

STATE OF OHIO  
STATE ECONOMIC DEVELOPMENT BONDS

ANNUAL REPORT OF THE TREASURER OF STATE  
FISCAL YEAR ENDING  
JUNE 30, 2011

This annual report for the fiscal year ending June 30, 2011 ("Fiscal Year") is prepared pursuant to Section 18(e) of the General Bond Order ("Order") contained in the amended and restated Trust Agreement, dated as of June 1, 2009 ("Trust Agreement"), between the State of Ohio and U.S. Bank, as successor trustee ("Trustee"), and shall be submitted to the Trustee, the Original Purchasers (as defined in the Trust Agreement), holders of Bonds (as defined in the Trust Agreement) who have filed their names and addresses with the Trustee for the purpose of receiving this report, the Governor of Ohio, the presiding officer of each house of the Ohio General Assembly, the Director of the Ohio Department of Development, the Superintendent of the Ohio Department of Commerce's Division of Liquor Control and the Director of the Office of Budget and Management.

As of June 30, 2011, there were two classes of Obligations outstanding, as defined in the Trust Agreement. The first class, bonds issued under the Trust Agreement ("Liquor Bonds"), are secured by the Pledged Receipts, as defined in the Trust Agreement, consisting primarily of Pledged Liquor Profits, as defined in the Trust Agreement. The second class consists of obligations issued under the Ohio Enterprise Bond Fund program ("OEBF" and "OEBF-Related Bonds"). OEBF and OEBF-Related Bonds are not secured by the Pledged Receipts. Part I of this report sets forth the information required by Section 18(e) of the Order with respect to the Liquor Bonds. Part II of this report sets forth the information required by Section 18(e) of the Order with respect to the OEBF and OEBF-Related bonds.

In February 2009, the United States Congress enacted the American Recovery and Reinvestment Act ("Act"), certain provisions of which pertain to the issuance of municipal bonds. During the reporting period ending June 30, 2010, bonds were issued under a new class of taxable governmental bonds created in the Act entitled "Build America Bonds - Direct Payment" ("BABs"). BABs are taxable obligations that provide for the issuer to receive a payment from the United States Treasury equal to thirty-five percent (35%) of the applicable interest, on or about each interest payment date. Issuances of BABs are represented on a gross basis, exclusive of expected direct payments from the United States Treasury. New schedules have been incorporated within this report detailing payments expected and received from the United States Treasury.

**Part I Liquor Bonds:**

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

\$15,970,000 of Ohio Taxable Development Assistance Bonds, Series 2010D (Logistics and Distribution Program) by negotiated sale to an underwriting group consisting of Siebert Brandford Shank & Co., L.L.C., the Huntington Investment Company, Jefferies & Company, J.P. Morgan, and the Williams Capital Group, L.P. at a true interest cost rate of 2.101678%. These bonds, dated November 17, 2010 and delivered November 17, 2010, were issued to provide monies to deposit into the State's Logistics and Distribution Infrastructure Fund, for use in making loans to persons for the purpose of paying Allowable Costs of Eligible Logistics projects. The total interest over the 8-year life of the bond issue is \$2,905,707.78.

\$28,000,000 of Ohio Taxable Development Assistance Bonds, Series 2010C (Advanced Energy Program) by negotiated sale to an underwriting group consisting of Siebert Brandford Shank & Co., L.L.C., the Huntington Investment Company, J.P. Morgan, and Jefferies & Company at a true interest cost rate of 4.963318%. These bonds, dated December 10, 2010 and delivered December, 10, 2010, were issued to provide monies to deposit into the State's Advanced Energy Research and Development Taxable Fund for use in making loans to persons for the purpose of paying Allowable Costs of Eligible Advanced Energy Projects. The total interest over the 10-year life of the bond issue is \$8,505,634.94.

\$34,030,000 of Ohio Taxable Development Assistance Anticipation Notes, Series 2011A (Logistics and Distribution Program) ("The Series 2011A Notes") by negotiated sale to an underwriting group consisting of BofA Merrill Lynch, KeyBanc Capital Markets Inc, RBC Capital Markets, Baird, and Ross, Sinclaire & Associates, LLC at a true interest cost rate of 0.598790%. The Series 2011A Notes, dated June 1, 2011 and delivered June 1, 2011, were issued to provide monies to deposit into the State's Logistics and Distribution Infrastructure Fund, for use in making loans to persons for the purpose of paying Allowable Costs of Eligible Logistics and Distribution Projects. The total interest over the 1-year life of the notes is \$116,501.61.

2) At the end of Fiscal Year 2011, \$472,730,000 in principal amount of Liquor Bonds was outstanding.

3) During Fiscal Year 2011, \$15,945,000 in principal amount of Liquor Bonds was retired from monies in the Bond Service Fund, as defined in the Trust Agreement, which moneys were derived primarily from Pledged Liquor Profits.

4) The amounts required for Bond Service Charges, as defined in the Trust Agreement, on such Liquor Bonds during the twelve-month period ending June 30, 2012 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
October 1, 2011	\$ 16,625,000.00	\$ 12,429,568.34	\$ 29,054,568.34
April 1, 2012	7,250,000.00	12,042,044.41	19,292,044.41
Total	<u>\$ 23,875,000.00</u>	<u>\$ 24,471,612.75</u>	<u>\$ 48,346,612.75</u>

5) Schedule A attached hereto sets forth the dates and the bonds anticipated by the Series 2011A Notes mature and bear interest in accordance with the Series Bond Order 1-11.

6) Schedule B attached hereto sets forth information regarding deposits, disbursements and balances in the accounts in the Bond Service Fund at the end of the Fiscal Year 2011.

7) Schedule C and D attached hereto sets forth information regarding BABs issuances.

## Part II OEBF and OEBF-Related Bonds:

- 1) The following OEBF Bonds were sold during Fiscal Year 2011:

\$6,415,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-5 (The Wornick Company Project) (Taxable Bonds) to finance a portion of the costs of the acquisition and installation of certain machinery and equipment at the borrower's facility located in Blue Ash, Ohio and pay certain costs of issuance of the bonds. These bonds are dated August 19, 2010 and bear interest at 4.00% per annum payable quarterly in March, June, September and December, commencing December 1, 2010 and ending September 1, 2015.

\$2,390,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-6 (Shawshank, LLC Project) (Taxable Bonds) for the purpose of financing a portion of the costs of acquisition of approximately 10 acres of real property and an approximately 150,000 square foot facility and related equipment located on the Project Site located in the City of Mansfield, Ohio and pay certain costs of issuance of these Bonds. These bonds are dated August 12, 2010 and bear interest at 6.00% per annum, payable quarterly in March, June, September and December, commencing December 1, 2010 and ending September 1, 2025.

\$4,300,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-7 (Vernon Manor Offices Project) (Recovery Zone Facilities Bonds) to finance a portion of the costs of the acquisition and construction of a 440 space parking garage for the benefit of the public, including Cincinnati Children's Hospital Medical Center at the project site located in Cincinnati, Ohio and pay certain costs of issuance of these bonds. These bonds are dated October 14, 2010 and bear interest at 1.00% - 4.75% per annum payable semi-annually in June and December, commencing December 1, 2010 and ending December 1, 2035.

\$6,115,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-8 (New Horizons Project) (Tax-Exempt Bonds) to: (i) finance costs of replacing and upgrading existing equipment at the current facility in Norwalk, Ohio, in order to upgrade the New Horizons Baking Company Inc. bun production line; (ii) costs associated with the acquisition of a second muffin production line for Genesis Baking Company; (iii) the construction of a new 20,000 square foot addition to the current facility in Norwalk, Ohio; (iv) the construction of a 10,000 square foot freezer and related equipment located immediately adjacent to the existing facility in Norwalk, Ohio; (v) capitalized interest during construction of the buildings and installation of the equipment; and (vi) pay a portion of the costs of the issuance of these bonds. These bonds are dated October 7, 2010 and bear interest at 2.50% - 3.00% per annum payable semi-annually in June and December, commencing December 1, 2010 and ending June 1, 2011.

\$3,025,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-9 (Sugar Creek Packing Co. Project) (Tax-Exempt Bonds) to: (i) finance costs associated with the acquisition and installation of processing and packaging equipment at the borrower's Dayton, Ohio, and West Chester, Ohio, food processing manufacturing facilities; (ii) finance capitalized interest during installation of the equipment; and (iii) pay a portion of the costs of the issuance of these bonds. These bonds are dated November 10, 2010 and bear interest at 2.25% - 3.50% per annum payable semi-annually in June and December, commencing June 1, 2011 and ending December 1, 2020.

\$5,500,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-10 (Novatex North America, Inc. Project) (Tax-Exempt Bonds) to finance a portion of the costs of the Project and to pay a portion of the costs of the issuance of the Bonds. The Project consists of: (i) the acquisition of real property located in Ashland, Ohio ("Project Site"); (ii) the acquisition of an approximately 35,000 square foot facility located on the Project Site; (iii) the construction of an approximately 60,000 square foot expansion to such facility; and (iv) the acquisition of equipment. These bonds are dated December 16, 2010 and bear interest at 2.50% - 4.375% per annum payable semi-annually in June and December, commencing June 1, 2011 and ending December 1, 2025.

\$3,005,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-11 (International Technical Coatings Project) (Tax-Exempt Bonds) to finance costs associated with the acquisition of an existing manufacturing facility located in Columbus, Ohio, costs associated with required renovations to the facility, costs associated with the construction of necessary infrastructure improvements and a portion of the costs of the issuance of the Bonds. These bonds are dated December 15, 2010 and bear interest at 2.00% - 3.75% per annum payable semi-annually in June and December, commencing June 1, 2011 and ending December 1, 2020.

\$15,000,000 State of Ohio Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) Series 2010-12 (Flats East Development LLC Project) (Tax-Exempt Bonds) to finance a portion of the costs related to the development of improvements to be constructed upon an approximately 3.0 acre parcel of real property located in the City of Cleveland in connection with the capital lease financing by the Borrower for construction of an 18 story office tower of approximately 476,000 square feet, fund the Primary Reserve Account, and pay certain costs of issuance of these bonds. These bonds are dated December 21, 2010 and bear interest at 2.375% - 6.00% per annum payable semi-annually in June and December, commencing June 1, 2011 and ending December 1, 2034.

- 2) The total principal amount of OEBF Bonds outstanding at the end of the Fiscal Year was \$218,865,000.
- 3) Schedule E attached hereto set forth the OEBF Bonds that were subject to mandatory redemption during Fiscal Year 2011.
- 4) No OEBF-Related Bonds were sold during Fiscal Year 2011.
- 5) No principal amount of OEBF-Related Bonds were outstanding at the end of the Fiscal Year 2011.
- 6) No OEBF-Related Bonds were subject to mandatory redemption during Fiscal Year 2011.
- 7) OEBF and OEBF-Related Bonds are not issued under the Trust Agreement, and therefore:
  - a) There are no Bond Service Charges with respect to the OEBF or OEBF-Related Bonds.
  - b) No deposits were made to accounts in the Bond Service Fund with respect to OEBF and OEBF-Related Bonds.

Respectfully submitted,



JOSH MANDEL

State Treasurer of Ohio

## Schedule A

### Economic Development Bond Service Fund

#### Bonds Anticipated by the Series 2011A Notes

Bonds mature and bear interest as follows:

<u>PAYMENT DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>
10/01/12	1,370,000.00	567,166.67	1,937,166.67
04/01/13	-	816,500.00	816,500.00
10/01/13	1,145,000.00	816,500.00	1,961,500.00
04/01/14	-	787,875.00	787,875.00
10/01/14	1,205,000.00	787,875.00	1,992,875.00
04/01/15	-	757,750.00	757,750.00
10/01/15	1,270,000.00	757,750.00	2,027,750.00
04/01/16	-	726,000.00	726,000.00
10/01/16	1,330,000.00	726,000.00	2,056,000.00
04/01/17	-	692,750.00	692,750.00
10/01/17	1,400,000.00	692,750.00	2,092,750.00
04/01/18	-	657,750.00	657,750.00
10/01/18	1,475,000.00	657,750.00	2,132,750.00
04/01/19	-	620,875.00	620,875.00
10/01/19	1,550,000.00	620,875.00	2,170,875.00
04/01/20	-	582,125.00	582,125.00
10/01/20	1,630,000.00	582,125.00	2,212,125.00
04/01/21	-	541,375.00	541,375.00
10/01/21	1,710,000.00	541,375.00	2,251,375.00
04/01/22	-	498,625.00	498,625.00
10/01/22	1,800,000.00	498,625.00	2,298,625.00
04/01/23	-	453,625.00	453,625.00
10/01/23	1,890,000.00	453,625.00	2,343,625.00
04/01/24	-	406,375.00	406,375.00
10/01/24	1,990,000.00	406,375.00	2,396,375.00
04/01/25	-	356,625.00	356,625.00
10/01/25	2,090,000.00	356,625.00	2,446,625.00
04/01/26	-	304,375.00	304,375.00
10/01/26	2,195,000.00	304,375.00	2,499,375.00
04/01/27	-	249,500.00	249,500.00
10/01/27	2,310,000.00	249,500.00	2,559,500.00
04/01/28	-	191,750.00	191,750.00
10/01/28	2,430,000.00	191,750.00	2,621,750.00
04/01/29	-	131,000.00	131,000.00
10/01/29	2,555,000.00	131,000.00	2,686,000.00
04/01/30	-	67,125.00	67,125.00
10/01/30	2,685,000.00	67,125.00	2,752,125.00
	<u>\$ 34,030,000.00</u>	<u>\$ 18,251,166.67</u>	<u>\$ 52,281,166.67</u>

**Schedule B**

Economic Development (Liquor Profits)  
Bond Service Fund

Statement of Activity  
For the Fiscal Year ending  
June 30, 2011

<b>Balance July 1, 2010.....</b>	<b>\$ 18,585,236.65</b>
Excess Issuance Cost Applied to Debt Service.....	3,776.00
Change in Funds Reserved for Issuance Cost.....	(32,434.81)
Amount Deposited from Pledged Liquor Receipts.....	44,684,407.15
Investment Earnings.....	7,006.89
Debt Service Payments.....	<u>(40,127,361.90)</u>
<b>Balance June 30, 2011.....</b>	<b><u><u>\$ 23,120,629.98</u></u></b>

**Schedule C**

Economic Development (Liquor Profits)  
Bond Service Fund

Schedule of American Recovery and Reinvestment Act Bonds  
For the Fiscal Year ending  
June 30, 2011

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**BUILD AMERICA BONDS - DIRECT PAYMENTS**

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Name	Issue Date	First Payment Date	Final Payment Date	Original Principal	Original Interest	Total Payments Expected	Payments Received Through 06/30/11	Remaining Payments Expected
<u>Logistics and Distribution Bonds</u>								
Series 2009B	06/18/09	04/01/10	10/01/28	23,710,000.00	25,036,555.62	8,762,794.52	949,676.29	7,813,118.23
<b>TOTAL</b>				<b>\$ 23,710,000.00</b>	<b>\$ 25,036,555.62</b>	<b>\$ 8,762,794.52</b>	<b>\$ 949,676.29</b>	<b>\$ 7,813,118.23</b>

## Schedule D

### Economic Development (Liquor Profits) Bond Service Fund

#### Schedule of Expected Payments - Associated with the American Recovery and Reinvestment Act Through Maturity

As of	Facilities Establishment	Innovation Ohio Loan	Research & Development	Logistics & Distribution	Advanced Energy	Total Payments
06/30/12	-	-	-	531,700.58	-	531,700.58
06/30/13	-	-	-	531,700.58	-	531,700.58
06/30/14	-	-	-	531,700.58	-	531,700.58
06/30/15	-	-	-	531,700.58	-	531,700.58
06/30/16	-	-	-	531,700.58	-	531,700.58
06/30/17	-	-	-	531,700.58	-	531,700.58
06/30/18	-	-	-	531,700.58	-	531,700.58
06/30/19	-	-	-	531,700.58	-	531,700.58
06/30/20	-	-	-	531,700.58	-	531,700.58
06/30/21	-	-	-	531,700.58	-	531,700.58
06/30/22	-	-	-	531,700.58	-	531,700.58
06/30/23	-	-	-	499,154.43	-	499,154.43
06/30/24	-	-	-	432,483.80	-	432,483.80
06/30/25	-	-	-	362,241.42	-	362,241.42
06/30/26	-	-	-	288,149.22	-	288,149.22
06/30/27	-	-	-	210,263.11	-	210,263.11
06/30/28	-	-	-	128,647.75	-	128,647.75
06/30/29	-	-	-	43,472.10	-	43,472.10
06/30/30	-	-	-	-	-	-

## Schedule E

### OEBF Bonds

#### Bonds Subject to mandatory redemption during FY2011

<u>Transaction</u>		<u>9/1/2010</u>	<u>12/1/2010</u>	<u>3/1/2011</u>	<u>6/1/2011</u>
1988-1	*	\$ -	\$ -	\$ -	\$ -
1989-1	*	-	-	-	-
1989-2	*	-	-	-	-
1989-3	*	-	-	-	-
1989-4 House of LaRose (East 49th)	*				
1990-1 Erie Terminal	*				
1991-1 Kinetic Noise Control		55,000.00	55,000.00	60,000.00	60,000.00
1991-4 Atlas Technical Finishes, Inc.	*				
1991-5 Royal Appliance Manufacturing	*				
1991-7 Burrows Paper Corporation		-	30,000.00	-	30,000.00
1991-9 Royal Appliance Manufacturing					
1993-5 Foremost Mgmt.		165,000.00	170,000.00	170,000.00	175,000.00
1994-2 Cheryl & Co.	*				
1994-4 Orlando Baking Co.	*	-	-	-	
1994-5 Consolidated Biscuit, Inc.	*				
1994-6 Progressive Plastic Products	*	-	-	-	
1995-1 J.J. & W. Partnership	**				
1996-2 Ohio Coatings, Co.		310,000.00	315,000.00	325,000.00	330,000.00
1998-1 General Casting Company	*				
1998-2 Hamilton CIC	*				
1998-3 E-BEAM	*				
1998-4 OCHS Industries, Inc.	*				
1998-5 Toledo Lucas County Port Authority		110,000.00	110,000.00	115,000.00	115,000.00
1999-1 NEO Beam Inc.		50,000.00	50,000.00	50,000.00	50,000.00
1999-2 Euclid & Wickliffe Services		65,000.00	65,000.00	70,000.00	70,000.00
2000-1 Scotts-Union Co		65,000.00	70,000.00	70,000.00	70,000.00
2000-2 Timken Latrobe		70,000.00	70,000.00	75,000.00	75,000.00
2001-1 Girindus		115,000.00	115,000.00	115,000.00	120,000.00
2002-1 Seaman Corporation		55,000.00	55,000.00	55,000.00	60,000.00
2002-2 Alloy Polymers, Inc.	*				
2002-3 Milacron Inc.		350,000.00	355,000.00	360,000.00	365,000.00
2002-4 Astro Instrumentation LLC			65,000.00		65,000.00
2002-5 Dana Corporation		55,000.00	55,000.00	55,000.00	55,000.00
2002-6 Farber Development I, LLC		-	80,000.00	-	85,000.00
2002-7 Kahiki Foods		-	90,000.00	-	90,000.00
2003-1 Trillium -St. Bernard		405,000.00	410,000.00	415,000.00	-
2003-2 EXAL Corporation	*	-	-	-	
2003-3 Patheon Pharmaceuticals Inc.	*				
2003-4 Burrows Paper Corporation		150,000.00	150,000.00	155,000.00	155,000.00
2003-5 Heidtman Steel		170,000.00	170,000.00	175,000.00	175,000.00
2003-6 Alliance Castings		415,000.00	420,000.00	-	-
2004-1 Engineered Plastics	**				

**Schedule E**

OEBF Bonds

Bonds Subject to mandatory redemption during FY2010

(Continued)

	<u>Transaction</u>	<u>9/1/2010</u>	<u>12/1/2010</u>	<u>3/1/2011</u>	<u>6/1/2011</u>
2004-2	Luigino's, Inc.	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00	\$ 115,000.00
2004-3	SUMCO Phoenix Inc.	365,000.00	370,000.00	375,000.00	-
2004-4	Stone Container *				
2005-1	Amantea Nonwovens, LLC	100,000.00	100,000.00	100,000.00	105,000.00
2005-2	Goodyear	215,000.00	215,000.00	220,000.00	220,000.00
2005-3	Taylor Chair	-	85,000.00	-	90,000.00
2005-4	Dover Chemical	315,000.00	320,000.00	320,000.00	325,000.00
2005-5	Owens-Illinois	105,000.00	105,000.00	110,000.00	110,000.00
2006-1	Lockheed Martin	195,000.00	200,000.00	205,000.00	205,000.00
2006-2	Hearth Grains	85,000.00	85,000.00	90,000.00	90,000.00
2006-3	EXAL Corporation	120,000.00	120,000.00	120,000.00	125,000.00
2006-4	Associated Hygienic Prod	210,000.00	210,000.00	215,000.00	220,000.00
2006-5	Clopay	105,000.00	105,000.00	105,000.00	110,000.00
2007-1	Appleton Papers	215,000.00	220,000.00	225,000.00	230,000.00
2007-2A	GHF Properties, LLC	-	-	-	-
2007-2B	GHF Properties, LLC	-	205,000.00	-	210,000.00
2008-1	Anchor Acquisition, LLC	170,000.00	170,000.00	175,000.00	175,000.00
2008-2	TechniGraphics, Inc.	45,000.00	45,000.00	45,000.00	50,000.00
2008-3	Sigma OH Ind.	60,000.00	60,000.00	60,000.00	60,000.00
2008-4	Xunlight Corp	-	-	110,000.00	170,000.00
2009-1	Ohio Metal Technologies	-	190,000.00	-	195,000.00
2009-2	HCR Manor Care Services Inc	25,000.00	25,000.00	25,000.00	25,000.00
2009-3	Health Care REIT	205,000.00	210,000.00	210,000.00	215,000.00
2009-4	Eaton	-	-	-	-
2009-5	Shearer's Food	-	215,000.00	-	215,000.00
2009-6	National Bronze & Metals	-	30,000.00	95,000.00	95,000.00
2010-1	Comprehensive	-	170,000.00	170,000.00	175,000.00
2010-2	IRG	-	-	-	-
2010-3	IRG	-	-	-	70,000.00
2010-4	Intelligrated	35,000.00	35,000.00	40,000.00	40,000.00
2010-5	Wornick Co.		290,000.00	295,000.00	295,000.00
2010-6	Shawshank LLC		15,000.00	25,000.00	25,000.00
2010-7	Vernon Manor	-	-	-	-
2010-8	New Norizons	-	-	-	-
2010-9	SugarCreek	-	-	-	-
2010-10	Novatex North America	-	-	-	-
2010-11	International Tech	-	-	-	-
2010-12	Flats East	-	-	-	-

\* Bond issue retired

\*\* Bond issue defeased