



JOSH MANDEL
STATE TREASURER OF OHIO

September 28, 2012

To: Municipal Securities Rulemaking Board
www.emma.msrb.org

RE: Annual Information Filing for the Ohio Enterprise Bond Fund

In accordance with the continuing disclosure agreement made pursuant to SEC Rule 15c2-12(b), the State of Ohio thus herein provides annual financial information and operating data regarding the State Economic Development Revenue Bonds (Ohio Enterprise Bond Fund) for the Fiscal Year ending June 30, 2012. This information constitutes the annual information agreed to be provided under the continuing disclosure agreement for the Ohio Enterprise Bond Fund bonds. No representation is made as to the materiality or completeness of that information. Other information relating to Fiscal Year 2012 or to subsequent periods may exist that an investor would consider to be important when making an investment decision. Further, no representation is made that this 2012 Annual Filing is indicative of financial or operating results of the Ohio Enterprise Bond Fund since the end of Fiscal Year 2012 or of future financial or operating results. **Please refer to Page 23 for a list of all the outstanding bonds and CUSIPs associated with this program.**

Any questions concerning this filing should be directed to Seth Metcalf, General Counsel and Chief Financial Officer at (614) 466-2191 or Michael DiPerna of DiPerna Economic Development Advisors, Financial Advisor to the Ohio Enterprise Bond Fund, at (614) 581-3092.

Sincerely,

A handwritten signature in blue ink that reads "Josh Mandel".

Josh Mandel
State Treasurer of Ohio

Regarding This 2012 Annual Information Filing

The information and expressions of opinion in this 2012 Annual Information Filing are subject to change without notice and the delivery of this 2012 information shall not, under any circumstances, give rise to any implications that there has been no change in the status of this information since June 30, 2012 or the date of this Filing.

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BACKGROUND AND HISTORY OF THE OHIO ENTERPRISE BOND FUND PROGRAM

- The Ohio Enterprise Bond Fund (OEBF)¹ program is an economic development financing program sponsored by the Ohio Development Services Agency (DSA)². The OEBF was created in 1988 and is rated “AA+” by Standard & Poor’s (S&P). On March 28, 2012, S&P raised the OEBF program’s rating to “AA+” from “AA-”, based on S&P’s application of criteria adopted for long-term municipal pools. The rating reflects S&P’s assessment of the following characteristics:
 - A very strong enterprise risk profile, given that the pool is managed by a nonprofit, non-stock public corporation and the loan program has no geographic concentration; and
 - An extremely strong financial risk profile, with a loss coverage score, operating performance, and financial policies consistent with this profile.
- As of June 30, 2012, 125 bonds were issued for \$620,355,000;
- As of June 30, 2012, 56 bond issues were outstanding for \$234,760,000;
- The Treasurer of the State of Ohio issues bonds on a project by project basis;
- The OEBF finances fixed assets and receives a first mortgage and security interest on all funded projects;
- All transactions must be approved by DSA staff, the financial advisor to the OEBF, the Ohio Treasurer of State and two additional State committees prior to the S&P rating request;
- The size of each bond issue ranges from \$2 to \$15 million;
- The credit quality of the Borrowers has remained relatively constant throughout the 24 year history of the OEBF program.
 - The Borrowers range in size from large corporations with rated debt to small, unrated corporations.
 - The majority of the projects funded through the OEBF Program are for assets (land, building and equipment) that are essential to the success of the Borrower.

KEY FACTS

- No OEBF Bond Fund Bonds are in Default;
- No OEBF Bond Fund Bonds have ever been in Default;
- No Program Reserves have ever been accessed to cure a Borrower default;
- 24 Year proven track record of success;
- As of June 30, 2012:
 - Total Primary Reserves were \$35,047,460;
 - Total Program Reserves were \$10,000,000; and
 - Total 166 Loan Repayments pledged as additional security to the OEBF Bonds were \$306,532,872.
- Borrowers pay monthly, Bondholders are paid semi-annually or quarterly.

¹ Any terms not defined herein have the meaning provided in the General Bond Order.

² Effective on September 28, 2012, Senate Bill 314 changes the name of the Department of Development to the Development Services Agency, and the name of the Director of the Department of Development to the Director of Development Services. As a result, the references to the Department itself are now “Development Services Agency” and references to the Director are now “Director of Development Services.”

FLOW OF FUNDS AND SECURITY FOR THE OHIO ENTERPRISE BOND FUND BONDS

The Ohio Enterprise Bond Fund Bonds are secured by a system of pooled debt service and reserve accounts. **They do not constitute an indebtedness of the State within the meaning of any constitutional or statutory limitations. Furthermore, such bonds neither constitute nor give rise to a charge against the general credit or taxing powers of the State; and neither the full faith and credit nor the taxing powers of the State are pledged to the payment of the Ohio Enterprise Bond Fund Bonds or interest thereon.**

All Debt Service Charges on Ohio Enterprise Bond Fund Bonds are payable from and secured equally and ratably by a pledge of the Ohio Enterprise Bond Fund Accounts as follows:

- First, from any amounts on deposit in the Debt Service Account;
- Second, to the extent needed to cure defaults by a Contracting Party under its Project Financing Agreement, from any amounts on deposit in that Contracting Party's Collateral Proceeds Account;
- Third, to the extent needed to cure defaults by a Contracting Party under its Project Financing Agreement, from any amounts on deposit in the Contracting Party's Primary Reserve Account;
- Fourth, from any amounts in the First Half Account or the Second Half Account;
- Fifth, from any amounts in the Program Reserve Account;
- Sixth, from any amounts in the Primary Reserve Accounts of all Contracting Parties, on a pro rata basis (i.e., based on fractions, the numerator of which is the balance in each such Account and the denominator of which is the sum of the balances in all such Accounts); and
- Seventh, from any amounts in the Collateral Proceeds Accounts of all Contracting Parties, on a pro rata basis.

Payments of Debt Service Charges on all Ohio Enterprise Bond Fund Bonds will be equally and ratably secured by a pledge of the Ohio Enterprise Bond Fund Accounts (but not the Program Transfer Account) without priority by reason of series designation, form, number, date of authorization, issuance, sale, execution, authentication, delivery, dated date or maturity; provided, however, that nothing prevents payment of Debt Service Charges on one or more series of Ohio Enterprise Bond Fund Bonds from being otherwise secured and payable from sources or by property and instruments not applicable to any other series of Ohio Enterprise Bond Fund Bonds or not being secured or protected from other sources or by other property, instruments or documents applicable to one or more series of Ohio Enterprise Bond Fund Bonds.

If the principal of all outstanding Ohio Enterprise Bond Fund Bonds has become due or has been declared due and payable, and at that time the balance in the Ohio Enterprise Bond Fund Accounts (together with any other amounts available to make such payment) is insufficient to pay all amounts due on those Bonds, all such funds shall be applied to the payment of the principal and interest due and unpaid upon the Ohio Enterprise Bond Fund Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installments of interest, or of any Ohio Enterprise Bond Fund Bond over any other Ohio Enterprise Bond Fund Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective rates of interest specified in the Ohio Enterprise Bond Fund Bonds. If the balance in the Ohio Enterprise Bond Fund Accounts (together with any other amounts available to make such payment) is insufficient to pay all principal of, premium, if any, and interest due on Ohio Enterprise Bond Fund Bonds at any time and at that time the principal of all Ohio Enterprise Bond Fund Bonds has not become or been declared due, all such funds shall be applied first to pay, pro rata, the interest then due on all such Ohio Enterprise Bond Fund Bonds, with any remaining balance applied to the pro rata payment of principal of the then due Ohio Enterprise Bond Fund Bonds.

SUMMARY OF OUTSTANDING BONDS & OUTSTANDING RESERVES

Below is a summary of outstanding Ohio Enterprise Bond Fund Bonds and reserves of the Ohio Enterprise Bond Fund Program as of the end of each calendar year from 2008, and for the first half of 2012.

OUTSTANDING PROJECT FINANCING

Date:	6/30/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Number:	56	56	56	46	43
Principal	\$234,760,000	\$229,700,000	\$230,740,000	\$169,665,000	\$164,240,000

OHIO ENTERPRISE BOND FUND -- SUMMARY OF OUTSTANDING RESERVES

Date:	6/30/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008
Primary Reserves	\$35,047,460	\$34,574,736	\$34,544,259	\$29,529,198	\$25,541,283
First Half Account ⁽¹⁾	\$23,707,264	\$18,698,676	\$19,704,421	\$22,633,576	\$26,463,573
Second Half Account ⁽¹⁾	\$19,434,680	\$19,957,330	\$22,122,802	\$13,993,896	\$13,517,918
Program Reserve	\$10,000,000	\$10,000,000	\$10,047,121	\$10,000,000	\$10,000,000
Program Transfer Account ⁽²⁾	\$110,619,352	\$99,059,246	\$108,450,268	\$87,307,172	\$128,545,578

(1) All year end balances are as of November 30th of the applicable year.

(2) Not pledged to the payment of Debt Service Charges, but covenanted to be used by DSA if needed.

Following a default in making payments on the Ohio Enterprise Bond Fund Bonds, the Ohio Enterprise Bond Fund Bonds are also payable from the Program Transfer Account to the extent funds are available therein and are not otherwise encumbered, and to the extent that the Director of Development Services and State Controlling Board approve such transfer. However, the Program Transfer Account is not pledged and can be used for any purpose for which funds in the Facilities Establishment Fund can be used under the Act (as it presently exists or may exist if amended).

OHIO ENTERPRISE BOND FUND PROGRAM OBLIGATIONS

The total of all Common Fund Bonds currently outstanding is \$234,760,000. The following table sets forth the debt service requirements for all outstanding Common Fund Bonds as of 6/30/2012.

Aggregate Debt Service Schedule As of June 30, 2012

Year	Principal Due	Interest Due	Debt Service Due
2012	11,520,000	6,292,591	17,812,591
2013	22,965,000	11,656,888	34,621,888
2014	32,410,000	10,189,383	42,599,383
2015	23,950,000	8,699,275	32,649,275
2016	21,110,000	7,508,744	28,618,744
2017	20,950,000	6,402,486	27,352,486
2018	20,155,000	5,322,764	25,477,764
2019	16,040,000	4,282,447	20,322,447
2020	12,090,000	3,516,002	15,606,002
2021	8,775,000	2,914,404	11,689,404
2022	6,635,000	2,480,539	9,115,539
2023	6,125,000	2,127,668	8,582,668
2024	6,425,000	1,784,305	8,209,305
2025	5,610,000	1,426,302	7,036,302
2026	4,370,000	1,126,084	5,496,084
2027	3,105,000	876,441	3,981,441
2028	2,885,000	683,569	3,568,569
2029	1,870,000	508,044	2,378,044
2030	1,265,000	417,863	1,682,863
2031	1,285,000	347,844	1,632,844
2032	1,355,000	274,194	1,629,194
2033	1,430,000	196,838	1,626,838
2034	2,220,000	115,988	2,335,988
2035	215,000	4,838	219,838
Total	\$234,760,000	\$77,558,820	\$312,318,820

SUMMARY OF ALL CURRENT BORROWER PAYMENT DEFAULTS

As of June 30, 2012, all bondholders since inception of the Ohio Enterprise Bond Fund Program in 1988 have been paid as agreed. As of June 30, 2012, the Ohio Enterprise Bond Fund only has one Borrower in Payment Default. Below is a summary of this payment default by the Borrower.

Harvest Holdings, LLC

On June 1, 2001, Series 1999-2, Harvest Holdings, LLC (dba Euclid & Wickliffe Services, Inc.) defaulted on its monthly payment. In December, 2002, the building purchased with the bond proceeds was sold for \$4,000,000 of which the Director received net proceeds of approximately \$3,806,000. These funds were placed in the Collateral Proceeds Account held by the Trustee. The Trustee accessed the Collateral Proceeds Account to make scheduled debt service payments until the fund was depleted. Since that time, the security structure has been accessed to make debt service payments. As of June 30, 2012, the balance in the Program Transfer Account was \$110,619,352, and the outstanding bond balance was \$3,030,000.

SUMMARY OF CHAPTER 166 PROGRAMS

General Information

Under the Act, moneys in the Facilities Establishment Fund can be used by the State to provide direct loans and to support guarantees of private loans to encourage and induce private sector capital projects for industry, commerce, distribution or research in the State, the operation of which will create or preserve jobs in the State. As with the Ohio Enterprise Bond Fund Program, the proceeds of such direct loans and guaranteed loans are to be used only for the Allowable Costs of Project Facilities. Such proceeds may not be used for working capital. In addition, moneys in the Facilities Establishment Fund can be used by the State to acquire public facilities that comprise Project Facilities and to operate or contract for the operation of such facilities. Moneys transferred to the Facilities Establishment Fund from the State's Scrap Tire Management Fund created under Section 3734.82 of the Revised Code are required to be used exclusively for Project Facilities that involve the recovery of or recycling of energy from scrap tires.

The Act also permits moneys in the Facilities Establishment Fund to be used for other economic development programs (the "Chapter 122 Programs") authorized by Chapter 122 of the Revised Code. To the extent moneys in the Facilities Establishment Fund are transferred to funds or used in connection with Chapter 122 Programs, any repayments or other moneys received in connection with such programs will not be pledged or available to repay Ohio Enterprise Bond Fund Bonds. The proceeds of Ohio Enterprise Bond Fund Bonds cannot be used for Chapter 122 Programs.

The General Assembly has authorized certain transfers of moneys involving the Facilities Establishment Fund for Chapter 122 Programs. The General Assembly, through Amended Substitute House Bill 283 of the 123rd General Assembly, authorized the transfer from the Facilities Establishment Fund of amounts not to exceed (i) \$3,800,000 to the Minority Business Enterprise Loan Fund; (ii) \$2,500,000 to the Family Farm Loan Program; (iii) \$5,000,000 to the Authority Reserve Fund; (iv) \$20,000,000 to the Urban Redevelopment Loan Fund; and (v) \$1,600,000 to the Economic Development Operating Fund. Except for the amount transferred to the Minority Business Enterprise Loan Fund, the remaining amounts will be repaid in full to the Facilities Establishment Fund.

The Facilities Establishment Fund consists of proceeds of bonds issued under the Act, repayments of loans and recoveries on loan guarantees, including interest thereon, made from the Facilities Establishment Fund (or the Loan Guarantee Fund discussed below), and proceeds of the sale, lease or other disposition of property acquired or constructed with moneys in the Facilities Establishment Fund that are not used to pay debt service charges on obligations issued under the Act or placed in reserves that are pledged to secure any such obligations.

The State initially funded the Facilities Establishment Fund with the issuance of \$70,000,000 of Economic Development Bonds, Series 1982 (the "1982 Liquor Profits Bonds") which were advance refunded and defeased by part of the proceeds from the issuance of \$160,000,000 of State of Ohio State Economic Development Bonds, Series 1983 (Liquor Profits) (the "1983 Liquor Profits Bonds"). The net proceeds of the 1983 Liquor Profits Bonds that were not used for such advance refunding, or to fund reserves established in connection with the issuance of the 1983 Liquor Profits Bonds, were placed into the Facilities Establishment Fund. In 1989, the State issued \$147,684,607.90 of Liquor Profits Refunding Bonds (the "1989 Liquor Profits Bonds") to advance refund the 1983 Liquor Profits Bonds. In 1996, the State issued \$168,740,000 of Taxable Development Assistance Bonds (the "Taxable Development Assistance Bonds") to defease the 1989 Liquor Profits Bonds and to provide additional moneys for deposit in the

Facilities Establishment Fund. In 1998, the State issued \$101,980,000 of Taxable Development Assistance Refunding Bonds (the "1998 Bonds") to defease portions of the 1996 Taxable Development Assistance Bonds, and the net proceeds of the 1998 Bonds that were not used for the refunding were placed into the Facilities Establishment Fund. Pursuant to the 2004A Supplemental Trust Agreement, the State issued Taxable Development Assistance Bonds, Series 2004A (Ohio 166 Loan Program) (the "Series 2004A Bonds") in the original aggregate principal amount of \$50,000,000. Pursuant to the 2010A Supplemental Trust Agreement, the State issued Taxable Development Assistance Bonds, Series 2010A (Ohio 166 Direct Loan Program) (the "Series 2010A Bonds") in the original aggregate principal amount of \$40,000,000. Pursuant to the 2012B Supplemental Trust Agreement, the State issued Taxable Development Assistance Bond Anticipation Notes, Series 2012B (Ohio 166 Direct Loan Program) (the "Series 2012B Notes") in the original aggregate principal amount of \$40,000,000. The Taxable Development Assistance Notes are to be repaid, subject to certain limitations, by profits realized by the State from the sale of spirituous liquor ("Liquor Profits"). The Taxable Development Assistance Bonds are not to be repaid from and they are not secured by a pledge of funds from the Facilities Establishment Fund, the Ohio Enterprise Bond Fund Accounts, any loan repayments received under the Chapter 166 Direct Loan Program, or any Ohio Enterprise Bond Fund Net Revenues. As of June 30, 2012, there was \$95,625,178 remaining in the Facilities Establishment Fund that had been approved for Chapter 166 Direct Loans by the State Controlling Board and/or Development Financing Authority ("DFAC") and that the Director of Development Services had either committed or was in the process of negotiating commitments.

The Chapter 166 Direct Loan Program

Commencing in 1982, the Director of Development Services began making loans from funds in the Facilities Establishment Fund that were derived from the sale of the 1982 Liquor Profits Bonds.

Direct loans can be made by the Director of Development Services under the Chapter 166 Direct Loan Program only if the Director of Development Services makes the determinations he must make to make other loans under the Act (which are the same as those he must make to make loans under the Ohio Enterprise Bond Fund Program), submits the determinations to DFAC (as the Director of Development Services is required to do in connection with assistance given under the Ohio Enterprise Bond Fund Program) and the State Controlling Board.

In connection with loans made under the Chapter 166 Direct Loan Program, the Director of Development Services ordinarily enters into a loan agreement with a borrower and receives a promissory note and a mortgage or security agreement (which may be subordinated to or on a parity with mortgages and security agreements securing other debt) from the borrower relating to the assets being financed by the loan. The loan agreement ordinarily sets forth procedures for disbursement of the loan and covenants, including financial covenants, regarding the borrower and its operations, defines events of default and provides that if an event of default has occurred and is continuing, the Director of Development Services may accelerate all amounts due under the note and foreclose on the related mortgage or security agreement (which acceleration may be subject to the consent of senior or parity debt holders). The Director of Development Services also may in his discretion waive events of default.

Most loans made under the Chapter 166 Direct Loan Program have not been for more than 50 percent of the total reported Allowable Costs of the project being financed. In many cases, a commercial lender has loaned a significant portion of the Allowable Costs of the project not financed by the State's loan. Approximately 90 percent of the loans outstanding under the Chapter 166 Direct Loan Program are secured by (i) first mortgages or security interests; or (ii) parity first mortgages or security interests in the property, the costs of which were financed by the loan. The remaining loans are generally secured by second priority mortgages or security interests in the property, the costs of which were financed by the loan.

In general, agreements relating to parity first mortgages or security interests provide that proceeds realized as the result of a foreclosure are to be divided among the lenders (typically the State and a commercial lender) on the basis of the principal balances outstanding under their respective loans. In some instances, however, proceeds realized as the result of a foreclosure are to be divided based on percentages established as the result of negotiation between the lenders, and may not relate to relative amounts the borrower owes to the lenders.

Chapter 166 Direct Loan Program Net Revenues

Set forth herein is a summary of the State's existing and historical Chapter 166 Direct Loan Program Net Revenues and other related facts, based on certain assumptions stated therein, and the Chapter 166 Direct Loan Program Net Revenues projected to be received by the State in the future from loans outstanding under the program.

The existing and future scheduled net loan repayments shown below are being generated by loans which were made from net proceeds of the 1982 Liquor Profits Bonds, the 1983 Liquor Profits Bonds and the Taxable Development Assistance Bonds. The loan repayments are not pledged to the payment of the 1983 Liquor Profits Bonds or the Taxable Development Assistance Bonds.

As described herein, the loan repayments shown below and any future loan repayments from new loans issued pursuant to the Chapter 166 Programs, including the Chapter 166 Direct Loan Program, are and will be initially deposited in the First Half Account and Second Half Account. If such amounts are not needed to pay Debt Service Charges on the Ohio Enterprise Bond Fund Bonds or to maintain the Program Reserve Requirement during the 6 to 12 month period they are held in such Accounts, subject to other directions given by the Director of Development Services under Section 166.09 of the Act, such amounts will be transferred to the Program Transfer Account within the Facilities Establishment Fund, where such amounts will be available as a source for originating additional loans (but may also be used for other purposes). Any additional loan repayments from future loans made under the Chapter 166 Programs, if made, will be also initially deposited to the First Half Account and the Second Half Account, and therefore will be available for payment of all Ohio Enterprise Bond Fund Bonds.

For more information relating to specific loans made under the Chapter 166 Direct Loan Program, see the Detailed Listing of All Chapter 166 Loans Outstanding section of this continuing disclosure document. As of June 30, 2012, there were 174 current loans outstanding under the Chapter 166 Direct Loan Program (not including the Delinquent Loans described below) in an aggregate principal amount of \$268,920,743. In addition, as of that date, 48 loans that were to be in an aggregate principal amount of \$95,625,178 had been approved by DFAC and the State Controlling Board and were the subject of commitment letters that had been agreed to by the Director and the borrowers or were being negotiated by the Director and the borrowers, but had not been disbursed to the borrowers.

The Chapter 166 Direct Loan Program originated its first loan in 1982. Of the loans made under the Program, 414 loans, in an aggregate original principal amount of \$572,767,648 had been paid in their entirety as of June 30, 2012. Since the inception of the Chapter 166 Direct Loan Program, there have been 654 total loans with a total principal amount of \$1,002,660,935.

As of June 30, 2012, six loans under the Chapter 166 Direct Loan Program were delinquent, with an outstanding balance of \$3,672,002. Since 1982, the Director of Development Services has written-off 53 loans with an outstanding aggregate principal balance of \$32,825,251.

SUMMARY OF HISTORICAL CHAPTER 166 LOAN PROGRAM – As of June 30, 2012

Period Ending:	<u>6/30/2012</u>	<u>12/30/2011</u>	<u>12/31/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>Total Since Inception</u>
<u>New Loans Originated</u>								
Number	14	23	20	27	24	16	23	654
Original Principal	27,865,625	49,287,450	30,030,910	65,158,434	48,971,500	25,116,250	32,925,750	1,002,660,935
<u>Matured Loans</u>								
Number	6	4	7	6	8	5	12	160
Original Principal	7,563,500	8,723,215	9,388,275	4,355,600	6,828,000	9,103,291	9,814,750	182,107,784
<u>Prepaid Loans</u>								
Number	11	14	13	6	9	6	14	254
Prepaid Principal	13,040,210	7,003,085	11,064,820	9,890,269	12,697,838	3,869,058	11,614,517	186,020,321
Original Principal	21,450,000	20,225,000	23,210,750	16,440,000	30,210,000	11,828,000	22,660,000	390,659,864
<u>Loan Written Off</u>								
Number	0	3	0	3	0	1	0	53
Actual Principal	0	825,828	0	2,122,725	0	1,000,000	0	32,825,251
Original Principal	0	1,550,000	0	3,000,000	0	1,000,000	0	54,071,669
<u>Regional Transfers</u>								
Number	0	0	0	0	0	0	0	7
Actual Principal	0	0	0	0	0	0	0	1,914,918
Original Principal	0	0	0	0	0	0	0	2,800,000
<u>Period Ending:</u>								
	<u>6/30/2012</u>	<u>12/30/2011</u>	<u>12/30/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	
<u>Average Loan Balance</u>	1,514,404	1,443,146	1,372,536	1,411,476	1,349,696	1,328,219	1,372,314	
<u>Outstanding Loans</u>								
Number	180	183	182	182	170	163	159	
Outstanding Balance	272,592,745	264,095,670	249,801,618	256,888,562	229,448,388	216,499,690	218,197,868	
Original Principal	377,052,475	371,840,369	353,374,008					
<u>Current Loans Outstanding</u>								
Number	174	179	175	179	165	160	156	
Outstanding Balance	268,920,743	260,953,284	244,975,269	254,729,698	226,660,339	213,276,962	215,505,340	
<u>Delinquent Loans</u>								
(60 - 120 days)								
Number	3	2	3	0	3	0	1	
Outstanding Principal	2,394,477	2,292,666	1,818,809	0	1,178,392	0	1,000,000	
(Over 120 days)								
Number	3	2	4	3	2	3	2	
Outstanding Principal	1,277,525	849,720	2,953,327	2,158,864	1,609,657	3,222,728	1,692,528	
<u>Period Ending:</u>								
	<u>6/30/2012</u>	<u>12/30/2011</u>	<u>12/30/2010</u>	<u>12/31/2009</u>	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>12/31/2006</u>	
<u>Account Balances</u>								
Program Transfer Account ⁽¹⁾⁽²⁾	110,619,352	99,059,246	108,450,268	87,307,172	128,545,578	138,028,691	116,433,956	
First Half ^{(3)(4)(11/11)}	23,707,264	18,698,676	19,704,421	22,633,576	26,432,573	18,200,881	26,543,300	
Second Half ⁽⁴⁾⁽⁵⁾	19,434,680	19,975,330	22,122,802	13,993,896	13,517,918	16,371,750	15,243,079	
Total	153,761,296	137,733,252	150,277,491	123,934,644	168,496,069	172,601,322	158,220,335	

(1) Amount is available to make new Chapter 166 Program loans.

(2) Amounts not pledged to pay Debt Service Charges (See "SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS - General Description").

(3) Amounts available to pay Debt Service Charges (See "SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS - General Description") On the last Business Day of year any remaining funds in this Account are transferred to Program Transfer Account.

(4) All year end balances are as of November 30 of each year and all June 30th balances are as of May 31st.

(5) Amounts available to pay Debt Service Charges (See "SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS - General Description") On the last Business Day of June any remaining funds in this Account are transferred to Program Transfer Account.

REPAYMENT SCHEDULE FOR THE CHAPTER 166 LOAN PORTFOLIO

The following table sets forth the annual Chapter 166 Direct Loan Program Net Revenues that will be received by the State from all loans outstanding under the program as of June 30, 2012. There can be no assurance that all of the payments will be received when scheduled.

Repayment Schedule as of June 30, 2012

Year	Scheduled Loan Repayments
2012	12,900,559
2013	29,737,970
2014	32,830,832
2015	35,667,082
2016	35,824,543
2017	27,521,448
2018	24,273,604
2019	17,236,346
2020	15,851,369
2021	19,824,391
2022	9,131,449
2023	7,923,997
2024	7,615,313
2025	7,191,494
2026	5,565,290
2027	4,589,695
2028	4,142,885
2029	7,127,559
2030	1,577,046
Total	\$ 306,532,872

ISSUANCE OF ADDITIONAL OHIO ENTERPRISE BOND FUND BONDS AND OTHER BONDS UNDER THE ACT

Pursuant to the General Bond Order, the Treasurer may, from time to time by issuance of a series bond order, issue other series of Ohio Enterprise Bond Fund Bonds on a parity basis with the Bonds, payable from and secured by the Ohio Enterprise Bond Fund Accounts as well as payable from the Program Transfer Account. The General Bond Order permits the State to issue Ohio Enterprise Bond Fund Bonds to provide moneys to the Facilities Establishment Fund that are needed for the purpose of paying, or making loans to pay Allowable Costs of Project Facilities and for the purpose of paying administrative expenses of the Ohio Enterprise Bond Fund Program, for funding reserves or interest payable from the proceeds of a series of Ohio Enterprise Bond Fund Bonds, and for refunding (including advance refunding) any outstanding series of Ohio Enterprise Bond Fund Bonds. Proceeds of Ohio Enterprise Bond Fund Bonds cannot be used for any other purpose.

Previously, under the Act, the aggregate principal amount of Project Financing Obligations (including the Bonds and other Ohio Enterprise Bond Fund Bonds) issued under the Act cannot exceed \$300,000,000, plus the sum of the principal amount of any Project Financing Obligations retired by payment. Except for the statutory limitation described above, there are no limitations in the Trust Agreement, or General Bond Order which is incorporated into the Trust Agreement, regarding the aggregate principal amount of Ohio Enterprise Bond Fund Bonds that may be issued.

The aggregate principal amount of Project Financing Obligations issuable under the Act as of June 30, 2012 is \$41,490,000.

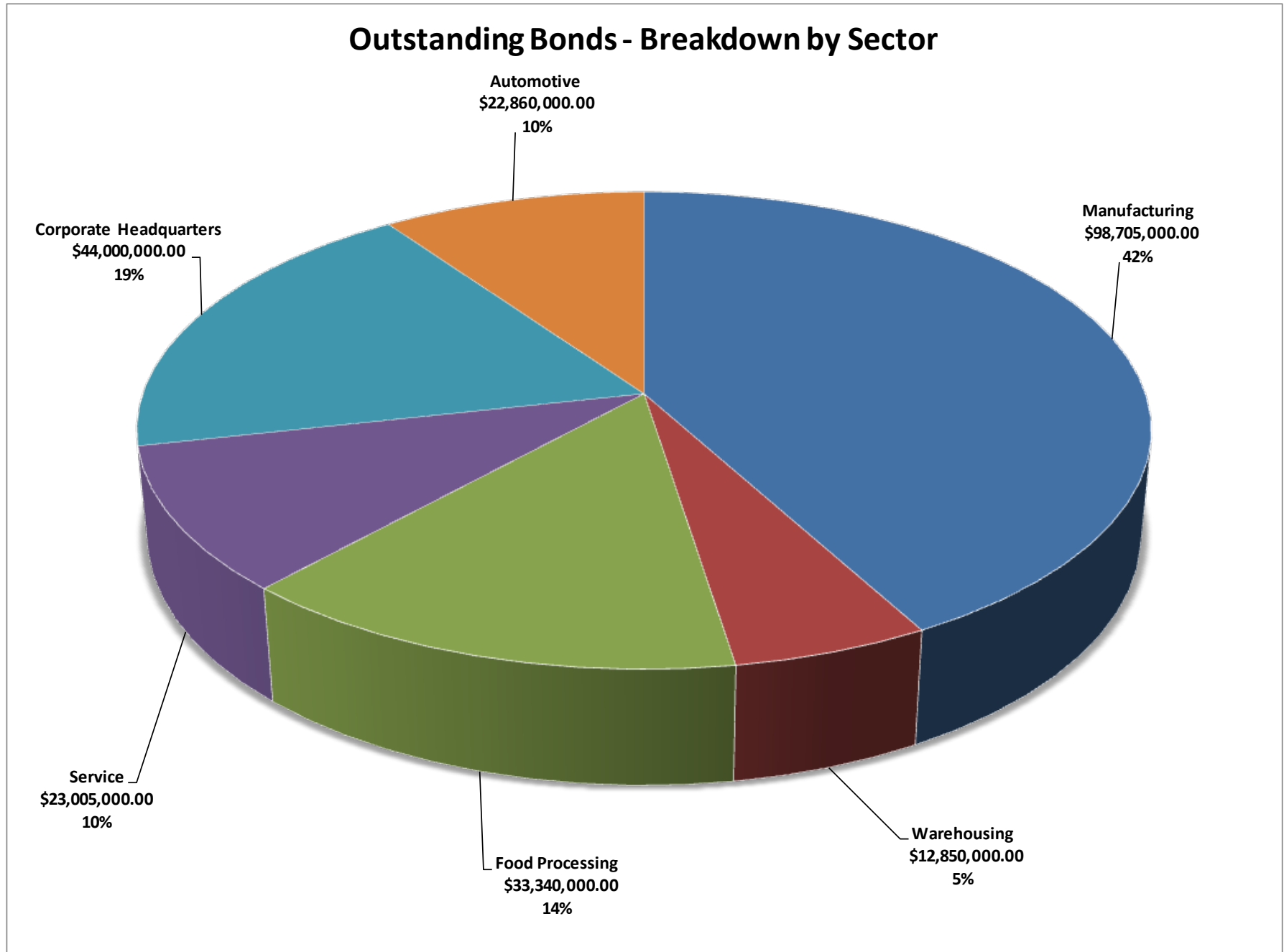
Effective on September 28, 2012, under the Act, the aggregate amount of debt service payable in any calendar year on Project Financing Obligations (Ohio Enterprise Bond Fund Bonds) issued under section 166.08 of the Revised Code, exclusive of the make-whole call redemptions or other optional prepayments, shall not exceed fifty million dollars (\$50,000,000). Except for the statutory limitation described above, there are no limitations in the Trust Agreement, or General Bond Order which is incorporated into the Trust Agreement, regarding the aggregate principal amount of Ohio Enterprise Bond Fund Bonds that may be issued.

There is no assurance that the State will not pledge or agree to use moneys in the Facilities Establishment Fund, including moneys in the Program Transfer Account, to secure or repay any other obligations issued under the Act.

In accordance with the General Bond Order, the State may issue additional series of Ohio Enterprise Bond Fund Bonds only if all of the following conditions are satisfied:

- The State is not in default of any covenants or obligations contained in the Trust Agreement or in any outstanding Ohio Enterprise Bond Fund Bonds, and the authentication and delivery of such series of Ohio Enterprise Bond Fund Bonds will not result in any such default;
- The principal amount of such series of Ohio Enterprise Bond Fund Bonds, and of other obligations then issued or outstanding under the Act, will not exceed in the aggregate the principal amount of obligations which may be issued or outstanding under the existing limitations imposed by of the General Assembly and the provisions of the Act;
- If proceeds of the additional series of Ohio Enterprise Bond Fund Bonds are to be used to finance Project Facilities, at the time of initial authentication and delivery of the series of bonds, the Director must have entered into a Project Financing Agreement relating to those proceeds or must have otherwise entered into agreements which provide for a source of revenues sufficient to pay the Debt Service Charges on that series of Ohio Enterprise Bond Fund Bonds or portion thereof allocable to the related Project Facilities. Each Project Financing Agreement is required to provide for the manner in which proceeds of such series of Ohio Enterprise Bond Fund Bonds shall be applied to the acquisition and construction of such Project Facilities and for payments by the Contracting Party so benefited of amounts sufficient to pay all of the Debt Service Charges on such series of Ohio Enterprise Bond Fund Bonds or the portion thereof allocable to the financing for that Contracting Party;
- The balance in the Program Reserve Account (including the aggregate amounts which may then be drawn under any letters of credit delivered to the Trustee to provide funds to the Program Reserve Account), valuing investments therein at the lower of cost or market, immediately after issuance of such series of Ohio Enterprise Bond Fund Bonds, must be not less than the Program Reserve Requirement; and
- The terms of obligations, including Ohio Enterprise Bond Fund Bonds, issued under the Act, may not exceed 25 years. Under the Trust Agreement, the State may not issue any series of Ohio Enterprise Bond Fund Bonds if the issuance of that series would cause interest on any outstanding series of Tax-Exempt Ohio Enterprise Bond Fund Bonds to be includable in gross income for purposes of federal income taxation.

OUTSTANDING OEBF BONDS – BREAKDOWN BY SECTOR – As of June 30, 2012



DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2012

Bond Series Number	Company Name	Type of Business	Original Principal	Tax Status	Closing Date	Maturity Date	County	City	Outstanding Principal
1988-1	Program Reserve	Program Reserve	10,000,000	Taxable	4/11/1988	12/1/2000	N/A	N/A	0
1989-1	Globe Industries	Industrial Parts	2,500,000	Tax-Exempt	4/27/1989	6/1/1991	Lucas	Rossford	0
1989-2	Globe Industries	Industrial Parts	1,000,000	Tax-Exempt	6/8/1989	6/1/1996	Lucas	Oregon	0
1989-3	Harvard Industries	Automotive Accessories	7,200,000	Tax-Exempt	6/29/1989	12/1/1996	Seneca	Tiffin	0
1989-4	House of LaRose	Regional Beverage Distribution	8,255,000	Taxable	10/6/1989	6/1/2011	Cuyahoga	Cuyahoga Heights	0
1989-5A	Sponge, Inc.	Sponge Manufacturing	4,400,000	Tax-Exempt	10/5/1989	6/1/2014	Lorain	Elyria	0
1989-5B	Sponge, Inc.	Sponge Manufacturing	4,050,000	Tax-Exempt	10/5/1989	6/1/1999	Lorain	Elyria	0
1989-6	Triplett Corporation	Measuring Devices Manufacturing	3,810,000	Taxable	10/31/1989	6/1/1994	Allen	Bluffton	0
1990-1	Erie Terminal	Commercial Offices	1,555,000	Taxable	12/6/1990	12/1/2010	Mahoning	Youngstown	0
1990-2	Youngstown Sinter	Steel Manufacturing	7,400,000	Tax-Exempt	7/14/1990	12/1/1997	Trumbull	Warren	0
1990-3	Good Samaritan	Non-Profit Medical Center	1,900,000	Tax-Exempt	12/27/1990	12/1/2010	Muskingum	Zanesville	0
1991-1	Kinetic Noise Control	Noise Control Products	2,270,000	Taxable	3/28/1991	12/1/2011	Franklin	Dublin	0
1991-2	Superior Forge and Steel, Inc.	Steel Mill Rolls Manufacturing	7,715,000	Tax-Exempt	4/25/1991	6/1/2001	Allen	Lima	0
1991-3	Superior Forge and Steel, Inc.	Steel Mill Rolls Manufacturing	1,200,000	Tax-Exempt	4/25/1991	6/1/2011	Allen	Lima	0
1991-4	Atlas Technical Finishes, Inc.	Electrocoating Operation	1,310,000	Taxable	5/31/1991	12/1/2011	Cuyahoga	Cleveland	0
1991-5	Royal Appliance Manufacturing	Vacuum Cleaner Manufacturer	4,145,000	Tax-Exempt	5/30/1991	12/1/2011	Summit	Macedonia	0
1991-6	Burrows Paper Corporation	Specialty Tissue Manufacturer	1,435,000	Tax-Exempt	7/25/1991	6/1/2003	Knox	Mt. Vernon	0
1991-7	Burrows Paper Corporation	Specialty Tissue Manufacturer	650,000	Tax-Exempt	7/25/1991	6/1/2011	Knox	Mt. Vernon	0
1991-8	JJ&S Ltd. Partnership	Electromechanical Products Servicer	2,895,000	Taxable	8/15/1991	9/1/1996	Stark	Massilon	0
1991-9	Royal Appliance Manufacturing	Vacuum Cleaner Manufacturer	3,125,000	Tax-Exempt	8/29/1991	12/1/2011	Lake	Wickliffe	0
1991-10	Luiginos, Inc.	Food Manufacturer	6,715,000	Tax-Exempt	9/18/1991	6/1/2001	Jackson	Jackson	0
1991-11	RC Miller Refuse Services	Refuse Recycler	2,035,000	Tax-Exempt	10/30/1991	6/1/1994	Stark	Canton	0
1991-12	Fed-One Dayton	Glass Manufacturer	3,800,000	Taxable	11/15/1991	3/1/1997	Muskingum	Zanesville	0
1991-13	VSM Corporation	Noise Abatement Systems Manufacturer	2,605,000	Tax-Exempt	12/5/1991	12/1/2011	Summit	Twinsburg	0
1991-14	RC Miller Refuse Services	Refuse Recycler	1,605,000	Tax-Exempt	12/16/1991	6/1/1999	Stark	Canton	0
1991-15	Consumer Direct, Inc.	Fitness Equipment Distribution	2,710,000	Taxable	1/22/1992	9/1/1995	Stark	Canton	0

DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2012 (cont.)

Bond Series Number	Company Name	Type of Business	Original Principal	Tax Status	Closing Date	Maturity Date	County	City	Outstanding Principal
1992-1	Calex Corporation	Aluminum Extrusion Processor	10,185,000	Taxable	2/24/1992	12/1/1998	Mahoning	Campbell	0
1992-2	5 Bs, Inc.	Garment Manufacturer	2,070,000	Tax-Exempt	4/23/1992	6/1/1999	Muskingum	Zanesville	0
1992-3	Baileys Trans-Plastics	Plastic Injection Molder Manufacturer	3,170,000	Taxable	6/30/1992	9/1/2002	Ashtabula	Conneaut	0
1992-5	Stearns Technical Textiles	Textile Manufacturer	3,805,000	Tax-Exempt	6/30/1992	6/1/1999	Hamilton	Cincinnati	0
1992-6	Hercules Tire & Rubber	Rubber Tire Retreading Manufacturer	2,870,000	Tax-Exempt	6/30/1992	6/1/2002	Hancock	Findlay	0
1992-7	Oscro Industries, Inc.	Gray Iron Castings Manufacturer	1,250,000	Taxable	11/19/1992	12/1/2002	Scioto	Portsmouth	0
1992-8	Landoll, Inc.	Book Publisher	7,580,000	Taxable	1/11/1993	12/1/2002	Ashland	Ashland	0
1993-1	Dayton-Phoenix Group	Locomotive Motors	3,095,000	Taxable	2/10/1993	12/1/2007	Montgomery	Dayton	0
1993-2	Chemron Corporation	Surfactants Mfg.	1,630,000	Taxable	4/28/1993	6/1/2003	Wood	Bowling Green	0
1993-3	Bowling Green Ltd. Partnership	Surfactants Mfg.	1,830,000	Taxable	4/28/1993	6/1/2013	Wood	Bowling Green	0
1993-4	Buffalo Molded Plastics	Auto Parts Manufacturer	3,070,000	Taxable	9/9/1993	6/1/2000	Ashtabula	Andover	0
1993-5	Foremost Mgmt.	Food Processing Facility	8,100,000	Taxable	9/21/1993	6/1/2013	Jackson	Jackson	0
1993-6	Globe Industries	Manufacturer of Vibration Control Equipment	5,520,000	Taxable	9/8/1993	9/1/2000	Lucas	Oregon	0
1993-7	Checkfree Corporation	Commercial Financial Processing	7,515,000	Taxable	9/2/1993	9/1/2013	Franklin	Columbus	0
1993-8	Landair Services, Inc.	Transportation/Logistics Firm	6,280,000	Taxable	10/29/1993	12/1/2008	Franklin	Columbus	0
1993-9	Mills Pride, Ltd. Partnership	Manufacturer of Kitchen Cabinets, Vanities, etc.	10,415,000	Taxable	1/12/1994	12/1/2000	Pike	Waverly	0
1994-1	CR/PL Limited Partnership	Manufacturer of Plumbing Equipment	3,060,000	Tax-Exempt	9/1/1994	12/1/2003	Richland	Mansfield	0
1994-2	Cheryl & Co.	Food Processing Facility	1,455,000	Tax-Exempt	1/1/1994	12/1/2011	Franklin	Westerville	0
1994-3	ABS Industries, Inc.	Manufacturer of forged parts for Auto Industry	6,460,000	Tax-Exempt	4/21/1994	12/1/1996	Carroll	Minerva	0
1994-4	Orlando Baking Co.	Commercial Bakery	3,575,000	Tax-Exempt	6/16/1994	12/1/2011	Cuyahoga	Cleveland	0
1994-5	Consolidated Biscuit, Inc.	Commercial Bakery	1,815,000	Tax-Exempt	10/1/1994	12/1/2011	Erie	Sandusky	0
1994-6	Progressive Plastic Products	Manufacturer of Molded Plastics Components	3,380,000	Tax-Exempt	12/1/1994	12/1/2011	Seneca	Seneca	0
1995-1	J.J.&W. Partnership	Chemical Manufacturer	3,425,000	Tax-Exempt	6/1/1995	12/1/2014	Stark	Massillon	0
1995-2	Wirt Metal Products, Inc.	Manufacturing of Aluminum Billets	2,115,000	Tax-Exempt	7/1/1995	6/1/2002	Stark	Plain Township	0
1995-3	Smith Steelite, Inc.	Manufacturer of Metal Wall and Roof System	3,510,000	Tax-Exempt	11/15/1995	12/1/2003	Guernsey	Cambridge	0
1996-1	Sandusky Polymers Corp.	Manufacturer of Vinyl Products	2,130,000	Taxable	3/1/1996	3/1/2011	Erie	Sandusky	0

DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2012 (cont.)

Bond Series Number	Company Name	Type of Business	Original Principal	Tax Status	Closing Date	Maturity Date	County	City	Outstanding Principal
1996-2	Ohio Coatings, Co.	Tinplate Manufacturing	10,000,000	Taxable	10/31/1996	12/1/2011	Jefferson	Yorkville	0
1998-1	The General Casting Company	Manufacturer of Iron Castings	1,600,000	Taxable	4/30/1998	6/1/2005	Logan	W. Liberty	0
1998-2	Hamilton CIC	Cleaning Products Manufacturing	1,755,000	Taxable	4/30/1998	6/1/2018	Butler	Hamilton	0
1998-3	E-BEAM	Wire/Cable Conveyor System	2,290,000	Taxable	5/28/1998	6/1/2005	Warren	Lebanon	0
1998-4	OCHS Industries, Inc.	Manufacturer of Housing for Computers	3,185,000	Taxable	11/12/1998	6/1/2008	Montgomery	Vandalia	0
1998-5	Toledo Lucas County Port Authority	Port Authority	8,350,000	Taxable	11/12/1998	12/1/2018	Hancock	Findlay	4,130,000
1999-1	NEO Beam Inc.	Plastic Sterilization	4,075,000	Taxable	5/12/1999	3/1/2019	Middlefield	Geauga	2,320,000
1999-2	Euclid & Wickliffe Services	Custom Sheet Metal Manufacturing	5,325,000	Taxable	11/24/1999	9/1/2019	Lake	Eastlake	3,030,000
2000-1	Scotts	Garden Fertilizer Company	6,025,000	Taxable	5/11/2000	6/1/2020	Union	Marysville	3,675,000
2000-2	Timken Latrobe	Steel Company	6,185,000	Taxable	6/15/2000	6/1/2020	Trumbull	Vienna Township	3,845,000
2001-1	Girindus	Pharmaceutical Company	3,505,000	Taxable	8/16/2001	9/1/2011	Hamilton	Reading	0
2002-1	Seaman Corporation	Industrial Fabrics Manufacturer	3,140,000	Taxable	5/14/2002	3/1/2017	Wayne	Wooster	1,420,000
2002-2	Alloy Polymers, Inc.	Plastics compounder	7,185,000	Taxable	5/23/2002	6/1/2011	Franklin	Gahanna	0
2002-3	Milacron Inc.	Tool Manufacturer	11,500,000	Taxable	6/13/2002	6/1/2012	Hamilton	Batavia	0
2002-4	Astro Instrumentation LLC	Manufacturer of medical devices	2,845,000	Tax-Exempt	8/29/2002	6/1/2022	Cuyahoga	Strongsville	1,775,000
2002-5	Dana Corporation	Automotive Manufacturer	10,000,000	Taxable	11/7/2002	6/1/2014	Lucas	Monclova Township	8,505,000
2002-6	Farber Development I, LLC	Automotive	2,450,000	Tax-Exempt	10/24/2002	12/1/2017	Franklin	Columbus	1,115,000
2002-7	Kahiki Foods	Frozen Foods	4,180,000	Tax-Exempt	12/12/2002	12/1/2022	Franklin	Gahanna	2,800,000
2003-1	Trillium	Soap Manufacturer	10,200,000	Taxable	4/23/2003	3/1/2011	Hamilton	Cincinnati	0
2003-2	EXAL Corporation	Aluminum Can Manufacturer	3,935,000	Taxable	4/24/2003	3/1/2010	Youngstown	Mahoning	0
2003-3	Patheon Pharmaceuticals Inc.	Pharmaceutical Company	9,000,000	Taxable	6/12/2003	6/1/2008	Hamilton	Reading	0
2003-4	Burrows Paper Corporation	Paper Manufacturer	9,000,000	Taxable	6/18/2003	6/1/2018	Montgomery	Dayton	4,685,000
2003-5	Heidtman Steel	Steel Processor	5,645,000	Taxable	8/28/2003	6/1/2013	Cuyahoga	Cleveland	780,000
2003-6	Alliance Castings	Manufacturer of side frames for rail cars	10,000,000	Taxable	12/18/2003	12/1/2010	Alliance	Stark	0
2004-1	Engineered Plastics	Plastic Auto Components Manufacturer	3,460,000	Tax-Exempt	1/22/2004	12/1/2010	Allen	Ft. Shawnee	0

DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2012 (cont.)

Bond Series Number	Company Name	Type of Business	Original Principal	Tax Status	Closing Date	Maturity Date	County	City	Outstanding Principal
2004-2	Luiginos, Inc.	Frozen Foods	7,010,000	Taxable	3/31/2004	6/1/2019	Jackson	Jackson	4,050,000
2004-3	SUMCO	Silicon Wafer Manufacturer	8,000,000	Taxable	5/6/2004	3/1/2011	Warren	Maineville	0
2004-4	Stone Container	Manufacturer of Packaging Material	4,650,000	Taxable	10/6/2004	9/1/2011	Tuscarawas	New Philadelphia	0
2005-1	Amantea Nonwovens, LLC	Manufacturer of Non Woven Fabrics	3,535,000	Taxable	2/10/2005	3/1/2015	Hamilton	Cincinnati	1,275,000
2005-2	Goodyear Tire & Rubber	Tire Manufacturer	7,860,000	Taxable	5/12/2005	6/1/2014	Summit	Akron	2,765,000
2005-3	Taylor Chair	Chair and Furniture Manufacturer	4,690,000	Tax-Exempt	7/26/2005	6/1/2025	Cuyahoga	Bedford	3,775,000
2005-4	Dover Chemical Corporation	Chemical Manufacturer	7,000,000	Taxable	9/21/2005	9/1/2012	Tuscarawas	Dover	345,000
2005-5	Rossford/Perrysburg	Office Building	8,000,000	Taxable	11/17/2005	12/1/2021	Wood	Perrysburg	5,790,000
2006-1	Lockheed Martin Corporation	Defense Contract - HAA	5,000,000	Taxable	2/1/2006	12/1/2012	Summit County	Akron	950,000
2006-2	Klosterman Baking Co.	Bread Baking	4,830,000	Taxable	2/8/2006	12/1/2025	Hamilton	Cincinnati	3,100,000
2006-3	EXAL Corp	Aluminum Containers	5,000,000	Taxable	2/16/2006	6/1/2016	Mahoning	Youngstown	2,340,000
2006-4	Associated Hygienic Products	Disposable Sanitary Products	6,000,000	Taxable	7/19/2006	12/1/2013	Marion	Marion	1,470,000
2006-5	Clopay Corporation	Garage Door Manufacturer	7,790,000	Taxable	10/25/2006	12/1/2021	Miami	Troy	5,930,000
2007-1	Appleton Papers Inc.	Paper Coating and Production	9,105,000	Taxable	7/24/2007	6/1/2017	Montgomery	West Carrollton	5,705,000
2007-2A	Golden Heritage Foods	Honey Food Products	4,500,000	Tax-Exempt	11/28/2007	12/1/2019	Van Wert	Van Wert	4,075,000
2007-2B	Golden Heritage Foods	Honey Food Products	1,030,000	Taxable	11/28/2007	12/1/2011	Van Wert	Van Wert	0
2008-1	Anchor Acquisition	Glassware	7,000,000	Taxable	3/27/2008	3/1/2018	Fairfield	Lancaster	0
2008-2	Technographics, Inc.	Software Services	4,390,000	Taxable	7/9/2008	6/1/2024	Wayne	Wooster	3,785,000
2008-3	Sigma OH Industries Inc.	Metal Component Manufacturer	3,420,000	Taxable	8/22/2008	6/1/2023	Ashtabula	Village of Jefferson	2,610,000
2008-4	Xunlight Corporation	Flexible Solar Cell Manufacturer	4,000,000	Taxable	12/18/2008	12/1/2015	Lucas	Toledo	3,005,000
2009-1	Ohio Metal Technologies	Manufacturer of Velocity Joints	4,545,000	Tax-Exempt	4/8/2011	12/1/2018	Licking	Hebron	3,515,000
2009-2	HCR Manor Care Services	Corporate Headquarters	11,605,000	Taxable	4/28/2011	3/1/2029	Lucas	Toledo	11,285,000
2009-3	Health Care REIT	Real Estate Investment Trust	10,750,000	Taxable	8/25/2009	9/1/2019	Lucas	Toledo	8,420,000
2009-4	Eaton Corporation	Electrical Systems Technology	10,000,000	Taxable	9/24/09	12/1/2020	Cuyahoga	Beachwood	10,000,000
2009-5	Shearer's Foods Inc.	Maker of Brand Snack Food	7,635,000	Tax-Exempt	10/1/2009	12/1/2024	Stark	Massillon	6,765,000
2009-6	National Bronze & Metals, Inc.	Metal Alloy Manufacturer	4,935,000	Taxable	10/29/2009	9/1/2019	Lorain	Lorain	4,315,000
2010-1	Comprehensive Logistics, Inc.	Warehouse & Transportation Management	4,315,000	Taxable	2/25/2010	9/1/2015	Mahoning	Austintown	3,090,000
2010-2	IRG Batavia I, LLC	Real Estate Developer	4,490,000	Tax-Exempt	4/1/2010	12/1/2024	Clermont	Batavia	4,490,000
2010-3	IRG Batavia I, LLC	Real Estate Developer	1,645,000	Taxable	4/1/2010	12/1/2014	Clermont	Batavia	1,140,000
2010-4	Intelligrated Systems, Inc.	Integrated Material Handling Systems Supplier	5,600,000	Taxable	3/4/2010	3/1/2030	Butler	West Chester	5,285,000

DETAILED LISTING OF ALL OHIO ENTERPRISE BOND FUND BONDS - As of June 30, 2012 (cont.)

Bond Series Number	Company Name	Type of Business	Original Principal	Tax Status	Closing Date	Maturity Date	County	City	Outstanding Principal
2010-5	Wornick Company	Food Rations Supplier	6,415,000	Taxable	8/19/2010	9/1/2015	Hamilton	Blue Ash	4,315,000
2010-6	Shawshank, LLC	Roll and Sheet Stock Paper Converter	2,390,000	Taxable	8/12/2010	9/1/2025	Richland	Mansfield	2,225,000
2010-7	Vernon Manor Project	Parking Garage	4,300,000	Tax-Exempt	10/14/2010	6/1/2035	Hamilton	Cincinnati	4,220,000
2010-8	New Horizons Bakery	Bakery	6,115,000	Tax-Exempt	10/7/2010	6/1/2018	Huron	Norwalk	5,430,000
2010-9	Sugar Creek Packing Co.	Food Processing Facility	3,025,000	Tax-Exempt	11/10/2010	12/1/2020	Montgomery	Dayton	2,805,000
2010-10	Novatex North America, Inc.	Infant Care Products	5,500,000	Tax-Exempt	12/16/2010	12/1/2025	Ashland	Ashland	5,100,000
2010-11	International Technical Coatings, Inc.	Wire Mesh Products Manufacturer	3,005,000	Tax-Exempt	12/15/2010	12/1/2020	Franklin	Columbus	2,730,000
2010-12	Flats East Development LLC	Urban Renewal Developer	15,000,000	Tax-Exempt	12/21/2010	12/1/2034	Cuyahoga	Cleveland	15,000,000
2011-1	General Data Company, Inc.	Label Manufacturer	2,455,000	Tax-Exempt	9/2/2011	6/1/2021	Clermont	Milford	2,315,000
2011-2	Wilbert, Inc.	Plastic Injection Molder Manufacturer	5,285,000	Taxable	9/22/2011	9/1/2026	Sandusky	Bellevue	5,285,000
2011-3	MITEC, Inc.	Automotive Propulsion Technology Mfr	7,270,000	Taxable	11/03/11	12/01/18	Hancock	Findlay	7,270,000
2011-4	MAC LTT, LLC	Truck Trailer Manufacturing	3,150,000	Taxable	12/08/11	03/01/27	Portage	Kent	3,095,000
2011-5	Mt. Orab Port Authority	Truck Trailer Manufacturing	3,400,000	Taxable	12/15/11	12/01/21	Brown	Mt. Orab	3,330,000
2012-1	seepex, Inc.	Cavity pumps, macerators & control systems manufact.	5,855,000	Tax-Exempt	02/23/12	12/01/26	Clark	Enon	5,855,000
2012-2	Isofoton North America, Inc.	Mono crystalline solar cells	7,080,000	Taxable	03/08/12	06/01/19	Henry	Napoleon	7,080,000
2012-3	FWT, LLC	Custom steel support products	4,040,000	Taxable	04/18/12	06/01/22	Defiance	Hicksville	4,040,000
2012-4	JDDC, Ltd.	Threaded parts manufacturer	3,135,000	Taxable	5/10/12	06/01/27	Lake	Mentor	3,135,000
2012-5	Southeastern Ohio Port Authority	Water screening, water supply and pumping	4,175,000	Taxable	6/21/12	06/01/17	Washington	Marietta	4,175,000
TOTAL TAX-EXEMPT ORIGINAL PRINCIPAL			\$181,270,000		TOTAL TAX-EXEMPT OUTSTANDING PRINCIPAL			\$71,765,000	
TOTAL TAXABLE ORIGINAL PRINCIPAL			\$439,085,000		TOTAL TAXABLE OUTSTANDING PRINCIPAL			\$162,995,000	
TOTAL ORIGINAL PRINCIPAL			\$620,355,000		TOTAL OUTSTANDING PRINCIPAL			\$234,760,000	
TOTAL TRANSACTIONS			125		TOTAL OUTSTANDING TRANSACTIONS			56	

DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2012

		Outstanding			Controlling					
	<u>Company Name</u>	<u>Principal Balance</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Board Dates</u>	<u>Disbursement Dates</u>	<u>Final Maturity</u>	<u>County</u>	<u>City</u>	<u>Balloon Due</u>
1	100 Furniture Parkway LLC	1,765,982	1,875,000	3%	12/15/08	5/1/09	2021	Huron	Norwalk	2021
2	20/20 Custom Molded Products, Inc.	50,121	1,000,000	4%	06/03/02	10/23/02	2012	Williams	Holiday City	N/A
3	4500, LTD.	78,328	500,000	4%	3/24/97	3/1/99	2014	Cuyahoga	Pepper Pike	N/A
4	7600 Whipple, LLC	159,597	500,000	3%	2/27/06	5/26/06	2021	Stark	North Canton	N/A
5	Accel, Inc	1,821,673	1,821,673	1%,3%	11/8/10	9/19/11	2021	Licking	Johnstown	N/A
6	Advance Manufacturing Corp	468,341	600,000	3%	11/2/09	9/15/10	2017	Cuyahoga	Cleveland	N/A
7	AK Steel Corporation II	1,916,857	5,000,000	2%	8/23/04	1/10/05	2115	Butler	Middletown	N/A
8	Amantea Nonwovens, LLC	770,357	2,000,000	3%	7/26/04	7/1/05	2015	Hamilton	Cincinnati	N/A
9	American Original Building Products	575,143	893,662	3%	2/26/07	7/18/08	2015	Summit	Akron	N/A
10	Anomatic Corporation*	2,606,040	2,685,000	3%	7/11/11	12/28/11	2022	New Albany	Franklin	N/A
11	Appleton Paper	2,143,653	3,000,000	3%	4/23/07	5/8/09	2019	Montgomery	West Carrollton Village of Hannibal	N/A
12	Artco Group International, Inc.	2,443,295	2,500,000	3%	10/15/07	9/5/08	2018	Monroe		N/A
13	Ashland Investment Properties LTD	493,624	1,100,000	3%	9/23/02	4/14/03	2018	Ashland	Ashland	2018
14	Ashland Property Resources	513,911	600,000	3%	10/25/10	12/21/10	2017	Ashland	Ashland	N/A
15	Associated Hygienic Products (A)	591,926	1,000,000	3%	3/13/06	1/30/08	2018	Delaware	Delaware	N/A
16	Associated Hygienic Products (B)	580,378	1,000,000	3%	1/30/08	1/30/08	2017	Delaware	Delaware	NA
17	A-Stamp Industries ,LLC	326,656	540,000	4%	5/21/07	7/17/09	2019	Williams	Ridgeville Corners	NA
18	Avenir Properties LLC	572,410	1,000,000	3%	9/22/03	02/19/05	2020	Cuyahoga	Cleveland	NA
19	Avion Park, LLC	704,930	1,000,000	3%	8/14/06	3/12/07	2022	Cuyahoga	Highland Hts.	N/A
20	Beech Engineering & Mfg	403,881	500,000	3%	10/6/08	8/28/09	2021	Tuscarawas	New Philadelphia	N/A
21	Benjamin Steel Company, Inc.	95,301	500,000	3%	11/28/05	9/1/06	2021	Clark	Springfield	N/A
22	Bilco Company	570,427	1,000,000	3%	2/26/07	9/10/07	2017	Guernsey	Cambridge	N/A
23	BIO/Start	1,224,564	1,500,000	0%	12/9/98	8/16/99	2012	Hamilton	Cincinnati	2012
24	Bliss Investment, LLC	387,816	600,000	1%	7/26/04	6/7/06	2011	Hamilton	Cincinnati	N/A
25	Braun Real Estate, Ltd.	288,158	592,500	3%	02/24/03	06/02/03	2018	Van Wert	Van Wert	N/A
26	Brilex Industries, Inc.	370,351	500,000	4%	9/8/08	6/8/09	2019	Mahoning	Youngstown	N/A
27	Butler County Port Authority	1,500,000	1,500,000	1.00%	11/30/09	3/4/10	2030	Butler	Hamilton	N/A
28	CAMACO, LLC	1,216,847	2,000,000	3%	09/12/05	2/21/08	2018	Lorain	Lorain	N/A
29	CAMACO, LLC	1,606,015	2,000,000	3%	1/11/10	11/4/10	2017	Lorain	Lorain	N/A
30	Chem Technologies	45,366	750,140	4%	9/10/01	11/15/02	2012	Geauga	Middlefield	N/A
31	Circleville-Pickaway CIC (Pickaway Progress Ptshp.)	967,300	1,000,000	0%, 3%	10/15/07	6/2/08	2023	Pickaway	Circleville	N/A

DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2012

		Outstanding			Controlling					
	<u>Company Name</u>	<u>Principal Balance</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Board Dates</u>	<u>Disbursement Dates</u>	<u>Final Maturity</u>	<u>County</u>	<u>City</u>	<u>Balloon Due</u>
32	CK Technologies, LLC	72,088	1,000,000	4%	4/22/02	12/5/02	2012	Williams	Montpelier	N/A
33	CCCPA (Bearings Inc.)	4,642,894	6,000,000	2%	9/18/95	3/10/97	2016	Cuyahoga	Cleveland	2016
34	CCCPA (Columbia National Group)	492,191	750,000	3.5%	7/11/05	5/25/06	2021	Cuyahoga	Cuyahoga Hts.	2016
35	CDSF,LTD	1,412,786	1,500,000	3%	9/13/10	5/2/11	2026	Stark	Canton	N/A
36	Cleveland -Cuyahoga County)Eaton)	15,500,000	15,500,000	0%, 1%	11/17/08	9/22/09	2029	Cuyahoga	Cleveland	N/A
37	Codino's Limited, Inc.	289,573	420,000	3%	3/13/06	12/4/06	2022	Darke	Versailles	N/A
38	Coll Materials Exchange LLC	488,511	600,000	3%	11/30/09	12/22/10	2018	Muskingum	Zanesville	N/A
39	College Park Properties LLC	483,151	1,000,000	3%	04/22/02	10/08/03	2018	Lorain	Elyria	N/A
40	Columbia Properties Ltd	1,237,500	1,237,500	3%	8/8/11	5/23/12	2027	Montgomery	Dayton	
41	Columbus-Franklin County Port Authority	1,983,506	2,500,000	0%	12/04/06	6/1/07	2027	Franklin	Columbus	N/A
42	Columbus-Franklin CountyFinance	4,000,000	4,000,000	1%	10/15/07	4/23/09	2019	Columbus	Franklin	N/A
43	Comprehensive Logistics Co	652,030	1,000,000	3%	11/30/09	2/23/10	2015	Mahoning	Youngstown	N/A
44	Cuyahoga County Commissioners (Gateway)	2,000,000	10,000,000	0%	9/11/06	10/11/96	2016	Cuyahoga	Cleveland	N/A
45	Dayton Polymeric Products, Inc.	238,795	420,000	3%	2/5/07	6/1/07	2014	Montgomery	Dayton	2014
46	Dayton-Montgomery Port Authority (CareSource)	6,582,069	8,000,000	1%	12/4/06	5/18/07	2028	Montgomery	Dayton	N/A
47	Dayton-Montgomery Port Authority (Clopay) Dayton-Montgomery Port Authority	3,495,838	5,000,000	3%	6/12/06	10/24/06	2021	Miami	Troy	N/A
48	(Relizon)	3,500,794	6,540,000	2%	2/26/01	6/4/01	2017	Montgomery	Dayton	2017
49	Enerco Realty LLC	402,071	1,000,000	3%	5/20/02	8/28/02	2017	Cuyahoga	Cleveland	N/A
50	Ernst & Moore Metal Technologies, Inc.	491,102	1,000,000	4%	3/13/06	10/13/06	2016	Montgomery	Moraine	N/A
51	Exal Corporation	867,534	2,000,000	3%	11/28/05	3/9/06	2016	Mahoning	Youngstown	N/A
52	Famous CDC, LLC	653,372	1,000,000	3%	2/28/05	8/30/05	2020	Mahoning	Sebring	N/A
53	FC Limited	506,835	1,000,000	3%	9/22/03	3/5/04	2019	Montgomery	Harrison	N/A
54	Fenner Dunlop (Toledo), LLC	717,096	969,806	3%	6/12/06	3/12/07	2022	Lucas	Toledo	N/A
55	Finance Fund	1,888,066	2,200,000	1%	7/19/10	2/17/11	2019	Franklin	Columbus	N/A
56	Franklin County Convention Fac	10,000,000	10,000,000	1%	12/12/11	3/28/12	2022	Franklin	Columbus	
57	FWT.LLC	3,000,000	3,000,000	1%	12/12/11	5/25/12	2022	Defiance	Hicksville	
58	Gem City Metal Technologies, Inc.	423,473	600,000	4%	2/25/08	9/11/08	2018	Montgomery	Dayton	N/A
59	Gensamer Family Partners, Inc.	650,594	1,000,000	3%	5/17/04	10/20/05	2020	Mahoning	Youngstown	N/A
60	General Aluminum Manufacturing Co	3,474,660	4,000,000	3%	9/8/08	4/1/09	2019	Portage	Rootstowntwp	N/A
61	General Data Company Inc	877,644	910,000	3%	5/9/11	9/15/11	2026	Clermont	Uniontown	N/A
62	Global Cooling*	815,000	815,000	3%	5/9/11	9/26/11	2021	Athens	Athens	N/A

DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2012

		Outstanding			Controlling					
	<u>Company Name</u>	<u>Principal Balance</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Board Dates</u>	<u>Disbursement Dates</u>	<u>Final Maturity</u>	<u>County</u>	<u>City</u>	<u>Balloon Due</u>
63	Gradall Industries, Inc.	1,339,130	2,000,000	3%	7/24/06	2/5/08	2018	Tuscarawas	New Philadelphia	N/A
64	Green Tokai Company, Ltd.	1,873,639	2,500,000	3%	2/26/07	4/24/08	2023	Montgomery	Brookville	N/A
65	Guernsey County P.A. (Detroit Diesel)	5,615,825	6,000,000	2%	2/28/05	5/3/06	2016	Guernsey	Cambridge	N/A
66	H. J. Heinz Company	759,758	2,100,000	3%	5/26/00	10/23/01	2016	Sandusky	Fremont	N/A
67	Hamlin Newco, LLC	802,099	1,000,000	0%,4%	5/7/07	5/29/08	2015	Summit	Akron	N/A
68	Hanover Marine	1,885,947	2,000,000	3%	5/18/09	12/9/09	2019	Lake	Painsville Twp	N/A
69	Harco Manufacturing Group, LLC	573,746	1,300,000	3%	6/4/07	4/14/08	2015	Montgomery	Clayton	N/A
70	Health Care Reit , Inc	1,813,335	2,000,000	3%	1/12/09	4/6/11	2021	Lucas	Toledo	N/A
71	Heartland Refinery Group LL	2,861,475	3,500,000	3%	7/10/09	7/10/09	2019	Franklin	Columbus	N/A
72	Highway Composites LLC	766,461	1,000,000	3%	7/24/06	3/27/07	2022	Huron	Norwalk	N/A
73	Honeybaked Foods, Inc.	494,219	1,671,000	4%	5/24/99	1/5/01	2016	Lucas	Holland	N/A
74	Imasen Bucyrus Technology, Inc.	815,080	2,000,000	3%	6/4/07	1/30/08	2015	Crawford	Bucyrus	N/A
75	International Paper Company	3,541,883	9,826,127	3%	6/5/95	1/15/97	2017	Clermont	Loveland	N/A
76	International Paper Company II	1,720,954	3,640,000	4%	12/3/01	5/23/03	2018	Clermont	Loveland	N/A
77	International Technical Coatings, Inc	2,000,000	2,000,000	3%	10/25/10	12/16/10	2025	Franklin	Columbus	N/A
78	Isofton North American	3,000,000	3,000,000		10/24/11	4/12/12	2019	Henry	Napoleon	
79	IRG Warren I, LLC	1,900,000	1,900,000	2%	7/11/11	8/30/11	2026	Trumbull	Warren	N/A
80	JDDC	2,000,000	2,000,000	1%	11/28/11	5/11/12	2027	Lake	Mentor	
81	J/H Real Estate of Galion, Ltd.	631,330	1,000,000	3%	11/28/05	2/8/06	2021	Crawford	Galion	N/A
82	James H. Gettles LLC	721,500	721,500	3%	10/15/07	1/4/08	2023	Jackson	Wellston	N/A
83	JTM Provisions Company, Inc.	269,792	1,000,000	3%	6/16/03	10/8/04	2014	Hamilton	Harrison	N/A
84	KCS Pinecone Realty LLC	567,515	1,000,000	3%	6/21/04	3/14/05	2020	Lake	Mentor	N/A
85	KMC Property Company, LLC	2,305,920	3,000,000	3%	12/18/06	5/29/08	2023	Tuscarawas	Goshen Twp.	N/A
86	Lake Business Products Ind.	638,291	1,500,000	3%	10/28/02	12/10/02	2018	Lake	Eastlake	N/A
87	Landmark Plastic Corporation	333,331	750,000	3%	9/11/06	9/12/07	2014	Summit	Akron	N/A
88	Larjon Corporation	1,273,759	1,554,000	3%	6/2/08	8/18/09	2022	Cuyahoga	Cleveland	N/A
89	Limbach Company LLC	356,281	500,000	3%	9/24/09	4/7/10	2017	Franklin	Columbus	N/A
90	Luigino's, Inc. II	793,846	3,000,000	2%	8/4/03	7/20/04	2015	Jackson	Jackson	N/A
91	MAC LTT, LLC	2,500,000	2,500,000	3%	9/26/11	12/6/11	2022	Kent	Portgage	N/A
92	MB&W Consumer Collections	547,762	600,000	3%	10/25/10	6/3/11	2021	Cuyahoga	Beford	N/A
93	Millat Capital Limited	499,378	872,000	3%	10/18/04	3/7/05	2020	Montgomery	Huber Heights	N/A

DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2012

		Outstanding			Controlling					
	<u>Company Name</u>	<u>Principal Balance</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Board Dates</u>	<u>Disbursement Dates</u>	<u>Final Maturity</u>	<u>County</u>	<u>City</u>	<u>Balloon Due</u>
94	MITEC POWERTRAIN, Inc.	1,491,379	1,500,000	3%	5/23/11	10/27/11	2026	Findlay	Hancock	N/A
95	Mold Masters International	592,342	726,000	3%	8/9/10	3/1/11	2018	Lake	Mentor	N/A
96	Morel Ventures Inc	831,226	900,000	3%	8/9/10	12/27/10	2026	Hamilton	Cincinnati	N/A
97	Morgan County CIC (Miba Bearings)	1,039,224	2,000,000	1%	6/21/04	2/10/05	2025	Morgan	McConnelsville	N/A
98	Morgan County (Miba Sinter)	3,784,947	4,500,000	3%	8/4/08	1/13/09	2025	Morgan	McConnelsville	N/A
99	Mt. Orab Port Authority	1,500,000	1,500,000	3%	9/12/11	12/14/11	2022	Mt.Orab	Brown	N/A
100	Mountain Industries	592,003	750,000	4%	5/5/08	12/16/09	2020	Belmont	Bellaire	N/A
101	Mountaineer Products, Inc.	750,000	750,000	3%	10/25/10	5/3/11	2021	Belmont	Bellaire	N/A
102	MP Biomedicals LLC	225,102	2,000,000	2%	9/27/04	1/25/05	2013	Cuyahoga	Solon	N/A
103	National Bronze &Metals Inc	832,587	1,000,000	3%	2/25/08	10/28/09	2019	Lorain	Lorain	N/A
104	Nelson Commercial Properties	319,153	700,000	3%	9/27/04	3/14/06	2021	Seneca	Galion	N/A
105	New Dimension Metals Corp.	97,145	500,000	3%	10/18/04	8/18/06	2013	Montgomery	Moraine	N/A
106	New Frontier Leasing, LLC	294,576	640,000	3%	11/18/02	6/23/03	2019	Delaware	Lewis Center	N/A
107	New NV Co., LLC	1,014,044	1,200,000	1%, 4%	3/24/04	7/29/08	2015	Stark	Uniontown	N/A
108	Next Specialty Resins, Inc	295,456	429,000	1%, 3%	11/17/08	9/17/09	2013	Lucas	Toledo	N/A
109	NH Acquisition Corporation(New Horzion	1,754,886	2,000,000	4%	6/14/10	10/7/10	2017	Huron	Norwalk	N/A
110	Nisman-Rozgonyi Enterprises, LLC	400,349	750,000	3%	7/29/02	7/20/04	2019	Cuyahoga	Cleveland	N/A
111	Nordson Corporation	1,385,376	1,500,000	3%	9/24/09	7/30/10	2026	Cuyahoga	Westlake	N/A
112	North American Science Assoc., Inc. N.Central Campus for Emerging Technologies	307,521	1,500,000	3%	1/25/02	2/23/04	2014	Hamilton	Norwood	N/A
113		2,200,000	2,200,000	4%	8/15/05	4/8/06	2021	Hancock	Findlay	2015
114	Ohio Basic Minerals , LLC	800,374	1,000,000	0%, 3%	9/18/08	2/19/10	2020	Jackson	Jackson	N/A
115	Ohio Basic Minerals , LLC	750,000	750,000	3%	9/18/08	11/1/11	2018	Jackson	Jackson	N/A
116	OMCO Building LLC	830,188	1,000,000	3%	6/2/08	12/30/08	2023	Tuscarawas	Bolivar	N/A
117	Overlook Ventures, LLC	637,052	1,000,000	3%	6/16/03	2/27/06	2021	Cuyahoga	Cleveland	N/A
118	Paspek Leasing, LLC	724,689	1,125,000	3%	9/26/05	12/28/05	2020	Cuyahoga	Elyria	N/A
119	Paulding- Putnam Electric Corp	850,000	850,000	3%	1/31/11	2/14/12	2019	Paulding	Paulding	N/A
120	Peak Land Development LLC	663,420	1,000,000	3%	11/14/05	7/21/06	2021	Trumbull	Lordstown	N/A
121	Phoenix Steel Services, Inc.	303,903	900,000	3%	10/8/04	6/4/05	2015	Cuyahoga	Cleveland	N/A
122	Presrite	77,650	750,000	0%	6/6/05	1/31/06	2013	Ashtabula	Jefferson	N/A
123	Pri-Mac Company Ltd. Ptshp.	511,429	1,000,000	3%	12/2/02	3/4/04	2019	Cuyahoga	Parma	N/A
124	Quaker Chemical Corp	2,915,055	3,500,000	3%	11/13/06	1/21/09	2021	Butler	Middletown	N/A

DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2012

		Outstanding		Controlling						
	<u>Company Name</u>	<u>Principal Balance</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Board Dates</u>	<u>Disbursement Dates</u>	<u>Final Maturity</u>	<u>County</u>	<u>City</u>	<u>Balloon Due</u>
125	Relizon Company	120,973	800,000	4%	12/2/01	3/7/03	2013	Mercer	Coldwater	N/A
126	Republic Storage Systems Co	968,112	996,875	3%	8/8/11	1/25/12	2012	Stark	Canton	
127	Rookwood Corporation	639,682	673,500	3%	5/4/09	10/28/09	2021	Hamilton	Cincinnati	N/A
128	Rossford/Perrysburg Twp. Port Authority	1,298,967	2,000,000	3%	9/26/05	1/27/06	2021	Wood	Perrysburg	N/A
129	RSN Holdings, LLC (Polymer Technologies)	145,077	611,000	1%	3/5/02	5/14/04	2014	Licking	Heath	N/A
130	SCI Engineering (Superconductive Components	220,051	400,000	3%	10/30/06	7/23/08	2014	Franklin	Columbus	N/A
131	SCI Engineering (Superconductive Components*	700,950	714,387	3%	9/13/10	10/19/11	2018	Franklin	Columbus	N/A
132	Scotts Co/Union County CIC	457,863	2,000,000	3%	3/20/00	5/10/00	2015	Union	Marysville	N/A
133	Seaman Corporation	109,501	1,100,000	3%	9/10/01	4/22/03	2013	Wayne	Wooster	N/A
134	Seaman Corporation	3,000,000	3,000,000	1%	12/12/11	6/7/12	2022	Wayne	Wooster	
135	Seepex, Inc.	205,190	500,000	3%	1/24/05	9/6/07	2014	Clark	Enon	N/A
136	Seepex, Inc.*	2,000,000	2,000,000	3%	5/23/11	2/22/12	2014	Clark	Enon	
137	Shawshank , LLC	915,920	1,000,000	3%	4/15/10	8/17/10	2025	Greene	Beaver Creek	N/A
138	Shearer's Foods Inc.	1,776,942	2,000,000	3%	6/2/08	10/1/09	2024	Stark	Brewster	N/A
139	Shearer's Foods Inc.	2,439,717	2,500,000	3%	10/25/10	1/14/11	2026	Stark	Brewster Village of Jefferson	N/A
140	Sigma OH Industries, Inc	1,501,677	1,613,419	3%	6/2/08	9/23/08	2020	Ashtabula		N/A
141	Summit Co. Port Authority - Goodyear	15,000,000	15,000,000	1%	1/31/11	4/13/11	2030	Summit	Akron	N/A
142	Summit Co. Port Authority-Goodyear	5,000,000	5,000,000	1%	1/13/11	4/13/11	2030	Summit	Akron	N/A
143	Specialty Metals Processing	817,564	1,000,000	3%	6/4/07	7/30/09	2012	Summit	Cuyuahoga Falls	N/A
144	Stratacache Inc.	394,256	507,179	1%,3%	5/4/09	11/17/09	2019	Montgomery	Dayton	N/A
145	Stow Community Improvement Corp	1,250,000	1,250,000	1%,3%	3/18/10	7/12/11	2018	Summit	Stow Wahington Courthouse	N/A
146	Sugar Creek Packing Company Summit Co. Port Authority - Lockheed	696,629	750,000	3%	6/4/10	11/9/10	2020	Fayette		N/A
147	Martin	4,801,087	4,952,000	1%	5/17/04	6/23/06	2026	Summit	Akron	N/A
148	Taylor Lumber Acquisitions	1,591,563	1,700,000	3%	8/9/10	12/17/10	2017	Scioto	Rush TWP	N/A
149	Teem Wholesale, Inc.	333,164	700,000	3%	3/24/03	6/6/03	2018	Van Wert	Ohio City	N/A
150	Tech II, Inc	1,765,535	1,781,250	3%	9/12/11	3/23/12	2027	Clark	Springfield	N/A
151	Toledo, City of (Chrysler)	4,534,484	10,000,000	4%	3/12/98	9/18/98	2018	Lucas	Toledo	N/A
152	TH Plastics, Inc	1,119,211	1,300,000	4%	7/27/09	10/5/10	2020	St. Joseph	Mendon Mi	N/A
153	TLCPA - Dana Corporation	2,209,470	3,000,000	2%	6/17/02	1/7/02	2014	Lucas	Monclova Twp	N/A
154	TLCPA - Owens Corning	5,922,592	10,000,000	4%	8/1/94	3/21/95	2015	Lucas	Toledo	N/A

DETAILED LISTING OF ALL CHAPTER 166 LOANS OUTSTANDING – As of June 30, 2012

		Outstanding			Controlling					
	<u>Company Name</u>	<u>Principal</u>	<u>Original</u>	<u>Interest</u>	<u>Board</u>	<u>Disbursement</u>	<u>Final</u>	<u>County</u>	<u>City</u>	<u>Balloon</u>
		<u>Balance</u>	<u>Amount</u>	<u>Rate</u>	<u>Dates</u>	<u>Dates</u>	<u>Maturity</u>			<u>Due</u>
155	TLCPA - HCR 2	9,145,831	10,000,000	2%	11/17/08	1/13/09	2029	Lucas	Toledo	N/A
156	TLCPA- Xunlight	2,665,000	3,000,000	2%	10/6/08	12/17/08	2015	Lucas	Toledo	N/A
157	Tuscarawas County Port Authority - Plymouth Foam	1,202,047	1,500,000	3%	10/6/06	1/11/08	2023	Tuscarawas	Gnadenhutten	N/A
158	United Titanium, Inc.	995,131	1,500,000	3%	8/15/05	7/25/06	2021	Wayne	Wooster	N/A
159	Ventaire, LLC	286,506	429,755	3%	10/8/08	11/9/09	2016	Hocking	Logan	N/A
160	Warren County	4,327,680	7,717,405	4%	5/3/93	1/7/95	2018	Warren	Deerfield	N/A
161	Western Reserve Port Auth (Timken Latrobe)	1,406,977	3,000,000	3%	4/24/00	8/15/00	2020	Trumbull	Vienna	N/A
162	Whirlpool Corporation	3,347,569	5,000,000	2%	8/14/06	12/16/08	2019	Sandusky	Clyde	2011
163	Whitehall, Inc. fka Hearth Grains Bakery, LLC	421,104	1,000,000	2%	1/9/06	2/27/06	2015	Warren	Springboro	N/A
164	Whitehall, Inc. fka Hearth Grains Bakery, LLC	699,963	900,000	3%	5/4/09	12/21/09	2010	Warren	Springboro	2015
165	WHL Group, LLC	125,896	502,500	4%	4/24/00	2/28/00	2015	Lake	Willoughby	2029
166	Wiley Organics, Inc.	67,862	900,000	3%	4/11/05	11/10/05	2012	Coshocton	Coshocton ohio	N/A
167	Woodsage Partnership	340,843	1,000,000	3%	7/12/04	6/14/05	2015	Lucas	Holland	N/A
168	Wooster Growth Corporation (TekFor)	1,005,025	3,100,000	3%	3/26/01	7/18/01	2016	Wayne	Wooster	N/A
169	Wrayco Industries, Inc.	2,946,042	3,500,000	3%	2/5/07	3/20/08	2018	Summit	Stow	N/A
170	Wurtec, Inc.	93,574	450,000	4%	3/15/99	11/30/99	2014	Lucas	Toledo	N/A
171	YSK	1,698,867	2,500,000	3%	10/16/06	1/21/09	2019	Ross	Chillicothe	N/A
172	Zucker Building Co. The	3,500,000	3,500,000	3%	1/31/10	11/29/10	2025	Cuyahoga	Cleveland	N/A
173	ABC Manufacturing, Inc.	674,316	750,000	3%	2/25/02	4/9/03	2018	Athens	Athens	N/A
174	Athens County Port Authority (PRL)	278,968	539,546	3%	2/25/02	4/9/03	2018	Ashtabula	Austinburgh Twp	N/A
175	LEDC - Rumpke (PRL)	437,349	600,000	3%	11/29/05	9/13/06	2021	Jefferson	Steubenville	N/A
176	MCG Family, LP (PRL)	497,826	738,750	3%	5/5/03	3/17/04	2013	Ashtabula	Jefferson	N/A
177	(Sigma)Picken's Plastics, Inc. (PRL)	145,718	750,000	3%	5/5/03	3/17/04	2013	Ashtabula	Geneva	N/A
178	Third Dimension, Inc. (PRL)	135,873	700,000	4.375%	5/19/03	5/4/04	2012	Morgan	Malta	N/A
179	Malta Industrial Park	681,363	750,000	4%	11/25/05	9/10/07	2015	Cuyahoga	Cleveland	N/A
180	Chieftain Biofuels	457,491	500,000	4%	8/26/02	12/30/08	2019	Stark	Logan	
Totals		\$272,592,745	\$377,052,475							

CUSIP & Outstanding Bonds Report

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ISSUE NAME	CUSIP	AUTHORIZED	OUTSTANDING
ISSUER: OH ECON DEV OEBF (GOOD RIVER) 12-5 (OHIEF12-5)			
OH ECON DEV OEBF (GOOD R 4.375% 06/01/27 677555Q23		4,175,000	4,175,000
	*	4,175,000	4,175,000
ISSUER: OH ECON DEV OEBF (JDDC LTD) 12-4 (OHIEF12-4)			
OH ECON DEV OEBF (JDDC LTD 4.5% 06/01/27 677555P99		3,135,000	3,135,000
	*	3,135,000	3,135,000
ISSUER: OH ECON DEV OEBF FWT LLC 12-3 (OHIEF12-3)			
OH ECON DEV OEBF FWT LLC 1 3.9% 06/01/22 677555P81		4,040,000	4,040,000
	*	4,040,000	4,040,000
ISSUER: OH ECON DEV OEBF GEN DATA 11-1 (OHIEF11-1)			
OH ECON DEV OEBF GEN DATA 11 1% 12/01/11 677555K52		35,000	0
OH ECON DEV OEBF GEN DATA 1.1% 06/01/12 677555K60		105,000	0
OH ECON DEV OEBF GEN DATA 1.2% 12/01/12 677555K78		110,000	110,000
OH ECON DEV OEBF GEN DATA 1.4% 12/01/13 677555K86		225,000	225,000
OH ECON DEV OEBF GEN DATA 1.6% 12/01/14 677555K94		230,000	230,000
OH ECON DEV OEBF GEN DATA 1.75% 12/01/15 677555L28		240,000	240,000
OH ECON DEV OEBF GEN DATA 11 2% 12/01/16 677555L36		250,000	250,000
OH ECON DEV OEBF GEN DATA 2.3% 12/01/17 677555L44		260,000	260,000
OH ECON DEV OEBF GEN DATA 2.7% 12/01/18 677555L51		270,000	270,000
OH ECON DEV OEBF GEN DATA 11 3% 12/01/19 677555L69		285,000	285,000
OH ECON DEV OEBF GEN DATA 3.1% 12/01/20 677555L77		295,000	295,000
OH ECON DEV OEBF GEN DATA 11 4% 06/01/21 677555L85		150,000	150,000
	*	2,455,000	2,315,000
ISSUER: OH ECON DEV OEBF ISOFOTON 12-2 (OHIEF12-2)			
OH ECON DEV OEBF ISOFOTON 12 4% 06/01/19 677555P73		7,080,000	7,080,000
	*	7,080,000	7,080,000
ISSUER: OH ECON DEV OEBF MAC LTT 11-4 (OHIEF11-4)			
OH ECON DEV OEBF MAC LTT 11- 5% 03/01/27 677555M35		3,150,000	3,095,000
	*	3,150,000	3,095,000
ISSUER: OH ECON DEV OEBF MITEC POWERTRAIN 11-3 (OHIEF11-3)			
OH ECON DEV OEBF MITEC POWER 4% 12/01/18 677555M27		7,270,000	7,270,000
	*	7,270,000	7,270,000

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ISSUER: OH ECON DEV OEBF WILBERT 11 (OHIEF11-2)			
OH ECON DEV OEBF WILBERT 11 5% 09/01/26	677555L93	5,285,000	5,285,000
	*	5,285,000	5,285,000
ISSUER: OHIO ECON DEV OEBF FLATS EAST 10-12 (OHIEF10-12)			
OHIO ECON DEV OEBF FLATS 2.375% 12/01/14	677555G81	220,000	220,000
OHIO ECON DEV OEBF FLATS 2.625% 12/01/15	677555G99	455,000	455,000
OHIO ECON DEV OEBF FLATS 2.75% 12/01/16	677555H23	465,000	465,000
OHIO ECON DEV OEBF FLATS 3.125% 12/01/17	677555H31	475,000	475,000
OHIO ECON DEV OEBF FLATS E 3.5% 12/01/18	677555H49	495,000	495,000
OHIO ECON DEV OEBF FLATS 3.75% 12/01/19	677555H56	515,000	515,000
OHIO ECON DEV OEBF FLATS EAS 4% 12/01/20	677555H64	535,000	535,000
OHIO ECON DEV OEBF FLATS EAS 5% 12/01/28	677555J62	5,365,000	5,365,000
OHIO ECON DEV OEBF FLATS EAS 6% 12/01/34	677555K45	6,475,000	6,475,000
	*	15,000,000	15,000,000
ISSUER: OHIO ECON DEV OEBF ALLIANCE 2003-6 (OHIEF03-6)			
OHIO ECON DEV OEBF ALLIANC 3.9% 12/01/10	677555WF7	10,000,000	0
	*	10,000,000	0
ISSUER: OHIO ECON DEV OEBF AM TRAILER 11-5 (OHIEF11-5)			
OHIO ECON DEV OEBF AM TRAI 4.5% 12/01/21	677555M43	3,400,000	3,330,000
	*	3,400,000	3,330,000
ISSUER: OHIO ECON DEV OEBF AMANTEA TX 2005-1 (OHIEF05-1)			
OHIO ECON DEV OEBF AMANTE 4.82% 03/01/15	677555WX8	3,535,000	1,275,000
	*	3,535,000.00	1,275,000.00
ISSUER: OHIO ECON DEV OEBF ANCHOR ACQ 08-1 (OHIEF08-1)			
OHIO ECON DEV OEBF ANCHO 5.627% 03/01/18	677555XN9	7,000,000	0
	*	7,000,000	0
ISSUER: OHIO ECON DEV OEBF APPLETON 07-01 (OHIEF07-1)			
OHIO ECON DEV OEBF APPLETON 6% 06/01/17	677555XK5	9,105,000	5,705,000
	*	9,105,000	5,705,000
ISSUER: OHIO ECON DEV OEBF ASSOC HYGIENIC 06-4 (OHIEF06-4)			
OHIO ECON DEV OEBF ASSOC HYG 6% 12/01/13	677555XH2	6,000,000	1,470,000
	*	6,000,000	1,470,000

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ISSUER: OHIO ECON DEV OEBF ASTRO INSTRM 2002-4 (OHIEF02-4)			
OHIO ECON DEV OEBF ASTRO INS 5% 06/01/15 677555VQ4		995,000	440,000
OHIO ECON DEV OEBF ASTRO 5.45% 06/01/22 677555VR2		1,335,000	1,335,000
	*	2,330,000	1,775,000
ISSUER: OHIO ECON DEV OEBF ATLAS TECH FIN 1991-4 (OHIEF91-4)			
OHIO ECON DEV OEBF ATLAS 9.82% 12/01/11 677555HP2		775,000	0
	*	775,000	0
ISSUER: OHIO ECON DEV OEBF BURROWS PAPER 1991-7 (OHIEF91-7)			
OHIO ECON DEV OEBF BURRO 7.625% 06/01/11 677555HR8		355,000	0
	*	355,000.00	0.00
ISSUER: OHIO ECON DEV OEBF BURROWS PAPER 2003-4 (OHIEF03-4)			
OHIO ECON DEV OEBF BURROW 5.35% 06/01/18 677555WD2		8,890,000	4,685,000
	*	8,890,000	4,685,000
ISSUER: OHIO ECON DEV OEBF CLOPAY 06-5 (OHIEF2006-5)			
OHIO ECON DEV OEBF CLOPAY 5.89% 12/01/21 677555XJ8		7,790,000	5,930,000
	*	7,790,000	5,930,000
ISSUER: OHIO ECON DEV OEBF COMP LOG 10-1 (OHIEF10-1)			
OHIO ECON DEV OEBF COMP L 4.75% 09/01/15 677555ZA5		4,315,000	3,090,000
	*	4,315,000	3,090,000
ISSUER: OHIO ECON DEV OEBF DOVER CHEM 05-4 (OHIEF05-4)			
OHIO ECON DEV OEBF DOVER 4.82% 09/01/12 677555XC3		7,000,000	345,000
	*	7,000,000	345,000
ISSUER: OHIO ECON DEV OEBF EATON CORP 09-4 (OHIEF09-4)			
OHIO ECON DEV OEBF EATON COR 6% 12/01/20 677555YG3		10,000,000	10,000,000
	*	10,000,000	10,000,000
ISSUER: OHIO ECON DEV OEBF ENG PLASTICS 04-1 (OHIEF04-1)			
OHIO ECON DEV OEBF ENG PL 3.45% 06/01/10 677555WS9		305,000	0
OHIO ECON DEV OEBF ENG PLA 3.5% 12/01/10 677555WT7		310,000	0
	*	615,000	0

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ISSUER: OHIO ECON DEV OEBF ERIE TERMINAL 1990-1 (OHIEF90-1)			
OHIO ECON DEV OEBF ERIE T 9.98% 12/01/10 677555HE7		590,000.00	0.00
	*	590,000	0
ISSUER: OHIO ECON DEV OEBF ERIE TERMINAL 90 CALL (OHIEF90-1CAL)			
OHIO ECON DEV OEBF ERIE T 9.98% 12/01/10 OED9910		590,000	0
	*	590,000	0
ISSUER: OHIO ECON DEV OEBF EUCLID WICKLIFFE 99-2 (OHIEF99-2)			
OHIO ECON DEV OEBF EUCLID 8.16% 09/01/19 677555UP7		5,325,000.00	3,030,000.00
	*	5,325,000	3,030,000
ISSUER: OHIO ECON DEV OEBF EXAL 06-3 (OHIEF06-3)			
OHIO ECON DEV OEBF EXAL 0 5.42% 06/01/16 677555XG4		5,000,000	2,340,000
	*	5,000,000	2,340,000
ISSUER: OHIO ECON DEV OEBF EXAL CORP 2003-2 (OHIEF03-2)			
OHIO ECON DEV OEBF EXAL CO 4.5% 03/01/10 677555WA8		3,645,000	0
	*	3,645,000	0
ISSUER: OHIO ECON DEV OEBF FARBER DEV 1 2002-6 (OHIEF02-6)			
OHIO ECON DEV OEBF FARBER 4.4% 12/01/12 677555VU5		815,000	90,000
OHIO ECON DEV OEBF FARBER 5.15% 12/01/17 677555VV3		1,025,000	1,025,000
	*	1,840,000	1,115,000
ISSUER: OHIO ECON DEV OEBF FOREMOST MGT 1993-5 (OHIEF93-5)			
OHIO ECON DEV OEBF FOREMO 7.54% 06/01/13 677555RT3		8,100,000.00	0.00
	*	8,100,000	0
ISSUER: OHIO ECON DEV OEBF GHF 07-2A (OHIEF07-2A)			
OHIO ECON DEV OEBF GHF 07- 5.5% 12/01/19 677555XL3		4,500,000	4,075,000
	*	4,500,000	4,075,000
ISSUER: OHIO ECON DEV OEBF GHF 07-2B (OHIEF07-2B)			
OHIO ECON DEV OEBF GHF 07- 5.1% 12/01/11 677555XM1		1,030,000	0
	*	1,030,000	0

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=====			
ISSUER: OHIO ECON DEV OEBF GIRINDUS AMERICA 01-1 (CONTINUED)			
ISSUER: OHIO ECON DEV OEBF GIRINDUS AMERICA 01-1 (OHIEF01-1)			
OHIO ECON DEV OEBF GIRINDUS 7% 09/01/11	677555UU6	2,700,000	0
	*	2,700,000	0
ISSUER: OHIO ECON DEV OEBF GOODYEAR 2005-2 (OHIEF05-2)			
OHIO ECON DEV OEBF GOODYE 4.85% 06/01/14	677555WY6	7,860,000	2,765,000
	*	7,860,000	2,765,000
ISSUER: OHIO ECON DEV OEBF HCR MANOR 09-2 (OHIEF09-2)			
OHIO ECON DEV OEBF HCR MANOR 8% 03/01/29	677555YE8	11,605,000	11,285,000
	*	11,605,000	11,285,000
ISSUER: OHIO ECON DEV OEBF HEALTH CARE 09-3 (OHIEF09-3)			
OHIO ECON DEV OEBF HEALT 6.125% 09/01/19	677555YF5	10,750,000	8,420,000
	*	10,750,000	8,420,000
ISSUER: OHIO ECON DEV OEBF HEARTH GRNS 06-2 (OHIEF06-2)			
OHIO ECON DEV OEBF HEARTH 5.84% 12/01/25	677555XF6	4,830,000	3,100,000
	*	4,830,000	3,100,000
ISSUER: OHIO ECON DEV OEBF HEIDTMAN STEEL 2003-5 (OHIEF03-5)			
OHIO ECON DEV OEBF HEIDTM 4.95% 06/01/13	677555WE0	5,525,000	780,000
	*	5,525,000	780,000
ISSUER: OHIO ECON DEV OEBF INT TECH RZ 10-11 (OHIEF10-11)			
OHIO ECON DEV OEBF INT TECH 2% 12/01/11	677555G24	135,000	0
OHIO ECON DEV OEBF INT TECH 3% 06/01/12	677555G32	140,000	0
OHIO ECON DEV OEBF INT TECH 3% 12/01/12	677555G40	140,000	140,000
OHIO ECON DEV OEBF INT TECH 3% 06/01/13	677555G57	140,000	140,000
OHIO ECON DEV OEBF INT TEC 3.5% 12/01/16	677555G65	1,065,000	1,065,000
OHIO ECON DEV OEBF INT TE 3.75% 12/01/20	677555G73	1,385,000	1,385,000
	*	3,005,000	2,730,000
ISSUER: OHIO ECON DEV OEBF INTELL 10-4 (OHIEF10-4)			
OHIO ECON DEV OEBF INTELL 10 6% 03/01/30	677555ZB3	5,600,000	5,285,000
	*	5,600,000	5,285,000

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ISSUER: OHIO ECON DEV OEBF IRG BATAVIA 10-2 (OHIEF10-2)			
OHIO ECON DEV OEBF IRG BA 3.25% 12/01/17 677555ZE7		1,165,000	1,165,000
OHIO ECON DEV OEBF IRG BA 3.75% 12/01/20 677555ZH0		1,305,000	1,305,000
OHIO ECON DEV OEBF IRG B 4.125% 12/01/24 677555ZM9		2,020,000	2,020,000
	*	4,490,000	4,490,000
ISSUER: OHIO ECON DEV OEBF IRG BATAVIA 10-3 (OHIEF10-3)			
OHIO ECON DEV OEBF IRG BATAV 3% 12/01/14 677555ZN7		1,645,000	1,140,000
	*	1,645,000	1,140,000
ISSUER: OHIO ECON DEV OEBF KAHIKI PDS INC 2002-7 (OHIEF02-7)			
OHIO ECON DEV OEBF KAHIKI 4.55% 12/01/10 677555VW1		1,030,000	0
OHIO ECON DEV OEBF KAHIKI 5.25% 12/01/15 677555VX9		1,040,000	760,000
OHIO ECON DEV OEBF KAHIKI 5.85% 12/01/22 677555VY7		2,040,000	2,040,000
	*	4,110,000	2,800,000
ISSUER: OHIO ECON DEV OEBF KINETICS NOISE 1991-1 (OHIEF91-1)			
OHIO ECON DEV OEBF KINETICS 10% 12/01/11 677555HJ6		1,330,000	0
	*	1,330,000	0
ISSUER: OHIO ECON DEV OEBF LOCKHEED 06-1 (OHIEF06-1)			
OHIO ECON DEV OEBF LOCKHE 5.35% 12/01/12 677555XE9		5,000,000	950,000
	*	5,000,000	950,000
ISSUER: OHIO ECON DEV OEBF LUIGINO'S INC 2004-2 (OHIEF04-2)			
OHIO ECON DEV OEBF LUIGIN 5.01% 06/01/19 677555WU4		7,010,000	4,050,000
	*	7,010,000	4,050,000
ISSUER: OHIO ECON DEV OEBF MILACRON INC 2002-3 (OHIEF02-3)			
OHIO ECON DEV OEBF MILACR 6.41% 06/01/12 677555UY8		9,595,000	0
	*	9,595,000	0
ISSUER: OHIO ECON DEV OEBF N HORIZONS 10-8 (OHIEF10-8)			
OHIO ECON DEV OEBF N HORIZ 2.5% 12/01/11 677555A53		275,000	0
OHIO ECON DEV OEBF N HORIZON 3% 06/01/12 677555A61		410,000	0
OHIO ECON DEV OEBF N HORIZON 3% 12/01/12 677555A79		415,000	415,000
OHIO ECON DEV OEBF N HORIZON 3% 06/01/13 677555A87		425,000	425,000
OHIO ECON DEV OEBF N HORIZON 3% 12/01/13 677555A95		430,000	430,000
OHIO ECON DEV OEBF N HORIZON 3% 06/01/14 677555B29		435,000	435,000
OHIO ECON DEV OEBF N HORIZON 3% 12/01/14 677555ZR8		440,000	440,000

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ISSUER: OHIO ECON DEV OEBF N HORIZONS 10-8 (CONTINUED)			
OHIO ECON DEV OEBF N HORIZON 3% 06/01/15 677555B37		450,000	450,000
OHIO ECON DEV OEBF N HORIZON 3% 12/01/15 677555B45		455,000	455,000
OHIO ECON DEV OEBF N HORIZON 3% 06/01/16 677555B52		465,000	465,000
OHIO ECON DEV OEBF N HORIZON 3% 12/01/16 677555B60		470,000	470,000
OHIO ECON DEV OEBF N HORIZ 2.5% 06/01/17 677555B78		475,000	475,000
OHIO ECON DEV OEBF N HORIZ 2.75% 06/01/18 677555ZS6		970,000	970,000
	*	6,115,000	5,430,000
ISSUER: OHIO ECON DEV OEBF NATL BRONZE 09-6 (OHIEF09-6)			
OHIO ECON DEV OEBF NATL 5.875% 09/01/19 677555YZ1		4,935,000	4,315,000
	*	4,935,000	4,315,000
ISSUER: OHIO ECON DEV OEBF NEO BEAM ALLNC 1999-1 (OHIEF99-1)			
OHIO ECON DEV OEBF NEO B 7.375% 03/01/19 677555UM4		3,620,000	2,320,000
	*	3,620,000.00	2,320,000.00
ISSUER: OHIO ECON DEV OEBF NOVATEX NA 10-10 (OHIEF10-10)			
OHIO ECON DEV OEBF NOVAT 2.625% 12/01/11 677555E34		180,000	0
OHIO ECON DEV OEBF NOVATEX 2.5% 12/01/12 677555E42		445,000	225,000
OHIO ECON DEV OEBF NOVATE 2.75% 12/01/13 677555E59		455,000	455,000
OHIO ECON DEV OEBF NOVATE 2.75% 12/01/14 677555E67		475,000	475,000
OHIO ECON DEV OEBF NOVATE 2.75% 12/01/15 677555E75		495,000	495,000
OHIO ECON DEV OEBF NOVATEX N 3% 12/01/16 677555E83		510,000	510,000
OHIO ECON DEV OEBF NOVATE 3.25% 12/01/17 677555E91		535,000	535,000
OHIO ECON DEV OEBF NOVATE 3.35% 12/01/18 677555F25		260,000	260,000
OHIO ECON DEV OEBF NOVATEX 3.6% 12/01/19 677555F33		270,000	270,000
OHIO ECON DEV OEBF NOVATE 3.75% 12/01/20 677555F41		285,000	285,000
OHIO ECON DEV OEBF NOVATEX N 4% 12/01/21 677555F58		295,000	295,000
OHIO ECON DEV OEBF NOVAT 4.375% 12/01/25 677555F90		1,295,000	1,295,000
	*	5,500,000	5,100,000
ISSUER: OHIO ECON DEV OEBF OHIO COATINGS 1996-2 (OHIEF96-2)			
OHIO ECON DEV OEBF OHIO C 7.88% 12/01/11 677555UE2		7,545,000	0
	*	7,545,000.00	0.00
ISSUER: OHIO ECON DEV OEBF OHIO METAL TECH 09-1 (OHIEF09-1)			
OHIO ECON DEV OEBF OHIO M 3.25% 12/01/12 677555XW9		1,235,000	205,000
OHIO ECON DEV OEBF OHIO M 4.25% 12/01/15 677555XZ2		1,335,000	1,335,000
OHIO ECON DEV OEBF OHIO M 4.75% 12/01/18 677555YC2		1,975,000	1,975,000
	*	4,545,000	3,515,000

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ISSUE NAME	CUSIP	AUTHORIZED	OUTSTANDING
ISSUER: OHIO ECON DEV OEBF OI LEVIS 05-5 (OHIEF05-5)			
OHIO ECON DEV OEBF OI LEV 5.54% 12/01/21 677555XD1	8,000,000	5,790,000	
	8,000,000	5,790,000	
ISSUER: OHIO ECON DEV OEBF PA TOL-LUC 98-5 (OHIEF98-5)			
OHIO ECON DEV OEBF PA TOL 7.25% 12/01/18 677555UK8	8,350,000.00	4,130,000.00	
	8,350,000	4,130,000	
ISSUER: OHIO ECON DEV OEBF SCOTTS CO CORP CM 00- (OHIEF00-1)			
OHIO ECON DEV OEBF SCOTTS 8.95% 06/01/20 677555UQ5	5,455,000	3,675,000	
	5,455,000	3,675,000	
ISSUER: OHIO ECON DEV OEBF SEAMAN CORP 2002-1 (OHIEF02-1)			
OHIO ECON DEV OEBF SEAMAN 7.05% 03/01/17 677555UW2	2,930,000	1,420,000	
	2,930,000	1,420,000	
ISSUER: OHIO ECON DEV OEBF SEEPEX 12-1 (OHIEF12-1)			
OHIO ECON DEV OEBF SEEPEX 1.1% 06/01/13 677555M50	180,000	180,000	
OHIO ECON DEV OEBF SEEPEX 1.15% 12/01/13 677555M68	180,000	180,000	
OHIO ECON DEV OEBF SEEPEX 1.35% 06/01/14 677555M76	180,000	180,000	
OHIO ECON DEV OEBF SEEPEX 1.4% 12/01/14 677555M84	180,000	180,000	
OHIO ECON DEV OEBF SEEPEX 1.7% 06/01/15 677555M92	185,000	185,000	
OHIO ECON DEV OEBF SEEPEX 1.75% 12/01/15 677555N26	185,000	185,000	
OHIO ECON DEV OEBF SEEPEX 12 2% 06/01/16 677555N34	185,000	185,000	
OHIO ECON DEV OEBF SEEPEX 12 2% 12/01/16 677555N42	190,000	190,000	
OHIO ECON DEV OEBF SEEPEX 12 2% 06/01/17 677555N59	190,000	190,000	
OHIO ECON DEV OEBF SEEPEX 12 2% 12/01/17 677555N67	195,000	195,000	
OHIO ECON DEV OEBF SEEPEX 2.25% 06/01/18 677555N75	195,000	195,000	
OHIO ECON DEV OEBF SEEPEX 2.25% 12/01/18 677555N83	195,000	195,000	
OHIO ECON DEV OEBF SEEPEX 2.5% 06/01/19 677555N91	200,000	200,000	
OHIO ECON DEV OEBF SEEPEX 2.5% 12/01/19 677555P24	200,000	200,000	
OHIO ECON DEV OEBF SEEPEX 2.75% 06/01/20 677555P32	205,000	205,000	
OHIO ECON DEV OEBF SEEPEX 2.75% 12/01/20 677555P40	205,000	205,000	
OHIO ECON DEV OEBF SEEPEX 12 4% 12/01/23 677555P57	1,320,000	1,320,000	
OHIO ECON DEV OEBF SEEPEX 3.7% 12/01/26 677555P65	1,485,000	1,485,000	
	5,855,000	5,855,000	
ISSUER: OHIO ECON DEV OEBF SHAWSHANK 10-6 (OHIEF10-6)			
OHIO ECON DEV OEBF SHAWSHANK 6% 09/01/25 677555ZQ0	2,390,000	2,225,000	
	2,390,000	2,225,000	

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ISSUE NAME	CUSIP	AUTHORIZED	OUTSTANDING
ISSUER: OHIO ECON DEV OEBF SHEARER 09-5 (OHIEF09-5)			
OHIO ECON DEV OEBF SHEARER 0 2% 12/01/10	677555YH1	215,000	0
OHIO ECON DEV OEBF SHEARER 0 2% 06/01/11	677555YM0	215,000	0
OHIO ECON DEV OEBF SHEARER 0 2% 12/01/11	677555YJ7	220,000	0
OHIO ECON DEV OEBF SHEARER 0 2% 06/01/12	677555YT5	220,000	0
OHIO ECON DEV OEBF SHEARER 0 2% 12/01/12	677555YK4	220,000	220,000
OHIO ECON DEV OEBF SHEARE 2.25% 06/01/13	677555YU2	225,000	225,000
OHIO ECON DEV OEBF SHEARER 2.5% 12/01/13	677555YL2	225,000	225,000
OHIO ECON DEV OEBF SHEARE 2.75% 12/01/15	677555YN8	100,000	100,000
OHIO ECON DEV OEBF SHEARER 0 3% 12/01/16	677555YP3	125,000	125,000
OHIO ECON DEV OEBF SHEARER 0 3% 12/01/17	677555YQ1	1,710,000	1,710,000
OHIO ECON DEV OEBF SHEARER 3.5% 06/01/18	677555YW8	260,000	260,000
OHIO ECON DEV OEBF SHEARER 0 3% 12/01/18	677555YR9	265,000	265,000
OHIO ECON DEV OEBF SHEARER 3.5% 06/01/19	677555YY4	265,000	265,000
OHIO ECON DEV OEBF SHEARER 3.5% 12/01/19	677555YS7	270,000	270,000
OHIO ECON DEV OEBF SHEARER 0 5% 06/01/22	677555YV0	1,455,000	1,455,000
OHIO ECON DEV OEBF SHEARER 0 5% 12/01/24	677555YX6	1,645,000	1,645,000
	*	7,635,000	6,765,000
ISSUER: OHIO ECON DEV OEBF SIGMA OH 08-3 (OHIEF08-3)			
OHIO ECON DEV OEBF SIGMA 5.75% 12/01/14	677555XS8	1,510,000	700,000
OHIO ECON DEV OEBF SIGMA 0 6.5% 06/01/23	677555XR0	1,910,000	1,910,000
	*	3,420,000	2,610,000
ISSUER: OHIO ECON DEV OEBF ST BERNARD-TRLIM 03-1 (OHIEF03-1)			
OHIO ECON DEV OEBF ST BER 4.85% 03/01/11	677555VZ4	9,300,000	0
	*	9,300,000	0
ISSUER: OHIO ECON DEV OEBF SUGAR CREEK 10-9 (OHIEF10-9)			
OHIO ECON DEV OEBF SUGAR 2.25% 12/01/11	677555B86	70,000	0
OHIO ECON DEV OEBF SUGAR 2.25% 06/01/12	677555D27	150,000	0
OHIO ECON DEV OEBF SUGAR 2.25% 12/01/12	677555B94	150,000	150,000
OHIO ECON DEV OEBF SUGAR 2.25% 06/01/13	677555D35	150,000	150,000
OHIO ECON DEV OEBF SUGAR 2.25% 12/01/13	677555C28	150,000	150,000
OHIO ECON DEV OEBF SUGAR C 2.5% 06/01/14	677555D43	155,000	155,000
OHIO ECON DEV OEBF SUGAR C 2.5% 12/01/14	677555C36	155,000	155,000
OHIO ECON DEV OEBF SUGAR C 3.5% 06/01/15	677555D50	155,000	155,000
OHIO ECON DEV OEBF SUGAR C 3.5% 12/01/15	677555C44	160,000	160,000
OHIO ECON DEV OEBF SUGAR CRE 3% 06/01/16	677555D68	160,000	160,000
OHIO ECON DEV OEBF SUGAR CRE 3% 12/01/16	677555C51	165,000	165,000
OHIO ECON DEV OEBF SUGAR 3.25% 06/01/17	677555D76	165,000	165,000
OHIO ECON DEV OEBF SUGAR 3.25% 12/01/17	677555C69	170,000	170,000
OHIO ECON DEV OEBF SUGAR CRE 3% 06/01/18	677555D84	175,000	175,000
OHIO ECON DEV OEBF SUGAR C 3.1% 12/01/18	677555C77	175,000	175,000

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ISSUE NAME	CUSIP	AUTHORIZED	OUTSTANDING
ISSUER: OHIO ECON DEV OEBF SUGAR CREEK 10-9 (CONTINUED)			
OHIO ECON DEV OEBF SUGAR CRE 3% 06/01/19 677555D92		175,000	175,000
OHIO ECON DEV OEBF SUGAR 3.125% 12/01/19 677555C85		180,000	180,000
OHIO ECON DEV OEBF SUGAR 3.25% 06/01/20 677555E26		180,000	180,000
OHIO ECON DEV OEBF SUGAR C 3.5% 12/01/20 677555C93		185,000	185,000
	*	3,025,000	2,805,000
ISSUER: OHIO ECON DEV OEBF SUMCO PHOENIX 2004-3 (OHIEF04-3)			
OHIO ECON DEV OEBF SUMCO 4.05% 03/01/11 677555WV2		8,000,000	0
	*	8,000,000	0
ISSUER: OHIO ECON DEV OEBF TAYLOR CHAIR 05-3 (OHIEF05-3)			
OHIO ECON DEV OEBF TAYLOR 4.08% 06/01/13 677555WZ3		1,105,000	190,000
OHIO ECON DEV OEBF TAYLOR 4.6% 06/01/20 677555XA7		1,595,000	1,595,000
OHIO ECON DEV OEBF TAYLOR 4.85% 06/01/25 677555XB5		1,990,000	1,990,000
	*	4,690,000	3,775,000
ISSUER: OHIO ECON DEV OEBF TCHNGRPHS 08-2 (OHIEF08-2)			
OHIO ECON DEV OEBF TCHNGR 6.45% 06/01/24 677555XP4		4,390,000	3,785,000
	*	4,390,000	3,785,000
ISSUER: OHIO ECON DEV OEBF TIMKEN LATROBE 2000-2 (OHIEF00-2)			
OHIO ECON DEV OEBF TIMKEN 8.57% 06/01/20 677555UT9		5,710,000	3,845,000
	*	5,710,000	3,845,000
ISSUER: OHIO ECON DEV OEBF TLCPA-DANA CORP 02-5 (OHIEF02-5)			
OHIO ECON DEV OEBF TLCPA- 6.08% 06/01/14 677555VS0		9,965,000	8,505,000
	*	9,965,000	8,505,000
ISSUER: OHIO ECON DEV OEBF VERNON MANOR 10-7 (OHIEF10-7)			
OHIO ECON DEV OEBF VERNON MA 1% 06/01/11 677555ZT4		60,000	0
OHIO ECON DEV OEBF VERNON 1.6% 12/01/13 677555ZU1		90,000	70,000
OHIO ECON DEV OEBF VERNON 2.15% 12/01/15 677555ZV9		210,000	210,000
OHIO ECON DEV OEBF VERNON 2.875% 12/01/18 677555ZW7		335,000	335,000
OHIO ECON DEV OEBF VERNON 3.25% 12/01/20 677555ZX5		240,000	240,000
OHIO ECON DEV OEBF VERNON 3.5% 12/01/22 677555ZY3		260,000	260,000
OHIO ECON DEV OEBF VERNON 3.625% 12/01/24 677555ZZ0		280,000	280,000
OHIO ECON DEV OEBF VERNON MA 4% 12/01/27 677555A20		465,000	465,000
OHIO ECON DEV OEBF VERNON 4.75% 12/01/32 677555A38		1,335,000	1,335,000
OHIO ECON DEV OEBF VERNON 4.5% 06/01/35 677555A46		1,025,000	1,025,000
	*	4,300,000	4,220,000

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ISSUE NAME	CUSIP	AUTHORIZED	OUTSTANDING
ISSUER: OHIO ECON DEV OEBF WORNICK 10-5 (OHIEF10-5)			
OHIO ECON DEV OEBF WORNICK 1 4% 09/01/15 677555ZP2		6,415,000	4,315,000
	*	6,415,000	4,315,000
ISSUER: OHIO ECON DEV OEBF XUNLIGHT 08-4 (OHIEF08-4)			
OHIO ECON DEV OEBF XUNLIG 7.75% 12/01/15 677555YD0		4,000,000	3,005,000
	*	4,000,000	3,005,000
		384,465,000.00	
			234,760,000.00

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Office of Financial Incentives
Financial Statements – FY 2011

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Office of Financial Incentives

Basic Financial Statements

For the Year Ended June 30, 2011



Dave Yost • Auditor of State

Office of Financial Incentives
77 South High Street
28th Floor
Columbus, Ohio 43215

We have reviewed the *Report of Independent Auditors* of the Office of Financial Incentives, Franklin County, prepared by Crowe Horwath LLP, for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Office of Financial Incentives is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

November 29, 2011

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OFFICE OF FINANCIAL INCENTIVES
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REPORT OF INDEPENDENT AUDITORS

To the Office of Financial Incentives
State of Ohio

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of Financial Incentives ("OFI"), State of Ohio, as of and for the year ended June 30, 2011, which collectively comprise OFI's basic financial statements as listed in the table of contents. These financial statements are the responsibility of OFI's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of the Office of Financial Incentives are intended to present the financial position and the changes in net assets, or fund balances for only that portion of the governmental activities, each major fund, and the aggregate remaining fund information that is attributable to the transactions of OFI. They do not purport to, and do not, present fairly the financial position of the State of Ohio as of June 30, 2011, and the changes in its financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of OFI, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2011 on our consideration of OFI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing results of our audit.

The Management's Discussion and Analysis pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office of Financial Incentives' basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Columbus, Ohio
September 30, 2011

OFFICE OF FINANCIAL INCENTIVES
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2011
(Unaudited)

As management of the Office of Financial Incentives (OFI) we are providing this overview of OFI's financial activities for the fiscal year ended June 30, 2011. Please read this overview in conjunction with the OFI's basic financial statements, which follow.

OFI was created as part of the Ohio Department of Development (ODOD) on July 14, 1983, by action of the State of Ohio Legislature. OFI administers the 166 Direct Loan, Loan Guarantee, and Ohio Enterprise Bond Fund programs of the ODOD under Chapter 122 and 166 of the Ohio Revised Code, as well as the Urban Redevelopment, Rural Industrial, Family Farm, Research and Development, Innovation Ohio, and Logistics and Distribution Infrastructure loan programs.

The 166 Direct Loan program provides direct loans for businesses locating or expanding in Ohio that demonstrate they will create or retain new jobs for Ohio citizens. The Ohio Enterprise Bond Fund program (OEBF) provides one-stop project financing for qualifying commercial, industrial, and manufacturing businesses in the State of Ohio. OEBF project amounts may range from \$2 million to \$10 million for up to 90% of the eligible project cost. The OEBF has achieved an investment grade rating of "AA-" by Standard & Poors (S&P). As a result, ODOD can issue, on behalf of all borrowers, investment grade economic development revenue bonds. The OEBF allows large and small creditworthy, but unrated, businesses access to national capital markets which they otherwise may not be able to independently enter.

OFI is included within the State of Ohio's Comprehensive Annual Financial Report as part of the primary government. OFI uses a special revenue fund to report its financial position and results of operations. These financial statements present all activities for which OFI is financially responsible.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2011 are as follows:

- The assets of the OFI exceeded its liabilities at the close of the most recent fiscal year by approximately \$742 million (net assets).
- The OFI's total net assets increased by approximately \$13.9 million.
- As of the close of the current fiscal year, the OFI's governmental funds reported combined ending fund balances of \$742.9 million, an increase of approximately \$14 million in comparison with the prior year.
- During the fiscal year, OFI closed twenty-three 166 Direct Loans totaling \$50.7 million, seven Research and Development loans totaling \$21.4 million, nineteen Innovation Ohio loans totaling \$19.3 million, four Urban Redevelopment loans totaling \$16.2 million, and ten Logistics and Distribution Infrastructure loans totaling \$23.8 million. OFI also had \$3.9 million in additional disbursements on existing loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to OFI's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the OFI's finances, in a manner similar to a private-sector business.

OFFICE OF FINANCIAL INCENTIVES
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2011
(Unaudited)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The statement of net assets presents information on all of the OFI's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of OFI is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash inflows or outflows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 10-11 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The OFI, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. All of the OFI's funds are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The OFI maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Operating Fund, Facilities Establishment Fund, Regional Agency Fund, Ohio Innovation Fund, Research and Development Fund and Logistics and Distribution Infrastructure Fund, all of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The fund financial statements can be found on pages 12-18 of this report.

In addition, GASB Statement No. 54, Fund Balance Reporting, became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 1.M. for further discussion of the effect of this pronouncement.

OFFICE OF FINANCIAL INCENTIVES
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2011
(Unaudited)

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-32 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. These combining statements can be found on pages 33-37 of this report.

FINANCIAL ANALYSIS OF THE OFFICE OF FINANCIAL INCENTIVES

Government-wide Financial Analysis

The following is a summary of OFI's net assets as of June 30, 2011 compared to June 30, 2010.

Net Assets at June 30			
	2011	2010	% Change
Assets			
Current and Other Non Current Assets	\$ 793,525,797	\$ 804,332,477	-1.3%
Capital Assets, Net	231,524	231,524	0.0%
Total Assets	<u>793,757,321</u>	<u>804,564,001</u>	-1.3%
Liabilities			
Current Liabilities	48,335,389	72,773,750	-33.6%
Long-term Liabilities	<u>3,445,142</u>	<u>3,696,413</u>	-6.8%
Total Liabilities	<u>51,780,531</u>	<u>76,470,163</u>	-32.3%
Net Assets			
Invested in Capital Assets	231,524	231,524	0.0%
Restricted for Community and Economic Development	72,587,077	48,030,801	51.1%
Unrestricted	<u>669,158,189</u>	<u>679,831,513</u>	
Total Net Assets	<u>\$ 741,976,790</u>	<u>\$ 728,093,838</u>	1.9%

Net Assets at June 30, 2010 related to the Logistics and Distribution Infrastructure Fund, totaling \$38,030,801, have been reclassified from Unrestricted to Restricted to correlate with the same classification at June 30, 2011.

Current and Other Non Current Assets decreased approximately \$10.8 million during the fiscal year. This was the result of a \$27.6 million decrease in Total Cash and Investments and a \$24.6 million decrease in Allocated Collateral on Lent Securities, offset by increases in Loans Receivable, Net (\$41.5 million).

Current Liabilities decreased approximately \$24.4 million during the fiscal year primarily as a result of a \$24.6 million decrease in Allocated Obligations Under Securities Lending.

**OFFICE OF FINANCIAL INCENTIVES
MANAGEMENT'S DISCUSSION & ANALYSIS**
For the Year Ended June 30, 2011
(Unaudited)

FINANCIAL ANALYSIS OF THE OFFICE OF FINANCIAL INCENTIVES (CONTINUED)

The following is a summary of OFI's Statement of Activities for the year ending June 30, 2011 compared to the year ending June 30, 2010.

Statement of Activity for the year ending June 30

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Revenues			
Program Revenues:			
Community and Economic Development	<u>\$ 13,752,809</u>	<u>\$ 13,762,907</u>	-0.1%
General Revenues			
Bond Proceeds received from the State of Ohio	51,092,966	59,408,402	-14.0%
Investment Income	764,278	1,655,615	-53.8%
Miscellaneous Revenues	338,803	27,487	1132.6%
Total General Revenues	<u>52,196,047</u>	<u>61,091,504</u>	-14.6%
Program Expenses			
Community and Economic Development	<u>(38,642,122)</u>	<u>(25,598,018)</u>	51.0%
Distributions to Other Offices	<u>(13,423,782)</u>	<u>(15,421,145)</u>	-13.0%
Change in Net Assets	13,882,952	33,835,248	-59.0%
Net Assets at Beginning of Year	<u>728,093,838</u>	<u>694,258,590</u>	
Net Assets at End of Year	<u><u>\$ 741,976,790</u></u>	<u><u>\$ 728,093,838</u></u>	

Program Revenues

Program revenues consist of loan fees and interest income. In fiscal year 2011, program revenues remained relatively consistent with a decrease of \$10,098.

General Revenues

Investment income decreased approximately \$.9 million, or 53.8%. This decrease is the result of declining investment balances, coupled with a decreased rate of return. Bond Proceeds are received from the State of Ohio as needed to fund OFI's loan and grant programs. Bond Proceeds received are net of applicable bond issuance costs.

Program Expenses

Program expenses consist primarily of personnel and operating expenditures, grant expenditures and bad debt expense. The total program expenses increased approximately \$13 million, or 51%. This increase is primarily the result of a \$12.8 million increase in grants in the Logistics and Distribution Infrastructure Fund.

Distributions to Other Offices

Distributions to Other Offices decreased \$2.0 million in fiscal year 2011. In fiscal year 2011, the controlling board approved distributions to the General Fund (\$6.1 million), Job Development Initiatives Program (\$4.3 million), and Capital Access Loan Program (\$3 million).

**OFFICE OF FINANCIAL INCENTIVES
MANAGEMENT'S DISCUSSION & ANALYSIS**
For the Year Ended June 30, 2011
(Unaudited)

FINANCIAL ANALYSIS OF THE OFFICE OF FINANCIAL INCENTIVES (CONTINUED)

Financial Analysis of the Government's Funds

The following is a summary of OFI's fund balances as of June 30, 2011 compared to June 30, 2010.

Fund Balance at June 30

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Operating Fund	\$ 5,397,855	\$ 4,417,640	22.2%
Facilities Establishment Fund	371,811,549	386,435,346	-3.8%
Regional Agency Fund	64,871,646	65,740,643	-1.3%
Ohio Innovation Fund	73,078,826	75,926,895	-3.8%
Research and Development Fund	113,079,946	112,682,930	0.4%
Logistics and Distribution Infrastructure Fund	62,587,077	38,030,801	64.6%
Nonmajor Governmental Funds	52,076,884	45,708,950	13.9%
Total Fund Balance	<u>\$ 742,903,783</u>	<u>\$ 728,943,205</u>	1.9%

The Operating Fund fund balance increased approximately \$1.0 million, or 22.2%. This is the amount by which fee revenue and operating transfers in exceeded personnel and operating expenses during fiscal year 2011.

The Logistics and Distribution Infrastructure Fund fund balance increased \$24.6 million, or 64.6%. This is the amount by which bond proceeds totaling \$51.1 million exceeded grant expenditures during fiscal year 2011.

BUDGET VARIANCES IN THE GENERAL FUND

Since OFI operates using only special revenue funds, an analysis of variations between original and final budget amounts for the General Fund has not been presented.

CAPITAL ASSETS

OFI has \$231,524 invested in net capital assets as of June 30, 2011. There were no acquisitions or dispositions during the fiscal year.

CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS

The Ohio Department of Development is being restructured to better serve its business clients. Many of the business assistance functions, including loan initiations, will be transferred via contract to the private, nonprofit organization JobsOhio. Decisions as to the loan servicing functions have not been finalized. Such changes will require modification of the current Ohio Revised Code Chapters 122 and 166 authorizing legislation. Once the restructure is complete, it is anticipated that the Ohio Department of Development will become the Development Services Agency.

**OFFICE OF FINANCIAL INCENTIVES
MANAGEMENT'S DISCUSSION & ANALYSIS**
For the Year Ended June 30, 2011
(Unaudited)

CONTACTING THE OFFICE OF FINANCIAL INCENTIVES MANAGEMENT

This financial report is designed to provide an overview of OFI's finances and its accountability for the money it receives. If you have questions about this report or need additional financial information, contact Sharon Anthony, Assistant Manager, Ohio Department of Development, Office of Financial Incentives, 77 South High Street, 28th Floor, Columbus, Ohio 43216-1001.

BASIC FINANCIAL STATEMENTS

OFFICE OF FINANCIAL INCENTIVES
STATEMENT OF NET ASSETS
June 30, 2011

	<u>Governmental Activities</u>
Assets	
Cash Equity with Treasurer	\$ 224,927,966
Cash and Cash Equivalents	56,436,695
Investments	10,737,935
Allocated Collateral on Lent Securities	48,056,048
Loans Receivable, Net	452,707,252
Leases Receivable	609,669
Other Assets	50,232
Capital Assets, Net	<u>231,524</u>
Total Assets	<u>793,757,321</u>
Liabilities	
Accounts Payable	220,648
Accrued Liabilities	58,693
Allocated Obligations Under Securities Lending	48,056,048
Long Term Liabilities:	
Due in One Year	330,172
Due in More Than One Year	<u>3,114,970</u>
Total Liabilities	<u>51,780,531</u>
Net Assets	
Invested in Capital Assets	231,524
Restricted for Community and Economic Development	72,587,077
Unrestricted	<u>669,158,189</u>
Total Net Assets	<u>\$ 741,976,790</u>

The notes to the financial statements are an integral part of this statement.

OFFICE OF FINANCIAL INCENTIVES
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets Primary Government Governmental Activities</u>
Primary Government			
Governmental Activities			
Community and Economic Development	\$ 38,642,122	\$ 13,752,809	\$ (24,889,313)
Total Governmental Activities	<u>38,642,122</u>	<u>13,752,809</u>	<u>(24,889,313)</u>
Total Primary Government	<u>\$ 38,642,122</u>	<u>\$ 13,752,809</u>	<u>\$ (24,889,313)</u>
General Revenues:			
Bond Proceeds received from the State of Ohio			51,092,966
Investment Income			764,278
Miscellaneous Revenue			338,803
Total General Revenues			<u>52,196,047</u>
Distributions to Other Offices			<u>(13,423,782)</u>
Change in Net Assets			13,882,952
Net Assets, Beginning of Year			<u>728,093,838</u>
Net Assets, End of Year			<u>\$ 741,976,790</u>

The notes to the financial statements are an integral part of this statement.

OFFICE OF FINANCIAL INCENTIVES
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	Operating Fund	Facilities Establishment Fund	Regional Agency Fund
ASSETS:			
Cash Equity with Treasurer	\$ 5,659,630	\$ 94,925,517	\$ -
Cash and Cash Equivalents	-	23,300,442	32,263,189
Investments	-	8,759,799	1,978,136
Allocated Collateral on Lent Securities	1,209,185	20,280,916	-
Loans Receivable, Net	-	245,988,333	30,744,672
Leases Receivable	-	609,669	-
Other Assets	9,366	30,685	10,181
Due From Other Funds	-	114,351	-
TOTAL ASSETS	<u><u>\$ 6,878,181</u></u>	<u><u>\$ 394,009,712</u></u>	<u><u>\$ 64,996,178</u></u>
LIABILITIES:			
Accounts Payable	\$ 212,448	\$ -	\$ -
Accrued Liabilities	58,693	-	-
Allocated Obligations Under Securities Lending	1,209,185	20,280,916	-
Deferred Revenue	-	1,917,247	10,181
Due To Other Funds	-	-	114,351
TOTAL LIABILITIES	<u><u>1,480,326</u></u>	<u><u>22,198,163</u></u>	<u><u>124,532</u></u>
FUND BALANCES:			
Nonspendable - Not in Spendable Form	5,674	-	-
Restricted for Community and Economic Development	-	10,000,000	-
Committed	-	361,811,549	64,871,646
Assigned	5,392,181	-	-
TOTAL FUND BALANCES	<u><u>5,397,855</u></u>	<u><u>371,811,549</u></u>	<u><u>64,871,646</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 6,878,181</u></u>	<u><u>\$ 394,009,712</u></u>	<u><u>\$ 64,996,178</u></u>

The notes to the financial statements are an integral part of this statement.

Innovation Ohio Fund	Research and Development Fund	Logistics and Distribution Infrastructure Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 20,303,489	\$ 34,966,266	\$ 62,587,077	\$ 6,485,987	\$ 224,927,966
-	-	-	873,064	56,436,695
-	-	-	-	10,737,935
4,337,857	7,470,572	13,371,781	1,385,737	48,056,048
53,142,734	78,113,680	-	44,717,833	452,707,252
-	-	-	-	609,669
-	-	-	-	50,232
-	-	-	-	114,351
<u>\$ 77,784,080</u>	<u>\$ 120,550,518</u>	<u>\$ 75,958,858</u>	<u>\$ 53,462,621</u>	<u>\$ 793,640,148</u>
\$ 8,200	\$ -	\$ -	\$ -	\$ 220,648
-	-	-	-	58,693
4,337,857	7,470,572	13,371,781	1,385,737	48,056,048
359,197	-	-	-	2,286,625
-	-	-	-	114,351
<u>4,705,254</u>	<u>7,470,572</u>	<u>13,371,781</u>	<u>1,385,737</u>	<u>50,736,365</u>
-	-	-	-	5,674
-	-	62,587,077	-	72,587,077
73,078,826	113,079,946	-	42,905,635	655,747,602
-	-	-	9,171,249	14,563,430
<u>73,078,826</u>	<u>113,079,946</u>	<u>62,587,077</u>	<u>52,076,884</u>	<u>742,903,783</u>
<u>\$ 77,784,080</u>	<u>\$ 120,550,518</u>	<u>\$ 75,958,858</u>	<u>\$ 53,462,621</u>	<u>\$ 793,640,148</u>

The notes to the financial statements are an integral part of this statement.

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OFFICE OF FINANCIAL INCENTIVES
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2011

Total Fund Balances for Governmental Funds	\$ 742,903,783
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Total net assets reported for governmental activities in the Statement of Net Assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	231,524
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Some of the Office's revenues are collected after year-end but are not available soon enough to pay for the current period's (within 60 days of year-end) expenditures, and therefore, are deferred in the funds.	2,286,625
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Long term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Compensated Absences	(120,142)
Ohio Enterprise Bond Fund Liability	<u>(3,325,000)</u>

Total Net Assets of Governmental Activities	<u>\$ 741,976,790</u>
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The notes to the financial statements are an integral part of this statement.

OFFICE OF FINANCIAL INCENTIVES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	Operating Fund	Facilities Establishment Fund	Regional Agency Fund
REVENUES:			
Fee Revenue	\$ 1,512,730	\$ 842,279	\$ 36,789
Loan Interest Income	-	5,351,400	1,177,167
Investment Income	-	416,232	32,687
Miscellaneous	-	271,113	8,403
TOTAL REVENUES	<u>1,512,730</u>	<u>6,881,024</u>	<u>1,255,046</u>
EXPENDITURES:			
Personnel Expenditures	972,275	-	-
Operating Expenditures	1,498,958	15,062	851,615
Grant Expenditures	-	-	-
OEBF Loan Payment Expenditures	-	563,860	-
Bad Debt Expense	-	3,003,901	304,384
Miscellaneous	-	8,807	-
TOTAL EXPENDITURES	<u>2,471,233</u>	<u>3,591,630</u>	<u>1,155,999</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(958,503)</u>	<u>3,289,394</u>	<u>99,047</u>
OTHER FINANCING SOURCES (USES):			
Interfund Transfers	1,985,000	(4,535,691)	(968,044)
Bond Proceeds received from the State of Ohio	-	-	-
Distributions to Other Offices	(46,282)	(13,377,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,938,718</u>	<u>(17,913,191)</u>	<u>(968,044)</u>
NET CHANGE IN FUND BALANCES	980,215	(14,623,797)	(868,997)
FUND BALANCES - JULY 1	4,417,640	386,435,346	65,740,643
FUND BALANCES, JUNE 30	<u><u>\$ 5,397,855</u></u>	<u><u>\$ 371,811,549</u></u>	<u><u>\$ 64,871,646</u></u>

The notes to the financial statements are an integral part of this statement.

Innovation Ohio Fund	Research and Development Fund	Logistics and Distribution Infrastructure Fund	Nonmajor Governmental Funds	Total
\$ 804,189	\$ 177,445	\$ -	\$ 91,579	\$ 3,465,011
2,411,019	1,447,331	-	257,031	10,643,948
81,691	126,815	78,687	913	737,025
1,500	57,787	-	-	338,803
<u>3,298,399</u>	<u>1,809,378</u>	<u>78,687</u>	<u>349,523</u>	<u>15,184,787</u>
-	-	-	-	972,275
207,870	-	-	62	2,573,567
-	-	26,615,377	-	26,615,377
-	-	-	-	563,860
3,428,072	1,207,992	-	215,158	8,159,507
-	-	-	-	8,807
<u>3,635,942</u>	<u>1,207,992</u>	<u>26,615,377</u>	<u>215,220</u>	<u>38,893,393</u>
<u>(337,543)</u>	<u>601,386</u>	<u>(26,536,690)</u>	<u>134,303</u>	<u>(23,708,606)</u>
(2,510,526)	(204,370)	-	6,233,631	-
-	-	51,092,966	-	51,092,966
-	-	-	-	(13,423,782)
<u>(2,510,526)</u>	<u>(204,370)</u>	<u>51,092,966</u>	<u>6,233,631</u>	<u>37,669,184</u>
(2,848,069)	397,016	24,556,276	6,367,934	13,960,578
75,926,895	112,682,930	38,030,801	45,708,950	728,943,205
<u>\$ 73,078,826</u>	<u>\$ 113,079,946</u>	<u>\$ 62,587,077</u>	<u>\$ 52,076,884</u>	<u>\$ 742,903,783</u>

The notes to the financial statements are an integral part of this statement.

OFFICE OF FINANCIAL INCENTIVES
RECONCILIATION OF THE CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds	\$	13,960,578
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The change in net assets reported for governmental activities in the Statement of Activities is different because:

Some of the Office's revenues are collected after year-end but are not available soon enough to pay for the current period's (within 60 days of year-end) expenditures, and therefore, are deferred in the funds. This amount represents the change in beginning and end of year deferred revenues.		(328,897)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in Compensated Absences		(18,729)
Change in Ohio Enterprise Bond Fund Liability		270,000
		270,000

Change in Net Assets of Governmental Activities	\$	13,882,952
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The notes to the financial statements are an integral part of this statement.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Office of Financial Incentives (OFI), as of June 30, 2011, and for the year then ended, conform with accounting principles generally accepted in the United States of America as applied to governments. The OFI is considered a single purpose governmental entity reported as Community and Economic Development. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's *Codification of Governmental Accounting and Financial Reporting Standards* documents these principles. OFI's significant accounting policies are as follows:

A. Reporting Entity

The Office of Financial Incentives, formerly the Office of Credit and Finance, was created as part of the Department of Development of the State of Ohio on July 14, 1983, by action of the State of Ohio Legislature. OFI administers the Direct Loan, Loan Guarantee, and Ohio Enterprise Bond Fund (OEBF) programs of the Department of Development under Chapters 122 and 166 of the Ohio Revised Code. These programs loan money to qualified businesses throughout the state for the purpose of stimulating jobs and business within the state. The financial statements present only the financial position and results of operations of the transactions attributable to OFI, which is a part of the primary reporting entity of the State of Ohio, and they are not intended to present the financial position or the results of operations of the Department of Development taken as a whole. The Comprehensive Annual Financial Report of the State of Ohio provides more extensive disclosure of the significant accounting policies of the State as a whole. Budgetary statements are not required since the budgetary level of control lies with the Department of Development and not with the OFI.

B. Basis of Presentation

The Statement of Net Assets and the Statement of Activities display information about OFI. These statements include the financial activities of the overall government and eliminations have been made for interfund transfers.

The Statement of Net Assets reports all financial and capital resources using the economic resources measurement focus and the accrual basis of accounting. OFI presents the statement in a format that displays assets less liabilities equal net assets. Net Assets are displayed in three components:

- The *Invested in Capital Assets* component consists of land that OFI acquired.
- The *Restricted Net Assets* component represents net assets with constraints placed on their use that are either 1.) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or 2.) imposed by law through constitutional provisions or enabling legislation.
- The *Unrestricted Net Assets* component consists of net assets that do not meet the definition of the preceding two components. OFI has no Unrestricted Net Assets.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of OFI's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Centralized expenses have been included in direct expenses. Indirect expenses have not been allocated to the programs or functions reported in the Statement of Activities. Generally, OFI does not incur expenses for which it has the option of first applying restricted or unrestricted resources for their payment.

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Program revenues include loan interest income and fee revenue. Revenues that are not classified as program revenues include all unrestricted investment income and miscellaneous revenue.

The fund financial statements provide information about OFI's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. The funds maintained by OFI are all governmental special revenue fund types. Each accounts for specific revenues that are legally restricted to expenditure for designated purposes.

1. Major Governmental Funds

Operating Fund (OAKS Fund 4510) – records operating expenditures related to the administration of the loans and loan guarantees made pursuant to Revised Code Sections 122.39 to 122.62 and Chapter 166. Operations are primarily funded through transfers from the Facilities Establishment Fund.

Facilities Establishment Fund (OAKS Fund 7037) - accounts for proceeds deposited by the Treasurer of the State of Ohio with OFI from bond sales, fee income, interest income, loan receipts and disbursements for loans made pursuant to Chapter 166 of the Code. Also accounts for OFI's share of family farm loan financing deposited with various financial institutions as a loan guarantee for eligible borrowers. OFI guarantees up to 40% of the loan project, which should not exceed \$200,000 per project. Also, this Fund provides a reserve for the Ohio Enterprise Bond Fund in the event of bondholder default.

Development Enterprise Bond Reserve Account - This account is used to account for the accumulation of payments made on type 166 loans. Funds are held in the account for a six month period to provide a secondary reserve in the event the OEBF Program Reserve Account exceeds the \$10,000,000 available balance.

OEBF Program Reserve Account - This reserve account was initially created from net proceeds of the 1988-1 State of Ohio bond issuance. The account is used to ensure adequate funds are available to repay Ohio Enterprise Bond Fund (OEBF) bondholders when due. The \$10,000,000 OEBF fund balance reserve will remain for OEBF bondholders within the Facilities Establishment Fund.

Regional Agency Fund - reports funds deposited with the regional agencies from fee income, interest income, loan receipts, and loans disbursements made pursuant to Chapter 166 of the Code and transfers of funds from the Facilities Establishment Fund.

Innovation Ohio Loan Fund (OAKS Fund 7009) – created to assist existing Ohio companies develop next generation products within certain Targeted Industry Sectors by financing the acquisition, construction and related costs of technology, facilities and equipment.

Research and Development Investment Loan Fund (OAKS Fund 7010) – created to position Ohio to compete aggressively for private-sector research and development investments that will create high wage jobs.

Logistics and Distribution Infrastructure Fund (OAKS Fund 7008) – created to provide loans for eligible transportation, logistics, and infrastructure projects in the State of Ohio. Loans will be made on favorable terms, including interest at or below market rates, opportunities to earn forgiveness of principal and accrued interest based on attainment of defined performance measures and use of loan proceeds for construction financing.

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

2. Non-major Governmental Funds

Loan Guarantee Fund - records funds deposited with the Treasurer of the State of Ohio and accounts for payments made by OFI due to the default on contractual loan terms by borrowers on loans guaranteed pursuant to Chapter 166 of the Code.

Rural Industrial Park Fund (OAKS Fund 4Z60) – provides loans to designated priority investment areas within Ohio.

Urban Redevelopment Loan Fund (OAKS Fund 5D20) - accounts for activity which aides in the development of eligible communities within the State of Ohio, which are designated as “Central Cities” as defined by the U.S. Office of Management and Budget.

Rural Development Initiative Fund – provides grants to eligible applicants who also qualify and receive funding under the Rural Industrial Park Loan program.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. For revenues arising from exchange transactions (i.e., charges for goods or services), OFI defers revenue recognition when resources are received in advance of the exchange.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, OFI considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and OEBF loan defaults are recorded only when payment is due.

Significant revenue sources subject to accrual under the modified accrual basis of accounting include investment income (including net increase or decrease in the fair value of investments), loan interest income (including net increase or decrease in allowance for doubtful loans), and fee revenue.

- D. Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- E. Deposits and Investments** - In fiscal year 2005, OBM implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures". In addition, the OBM has adopted provisions of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools" ("GASB 31") of the Governmental Accounting Standards Board ("GASB"). Accordingly, OFI's investments are stated at fair value (based on quoted market prices) in the accompanying statement of net assets and the change in the fair value of the investments is recorded as Net Increase (Decrease) in Fair Value of Investments in the Statement of Activities.

OFI has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price at which the investment could be sold.

Investments with an original maturity of three months or less at the time they are purchased by OFI are presented on the financial statements as Cash and Cash Equivalents. Investments with an initial maturity of more than three months are reported as Investments.

- F. Securities Lending** - In accordance with GASB Statement No. 28, "Accounting and Financial Reporting for Securities Lending Transactions" ("GASB 28"), OFI reports cash received as collateral on securities lending transactions and any investments made with that cash as assets in the accompanying balance sheet. Liabilities to return the collateral to the borrower are also recognized. Securities received as collateral in connection with securities lending activities are not recorded as assets and liabilities of OFI, because OFI does not have the ability to pledge or sell the securities without borrower default.

- G. Loans Receivable, Net and Allowance for Uncollectible Loans** - Loans receivable includes amounts due OFI for loans and loan guarantees entered into as part of its loan programs. Loans receivable is reported net of the allowance for uncollectible loans (See Note 4), which applies the following allowance methodology:

- 75% of loans certified to the Office of the Attorney General,
- 10% of loans outstanding within the Rural Industrial Park Loan Fund,
- 8% of loans outstanding within the Innovation Ohio Fund,
- 6% of loans outstanding within the Facilities Establishment Fund
- 5% of loans outstanding within the Research and Development Fund,
- 1.5% of loans outstanding within Urban Redevelopment Loan Fund,
- 2% of loans outstanding within the Regional Agency Fund,
- 0.5% of the family farm loan guarantees outstanding within the Facilities Establishment Fund, and
- Varying percentages on specific loan balances as deemed necessary.

Direct loan write-offs are reported upon notification from the Attorney General that an account is uncollectible. Direct loan write-offs are charged against the allowance.

The loans receivable shown in the Facilities Establishment Fund and Innovation Ohio Fund balances include \$1,886,562 and \$359,197, respectively, of deferred capitalized interest.

- H. Leases Receivable** - Lease Receivable includes a 166 Direct Loan to Union County CIC/Scotts. The State holds title to the asset and leases it back. Total lease receivable at fiscal year-end was \$609,669.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- I. **Other Assets** - Other assets includes receivables for Port Authority Bond Reserve service fees, the employee share of self-insurance fund deficits, accrued interest receivable, and prepaid assets. Total other assets at fiscal year-end were \$50,232.
- J. **Accounts Payable and Accrued Liabilities** - Accounts payable includes accruals for operating expenditures/expenses, which are attributable to purchases prior to June 30, 2011. Total accounts payable as of June 30, 2010 was \$220,648. Accrued liabilities include wages payable of \$34,093 and employee and employer share of healthcare funding deficit of \$24,600 as of June 30, 2011.
- K. **Deferred Revenue** - In the fund financial statements, deferred revenue includes accruals for revenue due to OFI by June 30, 2011 but collected after August 31, 2011. Total deferred revenue as of June 30, 2011 was \$2,286,625.
- L. **Compensated Absences** - The State of Ohio, which governs employee leave benefits and policies, pays compensation to separated employees for leave balances accumulated during the employee's term of service. In accordance with Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, OFI calculated the compensated absences liability on employees' fiscal year-end balances for vacation, sick, and compensatory leaves. The total compensated absences balance for the period ending June 30, 2011 was \$120,142.
- M. **Fund Balance/Net Assets**

GASB Statement No. 54, *Fund Balance Reporting* became effective for years beginning after June 15, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

In accordance with this guidance, OFI classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. OFI may use the following categories:

Nonspendable – resources that cannot be spent because they are either (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted – resources with constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – resources with constraints imposed by formal action (House or Senate Bill) of OFI's highest level of decision making authority (General Assembly).

Assigned – resources that are constrained by OFI's intent to be used for specific purposes, but are neither restricted nor committed. OFI has not adopted a policy delegating the authority to assign amounts to be used for specific purposes.

Unassigned – resources that are available for further appropriation and expenditure for general government purposes.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OFI applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. OFI considers committed and assigned balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

The total fund balance for the period ended June 30, 2011 was \$742,903,783. This balance includes \$5,674 that is Nonspendable - Not in Spendable Form, \$72,587,077 that is Restricted, \$655,747,602 that is Committed, and \$14,563,430 that is Assigned.

The total net assets as of June 30, 2011 were \$741,976,790 which includes \$231,524 invested in capital assets, \$72,587,077 that is Restricted for Community and Economic Development, and \$669,158,189 that is Unrestricted. There were no net assets required to be restricted due to enabling legislation as of June 30, 2011.

- N. Investment and Loan Interest Income** - Investment income includes investment earnings from investments and the quarterly allocation of investment earnings from cash equity with treasurer and corresponding interest receivables. Loan interest income includes interest earned from the repayment of loans.
- O. Fee Revenue and Miscellaneous Revenue** - Fees include service fees for the administration of the loan processing and commitment and application fees paid by the borrower.
- P. Personnel and Operating Expenditures/Expenses** - Personnel expenditures/expenses include all payroll and fringe benefit costs paid by the OFI. Operating expenditures/expenses include various supplies and maintenance expenditures, equipment purchases, and regional agency trustee and administrative fees.
- Q. Grant Expenditures/Expenses** - The Rural Development Initiative Fund provides grants to eligible applicants who also qualify and receive funding under the Rural Industrial Park Loan program. In addition, the Logistics and Distribution Infrastructure Fund provides loans with opportunities to earn forgiveness of principal and accrued interest based on attainment of defined performance measures and use of loan proceeds for construction financing. In fiscal year 2011, OFI reported these disbursements as grants based on the high probability of forgiveness.
- R. OEBF Loan Payment Expenditures/Expenses** - The OFI guarantees Ohio Enterprise Bonds and makes loan payments for Bonds that are in default of monthly payments. As of June 30, 2011, there was one OEBF bond in default totaling \$3,325,000 (See Note 5).
- S. Interfund Transfers and Distributions to Other Offices** - The OFI interfund transfers primarily consisted of transfers from the Facilities Establishment Fund to other loan programs. Distributions to Other Offices resulted from transfers to the Job Development Initiative Program, Capital Access Loan Program, and the State General Fund. These and other transfers are provided for in HB No. 95 and require Controlling Board approval unless otherwise specified. Since the financial statements present only the financial information of OFI and do not present the consolidated financial information of the State of Ohio, taken as a whole, the total distributions to other offices will not reflect offsetting receipts from state agencies.
- T. Self-Insurance** - The State of Ohio serves as the OFI's primary government and is self-insured for claims covered under its traditional healthcare plan, vehicle liability, public fidelity blanket bonds, property losses, and tort liability. Additionally, the State of Ohio participates in a public entity risk pool which covers liabilities associated with claims submitted to the Bureau of Workers' Compensation.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – DEPOSITS AND INVESTMENTS

The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires state moneys to be maintained in one of the following three classifications:

Active Deposits — Moneys required to be kept in a cash or near-cash status to meet current demands. Such moneys must be maintained either as cash in the State's treasury or in one of the following: a commercial account that is payable or withdrawable, in whole or in part, on demand, a negotiable order of withdrawal account, a money market deposit account, or a designated warrant clearance account.

Inactive Deposits — Those moneys not required for use within the current two-year period of designation of depositories. Inactive moneys may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits — Those moneys not required for immediate use, but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
- Repurchase agreements in the securities enumerated above;
- Interim deposits in the eligible institutions applying for interim moneys;
- Bonds and other obligations of the State of Ohio;
- The Treasurer of State's investment pool;
- Linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to small businesses, as authorized under Section 135.63, Ohio Revised Code;
- Agricultural linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to agricultural businesses, as authorized under Section 135.74, Ohio Revised Code;
- Reverse repurchase agreements with any eligible financial institution that is a member of the Federal Reserve System or federal home loan bank, or any recognized U.S. government securities dealer;
- Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U.S. government securities dealer;
- Commercial paper, rated in one of the two highest rating categories by two nationally recognized rating agencies and not exceeding five percent of the investment portfolio;
- Bankers' acceptances maturing in 270 days or less and not exceeding 10 percent of the investment portfolio;
- Debt of domestic corporations and foreign nations diplomatically recognized by the United States, rated investment grade by nationally recognized rating agencies and, in the aggregate, not exceeding five percent of the investment portfolio; and
- No-load money market funds consisting of U.S. government and agency obligations and repurchase agreements secured by such obligations.

Deposits - The primary government's deposits must be held in insured depositories approved by the State Board of Deposit and must be fully collateralized. At fiscal year-end, the carrying amount of OFI's deposits was \$74,505 and the bank balance was the same. The entire bank balance was covered by Federal Deposit Insurance.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, OFI's deposits may not be returned to it. OFI maintains cash on deposit in two custodial accounts with the State Treasurer. Public depositories are required to give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities, the face value of which is at least 110% of the total value of public moneys on deposit at the institution. At year end, OFI's deposits were not exposed to custodial credit risk.

Investments - At fiscal year-end, the fair values of investments were as follows:

Investment Type	Fair Value
U.S. Government Obligations	\$ 1,110,241
U.S. Government Agency Obligations	5,556,766
Municipal Bonds	756,220
Commercial Paper	3,314,708
Money Market Funds	36,307,196
STAR Ohio	20,054,994
Total Investments	<u>\$ 67,100,125</u>

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. At fiscal year-end, OFI's U.S. Government Obligations, U.S. Government Agency Obligations and STAR Ohio were rated AAA and OFI's Commercial Paper was rated A-1+. OFI's money market funds were not rated.

Concentration of Credit Risk – Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. At year end, OFI was not exposed to concentration of credit risk because OFI had no positions of 5 percent or more in any single issuer.

Interest Rate Risk – Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. The reporting of effective duration in the table below quantifies, to the fullest extent possible, the interest rate risk of OFI's fixed income assets.

Investment Type	Investment Maturities (in years)		Total Fair Value
	Less than 1	1-5	
U.S. Government Obligations	\$ 40,403	\$ 1,069,838	\$ 1,110,241
U.S Government Agency Obligations	797,830	4,758,936	5,556,766
Municipal Bonds	-	756,220	756,220
Commercial Paper	3,314,708	-	3,314,708
STAR Ohio	20,054,994	-	20,054,994
Money Market Funds	36,307,196	-	36,307,196
Total Investments	<u>\$ 60,515,131</u>	<u>\$ 6,584,994</u>	<u>\$ 67,100,125</u>

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk - Investments – For an investment, this is the risk that, in the event of the failure of the counterparty, OFI will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. OFI's investments were not exposed to custodial credit risk at year end because all investments were registered in the OFI's name.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates between the U.S. Dollar and foreign currencies could adversely affect an investment's fair value. OFI had no exposure to foreign currency risk at fiscal year end.

NOTE 3 – SECURITIES LENDING TRANSACTIONS

OFI through the Treasurer of State's Investment Department participates in a securities lending program for securities included in the "Equity in State of Ohio common cash and investments" and STAROhio accounts. The State's lending programs, authorized under Sections 135.143, 135.45 and 135.47, Ohio Revised Code, are administered by custodial agent banks, whereby certain securities are transferred to independent broker-dealers (borrowers) in exchange for collateral. OFI has minimized its exposure to credit risk due to borrower default by requiring the custodial agent to ensure that the lent securities are collateralized at no less than 102 percent of the market value at the time of the loan. At no point in time can the value of the collateral be less than 100 percent of the value of the underlying securities on loan.

There are currently no restrictions on the amount of loan contracts that can be made.

During the fiscal year, the State Treasurer and the STAROhio program lent U.S. government and agency obligations. OFI cannot sell securities received as collateral unless the borrower defaults. At fiscal year-end, the collateral OFI had received for securities lent consisted entirely of cash. For State funds, the State Treasurer invests cash collateral in short-term obligations. At fiscal year-end, the weighted average maturity of all loans was 5.6 days while the weighted maturity of all collateral was 82.2 days. As a result of the bankruptcy proceedings for CIT Group in 2009, the variable rate note held as cash collateral was converted into fixed rate corporate notes with maturity dates of May 1st in 2013, 2014, 2015, 2016, and 2017 and shares of common stock. The fixed rate corporate note that was to mature in 2013 was called in a full redemption in May, 2011. The remaining fixed rate corporate notes increase the weighted average maturity from 3.4 days to 82.2 days.

For State funds, the securities lending agent shall indemnify the Treasurer of State for any losses resulting from either the default of the borrower or any violations of the securities lending policy. For the STAROhio program, the agent agrees to indemnify the Treasurer for losses resulting from the failure of the borrower to return the loaned securities in accordance with the terms of the loan agreement, provided, however, that the agent's obligation to indemnify the Treasurer shall be limited to an indemnification amount equal to the difference between the market value of the loaned securities on the date that such loaned securities should have been returned to the agent and the greater of (1) the cash collateral received from the borrower or (2) the value of investments of collateral. There were no recoveries during the fiscal year due to prior-period losses.

For both the State funds and STAROhio lending programs, since the lender owes the borrower more than the borrower owes the lender, there is no credit risk to the lender at year-end. The State's Office of Budget and Management allocates the State's pooled cash collateral to various funds within the State's Ohio Administrative Knowledge System (OAKS) based on cash balances at year-end. As a result, OFI's Allocated Collateral on Lent Securities and related Allocated Obligations Under Securities Lending at year-end was \$48,056,048.

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 4 – LOAN PROGRAM ACTIVITY

The following table summarizes loan repayments and new loan activity of the various funds during the fiscal year:

Fund	Beginning Balance	Loan Additions	Loan Reductions	Ending Balance
Facilities Establishment	\$ 255,220,931	\$ 54,514,676	\$ (36,411,308)	\$ 273,324,299
Regional Agency	35,553,988	4,349,119	(8,530,993)	31,372,114
Innovation Ohio	51,517,326	20,476,320	(8,092,623)	63,901,023
Research and Development	69,164,278	21,972,410	(8,911,762)	82,224,926
Rural Industrial Park	7,613,334	-	(1,260,677)	6,352,657
Urban Redevelopment	31,133,204	16,203,353	(5,259,291)	42,077,266
Grand Total	<u>\$ 450,203,061</u>	<u>\$ 117,515,878</u>	<u>\$ (68,466,654)</u>	<u>\$ 499,252,285</u>

The allowance for loan losses is the result of management's review of loans, with consideration given to collateral values, borrower's financial condition and current economic environment. The allowance is maintained at the level management estimates adequately provide for potential loan losses. The total allowance for loan losses at fiscal year-end was \$46,545,033 (Facilities Establishment Fund was \$27,335,966; Regional Agency Fund was \$627,442; Innovation Ohio Fund was \$10,758,289; Research and Development Fund was \$4,111,246; Rural Industrial Park Loan Fund was \$862,261; and Urban Redevelopment Fund was \$2,849,829).

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A. Ohio Enterprise Bond Funds

Ohio Enterprise Bond Fund (OEBF) bonds are issued through the Treasurer of State for the purpose of financing "eligible projects" of private industry organizations, such as a company's purchase of manufacturing equipment. The actual bonds are sold through private placement. At June 30, 2011 outstanding loan balances under this program aggregated \$209,205,000 with original terms up to 20 years at interest ranging from 2.0% to 10.0%. According to the Ohio Enterprise Bond Fund's official bond statement, the bonds are not general obligations of the State of Ohio or of any political subdivision and are not payable from any tax source, therefore, the rights of holders of the bonds to payments of amounts due there under are limited solely to the Ohio Enterprise Bond Fund Accounts. The scheduled payment of the bonds is, however, guaranteed through OFI. OFI only monitors OEBF activities and does not include the financial transactions within its financial statements.

Of the 49 Ohio Enterprise Bond Fund loans with outstanding principal balances, 48 were current in their repayment as of fiscal year-end and one was in default. For more information regarding OEBF loans in default, see Note 8.

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 5 – COMMITMENTS AND CONTINGENCIES (continued)

B. Ohio Enterprise Bond Fund Leases

Within the OEBF, there are four projects where the State of Ohio holds title to the assets and leases them back to the companies. These lease transactions are OEBF activities and are not part of the OFI financial statements. Total leases receivable at fiscal year-end were \$9,790,000. The projects that include leases are as follows:

Issue #	Borrower	Original Amount	Current Balance
1993-5	Foremost Management	8,100,000	1,525,000
1991-1	Kinetics Noise Control	2,270,000	125,000
2000-1	Scotts/Union County	6,025,000	3,980,000
2000-2	Western Reserve P.A. Timken	6,185,000	4,160,000
	Grand Total	\$ 22,580,000	\$ 9,790,000

In the event of a lease default, OFI would first draw on the 10% letter of credit to satisfy the bondholders. If the letter of credit is insufficient, the State would then liquidate the assets to which it holds title. Finally, if the bondholders are still not paid in full, OFI is obligated to make the bond payments using the Facilities Establishment Fund.

C. Loan Commitments

These commitments primarily represent Chapter 166 loan commitments, which have been approved by OFI's Development Financing Advisory Council and the State's Controlling Board; however, the loans were not closed as of fiscal year-end. Below is a summary of significant outstanding commitments of OFI related to the Chapter 166 program:

Fund	Commitment
Facilities Establishment	\$ 32,946,816
Innovation Ohio	14,225,250
Research and Development	23,210,000
Logistics and Distribution Infrastructure	57,962,316
Rural Industrial Park	1,438,095
Rural Development Initiative Fund	1,256,845
Grand Total	\$ 131,039,322

The encumbrances do not include each individual agency's pollution prevention program. These programs are administered by the local agencies on behalf of OFI.

D. Loan Guarantees

Under the Chapter 166 Loan Guarantee Program, OFI guarantees up to 75% of certain qualifying loans made by various financial institutions. The bonds issued by the State of Ohio to fund the loan and loan guarantee programs under 166 of the Code are to be repaid initially from revenue of the State from the sale of liquor. Repayment would come from the Facilities Establishment Fund only if such revenues were inadequate to service the debt. At fiscal year-end, OFI had no guarantees outstanding.

OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 – PENSION PLAN

All full-time employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Plan – a cost-sharing multiple-employer defined benefit pension plan.
2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan – a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6701 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employee and employer contributions. For fiscal year 2011, the contribution rate for OFI employees was 10.0% of covered payroll and the employer contribution rate was 14.0% of covered payroll. OFI's contributions to OPERS for the years ended June 30, 2011, 2010, and 2009 were \$142,158, \$142,830, and \$153,903, respectively, equaling the required contributions for each year.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (continued)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In fiscal year 2010, state and local employers contributed at a rate of 14.00% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For fiscal year 2011, the employer contribution allocated to the health care for members in the Traditional Plan was 5.0% of covered payroll. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.23%. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The contribution rates stated above are the actuarially determined contribution requirements for OPERS. The portion of OFI's 2011 contributions that was used to fund post-employment benefits was \$50,765.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**OFFICE OF FINANCIAL INCENTIVES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 8 – LONG TERM LIABILITIES

Long term liability activity for the year ended June 30, 2011 is as follows:

Type	Beginning Balance	Increase	Decrease	Ending Balance	Amount Due in One Year
Compensated Absences	\$ 101,413	\$ 65,252	\$ (46,523)	\$ 120,142	\$ 35,172
Ohio Enterprise Bond Fund	3,595,000	-	(270,000)	3,325,000	295,000
Total Long Term Liabilities	<u>\$ 3,696,413</u>	<u>\$ 65,252</u>	<u>\$ (316,523)</u>	<u>\$ 3,445,142</u>	<u>\$ 330,172</u>

The compensated absences will be paid from the operating fund.

A summary of OFI's future Ohio Enterprise Bond Fund debt service obligations as of June 30, 2011 are as follows:

Fiscal Year	Principal Due
2012	\$ 295,000
2013	320,000
2014	350,000
2015	375,000
2016	410,000
2017-2020	1,575,000
Total	<u>\$ 3,325,000</u>

NOTE 9 – CONDITIONS EXPECTED TO AFFECT FUTURE OPERATIONS

The Ohio Department of Development is being restructured to better serve its business clients. Many of the business assistance functions, including loan initiations, will be transferred via contract to the private, nonprofit organization JobsOhio. Decisions as to the loan servicing functions have not been finalized. Such changes will require modification of the current Ohio Revised Code Chapters 122 and 166 authorizing legislation. Once the restructure is complete, it is anticipated that the Ohio Department of Development will become the Development Services Agency.

SUPPLEMENTARY COMBINING FINANCIAL STATEMENTS

OFFICE OF FINANCIAL INCENTIVES
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	Loan Guarantee Fund	Rural Industrial Park Loan Fund	Urban Redevelopment Loan Fund
ASSETS:			
Cash Equity with Treasurer	\$ -	\$ 3,680,853	\$ 1,548,239
Cash and Cash Equivalents	873,064	-	-
Allocated Collateral on Lent Securities	-	786,417	330,783
Loans Receivable, Net	-	5,490,396	39,227,437
TOTAL ASSETS	<u><u>\$ 873,064</u></u>	<u><u>\$ 9,957,666</u></u>	<u><u>\$ 41,106,459</u></u>
LIABILITIES:			
Allocated Obligations Under Securities Lending	\$ -	\$ 786,417	\$ 330,783
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>786,417</u></u>	<u><u>330,783</u></u>
FUND BALANCES:			
Committed	873,064	-	40,775,676
Assigned	-	9,171,249	-
TOTAL FUND BALANCES	<u><u>873,064</u></u>	<u><u>9,171,249</u></u>	<u><u>40,775,676</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 873,064</u></u>	<u><u>\$ 9,957,666</u></u>	<u><u>\$ 41,106,459</u></u>

Rural Development Initiative Fund	Total Nonmajor Governmental Funds
\$ 1,256,895	\$ 6,485,987
-	873,064
268,537	1,385,737
-	44,717,833
<u>\$ 1,525,432</u>	<u>\$ 53,462,621</u>
268,537	\$ 1,385,737
<u>268,537</u>	<u>1,385,737</u>
1,256,895	42,905,635
-	9,171,249
<u>1,256,895</u>	<u>52,076,884</u>
<u>\$ 1,525,432</u>	<u>\$ 53,462,621</u>

OFFICE OF FINANCIAL INCENTIVES
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	Loan Guarantee Fund	Rural Industrial Park Loan Fund	Urban Redevelopment Loan Fund
REVENUES:			
Fee Revenue	\$ -	\$ 7,697	\$ 83,882
Loan Interest Income	-	85,646	171,385
Investment Income	913	-	-
TOTAL REVENUES	<u>913</u>	<u>93,343</u>	<u>255,267</u>
EXPENDITURES:			
Operating Expenditures	62	-	-
Bad Debt Expense	-	100,928	114,230
TOTAL EXPENDITURES	<u>62</u>	<u>100,928</u>	<u>114,230</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>851</u>	<u>(7,585)</u>	<u>141,037</u>
OTHER FINANCING SOURCES (USES):			
Interfund Transfers	-	(522,764)	5,500,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(522,764)</u>	<u>5,500,000</u>
NET CHANGE IN FUND BALANCES	851	(530,349)	5,641,037
FUND BALANCES, JULY 1	872,213	9,701,598	35,134,639
FUND BALANCES, JUNE 30	<u>\$ 873,064</u>	<u>\$ 9,171,249</u>	<u>\$ 40,775,676</u>

Rural Development Initiative Fund	Total Nonmajor Governmental Funds
\$ -	\$ 91,579
-	257,031
-	913
-	349,523
-	62
-	215,158
-	215,220
-	134,303
1,256,395	6,233,631
1,256,395	6,233,631
1,256,395	6,367,934
500	45,708,950
\$ 1,256,895	\$ 52,076,884

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Office of Financial Incentives
State of Ohio

We have audited the financial statements of the Office of Financial Incentives ("OFI") as of and for the year ended June 30, 2011 and have issued our report thereon dated September 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of OFI is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered OFI's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OFI's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of OFI's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether OFI's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of OFI in a separate letter dated September 30, 2011.

This report is intended solely for the information and use of management, OFI's Development Financing Advisory Council, management of the State of Ohio and the Ohio Legislature and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The script is cursive and fluid.

Crowe Horwath LLP

Columbus, Ohio
September 30, 2011

**OFFICE OF FINANCIAL INCENTIVES
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2011**

There were no findings for the year ended June 30, 2010.



Dave Yost • Auditor of State

OFFICE OF FINANCIAL INCENTIVES

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 13, 2011