



SEMI-ANNUAL REPORT
FOR THE PERIOD JULY 1, 2007
THROUGH DECEMBER 31, 2007

FEBRUARY 14, 2008

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

Richard Cordray
Treasurer of State
Member
Term beginning January 8, 2007

Marc Dann
Attorney General
Member
Term beginning January 8, 2007

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STATE OF OHIO
BOARD OF COMMISSIONERS OF THE SINKING FUND

30 East Broad Street, 9th Floor
Columbus, Ohio 43215

614 466.3930
6 14.752.8461 (FAX)

February 14, 2008

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

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

The Commission prepared this report, which covers general obligation bond balances and activity, as of and for the six months ended December 31, 2007, on the cash basis of accounting. All information presented herein is unaudited.

Brief summaries on the status of the State's general obligation bonds, debt service requirements, and funding sources, as of December 31, 2007, and the changes in debt principal, including issuances and maturities, interest and accreted principal paid, and net interest rate swap receipts realized and net interest rate swap payments made, for the period, July 1, 2007 through December 31, 2007, 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.

During the six-month period ended December 31, 2007, the Commission did not convene any meetings.

This semi-annual report is designed to provide the State of Ohio's citizens, taxpayers, customers, and investors and creditors with a general overview of the State's general obligation bonds and to demonstrate accountability for the money the State borrows. Questions regarding any of the information provided in this report or requests for additional information should be addressed to the Sinking Fund Commission, 30 East Broad Street, 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



Richard Cordray, Treasurer of State
Member



Ted Strickland, Governor
Member



Marc Dann, Attorney General
Member

STATE OF OHIO
SCHEDULE OF GENERAL OBLIGATION BONDS
As of December 31, 2007

Legal Authority & Date of Voter Authorization	HIGHWAY CAPITAL IMPROVEMENTS BONDS Section 2m of Article VIII, Ohio Constitution 11/07/95	COAL RESEARCH AND DEVELOPMENT BONDS Section 15 of Article VIII, Ohio Constitution 11/05/85	NATURAL RESOURCES CAPITAL FACILITIES BONDS Section 2l of Article VIII, Ohio Constitution 11/02/93
Bonds Authorized	\$2,130,000,000	\$165,000,000	\$322,000,000
Bonds Issued (A)	1,805,000,000	158,000,000	295,000,000
Bonds Authorized, but not Issued	325,000,000	7,000,000	27,000,000
Bonds Matured (B)	942,500,000	122,685,000	129,220,000
Outstanding Bonded Debt (B)	862,500,000	35,315,000	168,945,000
Total Interest Cost to Maturity	473,253,950	43,602,204	102,537,983
Interest Paid through 12/31/07	330,933,094	39,393,134	67,640,342
Remaining Interest through Maturity	142,320,856	4,209,070	34,897,641
Original Discount on			
Capital Appreciation Bonds	—	—	—
Accreted Principal Paid through 12/31/07	—	—	—
Remaining Discount through Maturity	—	—	—
Cash Balance in Bond Service Fund.....	120,481,285	149,729	2,367
Final Maturity Date	05/01/17	06/30/15	04/01/20
Funding Source(s)	Highway Use Tax, Gasoline Tax & International Registration Plan Fees	General Revenue Fund Appropriation	General Revenue Fund Appropriation

Legal Authority & Date of Voter Authorization	COMMON SCHOOLS CAPITAL FACILITIES BONDS Section 2n of Article VIII, Ohio Constitution 11/02/99	HIGHER EDUCATION CAPITAL FACILITIES BONDS Section 2n of Article VIII, Ohio Constitution 11/02/99	PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS Section 2m of Article VIII, Ohio Constitution 11/03/87
Bonds Authorized	\$4,145,000,000	\$2,957,000,000	\$2,520,000,000
Bonds Issued (A)	3,290,000,000	2,000,000,000	2,399,986,136
Bonds Authorized, but not Issued	855,000,000	957,000,000	120,013,864
Bonds Matured (B)	423,360,000	353,875,000	1,007,096,711
Outstanding Bonded Debt (B)	2,859,330,000	1,644,585,000	1,389,645,254
Total Interest Cost to Maturity (C)	1,768,144,936	1,100,152,922	1,125,828,201
Interest Paid through 12/31/07	510,554,668	371,416,943	623,520,904
Remaining Interest through Maturity (C)	1,257,590,268	728,735,979	502,307,297
Original Discount on			
Capital Appreciation Bonds	—	—	281,518,034
Accreted Principal Paid through 12/31/07	—	—	140,953,288
Remaining Discount through Maturity	—	—	140,564,746
Cash Balance in Bond Service Fund.....	576,054	883	5,092,103
Final Maturity Date	09/15/26	11/01/26	06/30/27
Funding Source(s)	General Revenue Fund Appropriation & Net Lottery Proceeds	General Revenue Fund Appropriation	General Revenue Fund Appropriation

Legal Authority & Date of Voter Authorization	CONSERVATION PROJECTS BONDS Section 2o of Article VIII, Ohio Constitution 11/07/00	THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS Section 2p of Article VIII, Ohio Constitution 11/08/05	THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS Section 2p of Article VIII, Ohio Constitution 11/08/05
Bonds Authorized	\$200,000,000	\$350,000,000	\$90,000,000
Bonds Issued (A)	200,000,000	80,720,000	30,000,000
Bonds Authorized, but not Issued	—	269,280,000	60,000,000
Bonds Matured (B)	27,970,000	10,000,000	3,000,000
Outstanding Bonded Debt (B)	172,030,000	70,720,000	27,000,000
Total Interest Cost to Maturity	79,699,014	17,386,590	5,724,035
Interest Paid through 12/31/07	20,989,580	2,965,046	936,692
Remaining Interest through Maturity	58,709,434	14,421,544	4,787,343
Original Discount on			
Capital Appreciation Bonds	—	—	—
Accreted Principal Paid through 12/31/07	—	—	—
Remaining Discount through Maturity	—	—	—
Cash Balance in Bond Service Fund.....	1,323	13,280	12,317
Final Maturity Date	09/01/22	05/01/17	05/01/16
Funding Source(s)	General Revenue Fund Appropriation	General Revenue Fund Appropriation	General Revenue Fund Appropriation

Notes:

(A) The “Bonds Issued” balance includes bonds issued and refunded, but excludes refunding bonds in cases when issued. Also, not more than

- \$220 million in Highway Capital Improvements Bonds may be issued in any year.
- \$50 million in Natural Resources Capital Facilities Bonds may be issued in any fiscal year.
- \$120 million in Public Infrastructure Capital Improvements Bonds may be issued annually through fiscal year 2013 and not more than \$150 million may be issued annually in fiscal years 2014 through 2018; the total bonds issued may not exceed \$3.75 billion.
- \$50 million in Conservation Projects Bonds may be issued in any fiscal year.
- \$100 million in Third Frontier Research and Development Projects Bonds may be issued in each of the first three fiscal years and not more than \$50 million in any other fiscal year.
- \$30 million in Third Frontier Job Ready Site Development Bonds may be issued in each of the first three fiscal years and not more than \$15 million in any other fiscal year.

(B) The “Bonds Matured” and “Outstanding Bonded Debt” balances exclude the principal of bonds refunded, but include the principal of refunding bonds in cases when issued. Also, not more than

- \$1.2 billion in Highway Capital Improvements Bonds may be outstanding at any time.
- \$100 million in Coal Research and Development Bonds may be outstanding at any time.
- \$200 million in Natural Resources Capital Facilities Bonds may be outstanding at any time.
- \$200 million in Conservation Projects Bonds may be outstanding at any time.

(C) The “Total Interest Cost to Maturity” and “Remaining Interest through Maturity” balances for the Common Schools Capital Facilities Bonds and the Public Infrastructure Capital Improvements Bonds include estimates for interest payable on variable rate bonds in the future.

STATE OF OHIO
SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST
AND ACCRETED PRINCIPAL PAID AND NET INTEREST RATE SWAP TRANSACTIONS
For the Six Months Ended December 31, 2007

Outstanding General Obligation Bond Principal, July 1, 2007:

Highway Capital Improvements Bonds.....	\$862,500,000
Coal Research and Development Projects Bonds	30,255,000
Natural Resources Capital Facilities Bonds	176,550,000
Common Schools Capital Facilities Bonds.....	2,899,860,000
Higher Education Capital Facilities Bonds.....	1,669,060,000
Public Infrastructure Capital Improvements Bonds	1,333,936,840
Conservation Projects Bonds	175,065,000
Third Frontier Research & Development Projects Bonds.....	70,720,000
Third Frontier Job Ready Site Development Bonds	27,000,000
<i>Total Outstanding, July 1, 2007.....</i>	<i>7,244,946,840</i>

General Obligation Bonds Issued- July 1 through December 31, 2007:

		<u>Date of Issue</u>
Coal Research and Development Bonds, Series I	8,000,000	September 5, 2007
Public Infrastructure Bonds, Series 2007A.....	120,000,000	September 5, 2007
<i>Total Issues.....</i>	<i>128,000,000</i>	

General Obligation Bonds Matured- July 1 through December 31, 2007:

		<u>Date of Maturity</u>
<i>Coal Research and Development Bonds:</i>		
Series F.....	1,485,000	August 1, 2007
Series G	1,455,000	August 1, 2007
	2,940,000	
<i>Natural Resources Capital Facilities Bonds:</i>		
Series G	1,750,000	October, 1 2007
Series H	5,655,000	October, 1 2007
Series J	200,000	October, 1 2007
	7,605,000	
<i>Common Schools Capital Facilities Bonds:</i>		
Series 2001B.....	7,555,000	September 15, 2007
Series 2002A.....	7,775,000	September 15, 2007
Series 2002B.....	7,920,000	September 15, 2007
Series 2006A.....	7,280,000	September 15, 2007
Series 2006D	10,000,000	September 15, 2007
	40,530,000	
<i>Higher Education Capital Facilities Bonds:</i>		
Series 2002A.....	5,425,000	August 1, 2007
Series 2001B.....	6,985,000	November 1, 2007
Series 2002B.....	7,065,000	November 1, 2007
Series 2006B.....	5,000,000	November 1, 2007
	24,475,000	
<i>Public Infrastructure Capital Improvements Bonds:</i>		
Series 1991	2,832,547	August 1, 2007
Series 1992	2,114,008	August 1, 2007
Series 1993	600,902	August 1, 2007
Series 1995	1,852,510	August 1, 2007
Series 1996	844,575	August 1, 2007
Series 1997	5,945,000	August 1, 2007
Series 1997R	796,642	August 1, 2007
Series 1998A	5,615,000	August 1, 2007
Series 1998R	3,840,000	August 1, 2007
Series 2001A.....	4,760,000	August 1, 2007
Series 2003A.....	23,130,000	August 1, 2007
Series 2003C	2,455,000	August 1, 2007
Series 2003E.....	295,307	August 1, 2007
Series 1989	5,210,095	September 1, 2007
Series 2005A.....	4,000,000	September 1, 2007
	64,291,586	
<i>Conservation Projects Bonds:</i>		
Series 2002A.....	3,035,000	September 1, 2007
<i>Total Maturities</i>	<i>142,876,586</i>	

(Continued)

Outstanding General Obligation Bond Principal, December 31, 2007:

Highway Capital Improvements Bonds.....	862,500,000
Coal Research and Development Projects Bonds	35,315,000
Natural Resources Capital Facilities Bonds	168,945,000
Common Schools Capital Facilities Bonds.....	2,859,330,000
Higher Education Capital Facilities Bonds.....	1,644,585,000
Public Infrastructure Capital Improvements Bonds	1,389,645,254
Conservation Projects Bonds	172,030,000
Third Frontier Research & Development Projects Bonds.....	70,720,000
Third Frontier Job Ready Site Development Bonds	27,000,000

<i>Total Outstanding, December 31, 2007</i>	<u>\$7,230,070,254</u>
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Interest & Accreted Principal Paid, July 1 through December 31, 2007:

	<u>Interest</u>	<u>Accreted Principal</u>
Highway Capital Improvements Bonds.....	\$ 20,726,405	\$ —
Coal Research and Development Bonds	574,404	—
Natural Resources Capital Facilities Bonds	2,873,901	—
Common Schools Capital Facilities Bonds.....	60,960,777	—
Higher Education Capital Facilities Bonds.....	40,590,250	—
Public Infrastructure Capital Improvements Bonds	29,079,492	19,398,414
Conservation Projects Bonds	2,765,199	—
Third Frontier Research & Development Projects Bonds.....	1,517,703	—
Third Frontier Job Ready Site Development Bonds	494,687	—
<i>Total Interest and Accreted Principal Paid</i>	<u>\$159,582,818</u>	<u>\$19,398,414</u>

Interest Rate Swap Agreements-Net Receipts & Payments, July 1 through December 31, 2007:

	<u>Net Swap Receipts</u>	<u>Net Swap Payments</u>
Common Schools Capital Facilities Bond Service Fund (See NOTE A) ..	\$ 527,850	\$ 732,314
State Capital Improvements Bond Service Fund.....	563,963	398,424
<i>Total Net Receipts and Payments</i>	<u>\$1,091,813</u>	<u>\$1,130,738</u>

NOTE A: Excluded from the "Net Swap Receipts" balance reported above for the Common Schools Capital Facilities Bond Service Fund are \$550,558 in swap receipts collected and deposited in a custodial fund with the Treasurer of State's Office on June 15, 2007. As of June 30, 2007, the receipts remained on deposit in the custodial fund pending transfer to the Common Schools Capital Facilities Bond Service Fund in July 2007. The receipts, which have been included in the \$1,078,408 balance of net swap receipts reported in the Common Schools Capital Facilities Bond Service Fund's cash flow statement on page 20 of this report, had previously been reported in the corresponding "Schedule of Changes in General Obligation Debt Principal, Interest and Accreted Principal Paid and Net Interest Rate Swap Transactions" in the Commission's Semi-Annual Report, for the six months ended June 30, 2007.

STATE OF OHIO
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BOND PRINCIPAL BALANCES
THROUGH FINAL SCHEDULED MATURITY
As of December 31, 2007

As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public		Conservation Projects	Third Frontier Research & Development Projects	Third Frontier Job Ready Site Development	Total Outstanding
						Infrastructure Capital Improvements	Development Projects				
12/31/07	\$862,500,000	\$35,315,000	\$168,945,000	\$2,859,330,000	\$1,644,585,000	\$1,389,645,254	\$172,030,000	\$70,720,000	\$27,000,000	\$7,230,070,254	
06/30/08	697,500,000	32,380,000	160,425,000	2,769,170,000	1,589,085,000	1,355,190,254	166,425,000	62,160,000	24,405,000	6,856,740,254	
06/30/09	552,500,000	25,450,000	141,475,000	2,635,505,000	1,506,425,000	1,252,921,212	155,425,000	53,365,000	21,735,000	6,344,801,212	
06/30/10	427,500,000	18,245,000	121,505,000	2,496,880,000	1,420,195,000	1,143,315,636	143,595,000	44,195,000	18,965,000	5,834,395,636	
06/30/11	325,000,000	12,315,000	102,645,000	2,353,340,000	1,330,325,000	1,042,807,848	131,335,000	34,615,000	16,075,000	5,348,457,848	
06/30/12	242,500,000	6,145,000	83,035,000	2,203,975,000	1,236,635,000	941,495,915	118,600,000	24,615,000	13,085,000	4,870,085,915	
06/30/13	160,000,000	3,360,000	67,455,000	2,048,740,000	1,138,500,000	851,128,266	105,355,000	14,140,000	9,980,000	4,398,658,266	
06/30/14	91,000,000	2,295,000	51,300,000	1,887,080,000	1,035,675,000	746,331,998	91,530,000	10,875,000	6,780,000	3,922,866,998	
06/30/15	38,000,000	1,175,000	37,365,000	1,733,845,000	927,695,000	650,908,600	77,045,000	7,440,000	3,450,000	3,476,923,600	
06/30/16	19,000,000	-	25,550,000	1,573,685,000	841,035,000	558,215,000	61,805,000	3,820,000	-	3,083,110,000	
06/30/17	-	-	15,065,000	1,406,465,000	749,920,000	469,025,000	45,925,000	-	-	2,686,400,000	
06/30/18	-	-	4,120,000	1,231,780,000	654,255,000	386,000,000	33,980,000	-	-	2,310,135,000	
06/30/19	-	-	2,100,000	1,049,215,000	553,935,000	318,695,000	21,480,000	-	-	1,945,425,000	
06/30/20	-	-	-	858,270,000	448,525,000	258,550,000	12,850,000	-	-	1,578,195,000	
06/30/21	-	-	-	673,650,000	338,005,000	205,220,000	8,775,000	-	-	1,225,650,000	
06/30/22	-	-	-	481,025,000	234,100,000	149,405,000	4,495,000	-	-	869,025,000	
06/30/23	-	-	-	296,150,000	138,785,000	100,705,000	-	-	-	535,640,000	
06/30/24	-	-	-	168,700,000	76,700,000	67,775,000	-	-	-	313,175,000	
06/30/25	-	-	-	80,520,000	33,595,000	42,610,000	-	-	-	156,725,000	
06/30/26	-	-	-	17,580,000	11,505,000	18,030,000	-	-	-	47,115,000	
06/30/27	-	-	-	-	-	9,240,000	-	-	-	9,240,000	
06/30/28	-	-	-	-	-	-	-	-	-	-	

STATE OF OHIO
General Obligation Bond Ratings

The table below shows the underlying ratings that have been assigned by the three major bond rating agencies, exclusive of any credit enhancement that may be attached to a particular issue.

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.

On February 16, 2007, Moody's announced it had changed its "credit outlook" for the State from "stable" to "negative." According to Moody's, a change in "outlook" is not a ratings change, but does convey the rating agency's assessment that there are developing trends or events that could result in a more intensive assessment or ratings review.

State of Ohio Ratings Assigned to General Obligations As of December 31, 2007			
Purpose	Bond Rating Agencies		
	Fitch	Moody's	Standard & Poor's
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 Research and Development Projects and Job Ready Site Development	AA+	Aa1	AA+

Source: Ohio Office of Budget and Management

General Obligation Bond Sales

Details on bond sales that closed during the six-month period ended December 31, 2007 are as follows.

Issue	Date of Issue	Par Amount	Premium	Under-writer's Discount	Cost of Issuance	Net Bond Proceeds
Public Infrastructure Capital Improvements Bonds, Series 2007A	09/20/07	\$120,000,000	\$5,462,135	\$(145,200)	\$(167,000)	\$125,149,935
Coal Research & Development Bonds Series 2007A.....	09/20/07	8,000,000	177,959	(20,228)	(52,000)	8,105,731
		<u>\$128,000,000</u>	<u>\$5,640,094</u>	<u>\$(165,428)</u>	<u>\$(219,000)</u>	<u>\$132,255,666</u>

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

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

The authority to issue Highway Capital Improvements Bonds in amounts authorized by the General Assembly was conferred upon the Sinking Fund Commission in

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

The authority to issue Highway Capital Improvements Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
Senate Bill 257	121st	\$ 340,000,000
House Bill 210 (as amended by Senate Bill 230)	122nd	432,500,000
House Bill 163	123rd	320,000,000
House Bill 73	124th	257,500,000
House Bill 87	125th	420,000,000
House Bill 68	126th	360,000,000
Total Authorizations, as of December 31, 2007		<u>\$2,130,000,000</u>

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.

Future bond service requirements for the Highway Capital Improvements Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008.....	\$165,000,000	\$ 20,251,004	\$ 185,251,004
FY Ending June 30,			
2009	145,000,000	32,981,595	177,981,595
2010	125,000,000	26,347,826	151,347,826
2011	102,500,000	20,434,128	122,934,128
2012	82,500,000	15,724,828	98,224,828
2013-2017	242,500,000	26,581,475	269,081,475
Total	<u>\$862,500,000</u>	<u>\$142,320,856</u>	<u>\$1,004,820,856</u>

STATE OF OHIO
SCHEDULE OF HIGHWAY CAPITAL IMPROVEMENTS BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 05/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	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	180,000,000	20,000,000	20,000,000	51,016,667	50,516,667	500,000
D	06/01/99	05/01/00	05/01/09	4.4346%	200,000,000	160,000,000	40,000,000	20,000,000	46,895,833	45,095,833	1,800,000
E	04/01/00	05/01/01	05/01/10	5.0475%	225,000,000	157,500,000	67,500,000	22,500,000	67,877,344	62,238,282	5,639,062
F	02/01/01	05/01/02	05/01/11	4.1271%	200,000,000	120,000,000	80,000,000	20,000,000	57,171,324	49,012,926	8,158,398
G	12/04/02	05/01/04	05/01/13	3.7500%	135,000,000	54,000,000	81,000,000	13,500,000	38,185,816	25,950,752	12,235,064
H	03/04/04	05/01/05	05/01/14	2.9603%	160,000,000	48,000,000	112,000,000	16,000,000	42,039,742	23,136,306	18,903,436
I	05/18/05	05/01/06	05/01/15	3.5103%	140,000,000	28,000,000	112,000,000	14,000,000	36,241,844	14,474,738	21,767,106
J	03/08/06	05/01/07	05/01/15	3.7830%	180,000,000	20,000,000	160,000,000	20,000,000	40,516,925	11,897,791	28,619,134
K	04/11/07	05/01/08	05/01/17	3.8404%	190,000,000	-	190,000,000	19,000,000	49,452,649	4,753,993	44,698,656
TOTAL					\$ 1,805,000,000	\$ 942,500,000	\$ 862,500,000	\$ 165,000,000	\$ 473,253,950	\$ 330,933,094	\$ 142,320,856

Note:

Interest rates for the Series A through Series E bonds reflect the net interest cost, while the interest rates for the Series F through Series K bonds reflect the true interest cost.

**STATE OF OHIO
HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007**

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION SEPTEMBER 1996
CASH BALANCE, JULY 1, 2007.....	\$ 10,440,957	
CASH INFLOWS:		
Transfers from Other State Funds.....	130,431,635	\$ 1,324,864,128
Bond Proceeds.....	-	43,743,527
Accrued Interest on Bonds Sold.....	-	1,875,117
Interest Earnings.....	335,098	24,209,782
TOTAL CASH INFLOWS.....	130,766,733	1,394,692,554
CASH OUTFLOWS:		
Principal Paid.....	-	942,500,000
Interest Paid.....	20,726,405	330,933,094
Bond Sale and Miscellaneous Expenses.....	-	778,175
TOTAL CASH OUTFLOWS.....	20,726,405	1,274,211,269
CASH BALANCE, DECEMBER 31, 2007.....	\$ 120,481,285	\$ 120,481,285

Note:

(A) In addition to the December 31, 2007, cash balance reported above for the Highway Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$3,093 in cash and investments on hand in a custodial fund with the Treasurer of State's Office. This balance was transferred to the Highway Capital Improvements Bond Service Fund in January 2008 and represents \$1,193 in investment earnings and \$1,900 in bond proceeds that remained unspent because actual bond issue costs were less than estimated.

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.

The authority to issue Coal Research and Development Bonds has been granted by the following legislation:

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
Total Authorizations, as of December 31, 2007		\$165,000,000

The 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.

Future bond service requirements for the Coal Research and Development Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008.....	\$ 2,935,000	\$ 638,887	\$ 3,573,887
FY Ending June 30,			
2009	6,930,000	1,190,399	8,120,399
2010	7,205,000	920,919	8,125,919
2011	5,930,000	631,131	6,561,131
2012	6,170,000	406,878	6,576,878
2013-2016	6,145,000	420,856	6,565,856
Total	\$35,315,000	\$4,209,070	\$39,524,070

STATE OF OHIO
SCHEDULE OF COAL RESEARCH AND DEVELOPMENT BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 02/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	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	7,760,000	4,240,000	1,340,000	3,358,622	3,033,122	325,500
F	08/01/01	08/01/02	08/01/11	4.0330%	15,000,000	8,405,000	6,595,000	-	3,808,725	3,077,380	731,345
G	05/01/02	08/01/03	08/01/12	3.9950%	15,000,000	6,825,000	8,175,000	-	3,504,175	2,470,810	1,033,365
H	04/01/04	02/01/05	02/01/12	2.3885%	13,000,000	4,695,000	8,305,000	1,595,000	1,390,750	839,550	551,200
I	09/20/07	08/01/08	08/01/15	3.9282%	8,000,000	-	8,000,000	-	1,567,660	-	1,567,660
				TOTAL	\$ 158,000,000	\$ 122,685,000	\$ 35,315,000	\$ 2,935,000	\$ 43,602,204	\$ 39,393,134	\$ 4,209,070

Note:

Interest rates for the Series A through Series E bonds reflect the net interest cost, while the interest rates for the Series F through Series I bonds reflect the true interest cost.

STATE OF OHIO
COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION AUGUST 1986
CASH BALANCE, JULY 1, 2007.....	\$ 15,422	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	3,498,981	\$ 162,073,005
Bond Proceeds.....	157,732	157,732
Accrued Interest on Bonds Sold.....	-	207,442
Royalties from Research and Development Grants.....	35,555	95,197
Interest Earnings.....	756	175,405
TOTAL CASH INFLOWS.....	3,693,024	162,708,781
CASH OUTFLOWS:		
Principal Paid.....	2,940,000	122,685,000
Interest Paid.....	574,404	39,393,134
Bond Sale and Miscellaneous Expenses.....	44,313	480,918
TOTAL CASH OUTFLOWS.....	3,558,717	162,559,052
CASH BALANCE, DECEMBER 31, 2007.....	\$ 149,729	\$ 149,729

Notes:

(A) In fiscal year 2006, the Ohio Air Quality Development Authority deposited \$34,549 in the Coal Research and Development Bond Service Fund in error. As of December 31, 2007, the accounting correction to reduce the bond service fund's cash balance and credit the deposit to the proper fund at the Authority was still pending.

(B) The \$157,732 bond proceeds balance reported above, for the six-month period ended December 31, 2007, includes \$105,732 in premium received for the Series I bond issue and \$52,000 for the payment of Series I bond issue costs from the Coal Research and Development Bond Service Fund.

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.

The authority to issue Natural Resources Capital Facilities Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
House Bill 790	120th	\$100,000,000
House Bill 748	121st	80,000,000
House Bill 850	122nd	48,000,000
House Bill 640	123rd	44,000,000
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
Total Authorizations, as of December 31, 2007		\$322,000,000

Legislation authorizing the issuance of Natural Resources Capital Facilities Bonds further provides that the obligations 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 the fund when due as estimated by the Director of Natural Resources.

Future bond service requirements for the Natural Resources Capital Facilities Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008.....	\$8,520,000	\$ 3,741,417	\$ 12,261,417
FY Ending June 30,			
2009	18,950,000	6,274,868	25,224,868
2010	19,970,000	5,467,980	25,437,980
2011	18,860,000	4,701,312	23,561,312
2012	19,610,000	3,926,258	23,536,258
2013-2017	67,970,000	10,078,011	78,048,011
2018-2020	15,065,000	707,795	15,772,795
Total	\$168,945,000	\$34,897,641	\$203,842,641

STATE OF OHIO
SCHEDULE OF NATURAL RESOURCES CAPITAL FACILITIES BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Principal Refunded through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 04/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	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	13,200,000	12,500,000	4,300,000	2,100,000	7,128,417	6,932,667	195,750
E	06/01/00	04/01/01	04/01/10	5.2186%	30,000,000	11,240,000	12,640,000	6,120,000	1,930,000	7,500,231	7,026,613	473,618
F	08/01/01	04/01/02	04/01/16	4.4462%	20,000,000	6,715,000	2,990,000	10,295,000	1,230,000	6,788,663	4,451,458	2,337,205
G	03/15/02	10/01/03	10/01/17	4.9054%	30,000,000	8,305,000	4,470,000	17,225,000	-	10,225,823	5,788,319	4,437,504
H	08/15/02	10/01/03	10/01/10	2.9924%	17,640,000	9,515,000	-	8,125,000	-	3,490,840	2,883,309	607,531
I	06/17/03	04/01/05	04/01/18	3.2244%	30,000,000	5,195,000	-	24,805,000	1,835,000	10,030,364	4,389,333	5,641,031
J	09/28/04	04/01/05	10/01/14	3.3163%	47,425,000	1,665,000	-	45,760,000	-	12,534,771	5,167,371	7,367,400
K	03/01/05	04/01/06	04/01/20	3.5730%	25,000,000	2,685,000	-	22,315,000	1,425,000	7,812,048	2,136,778	5,675,270
L	06/21/07	10/01/08	10/01/17	4.1897%	30,000,000	-	-	30,000,000	-	8,162,332	-	8,162,332
TOTAL					\$ 360,065,000	\$ 129,220,000	\$ 61,900,000	\$ 168,945,000	\$ 8,520,000	\$ 102,537,983	\$ 67,640,342	\$ 34,897,641

Notes:

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

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

(B) Interest rates for the Series A through Series D bonds reflect the net interest cost, while the interest rates for the Series E through Series L bonds reflect the true interest cost.

**STATE OF OHIO
NATURAL RESOURCES PROJECTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007**

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION OCTOBER 1994
CASH BALANCE, JULY 1, 2007.....	\$ 6,119	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	10,470,462	\$ 195,675,702
Bond Proceeds.....	-	1,130,541
Accrued Interest on Bonds Sold.....	-	418,719
Interest Earnings.....	4,687	57,172
TOTAL CASH INFLOWS.....	10,475,149	197,282,134
CASH OUTFLOWS:		
Principal Paid.....	7,605,000	129,220,000
Interest Paid.....	2,873,901	67,640,342
Bond Sale and Miscellaneous Expenses.....	-	419,425
TOTAL CASH OUTFLOWS.....	10,478,901	197,279,767
CASH BALANCE, DECEMBER 31, 2007.....	\$ 2,367	\$ 2,367

Note:

(A) In addition to the December 31, 2007, cash balance reported above for the Natural Resources Projects Bond Service Fund, the Sinking Fund Commission had \$7,955 in cash and investments on hand in a custodial fund with the Treasurer of State's Office. This balance was transferred to the Natural Resources Projects Bond Service Fund in January 2008 and represents \$609 in investment earnings and \$7,346 in bond proceeds that remained unspent because actual bond issue costs were less than estimated.

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.

The authority to issue Common Schools Capital Facilities Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
Senate Bill 206	123rd	\$ 140,000,000
House Bill 640	123rd	810,000,000
House Bill 94	124th	300,000,000
Senate Bill 261	124th	345,000,000
House Bill 675	124th	265,000,000
Senate Bill 189	125th	522,000,000
House Bill 95	125th	123,000,000
House Bill 16	126th	530,000,000
House Bill 530	126th	580,000,000
House Bill 699	126th	530,000,000
Total Authorizations, as of December 31, 2007		\$4,145,000,000

Future bond service requirements for the Common Schools Capital Facilities Bonds, as of December 31, 2007, are as follows:

	Principal	Interest*	Total
January 1 through June 30, 2008	\$ 90,160,000	\$ 67,228,550	\$ 157,388,550
FY Ending June 30,			
2009	133,665,000	129,557,476	263,222,476
2010	138,625,000	123,127,986	261,752,986
2011	143,540,000	116,524,608	260,064,608
2012	149,365,000	109,922,195	259,287,195
2013-2017 ..	797,510,000	437,289,157	1,234,799,157
2018-2022 ..	925,440,000	231,750,058	1,157,190,058
2023-2027 ..	481,025,000	42,190,238	523,215,238
Total	\$2,859,330,000	\$1,257,590,268	\$4,116,920,268

*The future funding of interest amounts in the above table 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 COMMON SCHOOLS CAPITAL FACILITIES BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Principal Refunded through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 03/15/08	Principal Maturing on 06/15/08	Total Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
1999A	12/15/99	06/15/00	06/15/09	5.3915%	\$ 140,000,000	\$ 63,530,000	\$ 57,550,000	\$ 18,920,000	\$ -	\$ 9,205,000	\$ 36,151,966	\$ 35,074,855	\$ 1,077,111
2001A	01/15/01	06/15/01	06/15/14	4.5250%	200,000,000	52,895,000	89,040,000	58,065,000	-	8,400,000	56,404,592	45,849,842	10,554,750
2001B	08/15/01	09/15/02	09/15/21	4.7040%	200,000,000	42,660,000	-	157,340,000	-	-	122,602,300	55,490,827	67,111,473
2002A	03/15/02	09/15/02	09/15/22	4.7969%	200,000,000	36,930,000	-	163,070,000	-	-	125,250,231	51,168,564	74,091,667
2002B	08/15/02	09/15/03	09/15/22	4.1586%	200,000,000	37,935,000	-	162,065,000	-	-	106,380,390	41,702,108	64,678,282
2003A	02/20/03	03/15/04	03/15/23	4.2525%	250,000,000	38,230,000	-	211,770,000	10,000,000	-	143,171,039	51,958,139	91,212,900
2003B	08/07/03	06/15/05	06/15/23	4.3501%	200,000,000	21,885,000	-	178,115,000	-	7,780,000	118,546,591	39,367,765	79,178,826
2003C	12/15/03	03/15/05	03/15/19	3.5640%	133,000,000	21,670,000	-	111,330,000	7,170,000	-	57,227,516	21,429,953	35,797,563
2003E	01/23/04	09/15/09	09/15/13	3.2380%	58,235,000	-	-	58,235,000	-	-	22,548,461	10,611,711	11,936,750
2004A	04/13/04	06/15/05	06/15/24	4.0442%	200,000,000	22,995,000	9,735,000	167,270,000	-	8,170,000	109,066,315	32,012,796	77,053,519
2004B	09/28/04	03/15/05	03/15/24	4.1748%	200,000,000	23,570,000	-	176,430,000	6,830,000	-	112,985,152	27,790,402	85,194,750
2004C	09/28/04	09/15/10	09/15/14	3.4579%	18,880,000	-	-	18,880,000	-	-	7,528,911	2,797,911	4,731,000
2005C	08/23/05	06/15/06	06/15/25	4.2020%	200,000,000	13,100,000	-	186,900,000	-	7,215,000	107,353,439	19,718,557	87,634,882
2005D	08/23/05	09/15/14	09/15/19	3.9234%	71,900,000	-	-	71,900,000	-	-	46,426,814	8,150,664	38,276,150
2006A	02/01/06	09/15/06	09/15/25	4.0932%	200,000,000	13,430,000	-	186,570,000	-	-	107,773,584	14,915,109	92,858,475
2006D	10/11/06	09/15/07	09/15/26	4.1104%	250,000,000	10,000,000	-	240,000,000	-	-	134,045,666	11,037,141	123,008,525
2007A	03/08/07	06/15/08	06/15/26	4.1467%	250,000,000	-	-	250,000,000	-	9,050,000	131,843,719	9,071,519	122,772,200
TOTAL					\$ 2,972,015,000	\$ 398,830,000	\$ 156,325,000	\$ 2,416,860,000	\$ 24,000,000	\$ 49,820,000	\$ 1,545,306,686	\$ 478,137,863	\$ 1,067,168,823

VARIABLE RATE BONDS

Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Principal Refunded through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 03/15/08	Principal Maturing on 06/15/08	Total Estimated Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
2003D	12/15/03	03/15/20	03/15/24	(C)	\$ 67,000,000	\$ -	\$ -	\$ 67,000,000	\$ -	\$ -	\$ 45,181,110	\$ 6,151,065	\$ 39,030,045
2005A	04/01/05	03/15/06	03/15/25	(D)	100,000,000	8,365,000	-	91,635,000	4,210,000	-	43,354,125	7,737,425	35,616,700
2005B	04/01/05	03/15/06	03/15/25	(D)	100,000,000	8,365,000	-	91,635,000	4,210,000	-	43,241,101	7,624,401	35,616,700
2006B	06/15/06	06/15/07	06/15/26	(E)	100,000,000	3,900,000	-	96,100,000	-	3,960,000	45,526,099	5,447,099	40,079,000
2006C	06/15/06	06/15/07	06/15/26	(E)	100,000,000	3,900,000	-	96,100,000	-	3,960,000	45,535,815	5,456,815	40,079,000
TOTAL					\$ 467,000,000	\$ 24,530,000	\$ -	\$ 442,470,000	\$ 8,420,000	\$ 7,920,000	\$ 222,838,250	\$ 32,416,805	\$ 190,421,445
GRAND TOTAL					\$ 3,439,015,000	\$ 423,360,000	\$ 156,325,000	\$ 2,859,330,000	\$ 32,420,000	\$ 57,740,000	\$ 1,768,144,936	\$ 510,554,668	\$ 1,257,590,268

Notes:

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

	Series 2003E		Series 2004C		Series 2005D		Total
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	
Series 1999A	\$ 57,550,000	2010-2014	\$ -	-	\$ -	-	\$ 57,550,000
Series 2001A	-	-	9,615,000	2011	79,425,000	2015-2020	89,040,000
Series 2004A	-	-	9,735,000	2015	-	-	9,735,000
	<u>\$ 57,550,000</u>		<u>\$ 19,350,000</u>		<u>\$ 79,425,000</u>		<u>\$ 156,325,000</u>

(B) The interest rate for the Series 1999A bonds reflects the net interest cost, while the interest rates for the other series of Common Schools Capital Facilities Bonds reflect the true interest cost.

(C) A fixed rate of 2.45 percent applied until mid-September 2007 at which time the bonds were subject to mandatory put for conversion to a variable rate with a weekly reset until maturity. In 2024, therefore, the "Total Estimated Interest to Maturity" balance reported for the Series 2003D bonds was calculated on the basis of the 2.45-percent fixed interest rate in effect from the December 2003 issuance date on through September 15, 2007, and an estimated 4.00-percent adjustable rate effective from September 16, 2007 through the last maturity on March 15, 2024.

In September 2007, the State entered into a floating to fixed interest rate swap agreement that will be in effect until March 15, 2024. Under this agreement, the State pays a 3.414-percent fixed rate to the counterparties while the counterparties pay a floating rate subject to a weekly reset on the basis of the London Interbank Offer Rate (LIBOR) Index, with terms of 65 percent of one-month LIBOR +25 basis-points. Prior to this agreement, the State participated in a fixed to floating agreement under which the counterparties paid a 2.665-percent fixed rate while the State paid the counterparties a floating rate subject to a weekly reset on the basis of the Bond Market Association (BMA) Index. This agreement terminated on September 1, 2007. Since the time of issuance of the Series 2003D bonds and through December 31, 2007, the State has received \$1,186,897 and paid \$1,000,649 in net interest rate swap transactions with counterparties. The Sinking Fund Commission accounts for the swap transactions in the Common Schools Capital Facilities Bond Service Fund.

(D) The "Total Estimated Interest to Maturity" balances reported for the variable rate Series 2005A and Series 2005B bonds were calculated on the basis of an estimated interest rate of 4.00 percent through maturity. The variable interest rate paid to bondholders is reset weekly until maturity in 2025.

In March 2007, the State entered into a floating to fixed interest rate swap agreement that will be in effect until March 15, 2025. Under this agreement, the State pays a 3.750-percent fixed rate to the counterparties while the counterparties pay a variable rate, which is reset weekly on the basis of the LIBOR Index, with terms of 62 percent of the 10-year LIBOR. Prior to this agreement, the State participated in a floating to fixed agreement under which the State paid a 4.081-percent fixed rate while the counterparties paid a variable rate, which was reset on the basis of the BMA Index. This agreement terminated on March 15, 2007. Since the time of issuance of the Series 2005A and 2005B bonds and through December 31, 2007, the State has paid \$1,996,109 and \$1,996,109, respectively for each deal, in net interest rate swap transactions with counterparties. The Sinking Fund Commission accounts for the swap transactions in the Common Schools Capital Facilities Bond Service Fund.

(E) The "Total Estimated Interest to Maturity" balances reported for the variable rate Series 2006B and Series 2006C bonds were calculated on the basis of an estimated interest rate of 4.00 percent through maturity. The variable interest rate paid to bondholders is reset weekly until maturity in 2026.

The State has entered into a floating to fixed interest rate swap agreement that will be in effect until June 15, 2026. Under the agreement, the State pays a 3.202-percent fixed rate to the counterparties while the counterparties pay a variable rate on the basis of the LIBOR Index, with terms of 65 percent of one-month LIBOR+25 basis-points. Since the time of issuance of the Series 2006B and Series 2006C bonds and through December 31, 2007, the State has received \$820,366 and \$820,366, respectively for each deal, in net interest rate swap transactions with counterparties.

STATE OF OHIO
COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION DECEMBER 1999
CASH BALANCE, JULY 1, 2007.....	\$ 172,551	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	107,514,454	\$ 827,940,632
Bond Proceeds.....	20,262	107,133,066
Accrued Interest on Bonds Sold.....	-	1,501,660
Net Receipts from Swap Agreements.....	1,078,408	2,827,603
Interest Earnings.....	29,609	863,144
Other	39,295	39,295
TOTAL CASH INFLOWS.....	108,682,028	940,305,400
CASH OUTFLOWS:		
Principal Paid.....	40,530,000	423,360,000
Interest Paid.....	66,960,777	510,554,668
Net Payments under Swap Agreements.....	732,314	4,992,867
Bond Sale and Miscellaneous Expenses.....	55,434	821,811
TOTAL CASH OUTFLOWS.....	108,278,525	939,729,346
CASH BALANCE, DECEMBER 31, 2007.....	\$ 576,054	\$ 576,054

Notes:

(A) In August 2007, unspent bond proceeds in the amount of \$20,262 were transferred to the Common Schools Capital Facilities Bond Service Fund from a custodial fund with the Treasurer of State's Office because actual bond issue costs paid from the custodial fund for bond issues occurring prior to the six-month period ended December 31, 2007 had been less than estimated.

(B) In addition to the December 31, 2007, cash balance reported above for the Common Schools Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$114 in cash and investments on hand in the custodial fund with the Treasurer of State's Office. This balance was transferred to the Common Schools Capital Facilities Bond Service Fund in January 2008 and represents investment earnings.

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.

The authority to issue Higher Education Capital Facilities Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
Senate Bill 206	123rd	\$ 150,000,000
House Bill 640	123rd	1,061,310,000
Senate Bill 261	124th	50,000,000
House Bill 675	124th	536,690,000
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
Total Authorizations, as of December 31, 2007		\$2,957,000,000

Future bond service requirements for the Higher Education Capital Facilities Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008...	\$ 55,500,000	\$ 40,047,065	\$ 95,547,065
FY Ending June 30,			
2009	82,660,000	77,234,113	159,894,113
2010	86,230,000	73,472,009	159,702,009
2011	89,870,000	69,346,259	159,216,259
2012	93,690,000	64,961,824	158,651,824
2013-2017	486,715,000	250,988,577	737,703,577
2018-2022	515,820,000	130,130,462	645,950,462
2023-2027	234,100,000	22,555,670	256,655,670
Total	\$1,644,585,000	\$728,735,979	\$2,373,320,979

STATE OF OHIO
SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS
As of December 31, 2007

CURRENT INTEREST BONDS													
Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Principal Refunded through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 02/01/08	Principal Maturing on 05/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
2000A	02/01/00	02/01/01	02/01/15	5.3589%	\$ 150,000,000	\$ 65,700,000	\$ -	\$ 84,300,000	\$ 8,800,000	\$ -	\$ 64,654,500	\$ 45,813,000	\$ 18,841,500
2000B	11/01/00	05/01/01	05/01/10	5.0604%	150,000,000	66,640,000	56,200,000	27,160,000	-	8,600,000	29,954,038	27,734,229	2,219,809
2001A	04/01/01	02/01/02	02/01/21	4.8344%	150,000,000	31,755,000	49,810,000	68,435,000	5,935,000	-	67,422,383	38,898,314	28,524,069
2001B	10/01/01	11/01/02	11/01/21	4.4619%	175,000,000	38,490,000	-	136,510,000	-	-	100,886,149	45,710,924	55,175,225
2002A	05/01/02	08/01/03	11/01/22	4.7918%	150,000,000	25,100,000	-	124,900,000	-	-	95,673,678	37,283,228	58,390,450
2002B	11/14/02	11/01/03	11/01/22	4.4916%	175,000,000	32,615,000	-	142,385,000	-	-	105,520,580	40,753,611	64,766,969
2002C	11/21/02	11/01/10	11/01/14	3.6478%	54,975,000	-	-	54,975,000	-	-	29,944,521	14,698,721	15,245,800
2003A	06/05/03	05/01/05	05/01/23	3.9450%	150,000,000	16,710,000	-	133,290,000	-	5,840,000	88,535,783	29,418,526	59,117,257
2004A	04/01/04	05/01/05	05/01/24	3.7685%	150,000,000	21,140,000	-	128,860,000	-	5,945,000	74,072,298	20,911,145	53,161,153
2004B	09/23/04	02/01/05	02/01/24	4.2010%	150,000,000	18,710,000	-	131,290,000	5,125,000	-	82,599,112	19,428,646	63,170,466
2005A	03/24/05	02/01/06	02/01/25	4.2516%	150,000,000	11,900,000	-	138,100,000	5,120,000	-	86,351,392	16,168,988	70,182,404
2005B	09/29/05	05/01/06	05/01/25	4.1350%	150,000,000	12,615,000	-	137,385,000	-	5,245,000	78,663,291	13,341,386	65,311,905
2005C	09/29/05	08/01/11	08/01/16	3.6526%	49,495,000	-	-	49,495,000	-	-	20,566,677	4,416,827	16,149,850
2006A	04/27/06	05/01/07	05/01/26	4.4320%	150,000,000	7,500,000	-	142,500,000	-	4,890,000	86,288,997	10,464,675	75,824,322
2006B	12/19/06	11/01/07	11/01/26	4.1520%	150,000,000	5,000,000	-	145,000,000	-	-	89,029,523	6,374,723	82,654,800
TOTAL					\$ 2,104,470,000	\$ 353,875,000	\$ 106,010,000	\$ 1,644,585,000	\$ 24,980,000	\$ 30,520,000	\$ 1,100,152,922	\$ 371,416,943	\$ 728,735,979

Notes:

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

	Series 2002C		Series 2005C		Total
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	
Series 2000B	\$ 56,200,000	2011-2015	\$ -	-	\$ 56,200,000
Series 2001A	-	-	49,810,000	2012-2017	49,810,000
	<u>\$ 56,200,000</u>		<u>\$ 49,810,000</u>		<u>\$ 106,010,000</u>

(B) The interest rate for the Series 2000A bonds reflects the net interest cost, while the interest rates reported for the other series of Higher Education Capital Facilities Bonds reflect the true interest cost.

**STATE OF OHIO
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007**

	<u>JULY 1, 2007 THROUGH DECEMBER 31, 2007</u>	<u>CUMULATIVE SINCE INCEPTION FEBRUARY 2000</u>
CASH BALANCE, JULY 1, 2007	\$ 140,839	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	64,916,143	\$ 649,336,275
Bond Proceeds.....	9,486	74,099,440
Accrued Interest on Bonds Sold.....	-	1,626,556
Interest Earnings.....	883	563,932
	<u>64,926,512</u>	<u>725,626,203</u>
TOTAL CASH INFLOWS	64,926,512	725,626,203
CASH OUTFLOWS:		
Principal Paid.....	24,475,000	353,875,000
Interest Paid.....	40,590,250	371,416,943
Bond Sale and Miscellaneous Expenses.....	1,218	333,377
	<u>65,066,468</u>	<u>725,625,320</u>
TOTAL CASH OUTFLOWS	65,066,468	725,625,320
CASH BALANCE, DECEMBER 31, 2007	\$ 883	\$ 883

Notes:

(A) In August 2007, unspent bond proceeds in the amount of \$9,486 were transferred to the Higher Education Capital Facilities Bond Service Fund from a custodial fund with the Treasurer of State's Office because actual bond issue costs paid from the custodial fund for bond issues occurring prior to the six-month period ended December 31, 2007 had been less than estimated.

(B) In addition to the December 31, 2007, cash balance reported above for the Higher Education Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$46 in cash and investments on hand in the custodial fund with the Treasurer of State's Office. This balance was transferred to the Higher Education Capital Facilities Bond Service Fund in January 2008 and represents investment earnings.

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.

The authority to issue Public Infrastructure Capital Improvements Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to Senate Bill 245	—	\$1,560,000,000
Senate Bill 245	123rd	240,000,000
House Bill 524	124th	240,000,000
Senate Bill 189	125th	120,000,000
House Bill 16	126th	120,000,000
House Bill 530	126th	120,000,000
House Bill 699	126th	120,000,000
Total Authorizations, as of December 31, 2007		<u>\$2,520,000,000</u>

Future bond service requirements for the Public Infrastructure Capital Improvements Bonds, as of December 31, are as follows:

	Principal	Interest*	Total
January 1 through June 30, 2008	\$ 34,455,000	\$ 30,891,163	\$ 65,346,163
FY Ending June 30,			
2009	125,385,000	59,580,389	184,965,389
2010	129,455,000	55,176,949	184,631,949
2011	123,525,000	50,368,983	173,893,983
2012	128,005,000	46,099,894	174,104,894
2013-2017 ..	520,360,000	167,757,254	688,117,254
2018-2022 ..	319,620,000	75,461,002	395,081,002
2023-2027 ..	140,165,000	16,752,213	156,917,213
2028	9,240,000	219,450	9,459,450
	<u>1,530,210,000</u>	<u>502,307,297</u>	<u>2,032,517,297</u>
Original Discount Applicable to Outstanding Capital Appreciation Bonds	<u>(140,564,746)</u>	<u>—</u>	<u>(140,564,746)</u>
Total	<u>\$1,389,645,254</u>	<u>\$502,307,297</u>	<u>\$1,891,952,551</u>

*The future funding of interest amounts in the above table 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.

CAPITAL APPRECIATION BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Principal Refunded through 12/31/07	Outstanding Principal as of 12/31/07	Principal Maturing on 02/01/08	Principal Maturing on 03/01/08	Total Discount	Accreted Principal Paid through 12/31/07	Remaining Discount through Maturity
1989	12/01/89	09/01/09	6.5870%	\$ 49,999,935	\$ 45,883,445	\$ -	\$ 4,116,490	\$ -	\$ -	\$ 58,370,064	\$ 48,041,554	\$ 10,328,510
1991	12/01/91	08/01/11	6.2935%	40,020,445	29,301,535	-	10,718,910	-	-	56,229,555	31,948,465	24,281,090
1992	12/01/92	08/01/00	7.1152%	28,275,727	19,079,201	-	9,196,526	-	-	36,194,273	17,765,799	18,428,474
1992R	12/01/92	09/01/00	7.0015%	7,800,739	7,800,739	-	-	-	-	13,509,261	13,509,261	-
1993	11/01/93	08/01/95	5.1640%	25,420,844	17,417,772	-	8,003,072	-	-	24,829,156	5,872,227	18,956,929
1995	01/01/95	08/01/14	6.1297%	21,494,889	12,327,870	-	9,167,019	-	-	26,540,111	9,667,131	16,872,980
1996	01/01/96	08/01/15	5.0609%	11,164,295	3,879,553	-	7,284,742	-	-	11,850,705	2,380,447	9,470,258
1997R	01/01/98	08/01/03	5.2307%	5,860,670	5,224,359	-	636,311	-	-	10,084,330	8,255,641	1,808,689
1998R	08/01/98	08/01/08	4.5317%	1,784,986	-	-	1,784,986	-	-	2,400,014	-	2,400,014
2003C	02/26/03	08/01/11	3.2866%	6,241,829	-	-	6,241,829	-	-	19,673,171	-	19,673,171
2003E	03/20/03	08/01/12	3.2313%	2,718,755	2,102,237	-	616,518	-	-	13,976,245	3,512,763	10,463,482
2004B	03/03/04	02/01/10	3.6346%	308,851	-	-	308,851	-	-	7,881,149	-	7,881,149
TOTAL				\$ 201,091,965	\$ 143,016,711	\$ -	\$ 58,075,254	\$ -	\$ -	\$ 281,518,034	\$ 140,953,288	\$ 140,564,746

VARIABLE RATE BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Principal Refunded through 12/31/07	Outstanding Principal as of 12/31/07	Principal Maturing on 02/01/08	Principal Maturing on 03/01/08	Total Estimated Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
2001B	11/29/01	08/01/21	(B)	\$ 63,900,000	\$ -	\$ -	\$ 63,900,000	\$ -	\$ -	\$ 34,926,426	\$ 7,486,426	\$ 27,440,000
2003B	02/26/03	08/01/17	(C)	104,315,000	-	-	104,315,000	-	-	43,956,886	10,535,686	33,421,200
2003D	03/20/03	02/01/19	(D)	58,085,000	-	-	58,085,000	-	-	26,365,373	5,829,673	20,535,700
2004A	03/03/04	02/01/23	(E)	58,725,000	2,060,000	-	56,665,000	675,000	-	32,832,036	5,234,136	27,597,900
TOTAL				\$ 285,025,000	\$ 2,060,000	\$ -	\$ 282,965,000	\$ 675,000	\$ -	\$ 138,080,721	\$ 29,085,921	\$ 108,994,800
GRAND TOTAL				\$ 3,136,596,965	\$ 1,007,096,711	\$ 739,855,000	\$ 1,389,645,254	\$ 21,795,000	\$ 12,660,000	\$ 1,407,346,235	\$ 764,474,192	\$ 642,872,043

Notes:

(A) The State has entered into a fixed to floating interest rate swap agreement that will be in effect until February 1, 2010. Under the agreement, the counterparty pays the 2.54-percent fixed rate on the notional amount of \$30,115,000 with the same principal amortization as the 2005-2010 maturities entered into relative to the Series 2003F bonds while the State pays the counterparty a floating rate subject to a weekly reset on the basis of the Bond Market Association (BMA) Index. Since the time of issuance of the Series 2003F bonds and through December 31, 2007, the State has received \$476,082 and paid \$314,339 in net interest rate swap transactions with the counterparty. The Sinking Fund Commission accounts for the swap transactions in the State Capital Improvements Bond Service Fund.

(B) The "Total Estimated Interest to Maturity" balance reported for the variable rate Series 2001B bonds was calculated on the basis of an estimated interest rate of 4.00 percent through maturity. The variable interest rate paid to bondholders is reset weekly until maturity in 2021.

The State has entered into a floating to fixed interest rate swap agreement that will be in effect until August 1, 2021. Under the agreement, the State pays the 4.63-percent fixed rate to the counterparties while the counterparties pay a variable rate, which is reset weekly on the basis of the BMA Index. Since the time of issuance of the Series 2001B bonds and through December 31, 2007, the State has paid \$9,251,829 in net interest rate swap transactions with counterparties. The Sinking Fund Commission accounts for the swap transactions in the State Capital Improvements Bond Service Fund.

(Continued)

STATE OF OHIO
SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS

As of December 31, 2007

(Continued)

- (C) The "Total Estimated Interest to Maturity" balance reported for the variable rate Series 2003B bonds was calculated on the basis of an estimated interest rate of 2.96 percent through August 1, 2007, and 4.00 percent thereafter until maturity in 2017. The variable interest rate paid to bondholders is reset weekly until maturity in 2017.
- The State has entered into a floating to fixed interest rate swap agreement that will be in effect until August 1, 2008. Under the agreement, the State pays the 2.96-percent fixed rate to the counterparty while the counterparty pays a variable rate equal to the variable rate the State pays to the bond holders. Since the time of issuance of the Series 2003B bonds and through December 31, 2007, the State has paid \$4,072,021 and received \$927,375 in net interest rate swap transactions with the counterparty. The Sinking Fund Commission accounts for the swap transactions in the State Capital Improvements Bond Service Fund.
- (D) The "Total Estimated Interest to Maturity" balance reported for the variable rate Series 2003D bonds was calculated on the basis of an estimated interest rate of 3.035 percent through February 1, 2010, and 4.00 percent thereafter until maturity in 2019. The variable interest rate paid to bondholders is reset weekly until maturity in 2019.
- The State has entered into a floating to fixed interest rate swap agreement that will be in effect until February 1, 2010. Under the agreement, the State pays the 3.035-percent fixed rate to the counterparty while the counterparty pays a variable rate equal to the variable rate the State pays to the bond holders. Since the time of issuance of the Series 2003D bonds and through December 31, 2007, the State has paid \$2,314,376 and received \$451,038 in net interest rate swap transactions with the counterparty.
- (E) The "Total Estimated Interest to Maturity" balances reported for the variable rate Series 2004A bonds were calculated on the basis of an estimated interest rate of 4.00 percent through maturity. The variable interest rate paid to bondholders is reset weekly until maturity in 2023.
- The State has entered into a floating to fixed interest rate swap agreement that will be in effect until February 1, 2023. Under the agreement, the State pays the 3.51-percent fixed rate to the counterparty while the counterparty pays a variable rate on the basis of the London Inter-Bank Offer Rate (LIBOR) Index, with terms of 63 percent of one-month LIBOR+25 basis-points, if the average rate is below 5.00 percent, or 68 percent of the average one-month LIBOR-USD fixed rate, if the average rate is 5.00 percent or above. Since the time of issuance of the Series 2004A bonds and through December 31, 2007, the State has paid \$1,834,911 and received \$63,836 in net interest rate swap transactions with the counterparty. The Sinking Fund Commission accounts for the swap transactions in the State Capital Improvements Bond Service Fund.

(F) 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	2004D	2004E			
1988	\$ 98,665,000	\$ 17,725,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,665,000	1993-2003
1991	-	-	-	-	-	-	-	-	-	-	-	-	17,725,000	2002-2011
1992	-	-	12,635,000	-	4,770,000	-	-	-	-	-	-	-	17,405,000	2004-2008
1993	-	-	-	-	53,360,000	-	-	-	-	-	-	-	53,360,000	2004-2011
1994	-	-	-	-	60,610,000	-	-	-	-	-	-	-	60,610,000	2005-2009; 2011-2013
1995	-	32,540,000	-	-	13,935,000	-	-	-	-	-	-	-	46,475,000	2006-2014
1996	-	-	-	-	60,810,000	-	-	-	-	-	-	-	60,810,000	2006-2015
1997	-	-	-	-	6,270,000	38,190,000	-	6,920,000	-	-	-	-	57,965,000	2003, 2008-2012; 2015-2016
1998A	-	-	-	-	6,250,000	43,155,000	-	-	-	-	-	-	49,405,000	2003; 2009; 2013-2017
1998B	-	-	-	-	5,750,000	40,850,000	-	-	-	-	-	-	59,150,000	2009-2012; 2015-2018
1999	-	-	-	-	12,475,000	-	60,805,000	-	-	-	-	-	73,940,000	2004; 2011-2019
2000	-	-	-	60,450,000	11,450,000	-	-	-	-	-	-	-	72,420,000	2011-2020
2002B	-	-	-	-	-	-	-	52,115,000	-	-	-	-	62,855,000	2013-2014; 2017-2023
2003F	-	-	-	-	-	-	-	-	9,070,000	-	-	-	9,070,000	2014-2015
	\$ 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	\$ 40,125,000	\$ 40,125,000	\$ 40,125,000	\$ 739,855,000	

(G) The interest rates for the Series 1988, 1989, 1992, and 1992R bonds reflect the net interest cost, while the interest rates for the other series of Public Infrastructure Capital Improvements Bonds reflect the true interest cost.

STATE OF OHIO
STATE CAPITAL IMPROVEMENTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION DECEMBER 1988
CASH BALANCE, JULY 1, 2007	\$ 155,620	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	112,367,450	\$ 1,752,179,912
Bond Proceeds.....	5,325,539	26,613,956
Accrued Interest on Bonds Sold.....	-	4,931,221
Net Receipts from Swap Agreements.....	563,963	11,073,070
Interest Earnings.....	21,715	1,115,832
Other	69,697	69,697
TOTAL CASH INFLOWS	118,348,364	1,795,983,688
CASH OUTFLOWS:		
Principal Paid.....	64,291,586	1,007,096,711
Interest Paid.....	29,079,492	623,520,904
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	19,398,414	140,953,288
Net Payments under Swap Agreements.....	398,424	17,800,461
Bond Sale and Miscellaneous Expenses.....	243,965	1,520,221
TOTAL CASH OUTFLOWS	113,411,881	1,790,891,585
CASH BALANCE, DECEMBER 31, 2007	\$ 5,092,103	\$ 5,092,103

Notes:

(A) The \$5,325,539 bond proceeds balance reported above, for the six-month period ended December 31, 2007, includes \$5,149,935 in premium received for the Series 2007 bond issue, \$167,000 for the payment of Series 2007 bond issue costs from the State Capital Improvements Bond Service Fund, and \$8,604 transferred from a custodial fund with the Treasurer of State's Office. This \$8,604 balance was transferred because actual bond issue costs paid from the custodial fund for bond issues occurring prior to the six-month period ended December 31, 2007 had been less than estimated.

(B) In addition to the December 31, 2007, cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$30 in cash and investments on hand in the custodial fund with the Treasurer of State's Office. This balance was transferred to the State Capital Improvements Bond Service Fund in January 2008 and represents investment earnings.

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.

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

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

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

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

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

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

The authority to issue Conservation Projects Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
House Bill 3	124th	\$ 50,000,000
House Bill 675	124th	50,000,000
House Bill 16	126th	50,000,000
House Bill 530	126th	50,000,000
Total Authorizations, as of December 31, 2007		\$200,000,000

The legislation authorizing the issuance of Conservation Projects Bonds further requires the issuance of bond 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.

Future bond service requirements for the Conservation Projects Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008.....	\$ 5,605,000	\$ 4,300,364	\$ 9,905,364
FY Ending June 30,			
2009	11,000,000	7,451,426	18,451,426
2010	11,830,000	7,047,083	18,877,083
2011	12,260,000	6,610,882	18,870,882
2012	12,735,000	6,133,133	18,868,133
2013-2017	72,675,000	21,500,753	94,175,753
2018-2022	41,430,000	5,559,037	46,989,037
2023	4,495,000	106,756	4,601,756
Total	\$172,030,000	\$58,709,434	\$230,739,434

STATE OF OHIO
SCHEDULE OF CONSERVATION PROJECTS BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 03/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
2002A	01/15/02	09/01/02	09/01/16	4.2932%	\$ 50,000,000	\$ 16,270,000	\$ 33,730,000	\$ -	\$ 19,498,845	\$ 10,703,158	\$ 8,795,687
2004A	01/27/04	03/01/05	03/01/19	3.5530%	50,000,000	9,035,000	40,965,000	2,850,000	17,958,724	6,094,432	11,864,292
2005A	11/07/05	03/01/07	03/01/20	4.2106%	50,000,000	2,665,000	47,335,000	2,755,000	20,660,077	4,191,990	16,468,087
2007A	06/21/07	09/01/08	09/01/22	4.4230%	50,000,000	-	50,000,000	-	21,581,368	-	21,581,368
TOTAL					\$ 200,000,000	\$ 27,970,000	\$ 172,030,000	\$ 5,605,000	\$ 79,699,014	\$ 20,989,580	\$ 58,709,434

Note:

Interest rates for all series of bonds above reflect the true interest cost.

**STATE OF OHIO
 CONSERVATION PROJECTS BOND SERVICE FUND
 Cash Flow Statement
 For the Six Months Ended December 31, 2007**

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION JANUARY 2002
CASH BALANCE, JULY 1, 2007.....	\$ 7,325	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	5,792,873	\$ 44,085,062
Bond Proceeds.....	-	4,866,303
Accrued Interest on Bonds Sold.....	-	93,497
Interest Earnings.....	1,324	75,049
TOTAL CASH INFLOWS.....	5,794,197	49,119,911
CASH OUTFLOWS:		
Principal Paid.....	3,035,000	27,970,000
Interest Paid.....	2,765,199	20,989,580
Bond Sale and Miscellaneous Expenses.....	-	159,008
TOTAL CASH OUTFLOWS.....	5,800,199	49,118,588
CASH BALANCE, DECEMBER 31, 2007.....	\$ 1,323	\$ 1,323

Note:

(A) In addition to the December 31, 2007, cash balance reported above for the Conservation Projects Bond Service Fund, the Sinking Fund Commission had \$6,556 in cash and investments on hand in a custodial fund with the Treasurer of State's Office. This balance was transferred to the Conservation Projects Bond Service Fund in January 2008 and represents \$660 in investment earnings and \$5,896 in bond proceeds that remained unspent because actual bond issue costs were less than estimated.

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.

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

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

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.

The authority to issue Third Frontier Research and Development Projects Bonds has been granted by the following legislation:

Legislation	General Assembly Session	Amount of Authorization
Senate Bill 236	126th	\$200,000,000
House Bill 119	127th	150,000,000
Total Authorizations, as of December 31, 2007		\$350,000,000

Future bond service requirements for the Third Frontier Research and Development Projects Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008.....	\$ 8,560,000	\$ 1,672,089	\$10,232,089
FY Ending June 30,			
2009	8,795,000	2,968,695	11,763,695
2010	9,170,000	2,586,535	11,756,535
2011	9,580,000	2,179,678	11,759,678
2012	10,000,000	1,758,977	11,758,977
2013-2017	24,615,000	3,255,570	27,870,570
Total	\$70,720,000	\$14,421,544	\$85,141,544

STATE OF OHIO
SCHEDULE OF THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 05/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
2006A	08/24/06	05/01/13	3.9869%	\$ 50,000,000	\$ 10,000,000	\$ 40,000,000	\$ 6,015,000	\$ 7,828,405	\$ 2,302,087	\$ 5,526,318
2007A	06/05/07	05/01/17	5.4231%	30,720,000	-	30,720,000	2,545,000	9,558,185	662,959	8,895,226
TOTAL										
				\$ 80,720,000	\$ 10,000,000	\$ 70,720,000	\$ 8,560,000	\$ 17,386,590	\$ 2,965,046	\$ 14,421,544

Note:

Interest rates for all series of bonds above reflect the true interest cost.

STATE OF OHIO
THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION AUGUST 2006
CASH BALANCE, JULY 1, 2007	\$ 19,107	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	1,498,595	\$ 12,352,965
Bond Proceeds.....	12,764	622,338
Interest Earnings.....	517	13,622
TOTAL CASH INFLOWS	1,511,876	12,988,925
CASH OUTFLOWS:		
Principal Paid.....	-	10,000,000
Interest Paid.....	1,517,703	2,965,046
Bond Sale and Miscellaneous Expenses.....	-	10,599
TOTAL CASH OUTFLOWS	1,517,703	12,975,645
CASH BALANCE, DECEMBER 31, 2007	\$ 13,280	\$ 13,280

Notes:

(A) In August 2007, unspent bond proceeds in the amount of \$12,764 were transferred to the Third Frontier Research and Development Bond Service Fund from a custodial fund with the Treasurer of State's Office because actual bond issue costs paid from the custodial fund for bond issues occurring prior to the six-month period ended December 31, 2007 had been less than estimated.

(B) In addition to the December 31, 2007, cash balance reported above for the Third Frontier Research and Development Bond Service Fund, the Sinking Fund Commission had \$8,668 in cash and investments on hand in the custodial fund with the Treasurer's Office. This balance was transferred to the Third Frontier Research and Development Bond Service Fund in January 2008 and represents \$726 in investment earnings and \$7,942 in bond proceeds that remained unspent because actual bond issue costs were less than estimated.

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).

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.

The authority to issue Third Frontier Job Ready Site Development Bonds has been granted by the following legislation:

Legislation	General 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
Total Authorizations, as of December 31, 2007		<u>\$90,000,000</u>

Future bond service requirements for the Third Frontier Job Ready Site Development Bonds, as of December 31, 2007, are as follows:

	Principal	Interest	Total
January 1 through June 30, 2008.....	\$ 2,595,000	\$ 494,688	\$ 3,089,688
<u>FY Ending June 30,</u>			
2009	2,670,000	902,443	3,572,443
2010	2,770,000	812,330	3,582,330
2011	2,890,000	718,842	3,608,842
2012	2,990,000	620,583	3,610,583
2013-2016	13,085,000	1,238,457	14,323,457
Total	<u>\$27,000,000</u>	<u>\$4,787,343</u>	<u>\$31,787,343</u>

STATE OF OHIO
SCHEDULE OF THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS
As of December 31, 2007

CURRENT INTEREST BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 12/31/07	Outstanding Principal, as of 12/31/07	Principal Maturing on 05/01/08	Total Interest to Maturity	Interest Paid through 12/31/07	Remaining Interest through Maturity
2006A	12/05/06	05/01/16	3.75889%	\$ 30,000,000	\$ 3,000,000	\$ 27,000,000	\$ 2,595,000	\$ 5,724,035	\$ 936,692	\$ 4,787,343
TOTAL				\$ 30,000,000	\$ 3,000,000	\$ 27,000,000	\$ 2,595,000	\$ 5,724,035	\$ 936,692	\$ 4,787,343

Note:

The above interest rate reflects the true interest cost.

STATE OF OHIO
THIRD FRONTIER JOB READY SITE DEVELOPMENT BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended December 31, 2007

	JULY 1, 2007 THROUGH DECEMBER 31, 2007	CUMULATIVE SINCE INCEPTION DECEMBER 2006
	<u>DECEMBER 31, 2007</u>	<u>DECEMBER 2006</u>
CASH BALANCE, JULY 1, 2007.....	\$ 9,848	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	484,840	\$ 3,940,344
Bond Proceeds.....	12,968	12,968
Interest Earnings.....	468	570
	<u>498,276</u>	<u>3,953,882</u>
TOTAL CASH INFLOWS.....	498,276	3,953,882
CASH OUTFLOWS:		
Principal Paid.....	-	3,000,000
Interest Paid.....	494,687	936,692
Bond Sale and Miscellaneous Expenses.....	1,120	4,873
	<u>495,807</u>	<u>3,941,565</u>
TOTAL CASH OUTFLOWS.....	495,807	3,941,565
CASH BALANCE, DECEMBER 31, 2007.....	\$ 12,317	\$ 12,317

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

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

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

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

IMPROVEMENT BONDS

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

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

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

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

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

CAPITAL IMPROVEMENTS CONSTRUCTION BONDS

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

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

The borrowing was limited to \$30 million a calendar year. All Capital Improvements Construction Bonds matured within 20 years from the date of issuance, and no more than \$75 million was expended for state-supported universities and colleges, public school classroom facilities and state offices, and no more than \$75 million was expended for penal, correctional, mental and welfare institutions of the State. The State deposited the proceeds from the sale of the bonds in the Capital Improvements Construction Fund.

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

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

MAJOR THOROUGHFARE CONSTRUCTION BONDS

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

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

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

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

VIETNAM CONFLICT COMPENSATION BONDS

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

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

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

KOREAN CONFLICT COMPENSATION BONDS

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

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

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

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

WORLD WAR II COMPENSATION BONDS

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

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

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

STATE OF OHIO
SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES
Summary of Balances and Cumulative Cash Flow Statement
As of and Through December 31, 2007

BALANCES, AS OF DECEMBER 31, 2007:	HIGHWAY OBLIGATIONS	DEVELOPMENT	PUBLIC IMPROVEMENTS	HIGHWAY IMPROVEMENTS	IMPROVEMENT	CAPITAL IMPROVEMENT
Cash on Deposit with Bond-Paying Agents.....	\$ 169,997	\$ 257,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678
Matured Bonds Outstanding.....	\$ 115,000	\$ 155,000	\$ 105,000	\$ 40,000	\$ 105,000	\$ 678
Matured Interest Coupons Outstanding.....	54,997	102,073	43,808	15,288	25,255	-
Working Fund Balance.....	-	442	-	-	-	-
TOTAL.....	\$ 169,997	\$ 257,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678

CUMULATIVE SINCE INCEPTION:	DECEMBER 1969	OCTOBER 1967	FEBRUARY 1970	MAY 1965	JULY 1964	NOVEMBER 1955
CASH BALANCE, JULY 1, 2007.....	\$ 169,997	\$ 267,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678

CASH INFLOWS:	2,165,259,713	-	-	619,248,216	-	-
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:	1,745,000,000	290,010,000	259,000,000	500,000,000	250,000,000	150,000,000
Principal Paid.....	1,745,000,000	290,010,000	259,000,000	500,000,000	250,000,000	150,000,000
Interest Paid.....	633,132,061	219,140,547	146,903,526	152,829,869	211,229,225	23,691,628
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.....	2,382,266,310	510,353,408	406,839,151	656,881,947	524,652,669	174,230,144

CASH BALANCE, DECEMBER 31, 2007.....	\$ 169,997	\$ 257,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678
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BALANCES, AS OF DECEMBER 31, 2007:	STATE	VIETNAM	KOREAN	WORLD WAR II	TOTAL
	HIGHWAY (Major Thoroughfare)	CONFLICT COMPENSATION	CONFLICT COMPENSATION	CONFLICT COMPENSATION	
Cash on Deposit with Bond-Paying Agents.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 799,271
Matured Bonds Outstanding.....	\$ 5,000	\$ 15,000	\$ -	\$ -	\$ 540,678
Matured Interest Coupons Outstanding.....	2,701	10,194	435	190	254,941
Working Fund Balance.....	-	3,160	-	50	3,652
TOTAL.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 799,271

CUMULATIVE SINCE INCEPTION:

	OCTOBER 1954	MAY 1974	MAY 1957	MAY 1947	
CASH BALANCE, JULY 1, 2007.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 809,271

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
Interest Earnings.....	19,660,055	1,183,471	7,471,684	3,225,690	436,365,795
Accrued 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.....	500,000,000	185,000,000	60,000,000	212,500,000	4,151,510,000
Interest Paid.....	108,472,876	95,760,002	15,846,450	33,992,035	1,640,998,219
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.....	609,375,352	281,384,524	83,299,345	253,413,029	5,882,695,879
CASH BALANCE, DECEMBER 31, 2007.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 799,271

GLOSSARY

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

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

