

STATE OF OHIO  
STATE ECONOMIC DEVELOPMENT BONDS

ANNUAL REPORT  
OF TREASURER OF STATE  
FOR FISCAL YEAR ENDED JUNE 30, 2006

This annual report for the fiscal year ended June 30, 2006 (the "Fiscal Year") is prepared pursuant to Section 18(e) of the General Bond Order (the "Order") contained in the amended and restated Trust Agreement, dated as of July 1, 2003 (the "Trust Agreement"), between the State of Ohio and U.S. Bank, as successor trustee (the "Trustee"), and shall be submitted to the Trustee, the Original Purchasers (as defined in the Trust Agreement), holders of Bonds (as defined in the Trust Agreement) who have filed their names and addresses with the Trustee for the purpose of receiving this report, the Governor of Ohio, the presiding officer of each house of the Ohio General Assembly, the Director of the Ohio Department of Development, the Superintendent of the Ohio Department of Commerce's Division of Liquor Control and the Director of the Office of Budget and Management.

As of June 30, 2006, there were two classes of Obligations outstanding, as defined in the Trust Agreement. The first class, bonds issued under the Trust Agreement (the "Liquor Bonds"), are secured by the Pledged Receipts, as defined in the Trust Agreement, consisting primarily of Pledged Liquor Profits, as defined in the Trust Agreement. The second class consists of obligations issued under the Ohio Enterprise Bond Fund program ("OEBF and OEBF-Related bonds"). OEBF and OEBF-Related bonds are not secured by the Pledged Receipts. Part I of this report sets forth the information required by Section 18(e) of the Order with respect to the Liquor Bonds. Part II of this report sets forth the information required by Section 18(e) of the Order with respect to the OEBF and OEBF-Related Bonds.

**Part I Liquor Bonds:**

- 1) The following Liquor Bonds were sold by the Treasurer of State during fiscal year 2006:

On October 27, 2005, the Treasurer of State sold by negotiated sale \$50,000,000.00 State of Ohio Taxable Development Assistance Bonds, Series 2005A (Research and Development Program) to an underwriting group consisting of KeyBanc Capital Markets, UBS Financial Services, Inc., and RBC Dain Rauscher at a true interest cost rate of 5.4469934%. The Series 2005A bonds, dated October 27, 2005 and delivered on October 27, 2005, were issued to provide moneys to deposit into the state's Research and Development Loan Fund and to pay the cost of issuance of the Series 2005A bonds. The total interest over the 20-year life of the bonds is \$32,711,945.22.

The Series 2005A Bonds mature and bear interest as follows:

DATE	PRINCIPAL	COUPON	CUSIP	INTEREST	PERIOD TOTAL	FISCAL TOTAL
			677520			
04/01/06				1,123,638.97	1,123,638.97	1,123,638.97
10/01/06	1,485,000.00	4.6700%	FB9	1,313,344.25	2,798,344.25	
04/01/07				1,278,669.50	1,278,669.50	4,077,013.75
10/01/07	1,560,000.00	4.6100%	FC7	1,278,669.50	2,838,669.50	
04/01/08				1,242,711.50	1,242,711.50	4,081,381.00
10/01/08	1,635,000.00	4.7200%	FD5	1,242,711.50	2,877,711.50	
04/01/09				1,204,125.50	1,204,125.50	4,081,837.00
10/01/09	1,710,000.00	4.7700%	FE3	1,204,125.50	2,914,125.50	
04/01/10				1,163,342.00	1,163,342.00	4,077,467.50
10/01/10	1,795,000.00	4.8200%	FF0	1,163,342.00	2,958,342.00	
04/01/11				1,120,082.50	1,120,082.50	4,078,424.50
10/01/11	1,885,000.00	4.8800%	FG8	1,120,082.50	3,005,082.50	
04/01/12				1,074,088.50	1,074,088.50	4,079,171.00
10/01/12	1,980,000.00	4.9500%	FH6	1,074,088.50	3,054,088.50	
04/01/13				1,025,083.50	1,025,083.50	4,079,172.00
10/01/13	2,080,000.00	5.0300%	FJ2	1,025,083.50	3,105,083.50	
04/01/14				972,771.50	972,771.50	4,077,855.00
10/01/14	2,190,000.00	5.0400%	FK9	972,771.50	3,162,771.50	
04/01/15				917,583.50	917,583.50	4,080,355.00
10/01/15	2,305,000.00	5.0900%	FL7	917,583.50	3,222,583.50	
04/01/16				858,921.25	858,921.25	4,081,504.75
10/01/16	2,425,000.00 *	5.3900%		858,921.25	3,283,921.25	
04/01/17				793,567.50	793,567.50	4,077,488.75
10/01/17	2,560,000.00 *	5.3900%		793,567.50	3,353,567.50	
04/01/18				724,575.50	724,575.50	4,078,143.00
10/01/18	2,705,000.00 *	5.3900%		724,575.50	3,429,575.50	
04/01/19				651,675.75	651,675.75	4,081,251.25
10/01/19	2,855,000.00 *	5.3900%		651,675.75	3,506,675.75	
04/01/20				574,733.50	574,733.50	4,081,409.25
10/01/20	3,010,000.00 *	5.3900%	FR4	574,733.50	3,584,733.50	
04/01/21				493,614.00	493,614.00	4,078,347.50
10/01/21	3,180,000.00 **	5.5400%		493,614.00	3,673,614.00	
04/01/22				405,528.00	405,528.00	4,079,142.00
10/01/22	3,360,000.00 **	5.5400%		405,528.00	3,765,528.00	
04/01/23				312,456.00	312,456.00	4,077,984.00
10/01/23	3,555,000.00 **	5.5400%		312,456.00	3,867,456.00	
04/01/24				213,982.50	213,982.50	4,081,438.50
10/01/24	3,755,000.00 **	5.5400%		213,982.50	3,968,982.50	
04/01/25				109,969.00	109,969.00	4,078,951.50
10/01/25	3,970,000.00 **	5.5400%	FW3	109,969.00	4,079,969.00	4,079,969.00
	<u>50,000,000.00</u>			<u>32,711,945.22</u>	<u>82,711,945.22</u>	<u>82,711,945.22</u>

\* \$13,500,000 term bond maturing 10/1/20 with mandatory sinking fund redemptions

\*\* \$17,820,000 term bond maturing 10/1/25 with mandatory sinking fund redemptions

- 2) At the end of Fiscal Year 2006, \$420,515,000.00 in principal amount of Liquor Bonds was outstanding.
- 3) During Fiscal Year 2006, \$8,380,000.00 in principal amount of Liquor Bonds was retired from moneys in the Bond Service Fund, as defined in the Trust Agreement, which moneys were derived primarily from Pledged Liquor Profits.

- 4) The amounts required for Bond Service Charges as defined in the Trust Agreement on such Liquor Bonds during the twelve-month period ending June 30, 2007 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1, 2006	\$ 6,725,000.00	\$ 9,945,415.25	\$16,670,415.25
April 1, 2007	<u>3,685,000.00</u>	<u>9,750,415.75</u>	<u>13,435,417.75</u>
Total	\$10,410,000.00	\$19,695,833.00	\$30,105,833.00

- 5) Schedule A attached hereto sets forth information regarding deposits, disbursements and balances in the accounts in the Bond Service Fund at the end of Fiscal Year 2006.

**Part II OEBF and OEBF- Related Bonds:**

- 1) The following OEBF Bonds were sold during the Fiscal Year:

\$4,690,000 State of Ohio, State Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2005-3 (Taylor Chair Realty Company, LLC Project) (Tax Exempt Bonds) to acquire and construct a 72,000 square foot manufacturing facility, including approximately 8,000 square feet of office space in the City of Bedford, Ohio. Taylor Chair will utilize the Project to manufacture office chairs and other furniture and related activities as its corporate headquarters. The Bonds are dated July 26, 2005 and bear interest at 4.08 – 4.85% per annum, payable semi annually on June and December 1, commencing December 1, 2005 and ending on June 1, 2025.

\$7,000,000 State of Ohio, State Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2005-4 (Dover Chemical Corporation Project)(Taxable Bonds) for the acquisition and installation of chemical production equipment for the manufacture of liquid phosphite at a manufacturing facility owned and operated by Dover Chemical Corporation in Dover, Ohio. The Bonds are dated September 21, 2005 and bear interest at 4.82% per annum, payable quarterly on March, June, September, and December 1, commencing December 1, 2005 and ending on September 1, 2012.

\$8,000,000 State of Ohio, State Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2005-5 (Rossford/Perrysburg Township Joint Economic Development Authority/Port Authority Project-OI Levis Park STS Inc.) (Taxable Bonds) to finance the costs of the construction, improvement and equipping of an approximately 100,000 square foot office building in Perrysburg, Ohio. The Bonds are dated November 17, 2005 and bear interest at 5.540% per annum, payable quarterly on March, June, September, and December 1, commencing on March 1, 2006 and ending on December 1, 2021.

\$5,000,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2006-1 (Summit County Port Authority – Lockheed Martin Project) (Taxable Bonds) to purchase equipment to be used in connection with the High Altitude Airship program to be awarded by the U.S. government. The Equipment will be located at the air dock facility in Akron Ohio owned by the Summit County Port Authority and leased to Lockheed Martin. The Bonds will provide for a portion of the purchase of the Equipment. The Bonds are dated February 1, 2006 and bear interest at 5.35% per annum, payable quarterly on March, June, September, and December 1, commencing on June 1, 2006 and ending on December 1, 2012.

\$4,830,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2006-2 (Hearth Grains Bakery, LLC Project) (Taxable Bonds) to finance the purchase of machinery and related baking equipment, to provide funds to acquire and renovate an approximately 66,000 square foot baking facility which will operate as a new bread baking facility in Springsboro, Ohio. The Bonds are dated February 8, 2006 and

bear interest at 5.84% per annum, payable quarterly on March, June, September, and December 1, commencing on March 1, 2006 and ending on December 1, 2025.

\$5,000,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2006-3 (EXAL Corporation Project) (Taxable Bonds) to construct, improve, and equip an approximately 178,000 square foot manufacturing facility in Youngstown, Ohio. The Bonds are dated February 16, 2006 and bear interest at 5.42% per annum, payable quarterly on March, June, September, and December 1, commencing on June 1, 2006.

2) The total principal amount of OEBF Bonds outstanding at the end of the Fiscal Year was \$166,405,000.

3) The following OEBF Bonds were subject to mandatory redemption during the Fiscal Year:

<u>Transaction</u>		<u>9/1/2005</u>	<u>12/1/2005</u>	<u>3/1/2006</u>	<u>6/1/2006</u>
1988-1	*	\$ -	\$ -	\$ -	\$ -
1989-1	*	\$ -	\$ -	\$ -	\$ -
1989-2	*	\$ -	\$ -	\$ -	\$ -
1989-3	*	\$ -	\$ -	\$ -	\$ -
1989-4 House of LaRose(East 49th)	*	\$ 160,000.00	\$ -	\$ -	\$ -
1990-1 Erie Terminal		\$ 25,000.00	\$ 25,000.00	\$ 30,000.00	\$ 30,000.00
1991-1 Kinetic Noise Control		\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
1991-4 Atlas Technical Finishes, Inc.		\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
1991-5 Royal Appliance Manufacturing	*	\$ -	\$ -	\$ -	\$ -
1991-7 Burrows Paper Corporation		\$ -	\$ 20,000.00	\$ -	\$ 20,000.00
1991-9 Royal Appliance Manufacturing		\$ -	\$ -	\$ -	\$ -
1993-5 Foremost Mgmt.		\$ 110,000.00	\$ 115,000.00	\$ 115,000.00	\$ 115,000.00
1994-2 Cheryl & Co.	*	\$ -	\$ -	\$ -	\$ -
1994-4 Orlando Baking Co.		\$ -	\$ -	\$ -	\$ -
1994-5 Consolidated Biscuit, Inc.	*	\$ -	\$ -	\$ -	\$ -
1994-6 Progressive Plastic Products		\$ -	\$ 90,000.00	\$ -	\$ 95,000.00
1995-1 J.J. & W. Partnership	**	\$ -	\$ 85,000.00	\$ -	\$ -
1996-2 Ohio Coatings, Co.		\$ 205,000.00	\$ 205,000.00	\$ 210,000.00	\$ 215,000.00
1998-1 General Casting Company	*				\$ -
1998-2 Hamilton CIC		\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 20,000.00
1998-3 E-BEAM	*	\$ -	\$ -	\$ -	\$ -
1998-4 OCHS Industries, Inc.	*	\$ -	\$ -	\$ -	\$ -
1998-5 Toledo Lucas County Port Authority		\$ 75,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
1999-1 NEO Beam Inc.		\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
1999-2 Euclid & Wickliffe Services		\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
2000-1 Scotts-Union Co		\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
2000-2 Timken Latrobe		\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 50,000.00
2001-1 Girindus		\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 85,000.00
2002-1 Seaman Corporation		\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
2002-2 Alloy Polymers, Inc.		\$ 255,000.00	\$ 260,000.00	\$ 265,000.00	\$ 270,000.00
2002-3 Milacron Inc.		\$ 255,000.00	\$ 260,000.00	\$ 260,000.00	\$ 265,000.00
2002-4 Astro Instrumentation LLC		\$ -	\$ 50,000.00	\$ -	\$ 50,000.00
2002-5 Dana Corporation		\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
2002-6 Farber Development I, LLC		\$ -	\$ 70,000.00	\$ -	\$ 70,000.00
2002-7 Kahiki Foods		\$ -	\$ 70,000.00	\$ -	\$ 75,000.00
2003-1 Trillium -St. Bernard		\$ 320,000.00	\$ 320,000.00	\$ 325,000.00	\$ 330,000.00

<u>Transaction</u>	<u>9/1/2005</u>	<u>12/1/2005</u>	<u>3/1/2006</u>	<u>6/1/2006</u>
2003-2 EXAL Corporation	\$ 150,000.00	\$ 155,000.00	\$ 155,000.00	\$ 155,000.00
2003-3 Patheon Pharmaceuticals Inc. *	\$ 715,000.00	\$ 720,000.00	\$ -	\$ -
2003-4 Burrows Paper Corporation	\$ 115,000.00	\$ 115,000.00	\$ 120,000.00	\$ 120,000.00
2003-5 Heidtman Steel	\$ 130,000.00	\$ 130,000.00	\$ 130,000.00	\$ 135,000.00
2003-6 Alliance Castings	\$ 340,000.00	\$ 345,000.00	\$ 350,000.00	\$ 350,000.00
2004-1 Engineered Plastics	\$ -	\$ -	\$ -	\$ -
2004-2 Luigino's, Inc.	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00
2004-3 SUMCO Phoenix Inc.	\$ 300,000.00	\$ 300,000.00	\$ 305,000.00	\$ 310,000.00
2004-4 Stone Container *	\$ 155,000.00	\$ 155,000.00	\$ 155,000.00	\$ 160,000.00
2005-1 Amantea Nonwovens, LLC	\$ -	\$ -	\$ -	\$ -
2005-2 Goodyear	\$ -	\$ -	\$ 55,000.00	\$ 170,000.00
2005-3 Taylor Chair	\$ -	\$ -	\$ -	\$ -
2005-4 Dover Chemical	\$ -	\$ -	\$ -	\$ -
2005-5 Owens-Illinois	\$ -	\$ -	\$ -	\$ -
2006-1 Lockheed Martin	\$ -	\$ -	\$ -	\$ -
2006-2 Hearth Grains	\$ -	\$ -	\$ -	\$ -
2006-3 EXAL Corporation	\$ -	\$ -	\$ -	\$ -

\*Bond issue retired

\*\* Bond issue defeased

- 4) No OEBF-Related Bonds were sold during the year:
- 5) The total principal amount of the OEBF-Related Bonds outstanding at the end of the 2006 Fiscal Year was \$2,415,000.00.
- 6) The following OEBF-Related Bonds were subject to mandatory redemption during the 2006 Fiscal Year:

Series 2000 - \$210,000 June 1, 2006

- 7) OEBF and OEBF-Related Bonds are not issued under the Trust Agreement, and therefore:
  - a) There are no Bond Service Charges with respect to the OEBF or OEBF-Related Bonds.
  - b) No deposits were made to accounts in the Bond Service Fund with respect to OEBF or OEBF-Related Bonds.

Respectfully submitted,

  
 JENNETTE B. BRADLEY  
 Treasurer of State of Ohio

Schedule A  
Economic Development (Liquor Profits) Bond Service Fund  
Statement of Activity  
For the Fiscal Year ended June 30, 2006

Balance July 1, 2005	\$ 9,549,713.26
Accrued Interest from Sale of Bonds	0.00
Excess Issuance Cost Applied to Debt Service	5,274.58
Amount Deposited from Pledged Liquor Receipts	28,876,375.25
Investment Earnings	405,108.19
Debt Service Payments	<u>(27,156,502.47)</u>
Balance June 30, 2006	\$ 11,679,968.81