWS.....	<u>3,965,880</u>	<u>14,996,609</u>
CASH BALANCE, JUNE 30, 2010.....	<u>\$ 4,290</u>	<u>\$ 4,290</u>

PERSIAN GULF, AFGHANISTAN, & IRAQ CONFLICTS COMPENSATION BONDS

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 June 30, 2010 no bonds have been issued.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

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 JUNE 30, 2010

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 06/30/10	Remaining Payments Expected As of 06/30/10	Expected Payment 09/01/10	Expected Payment 10/01/10	Expected Payment 11/01/10	Total Expected Payments Through 12/31/10
Conservation Projects	2009C	12/16/09	03/01/10	03/01/24	\$ 33,235,000	\$ 16,901,105	\$ 5,915,387	\$ 111,852	\$ 5,803,535	\$ 268,445	\$ -	\$ -	\$ 268,445
Third Frontier Job Ready Site Development	2009B	11/17/09	05/01/10	11/01/19	26,115,000	8,573,273	3,000,645	167,117	2,833,528	-	-	183,421	183,421
Natural Resources Projects	O	12/16/09	04/01/10	04/01/24	20,165,000	10,331,179	3,615,913	95,009	3,520,904	-	162,872	-	162,872
Public Infrastructure Capital Improvements	2010B	03/05/10	09/01/10	09/01/30	120,000,000	104,500,286	36,575,100	-	36,575,100	1,060,900	-	-	1,060,900
Highway Capital Improvements	M	04/27/10	11/01/10	05/01/25	170,000,000	95,273,204	33,345,621	-	33,345,621	-	-	1,411,467	1,411,467
TOTAL					\$ 369,515,000	\$ 235,579,047	\$ 82,452,666	\$ 373,978	\$ 82,078,688	\$ 1,329,345	\$ 162,872	\$ 1,594,888	\$ 3,087,105

**STATE OF OHIO
SCHEDULE OF EXPECTED PAYMENTS -
ASSOCIATED WITH THE AMERICAN RECOVERY AND REINVESTMENT ACT THROUGH FINAL MATURITY
As of JUNE 30, 2010**

BUILD AMERICA BONDS - DIRECT PAYMENTS												
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		
06/30/11	\$ 2,792,250	\$ -	325,744	\$ -	\$ -	2,145,910	536,891	\$ -	366,842	\$ 6,167,637		
06/30/12	2,761,565	-	325,744	-	-	2,170,022	563,891	-	366,842	6,188,065		
06/30/13	2,761,565	-	325,744	-	-	2,170,022	536,891	-	366,842	6,161,064		
06/30/14	2,761,565	-	325,744	-	-	2,170,022	536,891	-	366,842	6,161,064		
06/30/15	2,761,565	-	325,744	-	-	2,170,022	536,891	-	366,842	6,161,064		
06/30/16	2,761,565	-	325,744	-	-	2,170,022	536,891	-	338,969	6,133,190		
06/30/17	2,761,565	-	325,744	-	-	2,170,022	536,891	-	277,535	6,071,757		
06/30/18	2,761,565	-	294,950	-	-	2,170,022	486,174	-	208,190	5,920,900		
06/30/19	2,665,826	-	259,228	-	-	2,170,022	427,275	-	130,413	5,652,762		
06/30/20	2,342,413	-	221,593	-	-	2,170,022	365,307	-	44,211	5,143,546		
06/30/21	2,002,152	-	181,564	-	-	2,170,022	299,400	-	-	4,653,138		
06/30/22	1,643,433	-	139,511	-	-	2,170,022	230,001	-	-	4,182,967		
06/30/23	1,264,388	-	95,218	-	-	2,075,791	157,023	-	-	3,592,421		
06/30/24	862,950	-	48,629	-	-	1,881,222	80,120	-	-	2,872,922		
06/30/25	441,252	-	-	-	-	1,674,078	-	-	-	2,115,330		
06/30/26	-	-	-	-	-	1,454,690	-	-	-	1,454,690		
06/30/27	-	-	-	-	-	1,220,142	-	-	-	1,220,142		
06/30/28	-	-	-	-	-	969,481	-	-	-	969,481		
06/30/29	-	-	-	-	-	706,251	-	-	-	706,251		
06/30/30	-	-	-	-	-	431,577	-	-	-	431,577		
06/30/31	-	-	-	-	-	145,719	-	-	-	145,719		

OVERVIEW OF RETIRED GENERAL OBLIGATION BOND ISSUES

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 2g of Article VIII, Ohio Constitution, as approved by voters on May 5, 1964, authorized the issuance of the issuance of Highway Improvement Bonds. The vote was: Yes—1,011,817; No—538,684.

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

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

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

IMPROVEMENT BONDS

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

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

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

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

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

CAPITAL IMPROVEMENTS CONSTRUCTION BONDS

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

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

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

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

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

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

MAJOR THOROUGHFARE CONSTRUCTION BONDS

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

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

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

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

VIETNAM CONFLICT COMPENSATION BONDS

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

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

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

KOREAN CONFLICT COMPENSATION BONDS

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

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

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

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

WORLD WAR II COMPENSATION BONDS

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

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

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

STATE OF OHIO
SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES
Summary of Balances and Cumulative Cash Flow Statement
As of JUNE 30, 2010

BALANCES, AS OF June 30, 2010:	HIGHWAY		PUBLIC		HIGHWAY		CAPITAL	
	OBLIGATIONS	DEVELOPMENT	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENT	IMPROVEMENT	IMPROVEMENT
Cash on Deposit with Bond-Paying Agents.....	\$ 169,997	\$ 224,315	\$ 95,528	\$ 55,288	\$ 130,255	\$ 678		
Matured Bonds Outstanding.....	\$ 115,000	\$ 125,000	\$ 60,000	\$ 40,000	\$ 105,000	\$ -		
Matured Interest Coupons Outstanding.....	53,747	98,873	35,528	15,288	25,255	678		
Working Fund Balance.....	1,250	442	-	-	-	-		
TOTAL.....	\$ 169,997	\$ 224,315	\$ 95,528	\$ 55,288	\$ 130,255	\$ 678		

CUMULATIVE SINCE INCEPTION:

	DECEMBER 1969	OCTOBER 1967	FEBRUARY 1970	MAY 1965	JULY 1964	NOVEMBER 1955
CASH INFLOWS:						
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
TOTAL CASH INFLOWS.....	2,382,266,310	510,343,408	406,839,151	656,881,947	524,652,669	174,230,144

CASH OUTFLOWS:

Principal Paid.....	1,744,885,000	289,875,000	258,940,000	499,960,000	249,895,000	150,000,000
Interest Paid.....	633,077,064	219,041,232	146,867,998	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	-
TOTAL CASH OUTFLOWS.....	2,382,096,313	510,119,093	406,743,623	656,826,659	524,522,414	174,229,466
CASH BALANCE, June 30, 2010.....	\$ 169,997	\$ 224,315	\$ 95,528	\$ 55,288	\$ 130,255	\$ 678

(continued)

STATE OF OHIO
SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES
Summary of Balances and Cumulative Cash Flow Statement
As of JUNE 30, 2010
(Continued)

BALANCES, AS OF June 30, 2010:	STATE					TOTAL
	HIGHWAY (Major Thoroughfare)	VIETNAM CONFLICT COMPENSATION	KOREAN CONFLICT COMPENSATION	WORLD WAR II COMPENSATION		
Cash on Deposit with Bond-Paying Agents.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$	712,791
Matured Bonds Outstanding.....	\$ 5,000	\$ 15,000	\$ -	\$ -	\$	465,000
Matured Interest Coupons Outstanding.....	2,701	10,194	435	190		242,889
Working Fund Balance.....	-	3,160	-	50		4,902
TOTAL.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$	712,791

CUMULATIVE SINCE INCEPTION:

	OCTOBER 1954	MAY 1974	MAY 1957	MAY 1947	
CASH INFLOWS:					
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
TOTAL CASH INFLOWS.....	609,375,352	281,384,524	83,299,345	253,413,029	5,882,685,879

CASH OUTFLOWS:

Principal Paid.....	499,995,000	184,985,000	60,000,000	212,500,000	4,151,035,000
Interest Paid.....	108,470,175	95,746,648	15,846,015	33,991,795	1,640,750,428
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
TOTAL CASH OUTFLOWS.....	609,367,651	281,356,170	83,298,910	253,412,789	5,881,973,088
CASH BALANCE, June 30, 2010.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 712,791

GLOSSARY

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.
LIBOR	London Inter-Bank Offered Rate
Matched Rate	The State receives the exact rate paid on its associated variable rate bonds.
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.

(continued)

GLOSSARY
(Continued)

Series	A group of bonds issued at the same time, but with different maturity dates and stated interest rates.
SIFMA	Securities Industry and Financial Markets Association. Formerly Bond Market Association (BMA).
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.

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