



STATE OF OHIO SINKING FUND COMMISSION

Mary Taylor, Auditor of State

Jennifer Brunner, Secretary of State

Ted Strickland, Governor

Richard Cordray, Treasurer

Marc Dann, Attorney General

**Semi-Annual Report
January 1, 2007 to June 30, 2007**

Prepared by the Sinking Fund Commission
August 14, 2007

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

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August 14, 2007

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

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

The Commission prepared this report, which covers general obligation bond balances and activity, as of and for the six months ended June 30, 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 June 30, 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, January 1, 2007 through June 30, 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 June 30, 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



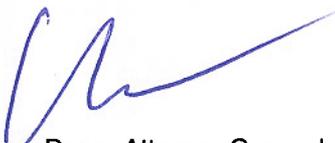
Jennifer Brunner, Secretary of State
Secretary



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 June 30, 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	150,000,000	295,000,000
Bonds Authorized, but not Issued	325,000,000	15,000,000	27,000,000
Bonds Matured	942,500,000	119,745,000	121,615,000
Outstanding Bonded Debt (B)	862,500,000	30,255,000	176,550,000
Total Interest Cost to Maturity	473,253,950	42,034,544	102,537,983
Interest Paid through 06/30/07	310,206,689	38,818,730	64,766,441
Remaining Interest through Maturity	163,047,261	3,215,814	37,771,542
Original Discount on			
Capital Appreciation Bonds	—	—	—
Accreted Principal Paid through 06/30/07	—	—	—
Remaining Discount through Maturity	—	—	—
Cash Balance in Bond Service Fund.....	10,440,957	15,422	6,119
Final Maturity Date	05/01/17	08/01/12	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	2,279,986,136
Bonds Authorized, but not Issued	855,000,000	957,000,000	240,013,864
Bonds Matured	382,830,000	329,400,000	942,805,125
Outstanding Bonded Debt (B)	2,899,860,000	1,669,060,000	1,333,936,840
Total Interest Cost to Maturity (C)	1,768,755,972	1,100,152,922	1,052,007,560
Interest Paid through 06/30/07	443,593,891	330,826,693	594,441,412
Remaining Interest through Maturity (C)	1,325,162,081	769,326,229	457,566,148
Original Discount on			
Capital Appreciation Bonds	—	—	281,518,034
Accreted Principal Paid through 06/30/07	—	—	121,554,874
Remaining Discount through Maturity	—	—	159,963,160
Cash Balance in Bond Service Fund.....	172,551	140,839	155,620
Final Maturity Date	09/15/26	11/01/26	03/01/26
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	\$200,000,000	\$90,000,000
Bonds Issued (A)	200,000,000	80,720,000	30,000,000
Bonds Authorized, but not Issued	—	119,280,000	60,000,000
Bonds Matured	24,935,000	10,000,000	3,000,000
Outstanding Bonded Debt (B)	175,065,000	70,720,000	27,000,000
Total Interest Cost to Maturity	79,699,014	17,386,590	5,724,035
Interest Paid through 06/30/07	18,224,381	1,447,343	442,005
Remaining Interest through Maturity	61,474,633	15,939,247	5,282,030
Original Discount on			
Capital Appreciation Bonds	—	—	—
Accreted Principal Paid through 06/30/07	—	—	—
Remaining Discount through Maturity	—	—	—
Cash Balance in Bond Service Fund.....	7,325	19,107	9,848
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 “Outstanding Bonded Debt” balance excludes bonds refunded, but includes refunding bonds in cases when issued. Also, not more than

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

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

STATE OF OHIO
SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST
AND ACCRETED PRINCIPAL PAID AND NET INTEREST RATE SWAP TRANSACTIONS
For the Six Months Ended June 30, 2007

Outstanding General Obligation Bond Principal, January 1, 2007:

Highway Capital Improvements Bonds.....	\$ 831,000,000
Coal Research and Development Projects Bonds	33,095,000
Natural Resources Capital Facilities Bonds	158,350,000
Common Schools Capital Facilities Bonds.....	2,728,595,000
Higher Education Capital Facilities Bonds.....	1,725,335,000
Public Infrastructure Capital Improvements Bonds	1,371,061,840
Conservation Projects Bonds	130,525,000
Third Frontier Research & Development Projects Bonds.....	50,000,000
Third Frontier Job Ready Site Development Bonds	30,000,000
<i>Total Outstanding, January 1, 2007.....</i>	<i>7,057,961,840</i>

General Obligation Bonds Issued- January 1 through June 30, 2007:

		<u>Date of Issue</u>
Common Schools Capital Facilities Bonds, Series 2007A	250,000,000	March 8, 2007
Highway Capital Improvements Bonds, Series K.....	190,000,000	April 11, 2007
Third Frontier Research & Development Projects Bonds, Series 2007A	30,720,000	June 5, 2007
Natural Resources Capital Facilities Bonds, Series L.....	30,000,000	June 21, 2007
Conservation Projects Bonds, Series 2007A.....	50,000,000	June 21, 2007
<i>Total Issues</i>	<i>550,720,000</i>	

General Obligation Bonds Matured- January 1 through June 30, 2007:

		<u>Date of Maturity</u>
<i>Highway Capital Improvements Bonds:</i>		
Series B.....	12,500,000	May 1, 2007
Series C	20,000,000	May 1, 2007
Series D	20,000,000	May 1, 2007
Series E.....	22,500,000	May 1, 2007
Series F.....	20,000,000	May 1, 2007
Series G	13,500,000	May 1, 2007
Series H	16,000,000	May 1, 2007
Series I.....	14,000,000	May 1, 2007
Series J.....	20,000,000	May 1, 2007
	158,500,000	
<i>Coal Research and Development Bonds:</i>		
Series E.....	1,270,000	February 1, 2007
Series H	1,570,000	February 1, 2007
	2,840,000	
<i>Natural Resources Capital Facilities Bonds:</i>		
Series C	3,600,000	April 1, 2007
Series D	2,000,000	April 1, 2007
Series E.....	1,840,000	April 1, 2007
Series F.....	1,185,000	April 1, 2007
Series I.....	1,785,000	April 1, 2007
Series K.....	1,390,000	April 1, 2007
	11,800,000	
<i>Common Schools Capital Facilities Bonds:</i>		
Series 2003A.....	9,790,000	March 15, 2007
Series 2003C	6,900,000	March 15, 2007
Series 2004B.....	6,505,000	March 15, 2007
Series 2005A.....	4,190,000	March 15, 2007
Series 2005B.....	4,190,000	March 15, 2007
Series 1999A.....	8,745,000	June 15, 2007
Series 2001A.....	8,035,000	June 15, 2007
Series 2003B.....	7,520,000	June 15, 2007
Series 2004A.....	8,045,000	June 15, 2007
Series 2005C	7,015,000	June 15, 2007
Series 2006B.....	3,900,000	June 15, 2007
Series 2006C	3,900,000	June 15, 2007
	78,735,000	

General Obligation Bonds Matured- January 1 through June 30, 2007
(Continued):

		<u>Date of Maturity</u>
Higher Education Capital Facilities Bonds:		
Series 2000A.....	8,400,000	February 1, 2007
Series 2001A.....	5,635,000	February 1, 2007
Series 2004B.....	4,930,000	February 1, 2007
Series 2005A.....	4,915,000	February 1, 2007
Series 2000B.....	8,150,000	May 1, 2007
Series 2003A.....	5,795,000	May 1, 2007
Series 2004A.....	5,855,000	May 1, 2007
Series 2005B.....	5,095,000	May 1, 2007
Series 2006A.....	7,500,000	May 1, 2007
	<u>56,275,000</u>	
Public Infrastructure Capital Improvements Bonds:		
Series 1998B.....	5,300,000	February 1, 2007
Series 1999A.....	5,085,000	February 1, 2007
Series 2000.....	4,520,000	February 1, 2007
Series 2003F.....	4,955,000	February 1, 2007
Series 2004A.....	650,000	February 1, 2007
Series 2002B.....	5,415,000	March 1, 2007
Series 2004D.....	4,200,000	March 1, 2007
Series 2006A.....	7,000,000	March 1, 2007
	<u>37,125,000</u>	
Conservation Projects Bonds:		
Series 2004A.....	2,795,000	March 1, 2007
Series 2005A.....	2,665,000	March 1, 2007
	<u>5,460,000</u>	
Third Frontier Research & Development Projects Bonds:		
Series 2006A.....	10,000,000	May 1, 2007
Third Frontier Job Ready Site Development Bonds:		
Series 2006A.....	3,000,000	May 1, 2007
<i>Total Maturities.....</i>	<u>363,735,000</u>	
Outstanding General Obligation Bond Principal, June 30, 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, June 30, 2007.....</i>	<u>\$7,244,946,840</u>	
Interest & Accreted Principal Paid, January 1 through June 30, 2007:		
	<u>Interest</u>	<u>Accreted Principal</u>
Highway Capital Improvements Bonds.....	\$ 19,561,374	\$ —
Coal Research and Development Bonds.....	621,060	—
Natural Resources Capital Facilities Bonds.....	3,116,409	—
Common Schools Capital Facilities Bonds.....	64,972,474	—
Higher Education Capital Facilities Bonds.....	40,774,200	—
Public Infrastructure Capital Improvements Bonds.....	28,580,552	—
Conservation Projects Bonds.....	2,842,848	—
Third Frontier Research & Development Projects Bonds.....	1,054,744	—
Third Frontier Job Ready Site Development Bonds.....	442,005	—
<i>Total Interest and Accreted Principal Paid.....</i>	<u>\$ 161,965,666</u>	<u>\$ —</u>
Interest Rate Swap Agreements-Net Receipts & Payments, January 1 through June 30, 2007:		
	<u>Net Swap Receipts</u>	<u>Net Swap Payments</u>
Common Schools Capital Facilities Bond Service Fund.....	\$ 550,558 *	\$ 795,151
State Capital Improvements Bond Service Fund.....	10,509,107	17,402,037
<i>Total Net Receipts and Payments.....</i>	<u>\$ 11,059,665</u>	<u>\$18,197,188</u>

*Note: The Sinking Fund Commission deposited the net swap receipts due June 15, 2007 in a custodial fund with the Treasurer of State. As of June 30, 2007, the receipts remained on deposit in this fund pending transfer to the Common Schools Capital Facilities Bond Service Fund in state fiscal year 2008.

STATE OF OHIO
SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BOND PRINCIPAL BALANCES
THROUGH FINAL SCHEDULED MATURITY
As of June 30, 2007

As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public Infrastructure Capital Improvements	Conservation Projects	Third Frontier Research & Development Projects	Third Frontier Job Ready Site Development	Total Outstanding
06/30/07	\$862,500,000	\$30,255,000	\$176,550,000	\$2,899,860,000	\$1,669,060,000	\$1,333,936,840	\$175,065,000	\$70,720,000	\$27,000,000	\$7,244,946,840
06/30/08	697,500,000	24,380,000	160,425,000	2,769,170,000	1,589,085,000	1,235,190,254	166,425,000	62,160,000	24,405,000	6,728,740,254
06/30/09	552,500,000	18,295,000	141,475,000	2,635,505,000	1,506,425,000	1,136,576,212	155,425,000	53,365,000	21,735,000	6,221,301,212
06/30/10	427,500,000	11,975,000	121,505,000	2,496,880,000	1,420,195,000	1,030,790,636	143,595,000	44,195,000	18,965,000	5,715,600,636
06/30/11	325,000,000	6,970,000	102,645,000	2,353,340,000	1,330,325,000	934,282,848	131,335,000	34,615,000	16,075,000	5,234,587,848
06/30/12	242,500,000	1,770,000	83,035,000	2,203,975,000	1,236,635,000	837,155,915	118,600,000	24,615,000	13,085,000	4,761,370,915
06/30/13	160,000,000	-	67,455,000	2,048,740,000	1,138,500,000	751,163,266	105,355,000	14,140,000	9,980,000	4,295,333,266
06/30/14	91,000,000	-	51,300,000	1,887,080,000	1,035,675,000	650,956,998	91,530,000	10,875,000	6,780,000	3,825,196,998
06/30/15	38,000,000	-	37,365,000	1,733,845,000	927,695,000	560,358,600	77,045,000	7,440,000	3,450,000	3,385,198,600
06/30/16	19,000,000	-	25,550,000	1,573,685,000	841,035,000	472,735,000	61,805,000	3,820,000	-	2,997,630,000
06/30/17	-	-	15,065,000	1,406,465,000	749,920,000	388,875,000	45,925,000	-	-	2,606,250,000
06/30/18	-	-	4,120,000	1,231,780,000	654,255,000	311,455,000	33,980,000	-	-	2,235,590,000
06/30/19	-	-	2,100,000	1,049,215,000	553,935,000	250,040,000	21,480,000	-	-	1,876,770,000
06/30/20	-	-	-	858,270,000	448,525,000	196,090,000	12,850,000	-	-	1,515,735,000
06/30/21	-	-	-	673,650,000	338,005,000	149,270,000	8,775,000	-	-	1,169,700,000
06/30/22	-	-	-	481,025,000	234,100,000	100,300,000	4,495,000	-	-	819,920,000
06/30/23	-	-	-	296,150,000	138,785,000	58,795,000	-	-	-	493,730,000
06/30/24	-	-	-	168,700,000	76,700,000	33,430,000	-	-	-	278,830,000
06/30/25	-	-	-	80,520,000	33,595,000	16,220,000	-	-	-	130,335,000
06/30/26	-	-	-	17,580,000	11,505,000	-	-	-	-	29,085,000
06/30/27	-	-	-	-	-	-	-	-	-	-

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 June 30, 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 June 30, 2007 are as follows.

Issue	Date of Issue	Par Amount	Premium	Under-writer's Discount	Cost of Issuance	Net Bond Proceeds
Common Schools Capital Facilities Bonds, Series 2007A	03/08/07	\$250,00,000.	\$10,932,703	\$ (520,084)	\$ (242,000)	\$260,170,619
Highway Capital Improvements Bonds, Series K	04/11/07	190,000,000.	8,482,669	(821,450)	(238,232)	197,422,987
Third Frontier Research & Development Projects Bonds, Series 2007A	06/05/07	30,720,000.	37,882	(135,830)	(122,052)	30,500,000
Natural Resources Capital Facilities Bonds, Series L.....	06/21/07	30,000,000.	471,604	(137,604)	(82,000)	30,252,000
Conservation Projects Bonds, Series 2007A	06/21/07	50,000,000.	1,439,857	(231,629)	(95,000)	51,113,228
		<u>\$550,720,000.</u>	<u>\$21,364,715</u>	<u>\$(1,846,597)</u>	<u>\$(779,284)</u>	<u>\$569,438,834</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, 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 June 30, 2007		\$2,130,000,000

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 June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$165,000,000	\$ 40,977,409	\$ 205,977,409
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.....	\$862,500,000	\$163,047,261	\$1,025,547,261

STATE OF OHIO
SCHEDULE OF HIGHWAY CAPITAL IMPROVEMENTS BONDS
As of June 30, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 11/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	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	-	51,016,667	50,016,667	1,000,000
D	06/01/99	05/01/00	05/01/09	4.4346%	200,000,000	160,000,000	40,000,000	-	46,895,833	44,195,833	2,700,000
E	04/01/00	05/01/01	05/01/10	5.0475%	225,000,000	157,500,000	67,500,000	-	67,877,344	60,367,969	7,509,375
F	02/01/01	05/01/02	05/01/11	4.1271%	200,000,000	120,000,000	80,000,000	-	57,171,324	46,984,967	10,186,357
G	12/04/02	05/01/04	05/01/13	3.7500%	135,000,000	54,000,000	81,000,000	-	38,185,816	23,955,686	14,230,130
H	03/04/04	05/01/05	05/01/14	2.9603%	160,000,000	48,000,000	112,000,000	-	42,039,742	20,474,952	21,564,790
I	05/18/05	05/01/06	05/01/15	3.5103%	140,000,000	28,000,000	112,000,000	-	36,241,844	11,814,282	24,427,562
J	03/08/06	05/01/07	05/01/15	3.7830%	180,000,000	20,000,000	160,000,000	-	40,516,925	8,540,527	31,976,398
K	04/11/07	05/01/08	05/01/17	3.8404%	190,000,000	-	190,000,000	-	49,452,649	-	49,452,649
TOTAL					\$ 1,805,000,000	\$ 942,500,000	\$ 862,500,000	\$ -	\$ 473,253,950	\$ 310,206,689	\$ 163,047,261

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 June 30, 2007**

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION SEPTEMBER 1996
CASH BALANCE, JANUARY 1, 2007.....	\$ 115,091,331	
CASH INFLOWS:		
Transfers from Other State Funds.....	\$ 63,039,043	\$ 1,194,432,493
Original Issue Premium Applied to Debt Service.....	7,422,987	43,662,415
Accrued Interest on Bonds Sold.....	-	1,875,117
Deposit of Bond Proceeds		
Not Needed for Bond Issue Costs.....	-	81,112
Interest Earnings.....	2,986,514	23,874,684
TOTAL CASH INFLOWS.....	73,448,544	1,263,925,821
CASH OUTFLOWS:		
Principal Paid.....	158,500,000	942,500,000
Interest Paid.....	19,561,374	310,206,689
Bond Sale and Miscellaneous Expenses.....	37,544	778,175
TOTAL CASH OUTFLOWS.....	178,098,918	1,253,484,864
CASH BALANCE, JUNE 30, 2007.....	\$ 10,440,957	\$ 10,440,957

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 June 30, 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 June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$ 5,875,000	\$1,089,569	\$ 6,964,569
2009.....	6,085,000	868,355	6,953,355
2010.....	6,320,000	635,638	6,955,638
2011.....	5,005,000	384,313	5,389,313
2012.....	5,200,000	200,327	5,400,327
2013.....	1,770,000	37,612	1,807,612
Total.....	\$30,255,000	\$3,215,814	\$33,470,814

STATE OF OHIO
SCHEDULE OF COAL RESEARCH AND DEVELOPMENT BONDS
As of June 30, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 08/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	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	-	3,358,622	2,927,122	431,500	
F	08/01/01	08/01/02	08/01/11	4.0330%	15,000,000	6,920,000	8,080,000	1,485,000	3,808,725	2,899,440	909,285	
G	05/01/02	08/01/03	08/01/12	3.9950%	15,000,000	5,370,000	9,630,000	1,455,000	3,504,175	2,280,471	1,223,704	
H	04/01/04	02/01/05	02/01/12	2.3885%	13,000,000	4,695,000	8,305,000	-	1,390,750	739,425	651,325	
TOTAL										\$ 38,818,730	\$ 42,034,544	\$ 3,215,814

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 H bonds reflect the true interest cost.

STATE OF OHIO
COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended June 30, 2007

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION AUGUST 1986
CASH BALANCE, JANUARY 1, 2007.....	\$ 20,134	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 3,461,060	\$ 158,574,024
Accrued Interest on Bonds Sold.....	-	207,442
Royalties from Research and Development Grants.....	3,334	59,642
Interest Earnings.....	1,340	174,649
TOTAL CASH INFLOWS.....	3,465,734	159,015,757
CASH OUTFLOWS:		
Principal Paid.....	2,840,000	119,745,000
Interest Paid.....	621,060	38,818,730
Bond Sale and Miscellaneous Expenses.....	9,386	436,605
TOTAL CASH OUTFLOWS.....	3,470,446	159,000,335
CASH BALANCE, JUNE 30, 2007.....	\$ 15,422	\$ 15,422

Note:

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 June 30, 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.

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 June 30, 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 June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$ 16,125,000	\$ 6,615,318	\$ 22,740,318
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	23,561,311
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.....	\$176,550,000	\$37,771,542	\$214,321,541

STATE OF OHIO
SCHEDULE OF NATURAL RESOURCES CAPITAL FACILITIES BONDS
As of June 30, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 10/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	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	-	7,128,417	6,835,917	292,500
E	06/01/00	04/01/01	04/01/10	5.2186%	30,000,000	11,240,000	12,640,000	6,120,000	-	7,500,231	6,869,994	630,237
F	08/01/01	04/01/02	04/01/16	4.4462%	20,000,000	6,715,000	2,990,000	10,295,000	-	6,788,663	4,200,943	2,587,720
G	03/15/02	10/01/03	10/01/17	4.9054%	30,000,000	6,555,000	4,470,000	18,975,000	1,750,000	10,225,823	5,375,654	4,850,169
H	08/15/02	10/01/03	10/01/10	2.9924%	17,640,000	3,860,000	-	13,780,000	5,655,000	3,490,840	2,651,912	838,928
I	06/17/03	04/01/05	04/01/18	3.2244%	30,000,000	5,195,000	-	24,805,000	-	10,030,364	3,909,459	6,120,905
J	09/28/04	04/01/05	10/01/14	3.3163%	47,425,000	1,465,000	-	45,960,000	200,000	12,534,771	4,315,996	8,218,775
K	03/01/05	04/01/06	04/01/20	3.5730%	25,000,000	2,685,000	-	22,315,000	-	7,812,048	1,742,072	6,069,976
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	\$ 121,615,000	\$ 61,900,000	\$ 176,550,000	\$ 7,605,000	\$ 102,537,983	\$ 64,766,441	\$ 37,771,542

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 June 30, 2007**

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION OCTOBER 1994
CASH BALANCE, JANUARY 1, 2007.....	\$ 15,226	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 14,916,409	\$ 185,205,240
Original Issue Premium Applied to Debt Service.....	-	1,093,159
Accrued Interest on Bonds Sold.....	-	418,719
Deposit of Bond Proceeds		
Not Needed for Bond Issue Costs.....	-	37,382
Interest Earnings.....	279	52,485
TOTAL CASH INFLOWS.....	14,916,688	186,806,985
CASH OUTFLOWS:		
Principal Paid.....	11,800,000	121,615,000
Interest Paid.....	3,116,409	64,766,441
Bond Sale and Miscellaneous Expenses.....	9,386	419,425
TOTAL CASH OUTFLOWS.....	14,925,795	186,800,866
CASH BALANCE, JUNE 30, 2007.....	\$ 6,119	\$ 6,119

Note:

In addition to the June 30, 2007, cash balance reported above for the Natural Resources Projects Bond Service Fund, the Sinking Fund Commission had \$2,312 in cash and investments on hand in the Commission's custodial fund with the Treasurer of State's Office. This balance, which was transferred to the Natural Resources Projects Bond Service Fund in July 2007, represents investment earnings.

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 June 30, 2007		\$4,145,000,000

Future bond service requirements for the Common Schools Capital Facilities Bonds, as of June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest*	Total
2008.....	\$ 130,690,000	\$ 134,800,363	\$ 265,490,363
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.....	\$2,899,860,000	\$1,325,162,081	\$4,225,022,081

*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 June 30, 2007

CURRENT INTEREST BONDS													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 09/15/07	Principal Maturing on 12/15/07	Total Interest to Maturity	Interest Paid through 06/30/07	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	\$ -	\$ -	\$ 36,151,966	\$ 34,544,876	\$ 1,607,090
2001A	01/15/01	06/15/01	06/15/14	4.5250%	200,000,000	52,895,000	89,040,000	58,085,000	-	-	56,404,592	44,444,142	11,960,450
2001B	08/15/01	09/15/02	09/15/21	4.7040%	200,000,000	35,105,000	-	164,895,000	7,555,000	-	122,602,300	51,311,727	71,290,573
2002A	03/15/02	09/15/02	09/15/22	4.7968%	200,000,000	29,155,000	-	170,845,000	7,775,000	-	125,250,231	46,844,100	78,406,131
2002B	08/15/02	09/15/03	09/15/22	4.1586%	200,000,000	30,015,000	-	169,985,000	7,920,000	-	106,380,390	37,900,183	68,480,207
2003A	02/20/03	03/15/04	03/15/23	4.2525%	250,000,000	38,230,000	-	211,770,000	-	-	143,171,039	46,770,739	96,400,300
2003B	08/07/03	06/15/05	06/15/23	4.3501%	200,000,000	21,885,000	-	178,115,000	-	-	118,546,591	35,083,695	83,462,896
2003C	12/15/03	03/15/05	03/15/19	3.5640%	133,000,000	21,670,000	-	111,330,000	-	-	57,227,516	18,775,253	38,452,263
2003E	01/23/04	09/15/09	09/15/13	3.2380%	58,235,000	-	-	58,235,000	-	-	22,548,461	9,155,836	13,392,625
2004A	04/13/04	06/15/05	06/15/24	4.0442%	200,000,000	22,995,000	9,735,000	167,270,000	-	-	109,066,315	27,955,252	81,111,063
2004B	09/28/04	03/15/05	03/15/24	4.1748%	200,000,000	23,570,000	-	176,430,000	-	-	112,985,152	23,379,652	89,605,500
2004C	09/28/04	09/15/10	09/15/14	3.4579%	18,880,000	-	-	18,880,000	-	-	7,528,911	2,325,911	5,203,000
2005C	08/23/05	06/15/06	06/15/25	4.2020%	200,000,000	13,100,000	-	186,900,000	-	-	107,353,439	15,584,250	91,769,189
2005D	08/23/05	09/15/14	09/15/19	3.9234%	71,900,000	-	-	71,900,000	-	-	46,426,814	6,173,414	40,253,400
2006A	02/01/06	09/15/06	09/15/25	4.0932%	200,000,000	6,150,000	-	193,850,000	7,280,000	-	107,773,584	10,376,959	97,396,625
2006D	10/11/06	09/15/07	09/15/26	4.1104%	250,000,000	-	-	250,000,000	10,000,000	-	134,045,666	5,088,982	128,956,684
2007A	03/08/07	06/15/08	06/15/26	4.1467%	250,000,000	-	-	250,000,000	-	-	131,843,719	3,176,669	128,667,050
TOTAL					\$ 2,972,015,000	\$ 358,300,000	\$ 156,325,000	\$ 2,457,390,000	\$ 40,530,000	\$ -	\$ 1,545,306,686	\$ 418,891,640	\$ 1,126,415,046

VARIABLE RATE BONDS													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 09/15/07	Principal Maturing on 12/15/07	Total Estimated Interest to Maturity	Interest Paid through 06/30/07	Remaining Interest through Maturity
2003D	12/15/03	03/15/20	03/15/24	(C)	\$ 67,000,000	\$ -	\$ -	\$ 67,000,000	\$ -	\$ -	\$ 45,181,110	\$ 5,334,875	\$ 39,846,235
2005A	04/01/05	03/15/06	03/15/25	(D)	100,000,000	8,365,000	-	91,635,000	-	-	43,466,824	6,017,424	37,449,400
2005B	04/01/05	03/15/06	03/15/25	(D)	100,000,000	8,365,000	-	91,635,000	-	-	43,379,708	5,930,308	37,449,400
2006B	06/15/06	06/15/07	06/15/26	(E)	100,000,000	3,900,000	-	96,100,000	-	-	45,709,137	3,708,137	42,001,000
2006C	06/15/06	06/15/07	06/15/26	(E)	100,000,000	3,900,000	-	96,100,000	-	-	45,712,507	3,711,507	42,001,000
TOTAL					\$ 467,000,000	\$ 24,530,000	\$ -	\$ 442,470,000	\$ -	\$ -	\$ 223,449,286	\$ 24,702,251	\$ 198,747,035
GRAND TOTAL					\$ 3,439,015,000	\$ 382,830,000	\$ 156,325,000	\$ 2,899,860,000	\$ 40,530,000	\$ -	\$ 1,768,755,972	\$ 443,593,891	\$ 1,325,162,081

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 applies until mid-September 2007 at which time the bonds are 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 14, 2007, and an estimated 4.00-percent adjustable rate effective from September 14, 2007 through the last maturity on March 15, 2024.

The State has entered into a fixed to floating interest rate swap agreement that will be in effect until September 1, 2007. Under the agreement, the counterparties pay the 2.665-percent fixed rate while the State pays the counterparties 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 2003D bonds and through June 30, 2007, the State has received \$1,186,897 and paid \$645,388 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.

The State has entered into a floating to fixed interest rate swap agreement that will be in effect until March 15, 2025. Under the agreement, the State pays the 4.081-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 2005A and Series 2005B bonds and through June 30, 2007, the State has paid \$1,807,582 and \$1,807,582, 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 the 3.202-percent fixed rate to the counterparties while the counterparties pay a variable rate on the basis of the London Inter-Bank Offer Rate (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 June 30, 2007, the State has received \$556,441 and \$556,441, 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; however, net swap payments received in June 2007 relative to the Series 2006B and Series 2006C bonds in the amounts of \$275,279 and \$275,279, respectively, were on deposit in the Sinking Fund Commission's Bond Clearance Fund in the Treasurer of State's custody, as of June 30, 2007, while pending transfer to the bond service fund in July 2007.

STATE OF OHIO
COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND
Cash Flow Statement
For the Six Months Ended June 30, 2007

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION DECEMBER 1999
CASH BALANCE, JANUARY 1, 2007.....	\$ 980,641	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 133,673,701	\$ 720,426,178
Original Issue Premium Applied to Debt Service.....	10,170,620	106,931,513
Accrued Interest on Bonds Sold.....	-	1,501,660
Net Receipts from Swap Agreements.....	-	1,749,195
Deposit of Bond Proceeds		
Not Needed for Bond Issue Costs.....	-	181,291
Interest Earnings.....	19,506	833,535
TOTAL CASH INFLOWS.....	143,863,827	831,623,372
CASH OUTFLOWS:		
Principal Paid.....	78,735,000	382,830,000
Interest Paid.....	64,972,474	443,593,891
Net Payments under Swap Agreements.....	795,151	4,260,553
Bond Sale and Miscellaneous Expenses.....	169,292	766,377
TOTAL CASH OUTFLOWS.....	144,671,917	831,450,821
CASH BALANCE, JUNE 30, 2007.....	\$ 172,551	\$ 172,551

Note:

In addition to the June 30, 2007, cash balance reported above for the Common Schools Capital Facilities Bond Service Fund, the Sinking Fund Commission had \$592,909 in cash and investments on hand in the Commission's custodial fund with the Treasurer of State's Office . The following items comprise the \$592,909 balance, which was transferred to the Common Schools Capital Facilities Bond Service Fund in July 2007.

Net Swap Receipts.....	\$	550,558
Investment Earnings.....		3,055
Net Over-Estimate of Fees, Swap Payments, and Variable Rate Interest Payments		
Originally Disbursed from the Common Schools Capital Facilities Bond Service Fund.....		39,296
Total Cash and Investments, as of June 30, 2007.....	\$	592,909

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 June 30, 2007		\$2,957,000,000

Future bond service requirements for the Higher Education Capital Facilities Bonds, as of June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$ 79,975,000	\$ 80,637,315	\$ 160,612,315
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.....	\$1,669,060,000	\$769,326,229	\$2,438,386,229

STATE OF OHIO
SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS
As of June 30, 2007

CURRENT INTEREST BONDS													
Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 08/01/07	Principal Maturing on 11/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	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	\$ -	\$ -	\$ 64,654,500	\$ 43,613,800	\$ 21,040,700
2000B	11/01/00	05/01/01	05/01/10	5.0604%	150,000,000	66,640,000	56,200,000	27,160,000	-	-	29,954,038	27,018,426	2,935,612
2001A	04/01/01	02/01/02	02/01/21	4.8344%	150,000,000	31,755,000	49,810,000	68,435,000	-	-	67,422,383	37,170,558	30,251,825
2001B	10/01/01	11/01/02	11/01/21	4.4619%	175,000,000	31,505,000	-	143,495,000	-	6,985,000	100,886,149	42,281,430	58,604,719
2002A	05/01/02	08/01/03	11/01/22	4.7918%	150,000,000	19,675,000	-	130,325,000	5,425,000	-	95,673,678	33,937,541	61,736,137
2002B	11/14/02	11/01/03	11/01/22	4.4916%	175,000,000	25,550,000	-	149,450,000	-	7,065,000	105,520,580	36,917,145	68,603,435
2002C	11/21/02	11/01/10	11/01/14	3.6478%	54,975,000	-	-	54,975,000	-	-	29,944,521	13,212,333	16,732,188
2003A	06/05/03	05/01/05	05/01/23	3.9450%	150,000,000	16,710,000	-	133,290,000	-	-	88,535,783	26,243,014	62,292,769
2004A	04/01/04	05/01/05	05/01/24	3.7685%	150,000,000	21,140,000	-	128,860,000	-	-	74,072,298	18,134,230	55,938,068
2004B	09/23/04	02/01/05	02/01/24	4.2010%	150,000,000	18,710,000	-	131,290,000	-	-	82,599,112	16,176,342	66,422,770
2005A	03/24/05	02/01/06	02/01/25	4.2516%	150,000,000	11,900,000	-	138,100,000	-	-	86,351,392	12,851,139	73,500,253
2005B	09/29/05	05/01/06	05/01/25	4.1350%	150,000,000	12,615,000	-	137,385,000	-	-	78,663,291	10,248,501	68,404,790
2005C	09/29/05	08/01/11	08/01/16	3.6526%	49,495,000	-	-	49,495,000	-	-	20,566,677	3,215,877	17,350,800
2006A	04/27/06	05/01/07	05/01/26	4.4320%	150,000,000	7,500,000	-	142,500,000	-	-	86,288,997	7,109,359	79,179,638
2006B	12/19/06	11/01/07	11/01/26	4.1520%	150,000,000	-	-	150,000,000	-	5,000,000	89,029,523	2,696,998	86,332,525
TOTAL					\$ 2,104,470,000	\$ 329,400,000	\$ 106,010,000	\$ 1,669,060,000	\$ 5,425,000	\$ 19,050,000	\$ 1,100,152,922	\$ 330,826,693	\$ 769,326,229

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
	\$ 56,200,000		\$ 49,810,000		\$ 106,010,000

(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 June 30, 2007**

	<u>JANUARY 1, 2007 THROUGH JUNE 30, 2007</u>	<u>CUMULATIVE SINCE INCEPTION FEBRUARY 2000</u>
CASH BALANCE, JANUARY 1, 2007.....	\$ 10,799,318	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 86,356,882	\$ 584,420,132
Original Issue Premium Applied to Debt Service.....	-	73,983,285
Accrued Interest on Bonds Sold.....	-	1,626,556
Deposit of Bond Proceeds		
Not Needed for Bond Issue Costs.....	-	106,669
Interest Earnings.....	71,383	563,049
TOTAL CASH INFLOWS.....	86,428,265	660,699,691
CASH OUTFLOWS:		
Principal Paid.....	56,275,000	329,400,000
Interest Paid.....	40,774,200	330,826,693
Bond Sale and Miscellaneous Expenses.....	37,544	332,159
TOTAL CASH OUTFLOWS.....	97,086,744	660,558,852
CASH BALANCE, JUNE 30, 2007.....	\$ 140,839	\$ 140,839

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 June 30, 2007		<u>\$2,520,000,000</u>

Future bond service requirements for the Public Infrastructure Capital Improvements Bonds, as of June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest*	Total
2008.....	\$ 118,145,000	\$ 56,230,268	\$ 174,375,268
2009.....	121,730,000	52,774,081	174,504,081
2010.....	125,635,000	49,062,579	174,697,579
2011.....	119,525,000	44,971,533	164,496,533
2012.....	123,820,000	40,866,144	164,686,144
2013-2017	496,170,000	144,812,816	640,982,816
2018-2022	288,575,000	59,374,503	347,949,503
2023-2027	100,300,000	9,474,224	109,774,224
	1,493,900,000	457,566,148	1,951,466,148
Original Discount Applicable to Outstanding Capital Appreciation Bonds	(159,963,160)	—	(159,963,160)
Total.....	<u>\$1,333,936,840</u>	<u>\$457,566,148</u>	<u>\$1,791,502,988</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.

STATE OF OHIO
SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS
As of June 30, 2007

CURRENT INTEREST BONDS													
Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 08/01/07	Principal Maturing on 09/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	Remaining Interest through Maturity
1988	12/01/88	09/01/89	09/01/92	7.1800%	\$ 120,000,000	\$ 21,335,000	\$ 98,665,000	\$ -	\$ -	\$ -	\$ 3,126,133	\$ 3,126,133	\$ -
1989	12/01/89	09/01/90	09/01/09	6.5870%	70,000,000	60,550,000	-	9,450,000	-	2,940,000	36,638,629	35,668,062	970,567
1991	12/01/91	08/01/92	08/01/01	6.2935%	79,975,000	62,250,000	17,725,000	-	-	-	22,636,876	22,636,876	-
1992	12/01/92	08/01/93	08/01/12	7.1152%	91,720,000	57,945,000	17,405,000	16,370,000	-	-	42,485,717	38,116,172	4,369,545
1992R	12/01/92	09/01/93	09/01/03	7.0015%	90,855,000	90,855,000	-	-	-	-	26,267,079	26,267,079	-
1993	11/01/93	08/01/94	08/01/03	5.1640%	94,575,000	41,215,000	53,360,000	-	-	-	35,911,961	35,911,961	-
1994	02/01/94	08/01/94	08/01/10	5.1640%	120,000,000	51,455,000	60,610,000	-	-	-	49,377,380	47,711,030	1,666,350
1995	01/01/95	08/01/95	08/01/05	6.1297%	98,505,000	52,030,000	46,475,000	-	-	-	26,946,049	26,946,049	-
1996	01/01/96	08/01/96	08/01/15	5.0609%	108,835,000	48,025,000	60,810,000	-	-	-	34,567,050	34,567,050	-
1997	01/01/97	08/01/97	08/01/14	5.2307%	120,000,000	39,510,000	57,965,000	-	5,945,000	-	48,840,152	42,482,196	6,357,956
1997R	01/01/98	02/01/98	08/01/14	4.9204%	44,400,000	7,505,000	-	36,895,000	-	-	27,279,372	18,159,178	9,120,194
1998A	01/01/98	08/01/98	08/01/12	4.6670%	120,000,000	38,430,000	49,405,000	32,165,000	5,615,000	-	40,521,071	35,602,801	4,918,270
1998B	07/01/98	02/01/99	02/01/14	4.9055%	120,000,000	39,895,000	59,150,000	20,955,000	-	-	37,910,656	32,513,431	5,397,225
1998R	08/01/98	08/01/99	08/01/07	4.5317%	10,850,000	7,010,000	-	3,840,000	3,840,000	-	3,439,525	3,357,925	81,600
1999	09/15/99	02/01/00	02/01/10	5.4396%	120,000,000	29,120,000	73,940,000	16,940,000	-	-	28,878,175	27,097,960	1,780,215
2000	10/15/00	02/01/01	02/01/10	5.3026%	120,000,000	32,555,000	72,420,000	15,025,000	-	-	19,533,930	17,865,443	1,668,487
2001A	11/15/01	08/01/03	02/01/20	4.1967%	56,100,000	17,190,000	-	38,910,000	4,760,000	-	19,960,718	12,506,711	7,454,007
2002A	08/15/02	02/01/13	02/01/20	4.3584%	59,920,000	-	-	59,920,000	-	-	46,675,147	14,513,835	32,161,312
2002B	11/01/02	03/01/04	03/01/21	4.5198%	120,000,000	20,600,000	62,855,000	36,545,000	-	-	21,728,874	12,948,412	8,780,462
2003A	02/01/03	08/01/03	08/01/15	3.3043%	233,585,000	46,945,000	-	186,640,000	23,130,000	-	74,381,163	41,778,113	32,603,050
2003C	02/26/03	08/01/04	08/01/08	3.2866%	11,630,000	6,665,000	-	4,965,000	2,455,000	-	2,046,618	1,796,993	249,625
2003F (A)	12/04/03	02/01/05	02/01/23	4.1883%	120,000,000	14,570,000	9,070,000	96,360,000	-	-	55,864,788	13,707,640	42,157,148
2004C	10/05/04	08/01/09	08/01/14	3.4246%	39,530,000	-	-	39,530,000	-	-	13,926,622	4,589,872	9,336,750
2004D	12/01/04	03/01/05	03/01/24	4.5512%	120,000,000	12,830,000	-	107,170,000	-	-	12,086,478	12,086,478	53,574,775
2005A	12/01/05	09/01/06	09/01/25	4.4230%	120,000,000	3,850,000	-	116,150,000	-	4,000,000	69,338,270	6,954,961	62,383,309
2006A	11/16/06	03/01/07	03/01/26	4.3310%	120,000,000	7,000,000	-	113,000,000	-	-	62,804,140	1,614,065	61,190,075
TOTAL					\$ 2,530,480,000	\$ 809,335,000	\$ 739,855,000	\$ 981,290,000	\$ 45,745,000	\$ 6,940,000	\$ 916,747,348	\$ 570,526,426	\$ 346,220,922

CAPITAL APPRECIATION BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 08/01/07	Principal Maturing on 09/01/07	Total Discount	Accrued Principal Paid through 06/30/07	Remaining Discount through Maturity
1989	12/01/89	09/01/95	09/01/09	6.5870%	\$ 49,999,935	\$ 43,613,350	\$ -	\$ 6,386,585	\$ -	\$ 2,270,095	\$ 58,370,064	\$ 43,086,649	\$ 15,283,415
1991	12/01/91	08/01/99	08/01/11	6.2935%	40,020,445	26,468,988	-	13,551,457	2,832,548	-	56,229,555	27,031,013	29,198,542
1992	12/01/92	08/01/00	08/01/12	7.1152%	28,275,727	16,965,193	-	11,310,534	2,114,008	-	36,194,273	14,679,807	21,514,466
1992R	12/01/92	09/01/99	09/01/00	7.0015%	7,800,739	7,800,739	-	-	-	-	13,509,261	13,509,261	-
1993	11/01/93	08/01/95	08/01/13	5.1640%	25,420,844	16,816,870	-	8,603,974	600,902	-	24,829,156	5,238,129	19,591,027
1995	01/01/95	08/01/02	08/01/14	6.1297%	21,494,889	10,475,360	-	11,019,529	1,852,511	-	26,540,111	7,569,640	18,970,471
1996	01/01/96	08/01/04	08/01/15	5.0609%	11,164,295	3,034,978	-	8,129,317	844,575	-	11,850,705	1,725,022	10,125,683
1997R	01/01/98	08/01/03	08/01/08	5.2307%	5,860,670	4,427,717	-	1,432,953	796,642	-	10,064,330	6,357,283	3,707,047
1998R	08/01/98	08/01/08	08/01/08	4.5317%	1,784,986	-	-	1,784,986	-	-	2,400,014	-	2,400,014
2003C	02/26/03	08/01/11	08/01/12	3.2866%	6,241,829	-	-	6,241,829	-	-	19,673,171	-	19,673,171
2003E	03/20/03	08/01/04	08/01/12	3.2313%	2,718,755	1,806,930	-	911,825	295,307	-	13,976,245	2,358,070	11,618,175
2004B	03/03/04	02/01/10	02/01/11	3.6346%	308,851	-	-	308,851	-	-	7,881,149	-	7,881,149
TOTAL													
					\$ 201,091,965	\$ 131,410,125	\$ -	\$ 69,681,840	\$ 9,336,493	\$ 2,270,095	\$ 281,518,034	\$ 121,554,874	\$ 159,963,160

VARIABLE RATE BONDS

Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Principal Refunded through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 08/01/07	Principal Maturing on 09/01/07	Total Estimated Interest to Maturity	Interest Paid through 06/30/07	Remaining Interest through Maturity
2001B	11/29/01	08/01/14	08/01/21	(B)	\$ 63,900,000	\$ -	\$ -	\$ 63,900,000	\$ -	\$ -	\$ 35,036,019	\$ 6,318,019	\$ 28,718,000
2003B	02/26/03	08/01/09	08/01/17	(C)	104,315,000	-	-	104,315,000	-	-	42,509,937	8,629,751	33,880,186
2003D	03/20/03	02/01/11	02/01/19	(D)	58,085,000	-	-	58,085,000	-	-	24,784,244	4,768,404	20,015,840
2004A	03/03/04	02/01/05	02/01/23	(E)	58,725,000	2,060,000	-	56,665,000	-	-	32,930,012	4,198,812	28,731,200
TOTAL					\$ 285,025,000	\$ 2,060,000	\$ -	\$ 282,965,000	\$ -	\$ -	\$ 135,260,212	\$ 23,914,986	\$ 111,345,226
GRAND TOTAL					\$ 3,016,596,965	\$ 942,805,125	\$ 739,855,000	\$ 1,333,936,840	\$ 55,081,493	\$ 9,210,095	\$ 1,333,525,594	\$ 715,996,286	\$ 617,529,308

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 June 30, 2007, the State has received \$476,082 and paid \$227,756 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 June 30, 2007, the State has paid \$8,939,987 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 June 30, 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, 2008, 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 June 30, 2007, the State has paid \$4,072,021 and received \$565,302 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 June 30, 2007, the State has paid \$2,314,376 and received \$271,209 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 one-month LIBOR+25 basis-points, if the average is below 5.00 percent or 68 percent of the average one-month LIBOR-USD fixed rate, if 5.00 percent or above. Since the time of issuance of the Series 2004A bonds and through June 30, 2007, the State has paid \$1,834,911 and received \$41,775 in net interest rate swap transactions with 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	-	-	-	-	-	-	-	-	-	17,405,000	2004-2008
1993	-	-	-	4,770,000	-	-	-	-	-	-	-	-	53,360,000	2004-2011
1994	-	-	-	53,360,000	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	-	-	520,000	2011-2020
2002B	-	-	-	-	11,450,000	-	-	-	-	-	-	-	10,740,000	2013-2014; 2017-2023
2003F	-	-	-	-	-	-	-	-	-	-	-	-	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 June 30, 2007

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION DECEMBER 1988
CASH BALANCE, JANUARY 1, 2007.....	\$ 4,950,868	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 60,994,067	\$ 1,639,812,462
Original Issue Premium Applied to Debt Service.....	-	21,159,404
Accrued Interest on Bonds Sold.....	-	4,931,221
Net Receipts from Swap Agreements.....	543,462	10,509,107
Deposit of Bond Proceeds		
Not Needed for Bond Issue Costs.....	-	129,013
Interest Earnings.....	36,235	1,094,117
TOTAL CASH INFLOWS.....	61,573,764	1,677,635,324
CASH OUTFLOWS:		
Principal Paid.....	37,125,000	942,805,125
Interest Paid.....	28,580,552	594,441,412
Payments to Bondholders for		
Accreted Principal on Capital Appreciation Bonds.....	-	121,554,875
Net Payments under Swap Agreements.....	438,620	17,402,037
Bond Sale and Miscellaneous Expenses.....	224,840	1,276,255
TOTAL CASH OUTFLOWS.....	66,369,012	1,677,479,704
CASH BALANCE, JUNE 30, 2007.....	\$ 155,620	\$ 155,620

Note:

In addition to the June 30, 2007, cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission had \$72,282 in cash and investments on hand in the Commission's custodial fund with the Treasurer of State's Office . The following items comprise the \$72,282 balance, which was transferred to the State Capital Improvements Bond Service Fund in July 2007.

Net Over-Estimate of Fees, Swap Payments, and Variable Rate Interest Payments		
Originally Disbursed from the Common Schools Capital Facilities Bond Service Fund.....	\$	69,698
Investment Earnings.....		2,584
Total Cash and Investments, as of June 30, 2007.....	\$	72,282

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 June 30, 2007		<u>\$200,000,000</u>

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 June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$ 8,640,000	\$ 7,065,563	\$ 15,705,563
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.....	<u>\$175,065,000</u>	<u>\$61,474,633</u>	<u>\$236,539,633</u>

STATE OF OHIO
SCHEDULE OF CONSERVATION PROJECTS BONDS
As of June 30, 2007

CURRENT INTEREST BONDS

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 09/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	Remaining Interest through Maturity
2002A	01/15/02	09/01/02	09/01/16	4.2932%	\$ 50,000,000	\$ 13,235,000	\$ 36,765,000	\$ 3,035,000	\$ 19,498,845	\$ 9,852,770	\$ 9,646,075
2004A	01/27/04	03/01/05	03/01/19	3.5530%	50,000,000	9,035,000	40,965,000	-	17,958,724	5,297,359	12,661,365
2005A	11/07/05	03/01/07	03/01/20	4.2106%	50,000,000	2,665,000	47,335,000	-	20,660,077	3,074,252	17,585,825
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	\$ 24,935,000	\$ 175,065,000	\$ 3,035,000	\$ 79,699,014	\$ 18,224,381	\$ 61,474,633

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 June 30, 2007**

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION JANUARY 2002
CASH BALANCE, JANUARY 1, 2007.....	\$ 15,198	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 8,302,848	\$ 38,292,189
Original Issue Premium Applied to Debt Service.....	-	4,833,061
Accrued Interest on Bonds Sold.....	-	93,497
Deposit of Bond Proceeds		
Not Needed for Bond Issue Costs.....	-	33,242
Interest Earnings.....	1,513	73,725
TOTAL CASH INFLOWS.....	8,304,361	43,325,714
CASH OUTFLOWS:		
Principal Paid.....	5,460,000	24,935,000
Interest Paid.....	2,842,848	18,224,381
Bond Sale and Miscellaneous Expenses.....	9,386	159,008
TOTAL CASH OUTFLOWS.....	8,312,234	43,318,389
CASH BALANCE, JUNE 30, 2007.....	\$ 7,325	\$ 7,325

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
Total Authorizations, as of June 30, 2007		<u>\$200,000,000</u>

Future bond service requirements for the Third Frontier Research and Development Projects Bonds, as of June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$ 8,560,000	\$ 3,189,792	\$11,749,792
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	<u>24,615,000</u>	<u>3,255,570</u>	<u>27,870,570</u>
Total.....	<u>\$70,720,000</u>	<u>\$15,939,247</u>	<u>\$86,659,247</u>

STATE OF OHIO
SCHEDULE OF THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS
As of June 30, 2007

CURRENT INTEREST BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 11/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	Remaining Interest through Maturity
2006A	08/24/06	05/01/13	3.9869%	\$ 50,000,000	\$ 10,000,000	\$ 40,000,000	\$ -	\$ 7,828,405	\$ 1,447,343	\$ 6,381,062
2007A	06/05/07	05/01/17	5.4231%	30,720,000	-	30,720,000	-	9,558,185	-	9,558,185
TOTAL				\$ 80,720,000	\$ 10,000,000	\$ 70,720,000	\$ -	\$ 17,386,590	\$ 1,447,343	\$ 15,939,247

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 June 30, 2007

	JANUARY 1, 2007 THROUGH JUNE 30, 2007	CUMULATIVE SINCE INCEPTION AUGUST 2006
	<u> </u>	<u> </u>
CASH BALANCE, JANUARY 1, 2007.....	\$ 219,671	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 10,854,369	\$ 10,854,370
Original Issue Premium Applied to Debt Service.....	-	609,574
Interest Earnings.....	5,443	13,105
	<u> </u>	<u> </u>
TOTAL CASH INFLOWS.....	10,859,812	11,477,049
CASH OUTFLOWS:		
Principal Paid.....	10,000,000	10,000,000
Interest Paid.....	1,054,744	1,447,343
Bond Sale and Miscellaneous Expenses.....	5,632	10,599
	<u> </u>	<u> </u>
TOTAL CASH OUTFLOWS.....	11,060,376	11,457,942
CASH BALANCE, JUNE 30, 2007.....	\$ 19,107	\$ 19,107

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 June 30, 2007		\$90,000,000

Future bond service requirements for the Third Frontier Job Ready Site Development Bonds, as of June 30, 2007, are as follows:

Year Ending June 30,	Principal	Interest	Total
2008.....	\$ 2,595,000	\$ 989,375	\$ 3,584,375
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.....	\$27,000,000	\$5,282,030	\$32,282,030

STATE OF OHIO
SCHEDULE OF THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS
As of June 30, 2007

CURRENT INTEREST BONDS

Series	Issue Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/07	Outstanding Principal, as of 06/30/07	Principal Maturing on 11/01/07	Total Interest to Maturity	Interest Paid through 06/30/07	Remaining Interest through Maturity
2006A	12/05/06	05/01/16	3.75889%	\$ 30,000,000	\$ 3,000,000	\$ 27,000,000	\$ -	\$ 5,724,035	\$ 442,005	\$ 5,282,030
TOTAL				\$ 30,000,000	\$ 3,000,000	\$ 27,000,000	\$ -	\$ 5,724,035	\$ 442,005	\$ 5,282,030

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 June 30, 2007

	<u>JANUARY 1, 2007 THROUGH JUNE 30, 2007</u>	<u>CUMULATIVE SINCE INCEPTION DECEMBER 2006</u>
CASH BALANCE, JANUARY 1, 2007	\$ -	
CASH INFLOWS:		
Transfers from the General Revenue Fund.....	\$ 3,455,505	\$ 3,455,505
Interest Earnings.....	102	102
TOTAL CASH INFLOWS	<u>3,455,607</u>	<u>3,455,607</u>
CASH OUTFLOWS:		
Principal Paid.....	3,000,000	3,000,000
Interest Paid.....	442,005	442,005
Bond Sale and Miscellaneous Expenses.....	3,754	3,754
TOTAL CASH OUTFLOWS	<u>3,445,759</u>	<u>3,445,759</u>
CASH BALANCE, JUNE 30, 2007	<u>\$ 9,848</u>	<u>\$ 9,848</u>

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 June 30, 2007

BALANCES, AS OF JUNE 30, 2007:	HIGHWAY OBLIGATIONS	DEVELOPMENT	PUBLIC IMPROVEMENTS	HIGHWAY IMPROVEMENTS	IMPROVEMENT	CAPITAL IMPROVEMENT
Cash on Deposit with Bond-Paying Agents.....	\$ 169,997	\$ 267,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678
Matured Bonds Outstanding.....	\$ 115,000	\$ 165,000	\$ 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	\$ 267,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678

CUMULATIVE SINCE INCEPTION:

	DECEMBER 1969	OCTOBER 1967	FEBRUARY 1970	MAY 1965	JULY 1964	NOVEMBER 1955
CASH BALANCE, JANUARY 1, 2007.....	\$ 169,997	\$ 267,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678
CASH INFLOWS:						
Gasoline and Other Highway Taxes and Fees.....	2,165,259,713	-	-	619,248,216	-	-
Cigarette Taxes.....	-	-	-	-	365,571,441	110,429,425
State Property Tax Levy.....	-	-	-	-	-	-
State Appropriations.....	-	-	-	-	-	-
Interest Earnings.....	211,252,401	4,050,476	2,057,362	36,315,072	148,061,427	3,088,157
Accrued Interest on Bonds Sold.....	5,754,196	372,468	304,977	305,519	87,539	-
Transfers from the General Revenue Fund.....	-	505,670,464	404,276,812	250,000	10,431,302	-
Transfers from Other State Funds.....	-	-	-	513,140	223,353	60,511,782
Other Cash Receipts.....	-	250,000	200,000	250,000	277,607	200,780
TOTAL CASH INFLOWS.....	2,382,266,310	510,343,408	406,839,151	656,881,947	524,652,669	174,230,144

CASH OUTFLOWS:						
Principal Paid.....	1,745,000,000	290,000,000	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	510,343,408	406,839,151	656,881,947	524,652,669	174,230,144

CASH BALANCE, JUNE 30, 2007.....	\$ 169,997	\$ 267,515	\$ 148,808	\$ 55,288	\$ 130,255	\$ 678
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BALANCES, AS OF JUNE 30, 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	\$ 809,271
Matured Bonds Outstanding.....	\$ 5,000	\$ 15,000	\$ -	\$ -	\$ 550,678
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	\$ 809,271

CUMULATIVE SINCE INCEPTION:

	OCTOBER 1954	MAY 1974	MAY 1957	MAY 1947	
CASH BALANCE, JANUARY 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	4,151,500,000
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	5,882,685,879
CASH BALANCE, JUNE 30, 2007.....	\$ 7,701	\$ 28,354	\$ 435	\$ 240	\$ 809,271

GLOSSARY

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.

OHIO SINKING FUND COMMISSION
Semi-Annual Report

January 1-June 30, 2007