NEW ISSUE

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under existing law (i) interest, including original issue discount, the Series 2012A Bonds is excludible from gross income of the holders thereof for purposes of federal income taxation and (ii) interest on the Series 2012A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, all subject to the qualifications described herein under the heading “TAX MATTERS”. Receipt of interest on the Series 2012A Bonds is also exempt from certain taxes in Ohio (see “TAX MATTERS” herein).

The University has deemed this Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(3).

$89,040,000
UNIVERSITY OF CINCINNATI
General Receipts Bonds,
Series 2012A

Dated: Date of Issuance
Due: June 1, as shown on inside cover

Principal is payable each June 1 as shown below. Semi-annual interest is payable June 1 and December 1, commencing June 1, 2012 at The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio. The Series 2012A Bonds are issuable as fully registered bonds without coupons.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
<th>CUSIP #**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,140,000</td>
<td>2.00%</td>
<td>0.20%</td>
<td>914119UE0</td>
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<tr>
<td>2013</td>
<td>170,000</td>
<td>0.47%</td>
<td>0.20%</td>
<td>914119UF7</td>
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<tr>
<td>2014</td>
<td>175,000</td>
<td>0.63%</td>
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<td>914119UG5</td>
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<tr>
<td>2015</td>
<td>3,125,000</td>
<td>0.84%</td>
<td>2.56%</td>
<td>914119UI3</td>
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<tr>
<td>2016*</td>
<td>2,000,000</td>
<td>1.03%</td>
<td>2.56%</td>
<td>914119UJ9</td>
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<tr>
<td>2016*</td>
<td>3,600,000</td>
<td>1.03%</td>
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<tr>
<td>2017*</td>
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<tr>
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<td>5,910,000</td>
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<td>2.56%</td>
<td>914119VE9</td>
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<tr>
<td>2020*</td>
<td>125,000</td>
<td>2.11%</td>
<td>2.56%</td>
<td>914119UN0</td>
</tr>
<tr>
<td>2020*</td>
<td>6,510,000</td>
<td>2.11%</td>
<td>2.56%</td>
<td>914119VC3</td>
</tr>
</tbody>
</table>

*Bifurcated.

The Series 2012A Bonds are subject to optional redemption as described herein.

The Series 2012A Bonds are issuable as registered bonds without coupons in the denomination of $5,000 and integral multiples of $5,000.

The Series 2012A Bonds are to be secured by a lien on and payable from the General Receipts (as defined on page 6 herein) of the University, on a parity with the $937,810,000 (which does not include the University’s bonds which will be refunded from the proceeds of the Series 2012A Bonds) of outstanding Obligations, as described herein, issued pursuant to a Trust Agreement dated as of May 1, 1974, as supplemented, which was amended and restated in its entirety by the Amended and Restated Trust Agreement dated as of May 1, 2001 between the University of Cincinnati (the “University”) and The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio, Trustee (the “Trustee”).

The Series 2012A Bonds will be issuable under a book-entry system, registered in the name of The Depository Trust Company (“DTC”) or its nominee. There will be no distribution of Series 2012A Bonds to the ultimate purchasers. See “BOOK-ENTRY ONLY METHOD” herein.

The University is a state university of the State of Ohio. The Series 2012A Bonds are not obligations of the State of Ohio, and not general obligations of the University and the faith and credit of the University is not pledged to the payment thereof. The Series 2012A Bonds are payable from the General Receipts of the University. Certain receipts of the University, including State appropriations, are excluded from General Receipts. The holders and owners of the Series 2012A Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2012A Bonds are offered when, as and if issued and received by the Underwriter, subject to the unqualified approval of legality by Peck, Shaffer & Williams LLP, Cincinnati, Ohio. Certain legal matters will be passed upon for the University by Thompson Hine LLP and for RBC Capital Markets, LLC by Baker & Hostetler LLP. It is expected that the Series 2012A Bonds in definitive form will be available for delivery in New York, New York through DTC, on or about March 5, 2012.

This Final Official Statement dated February 15, 2012
CUSIP data herein are provided by Standard & Poor's. CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the University and are included solely for the convenience of the holders of the Bonds. The University is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.
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APPENDIX A - The University of Cincinnati
APPENDIX B - Summary of Restated Trust Agreement
APPENDIX C - Form of Legal Opinion of Bond Counsel
OFFICIAL STATEMENT OF

the Board of Trustees of the

UNIVERSITY OF CINCINNATI

Relating to the

$89,040,000
General Receipts Bonds,
Series 2012A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide certain information with respect to the issuance of $89,040,000 General Receipts Bonds, Series 2012A (the “Series 2012A Bonds”) of the University of Cincinnati (the “University”), Cincinnati, Ohio.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

The offering of Series 2012A Bonds to potential investors is made only by means of the entire Official Statement.

The Issuer

The Series 2012A Bonds are being issued by the University, a state university of the State of Ohio.

Sources of Payment for the Series 2012A Bonds

The Series 2012A Bonds are payable from and secured by a lien on the General Receipts of the University. The Series 2012A Bonds are not obligations of the State of Ohio and the faith and credit of the State shall not be pledged to the payment thereof, and the holders and the owners of the Series 2012A Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium. The Series 2012A Bonds are not obligations of the State of Ohio, and not general obligations of the University and the faith and credit of the University is not pledged to the payment thereof. The Series 2012A Bonds are payable from the General Receipts of the University. Certain receipts of the University, including State appropriations, are excluded from General Receipts.
Purpose of the Series 2012A Bonds

The net proceeds of the Series 2012A Bonds will be used to (1) advance refund $1,765,000 of outstanding General Receipts Bonds, Series 2002G, dated November 21, 2002 (the “Series 2002G Bonds”) constituting a portion of each of the principal amounts stated to mature June 1, 2015 through June 1, 2022 and $2,980,000 of the $5,125,000 principal amount stated to mature on June 1, 2031 and $34,090,000 of outstanding General Receipts Bonds, Series 2003C (the “Series 2003C Bonds”) stated to mature June 1, 2015 through June 1, 2023 and $11,730,000 stated to mature on June 1, 2026 and $24,250,000 of the outstanding General Receipts bonds, Series 2004D (the “Series 2004D Bonds”) stated to mature June 1, 2016 through June 1, 2023, (2) currently refund the remaining $21,460,000 of outstanding General Receipts Bonds, Series 2001A, dated May 1, 2001 (the “Series 2001A Bonds”) stated to mature in 2031 and (3) pay costs of issuance of the Series 2012A Bonds. The Series 2001A Bonds, Series 2002G Bonds, Series 2003C Bonds and Series 2004D Bonds which will be refunded are sometimes referred to herein as the “Refunded Bonds.”

Description of the Series 2012A Bonds

The Series 2012A Bonds are subject to optional redemption as herein described (see “Optional Redemption” herein).

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2012A Bonds. The Series 2012A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Series 2012A Bond certificate will be issued for the entire amount and will be deposited with DTC.

The Series 2012A Bonds will be issuable under a book entry system, registered in the name of DTC or its nominee. There will be no distribution of Series 2012A Bonds to the ultimate purchasers (see “BOOK-ENTRY ONLY METHOD” herein).

Tax Matters

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under existing law (i) interest on the Series 2012A Bonds is excludible from gross income of the holders thereof for purposes of federal income taxation and (ii) interest on the Series 2012A Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, all subject to the qualifications described herein under the heading “TAX MATTERS”. Receipt of interest on the Series 2012A Bonds is also exempt from certain taxes in Ohio (see “TAX MATTERS” herein).

See Appendix C hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the Series 2012A Bonds.

Parties to the Issuance of the Series 2012A Bonds

The University is the issuer of the Series 2012A Bonds. Counsel for the University is Thompson Hine LLP. The Trustee for the Series 2012A Bonds is The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio. Legal matters incident to the issuance of the Series 2012A Bonds and with regard to the status of the interest thereon are subject to the approving legal opinion of Peck, Shaffer & Williams LLP, Cincinnati, Ohio, Bond Counsel. The Underwriter for the Series 2012A Bonds is RBC Capital Markets, LLC, Cincinnati, Ohio. Certain legal matters will be passed upon for the Underwriter by Baker & Hostetler LLP.
Authority for Issuance

Issuance of the Series 2012A Bonds is authorized pursuant to general laws of the State of Ohio, particularly Chapter 3345 of the Ohio Revised Code (the “Act”). The pledge of fees to secure the Series 2012A Bonds was approved by the Chancellor on various dates. The Series 2012A Bonds are being issued pursuant to the Act and the resolutions of the University’s Board of Trustees (the “Board”), adopted January 24, 2012 (together, the “Bond Resolution”). See “AUTHORITY” herein. The Series 2012A Bonds are offered when, as and if issued by the University. The Series 2012A Bonds will be delivered on or about March 5, 2012.

Disclosure Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and continuing disclosure documents of the University are intended to be made available through one or more repositories. Copies of the basic documentation relating to the Series 2012A Bonds, including the authorizing resolution and the bond forms, are available from the Trustee.

The University has deemed this Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(3).

Additional Information

Additional information concerning this Official Statement, as well as copies of the basic documentation relating to the Series 2012A Bonds, is available from RBC Capital Markets, LLC, Chemed Center, 255 Fifth Street, Suite 1000, Cincinnati, Ohio 45202, (513) 621-2000, through the offering period for the Series 2012A Bonds.
REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2012A Bonds of the University. No dealer, broker, salesman or other person has been authorized by the University to give any information or to make any representation, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the University. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2012A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the University since the date hereof.

Upon issuance, the Series 2012A Bonds will not be registered by the University under any federal or state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency (except the University) will have, at the request of the University, passed upon the accuracy or adequacy of this Official Statement or approved the Series 2012A Bonds for sale.

All financial and other information presented in this Official Statement has been provided by the University from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the University. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Official Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty. No representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information.

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the “Revised Code”) or uncodified, or to the provisions of the Ohio Constitution or the University’s resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Official Statement, “debt service” means principal of, interest and any premium on, the obligations referred to, and “State” or “Ohio” means the State of Ohio.
AUTHORITY

The issuance of the Series 2012A Bonds is authorized pursuant to general laws of the State of Ohio, particularly Section 3345.12 of the Ohio Revised Code (the “Act”). The Series 2012A Bonds are being issued pursuant to the Act and the Amended and Restated Trust Agreement dated as of May 1, 2001 (the “Restated Trust Agreement”) by and between the University and The Bank of New York Mellon Trust Company, N.A., Cincinnati, Ohio, as Trustee.

In 1974, the predecessor of the University and The Bank of New York Mellon Trust Company, N.A., as Trustee, entered into a Trust Agreement dated as of May 1, 1974 (the “Original Agreement”). Upon conversion from a municipally owned institution to a state-owned institution on July 1, 1977, the duties and obligations of the predecessor of the University under the Original Trust Agreement, as supplemented, were assumed by the Board of Trustees of the University, pursuant to the terms of the Third Supplemental Trust Agreement dated as of July 1, 1977. The Original Trust Agreement incorporated the General Bond Resolution, adopted by the Board of Directors of the predecessor of the University on May 7, 1974, under which the University issued multiple series of its Bonds.

On May 16, 2001, the University supplemented and amended the Original Trust Agreement in its entirety when the University and the Trustee executed and delivered the Restated Trust Agreement. The terms and provisions of the Restated Trust Agreement control both outstanding Bonds and all obligations of the University issued pursuant to the Restated Trust Agreement. Please see “THE TRUST AGREEMENT” herein.

Under the Act, the University is authorized to construct auxiliary facilities and educational facilities, both defined under the Act (herein the “University Facilities”), borrow money to pay for such construction, and repay or restore moneys advanced for that purpose from other funds of the University. It is empowered to issue, on behalf of the University, bonds and notes in anticipation of the issuance of bonds, said notes and bonds to be secured by a pledge of and lien on the General Receipts, as hereafter defined, of the University, provided said notes and bonds are not general obligations of the State. The Series 2012A Bonds are issued under the foregoing authority and are special obligations of the University, acting by and through the Board.

The University is a state university, which is a body politic and corporate and an instrumentality of the State of Ohio. The Series 2012A Bonds shall not be obligations of the State of Ohio and are not general obligations of the University and the faith and credit of the University is not pledged to the payment thereof, and the holders and owners of the Series 2012A Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium. Certain receipts of the University, including appropriations, are excluded from General Receipts. The Series 2012A Bonds are payable from the General Receipts of the University.

SECURITY

Payment of the principal and interest on the Series 2012A Bonds is secured by a pledge of the General Receipts of the University (as defined below), which amounted in Fiscal Year 2011 to $553,703,000. The pledge of the General Receipts secures all outstanding Obligations of the University issued under the Restated Trust Agreement on a parity basis. Obligations are defined in the Restated Trust Agreement as the University’s Bonds and Notes. Additional Obligations may be issued by the University under the Restated Trust Agreement, and such additional Obligations will be secured by a pledge of the General Receipts on a parity with the pledge securing the then outstanding Obligations,
provided, among other things, that the General Receipts for the most recently completed Fiscal Year are at least one and one-half times the Maximum Annual Debt Service on all Obligations outstanding and to be outstanding after the issuance of the Obligations then under consideration.

At the time of the issuance of the Series 2012A Bonds, the University will have General Receipts Bond Anticipation Notes outstanding in the amount of $88,445,000 which have been issued under the Restated Trust Agreement and are secured by a pledge of the General Receipts on parity with the pledge securing other outstanding Obligations.

The General Receipts of the University are defined as all moneys received by the University, except: (i) moneys raised by State appropriations and taxation, (ii) any grants, gifts, donations and pledges and receipts therefrom which under restrictions imposed in the grant or promise thereof or as a condition of the receipt thereof are not available for payment of Debt Service Charges, and (iii) any special fee charged pursuant to Section 154.21(D) of the Ohio Revised Code and receipts therefrom.

**Rate Covenant**

The University has covenanted in the Restated Trust Agreement that so long as any Obligations are outstanding, the University will fix, make, adjust and collect such fees, rates, rentals, charges, and other items of General Receipts so that there will inure to the University General Receipts, in view of other revenues and resources available to the University, sufficient (i) to pay Debt Service Charges then due or to become due in the current Fiscal Year, (ii) to pay all costs and expenses required to be paid under the Restated Trust Agreement and (iii) all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

**Optional Redemption**

The Series 2012A Bonds stated to mature on or after June 1, 2023 are subject to redemption at the option of the University in whole or in part on any date on or after June 1, 2022, on thirty days' notice, at the price of the principal amount redeemed plus accrued interest to the redemption date. The University shall have the right to choose specific maturities of Series 2012A Bonds for optional redemption and if less than all of a maturity is to be called for redemption, the Trustee shall select which Series 2012A Bonds in that maturity are to be redeemed by lot in such manner as determined by the Trustee.
PURPOSE OF SERIES 2012A BONDS

The net proceeds of the Series 2012A Bonds will be used to (1) advance refund $1,765,000 of outstanding Series 2002G Bonds constituting a portion of each of the principal amounts stated to mature June 1, 2015 through June 1, 2022 and $2,980,000 of the $5,125,000 principal amount stated to mature on June 1, 2031 and $45,820,000 of outstanding Series 2003C Bonds stated to mature June 1, 2015 through June 1, 2023 and June 1, 2026 and $24,250,000 of outstanding Series 2004D Bonds stated to mature June 1, 2016 through June 1, 2023, (2) currently refund the remaining $21,460,000 of outstanding Series 2001A Bonds stated to mature in 2031 and (3) pay costs of issuance of the Series 2012A Bonds.

ESTIMATED SOURCES AND USES
OF SERIES 2012A BONDS

Sources:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Series 2012A Bonds</td>
<td>$89,040,000.00</td>
</tr>
<tr>
<td>Net Premium</td>
<td>$14,777,371.75</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$103,817,371.75</td>
</tr>
</tbody>
</table>

Uses:

<table>
<thead>
<tr>
<th>Use</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of Issuance and Underwriter’s Discount</td>
<td>$759,314.95</td>
</tr>
<tr>
<td>Total Uses</td>
<td>$103,817,371.75</td>
</tr>
</tbody>
</table>

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
OUTSTANDING OBLIGATIONS

The following table presents for each bond year ending June 1, the amount required for the payment of principal due on the University’s outstanding Bonds whether by maturity or mandatory redemption, for the payment of interest on said Bonds, and for the total debt service on said Bonds. The table also presents the annual Debt Service Charges for the University’s outstanding notes, determined in accordance with the provisions of the Restated Trust Agreement. The General Receipts of the University for the year ending June 30, 2011, were $553,703,000. Maximum Debt Service on all Obligations (including the Series 2012A Bonds) is $93,459,855.42 (2017). Coverage of maximum debt service on all Obligations for the Fiscal Year 2017 would be 5.92 times (based on General Receipts of $553,703,000).

AMORTIZATION SCHEDULE

<table>
<thead>
<tr>
<th>Bond Year Ending June 1</th>
<th>General Receipts Bonds, Series 2012A</th>
<th>General Receipts Bonds, other than Refunded Bonds¹</th>
<th>General Receipts Bond Anticipation Notes²</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
<td>Subtotal</td>
<td>Debt Service</td>
</tr>
<tr>
<td>06/01/12</td>
<td>$1,140,000.00</td>
<td>$974,523.34</td>
<td>$2,114,523.34</td>
<td>$73,865,645.18</td>
</tr>
<tr>
<td>06/01/13</td>
<td>170,000.00</td>
<td>4,056,600.00</td>
<td>4,226,600.00</td>
<td>79,115,501.44</td>
</tr>
<tr>
<td>06/01/14</td>
<td>3,125,000.00</td>
<td>4,053,200.00</td>
<td>7,178,200.00</td>
<td>89,206,701.44</td>
</tr>
<tr>
<td>06/01/15</td>
<td>5,600,000.00</td>
<td>3,924,700.00</td>
<td>9,524,700.00</td>
<td>90,251,201.44</td>
</tr>
<tr>
<td>06/01/16</td>
<td>5,785,000.00</td>
<td>3,740,700.00</td>
<td>9,525,700.00</td>
<td>93,459,855.42</td>
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<tr>
<td>06/01/17</td>
<td>6,055,000.00</td>
<td>3,469,000.00</td>
<td>9,524,000.00</td>
<td>93,459,855.42</td>
</tr>
<tr>
<td>06/01/18</td>
<td>6,335,000.00</td>
<td>3,194,000.00</td>
<td>9,529,000.00</td>
<td>93,459,855.42</td>
</tr>
<tr>
<td>06/01/19</td>
<td>6,635,000.00</td>
<td>2,887,875.00</td>
<td>9,522,875.00</td>
<td>93,459,855.42</td>
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<tr>
<td>06/01/20</td>
<td>7,305,000.00</td>
<td>2,559,875.00</td>
<td>9,524,875.00</td>
<td>93,459,855.42</td>
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<tr>
<td>06/01/21</td>
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<td>2,211,625.00</td>
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<td>06/01/39</td>
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<td>TOTAL</td>
<td>$89,040,000.00</td>
<td>$44,284,673.34</td>
<td>$133,324,673.34</td>
<td>$1,384,106,888.32</td>
</tr>
</tbody>
</table>

¹ All University General Receipts Debt Service (except as shown under Notes Debt Service). Any Build America Bond debt service is shown as gross debt service and not netted for the 35% subsidy.

² $44.11 MM Series 2011F BANs, $15.99 MM Series 2011D BANs and $28.345 MM of Series 2011B BANs -- totaling $88,445,000 -- converted to 25 year bonds using Bond Buyer 20 Index (February 9 - 3.70%).
The University has $52,815,000 of capital lease obligations which have been issued as Certificates of Participation, a $41,315,000 obligation with respect to the financing of two projects for the King Highland Community Urban Redevelopment Corporation (“King Highland”) and a $51,165,000 obligation with respect to the financing of a project for the University Heights Community Urban Redevelopment Corporation (“UHCURC”) (see “THE UNIVERSITY OF CINCINNATI - Other Indebtedness” herein). While the University’s lease obligations are payable from the University’s General Receipts, they are not secured by the General Receipts and the certificate holder’s, UHCURC’s and King Highland’s claim on the General Receipts is subordinate to that of holders of both the University’s general receipts bonds or general receipts bond anticipation notes. Coverage of maximum annual debt service for all Obligations and the University’s certificates of participation and lease obligations with respect to UHCURC and King Highland for the fiscal year 2015 would be approximately 5.26 times (based on General Receipts of $553,703,000).

BOOK-ENTRY ONLY METHOD

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s book-entry only system has been obtained from DTC and the University takes no responsibility for the completeness or accuracy thereof. The University cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal, or premium, if any, with respect to the Series 2012A Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2012A Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Series 2012A Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

Owners of book-entry interests in the Series 2012A Bonds will neither receive nor have the right to receive physical delivery of the Series 2012A Bonds and will not be or be considered to be, and will not have any rights as, registered owners (“Holders”) of Series 2012A Bonds under the Restated Trust Agreement.

The following information on the Book-entry Only System applicable to the Series 2012A Bonds has been supplied by The Depository Trust Company, New York, New York, and none of the University, the Underwriter or Bond Counsel, make any representations, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2012A Bonds. The Series 2012A Bonds will be issued as securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Bond certificate for each maturity will be issued in the aggregate principal amount of the Series 2012A Bond and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC.
DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of the Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2012A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012A Bonds on DTC’s records. The ownership interest of each actual purchaser of each of the Series 2012A Bonds (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2012A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2012A Bonds, except in the event that use of the book-entry system for the Series 2012A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by DTC. The deposit of the Series 2012A Bonds with DTC and their registration in the name of Cede & Co. do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2012A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2012A Bonds. For example, Beneficial Owners of Series 2012A Bonds may wish to ascertain that the nominee holding the Series 2012A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2012A Bonds are being redeemed, DTC’s practice is to determine by lot the amount of interest of each Direct Participant to be redeemed.
Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012A Bonds unless authorized by a Direct Participant in accordance with DTC’s procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2012A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2012A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the University or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the Bond Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Series 2012A Bonds, at any time by giving reasonable notice to the University or the Bond Registrar. Also, the University may determine that continuation of a securities depository/book-entry relationship is not in the best interests of the Holders of the Series 2012A Bonds. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be and will be printed and delivered.

THE REFUNDING PROGRAM

The University has determined that it is in its best interest to provide moneys to currently refund the remaining outstanding Series 2001A Bonds (the “Currently Refunded Bonds”), and to advance refund a portion of the June 1, 2015 through June 1, 2022 and the June 1, 2031 maturities of the Series 2002G Bonds (the “Refunded Series 2002G Bonds”), the June 1, 2015 through June 1, 2023 and the June 1, 2026 maturities of the Series 2003C Bonds (the “Refunded Series 2003C Bonds”) and the June 1, 2016 through June 1, 2023 maturities of the Series 2004D Bonds (the “Refunded Series 2004D Bonds”) and, together with the Refunded Series 2002G Bonds and the Refunded Series 2003C Bonds, the “Advance Refunded Bonds”) in order to achieve lower debt service and to lower the effective interest costs of the amounts financed. The moneys required to refund the Currently Refunded Bonds and the Advance Refunded Bonds will be obtained from the proceeds of the sale of the Series 2012A Bonds. Moneys to advance refund the Advance Refunded Bonds will be paid over and simultaneously therewith irrevocably deposited with the Trustee, as the escrow agent for the Advance Refunded Bonds (the “Escrow Deposit Trustee”) pursuant to the provisions of the Escrow Deposit Agreement entered into by the University and the Escrow Deposit Trustee. Such moneys will be applied by the Escrow Deposit Trustee to the redemption of the Refunded Series 2002G Bonds on December 1, 2012 at par, the Refunded Series 2003C Bonds on June 1, 2013 at par and the Refunded Series 2004D Bonds on June 1, 2014 at par. Upon the establishment and funding of the irrevocable Escrow Deposit Agreement, the Advance Refunded Bonds shall no longer be deemed to be outstanding under the Trust Agreement and payments by the University of the principal of and the interest on such Advance Refunded Bonds shall
cease. Moneys to redeem the Currently Refunded Bonds will be paid over and simultaneously therewith irrevocably deposited with the Trustee pursuant to the provisions of the Restated Trust Agreement and will be applied by the Trustee to the redemption on June 1, 2012 of the Currently Refunded Bonds at par.

In the Escrow Deposit Agreement, the Escrow Deposit Trustee has acknowledged that the University has deposited with it funds which are sufficient, together with interest and earnings thereon to: (i) pay all principal and interest requirements when due on the Advance Refunded Bonds through their redemption dates, (ii) pay the redemption price of such Advance Refunded Bonds upon redemption, and (ii) pay, when required, costs and expenses related to the foregoing, including certain fees and expenses of the Trustee, as Escrow Deposit Trustee.

As a condition to the delivery of the Series 2012A Bonds, Grant Thornton LLP, Minneapolis, Minnesota, will deliver to the Escrow Deposit Trustee a written verification report to the effect that (a) the direct obligations of the United States of America deposited with the Escrow Deposit Trustee pursuant to the Escrow Deposit Agreements will be sufficient without further investment or reinvestment to pay the principal of, premium, if any, and interest on the Advance Refunded Bonds as the same become due and payable, and (b) the computations of yield used by Bond Counsel to support its opinion that the Advance Refunded Bonds are not arbitrage bonds within the meaning of Section 148 of the Code are correct.

The report of Grant Thornton LLP will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it and that it had no obligation to update its reports because of events occurring or data or information coming to its attention subsequent to the date of such report.

THE UNIVERSITY

General

One of the nation’s largest institutions of higher learning, the University of Cincinnati was founded in 1819 with the first charter granted by the State in 1870. The University’s Uptown Campus is located on a 202-acre tract in the residential Clifton area of the City, approximately 2 miles north of downtown Cincinnati. Its physical plant includes 98 principal structures on the Uptown Campus, a portion of which is leased from the City of Cincinnati under a long-term lease. The acreage and buildings at the Victory Parkway Campus (which is located approximately 2 miles from the Uptown Campus) and the Stratford Heights Complex are included in the Uptown Campus numbers. The University has two satellite branches operating out of 11 principal structures on separate campuses totaling 223 acres. The University also has several smaller sites which are not a part of the campuses listed above, including the Hazelwood Botanical Preserve, Cincinnati and Mitchel Observatories, the Campus Services Building, the Campus Receiving Building, the Center Hill Complex, the University’s Reading Campus, One Stetson Square, Turner Center, Bellevue Gardens and the Central Utility Plant. They represent a total of 24 principal buildings located on 141 acres. Total replacement cost of all its real and personal property (excluding land costs) was estimated by the University’s insurers to be in excess of $3.8 Billion as of July 2011.

The University, formerly city owned, became a state university on July 1, 1977. The University is composed of 13 colleges and The Graduate School. Its total enrollment in the Fall Quarter of 2011 is 42,421 students. The University has approximately 2,276 full-time faculty members, and its total faculty numbered 4,401 for the Fall Quarter of 2011. The University has seven faculty members identified as U.S. Fulbright Scholars. The prestigious Fulbright awards allows faculty to teach and
The University carries out its rigorous scholarship and research mission while maintaining a deep commitment to accessible education. Over 42,000 students pursue success in hundreds of academic programs in the sciences, arts, humanities, and professional disciplines. The University’s programs are highly regarded and some programs are ranked by U.S. News and World Report. The ranked programs include:

- Cooperative Education (4th)
- College of Medicine Pediatrics (3rd)
- Interior Design (3rd)
- Opera/Voice (3rd)
- Music (6th)
- Orchestra/Symphony (9th)
- Graphic Design (12th)
- Architecture
- Criminal Justice
- Drama
- Master of Fine Arts
- Nursing
- Criminology (3rd)
- Paleontology (6th)
- Industrial Design (6th)
- Musical Conducting (5th)
- Music Composition (9th)
- Accounting (10th)
- Aerospace Engineering
- Creative Writing
- Civil Engineering
- Environmental Engineering
- Materials Engineering
- Pharmacy

The Interior Design program is ranked No. 3 by the Almanac of Architecture and Design. Research funding has grown rapidly and exceeds $400 million, including affiliates. The University has strong research relationships with other institutions and with industry, including Cincinnati Children’s Hospital Medical Center, UC Health, Procter & Gamble, General Electric, Wright Patterson Air Force Base, and others. New National Science Foundation rankings were published in July 2011 based on Fiscal Year 2009 data; the University is currently ranked 25th among public institutions for federal research expenditures and 47th out of all universities for federally financed R&D expenditures. In addition, the University is ranked 34th out of public universities for all R&D expenditures.

Reserves on Bonds

Certain Bonds issued under the Original Trust Agreement are secured by reserve funds which total $2,235,958 (the “Existing Reserve Fund”). While the Notes are secured by a pledge of the General Receipts which is on parity with the pledge securing all other Obligations issued under the Original Trust Agreement, as amended and restated by the Restated Trust Agreement, they are not secured by the Existing Reserve Fund and no other reserve has been established for them. Future Obligations issued under the Restated Trust Agreement may be secured by a reserve if the University decides to do so.
Other Indebtedness

The University, as of December 1, 2011, had $3,151,543.82 of financing obligations outstanding for equipment located in various departments and a capital lease obligation of $52,815,000 to finance the costs of the University’s University Center project. The obligations issued for equipment are unsecured except for an interest in the equipment. In addition, the University has capital lease obligations in connection with the financing of two buildings (One Stetson Square $31,720,000 and the Turner Center $9,595,000) which are owned by King Highland Community Urban Redevelopment Corporation (“King Highland”) and occupied, all or in part, by the University. The University is also responsible for the obligation of the housing complex known as Stratford Heights ($51,165,000) which is owned by University Heights Community Urban Redevelopment Corporation (UHCURC), and controlled by the University, UHCURC is a blended component unit of the University. These financings were affected by the issuance of economic development revenue bonds by the County of Hamilton, Ohio (the “King Highland Bonds” and “Stratford Heights Bonds”). The leases for the University Center and the Edwards Center constitute unconditional obligations of the University to make lease payments which pay principal and interest on certain certificates of participation issued by The Bank of New York Mellon Trust Company, N.A., as trustee, through the final maturity of such certificates to the extent of the University’s General Receipts.

The leases for One Stetson Square and the Turner Center constitute unconditional obligations to make lease payments which pay the principal and interest on the King Highland Bonds. The University has an unconditional obligation to make payments of principal and interest on the Stratford Heights Bonds. The University has not pledged its General Receipts to the payment of these obligations nor has the University pledged its General Receipts to the payment of such Certificates of Participation, and holders of the Notes have a prior and superior claim to the General Receipts than does King Highland, UHCURC and the trustee for the holders of such Certificates of Participation.

Debt Amortization and Future Financings

Principal payments for General Receipts Bonds, Certificates of Participation and Capital Leases over the next five fiscal years are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012</td>
<td>$38,640,000</td>
</tr>
<tr>
<td>FY2013</td>
<td>44,540,000</td>
</tr>
<tr>
<td>FY2014</td>
<td>48,865,000</td>
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<tr>
<td>FY2015</td>
<td>52,730,000</td>
</tr>
<tr>
<td>FY2016</td>
<td>54,500,000</td>
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</table>

The University has $28,345,000 of Series 2011B Notes, $15,990,000 of Series 2011D Notes and $44,110,000 of Series 2011F Notes outstanding. The Series 2011B Notes will mature on May 11, 2012. The Series 2011D Notes will mature July 19, 2012. The Series 2011F Notes will mature December 13, 2012 and include $24,610,000 of “Interim Debt”.

Interim Debt is a short-term financing tool which permits the University to construct projects in advance of the receipt of State capital appropriations. Under the Board of Regents’ system of formula capital allocations to each campus, it is possible to forecast future biennial allocations of capital from the State. This permits the University to finance and commence work locally and pay off the local interim financing with State capital appropriations as they are received.
Since 1997 when the interim debt program began, the University’s Board of Trustees has authorized a total of $269,635,980 of Interim Debt obligations. The University has issued $129,637,463 of Interim Debt; changed the purpose of $1,670,000 of Interim Debt to other projects; retired $105,257,538 of the Interim Debt at maturity; and anticipates issuing an additional $37,195,081 of Interim Debt. The University has decided, for timing and other reasons, not to issue the balance of $101,133,436 of the Interim Debt. Its Interim Debt currently outstanding is for the CARE/MSB Rehabilitation/Eden Quad project, and for Basic Renovations.

As of September 30, 2011, the University has unexpended State appropriations totaling $15,400,000 available for expenditures. The following projects/initiatives have received a majority of the funding:

- Barrett Cancer Center/Vontz 330 Lab Renovation
- Medical Sciences Building Rehabilitation
- Raymond Walters College Expansion
- Rieveschl 500 Level Teaching Labs
- Basic Renovations (Uptown Campus, Clermont College, Raymond Walters College)
- Instructional Equipment (Uptown Campus, Clermont College, Blue Ash College)

Since 1992, the University has issued $940,190,000 of its General Receipts Obligations to refund various series of its General Receipts Bonds and certificates of participation. On January 24, 2012, the University authorized $175,000,000 of additional general receipts refunding obligations. The Series 2012A Bonds use $89,040,000 of this authority. The University intends to issue all or a portion of the general receipts refunding obligations when market conditions are such that it is economically advantageous to the University to refund certain of its outstanding General Receipts Bonds.

On July 17, 2007, the Board of Trustees approved amending and restating the General Receipts Obligations authority for the early phases of CARE/MSB Rehabilitation/Eden Quad projects, from an amount not to exceed $169,300,000 to an amount not to exceed $410,000,000. This new authorization provides the debt authority necessary to complete the planned future phases of the MSB Rehabilitation portion of the total project. Debt is planned to be issued over a decade long period to correspond with the project construction schedule. The University has issued the following debt series for this project to date: $40,000,000 of its Series 2004A Bonds, $39,280,000 of its Series 2008C Bonds (refunded the Series 2004B Bonds), $14,000,000 of its Series 2007A Bonds, $19,610,000 within Series 2011F Notes, $59,400,000 of the Series 2007G Bonds and $55,405,000 within Series 2010C Bonds. A total of $17,285,021 of Interim Debt has been issued and retired with the receipt of State capital appropriations. There is a total of $165,019,979 debt authority remaining for the project. The authorization was renewed on January 24, 2012.

On March 28, 2006, the Board of Trustees authorized its General Receipts Obligations in an amount not to exceed $15,000,000 to finance early project expenditures, and, on May 23, 2006, it increased the amount to $30,000,000. On January 24, 2012, the Board of Trustees renewed its authorization for $30,000,000 to finance early project expenditures. The University issued $7,000,000 of its Series 2011D Notes on July 21, 2011 to finance the Campus-wide Wireless Upgrade Project within the early project expenditures authority.

On March 16, 2010, the Board of Trustees authorized its General Receipts Obligations in the amount of $12,900,000 for the Rieveschl Lab Renovations Phases 3 and 4. The University issued $12,000,000 of its Series 2011F Notes on December 16, 2011 to finance the project. There is a total of $900,000 debt authority remaining for the project. The authorization was renewed on January 24, 2012.
On January 24, 2012, the Board of Trustees authorized its General Receipts Obligations for the following projects:

- Roof Replacement Phase 4 - $3,250,000
- Energy Savings Projects/Initiatives Phase 4 - $4,500,000
- Rieveschl Lab Renovations Phases 5 & 6 - $12,900,000
- Campus Wireless and Bandwidth Expansion* - $7,250,000

(*Currently financed using the Early Project Expenditure authority.)

The University has remaining bond authorization of $4,950,000 for various projects under construction where debt has already been issued.

The University is continuously reevaluating the capital needs of its various campuses and is contemplating the issuance of General Receipts Notes or Bonds to finance various capital improvements and construction projects. Because the plans for these projects have not yet been finalized, the respective schedules and the portions of the respective projects to be financed by the issuance of debt have not yet been determined.

FINANCIAL INFORMATION

The University’s financial statements for its fiscal years ending June 30, 2010 and 2011 have been prepared by the University and audited by the University’s independent auditors. The following Statement of Revenues, Expenses and Changes in Net Assets for the Fiscal Year Ended June 30, 2010 and June 30, 2011 and the Statement of Net Assets as of June 30, 2011 and June 30, 2010 were extracted from the Financial Statements of the University. The Financial Statements for fiscal year 2011 are available by contacting the University at: Office of the Controller, University of Cincinnati, PO Box 210637, Cincinnati, Ohio 45221-0637. The financial statements for years 2010 and 2011 also are available on the University’s internet website at http://www.uc.edu/af/budgetfinsvcs/controller/resources.html#Financial. While information is presented with respect to the University Related Organizations (University of Cincinnati Foundation and University of Cincinnati Physicians, Inc.), the Related Organizations are not obligated or liable with respect to any of the University’s General Receipts Obligations.
### University of Cincinnati

**Statement of Revenues, Expenses and Changes in Net Assets (in thousands)**

**For the Years Ended June 30, 2011 and 2010**

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $39,594 and $37,976; and bad debt expense of $1,123 and $3,172)</td>
<td>$340,150</td>
<td>$304,482</td>
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<td>Federal grants and contracts</td>
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<td>State and local grants and contracts</td>
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<tr>
<td>Nongovernmental grants and contracts</td>
<td>20,984</td>
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</tr>
<tr>
<td>Sales and services</td>
<td>62,943</td>
<td>64,878</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential life</td>
<td>39,463</td>
<td>37,411</td>
</tr>
<tr>
<td>Athletics</td>
<td>20,617</td>
<td>20,335</td>
</tr>
<tr>
<td>Other auxiliary enterprises</td>
<td>35,115</td>
<td>33,714</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>8,232</td>
<td>8,740</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>710,053</td>
<td>664,785</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>277,304</td>
<td>288,177</td>
</tr>
<tr>
<td>Research</td>
<td>178,565</td>
<td>175,532</td>
</tr>
<tr>
<td>Public service</td>
<td>55,356</td>
<td>54,917</td>
</tr>
<tr>
<td>Academic support</td>
<td>86,472</td>
<td>68,591</td>
</tr>
<tr>
<td>Student services</td>
<td>43,881</td>
<td>41,297</td>
</tr>
<tr>
<td>Institutional support</td>
<td>79,409</td>
<td>69,035</td>
</tr>
<tr>
<td>Operation &amp; maintenance of plant</td>
<td>57,013</td>
<td>58,285</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>40,659</td>
<td>36,118</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>80,071</td>
<td>79,294</td>
</tr>
<tr>
<td>Depreciation</td>
<td>95,789</td>
<td>97,452</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>998,519</td>
<td>968,688</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(288,426)</td>
<td>(303,905)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>State operating appropriations</td>
<td>212,066</td>
<td>211,291</td>
</tr>
<tr>
<td>Federal and state grants (nonexchange)</td>
<td>48,728</td>
<td>41,088</td>
</tr>
<tr>
<td>Gifts, including $23,670 and $23,441 from the University Foundation</td>
<td>41,372</td>
<td>42,172</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>52,242</td>
<td>80,341</td>
</tr>
<tr>
<td>Increase in fair value of investments</td>
<td>195,842</td>
<td>4,711</td>
</tr>
<tr>
<td>Interest on capital asset-related debt</td>
<td>(45,571)</td>
<td>(46,310)</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>(1,465)</td>
<td>(1,243)</td>
</tr>
<tr>
<td>Payments to University of Cincinnati</td>
<td>(23,670)</td>
<td>(28,441)</td>
</tr>
<tr>
<td><strong>Other nonoperating revenues (expenses)</strong></td>
<td>4,631</td>
<td>(176)</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues (expenses)</strong></td>
<td>507,826</td>
<td>331,876</td>
</tr>
<tr>
<td>Income before other revenues, expenses, gains or losses</td>
<td>219,499</td>
<td>27,970</td>
</tr>
<tr>
<td>State capital appropriations</td>
<td>18,619</td>
<td>10,276</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>796</td>
<td>11,057</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>21,823</td>
<td>10,506</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>41,238</td>
<td>31,930</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>269,707</td>
<td>69,866</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets - beginning of year</td>
<td>1,684,250</td>
<td>1,624,371</td>
</tr>
<tr>
<td>Change in University organizations - beginning of year</td>
<td>(11,458)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$1,653,492</td>
<td>$1,664,250</td>
</tr>
</tbody>
</table>
University of Cincinnati
Statement of Net Assets (in thousands)
as of June 30, 2011 and 2010

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>University</th>
<th>University Related Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$80,155</td>
<td>$56,926</td>
</tr>
<tr>
<td>Investments</td>
<td>186,688</td>
<td>125,000</td>
</tr>
<tr>
<td>Accounts and pledges receivable, net</td>
<td>57,428</td>
<td>80,206</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,162</td>
<td>1,984</td>
</tr>
<tr>
<td>Deposits with bond trustees</td>
<td>4,204</td>
<td>4,079</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>6,355</td>
<td>6,275</td>
</tr>
<tr>
<td>Other assets</td>
<td>361</td>
<td>275</td>
</tr>
<tr>
<td>Total current assets</td>
<td>337,351</td>
<td>255,744</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>159,978</td>
<td>106,532</td>
</tr>
<tr>
<td>Accounts and pledges receivable, net</td>
<td>13,652</td>
<td>14,883</td>
</tr>
<tr>
<td>Bond proceeds receivable</td>
<td>98,205</td>
<td></td>
</tr>
<tr>
<td>Deposits with bond trustees</td>
<td>5,910</td>
<td>4,387</td>
</tr>
<tr>
<td>Endowment investments</td>
<td>973,393</td>
<td>867,123</td>
</tr>
<tr>
<td>Notes receivable, net</td>
<td>24,407</td>
<td>28,235</td>
</tr>
<tr>
<td>Other assets and long-term investments</td>
<td>421,503</td>
<td>337,916</td>
</tr>
<tr>
<td>Capital assets not being depreciated</td>
<td>144,537</td>
<td>82,723</td>
</tr>
<tr>
<td>Capital assets being depreciated, net</td>
<td>1,299,630</td>
<td>1,200,897</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>3,643,210</td>
<td>2,840,004</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,980,561</td>
<td>3,095,748</td>
</tr>
</tbody>
</table>

| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued liabilities | 172,514 | 171,518 | 25,617 | 21,661 |
| Deferred revenue | 32,492 | 31,039 | | |
| Long-term debt - current portion | 113,625 | 121,807 | 2,999 | 3,270 |
| Total current liabilities | 318,731 | 324,564 | 28,616 | 24,931 |
| Noncurrent liabilities | | | | |
| Deposits | 5,861 | 5,424 | 1,551 | 562 |
| Accrued liabilities | 22,858 | 22,017 | 71 | 2,983 |
| Refundable advances for federal loans | 24,898 | 24,788 | | |
| Long-term debt | 1,072,862 | 1,031,834 | 19,267 | 22,278 |
| Total noncurrent liabilities | 1,126,009 | 1,061,863 | 20,848 | 25,259 |
| Deferred inflow of resources | 2,082 | 2,771 | 1,339 | 1,368 |
| Total liabilities and deferred outflow of resources | 1,447,090 | 1,414,468 | 51,087 | 51,922 |

| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 368,996 | 369,658 | 32,743 | 34,993 |
| Restricted for: | | | | |
| Nonexpendable | 1,159,623 | 954,009 | 35,144 | 42,292 |
| Expendable | 350,918 | 327,909 | 37,579 | 37,453 |
| Unrestricted | 52,932 | 6,554 | 73,190 | 45,013 |
| Total net assets | $1,933,469 | $1,664,250 | $179,656 | $160,351 |
THE TRUST AGREEMENT

The terms and provisions of the Restated Trust Agreement control both outstanding Bonds and all obligations of the University issued pursuant to the Restated Trust Agreement. Please see “SUMMARY OF RESTATED TRUST AGREEMENT” attached hereto as Appendix B.

RISK FACTORS

It is possible under certain market conditions, or if the financial condition of the University should change, that the market price of the Series 2012A Bonds could be adversely affected. If the rating on the Series 2012A Bonds is changed, it is possible that the market price of the Series 2012A Bonds could be adversely affected. See “RATINGS” below. In addition, please see “STATE APPROPRIATIONS” in Appendix A attached to the Official Statement.

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) and so long as the Series 2012A Bonds are outstanding, the University has agreed pursuant to a Continuing Disclosure Agreement dated as of March 5, 2012, to be delivered on the date of delivery of the Series 2012A Bonds, to provide certain information pursuant to a Continuing Disclosure Agreement. The University has agreed to provide to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board (“MSRB”) in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Series 2012A Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, if material;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers, or their failure to perform;
(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders, if material;
(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(i) Defeasances;
(j) Release, substitution or sale of property securing repayment of the securities, if material;
(k) Rating changes;
(l) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: for the purposes of this event, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been
assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The SEC requires the listing of events (a) through (n) although some of such events may not be applicable to the Series 2012A Bonds.

As required by the Rule, the Continuing Disclosure Agreement provides that the information to be filed with the MSRB described in the preceding paragraph is to be filed in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB. An MSRB rule change approved by the Securities and Exchange Commission establishes a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”) for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted pursuant to continuing disclosure undertakings (such as the Continuing Disclosure Agreement) entered into on or after July 1, 2009, consistent with the Rule. In general, all continuing disclosure documents and related information are to be submitted to the MSRB’s continuing disclosure service through an Internet-based electronic submitter interface (EMMA Dataport) or electronic computer-to-computer data connection, accompanied by certain identification information, in portable document format (PDF) files configured to permit document to be saved, viewed, printed and retransmitted by electronic means and must be word-searchable.

The Continuing Disclosure Agreement provides holders of Obligations with certain enforcement rights in the event of a failure by the University to comply with the terms thereof; however, a default under the Continuing Disclosure Agreement does not constitute a default under the Authorizing Legislation. The Continuing Disclosure Agreement may be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Holders of the Series 2012A Bonds are advised that the Continuing Disclosure Agreement, copies of which are available at the office of the University, should be read in its entirety for more complete information regarding its contents.

The University has delivered continuing disclosure certificates or agreements for each issue of Bonds and Notes it has issued since the effective date of the Rule and it is in compliance with its undertakings in such continuing disclosure certificates and agreements.

For purposes of this transaction with respect to events as set forth in the Rule:
(a) there are no debt service reserve funds applicable to the Series 2012A Bonds;
(b) there are no liquidity providers applicable to the Series 2012A Bonds;
(c) there is no property securing the repayment of the Series 2012A Bonds; and
(d) there are no credit enhancements applicable to the Series 2012A Bonds
RATINGS

As noted on the cover page of this Official Statement, Moody’s Investors Service, Inc. (“Moody’s”) and Standard & Poor’s Corporation (“S&P”) have assigned the Series 2012A Bonds the ratings of Aa3 and AA-, respectively. Any explanation of the significance of such ratings may be obtained by the rating agency furnishing the same. The address of Moody’s is 99 Church Street, New York, New York 10007 and the address of S&P is 25 Broadway, New York, New York 10004. Any explanation of the significance of such ratings may only be obtained from the rating agency furnishing the same. There is no assurance that such rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely by the rating agency, if, in its judgment, circumstances so warrant. Any downward change in or withdrawal of such ratings may have an adverse effect on the price at which the Series 2012A Bonds may be resold.

UNDERWRITING

The Series 2012A Bonds are being purchased for reoffering by RBC Capital Markets, LLC (the “Underwriter”) at an aggregate purchase price of $103,298,345.47. The initial public offering price of the Series 2012A Bonds is $103,817,371.75, plus accrued interest, if any, to the date of delivery of the Series 2012A Bonds, which is expected to be March 5, 2012. The Contract of Purchase provides that the Underwriter will purchase all of the Series 2012A Bonds if any are purchased.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter may offer and sell the Series 2012A Bonds to certain dealers (including dealers depositing the Series 2012A Bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters in connection with the authorization and issuance of the Series 2012A Bonds are and have been subject to the approval of Peck, Shaffer & Williams LLP, attorneys of Cincinnati, Ohio, whose approving opinion with respect to the Series 2012A Bonds will be delivered therewith.

Certain legal matters will be passed upon for the University by Thompson Hine LLP, University Counsel, and for the Underwriter by Baker & Hostetler LLP.

LEGAL INVESTMENT

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under the authority of Sections 3345.11 and 3345.12 of the Ohio Revised Code, the Series 2012A Bonds are lawful investments for banks, societies for savings, building and loan and savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking
fund of the state, the industrial commission, the state teachers retirement system, the public employees retirement system, the public school employees retirement system, and the police and firemen’s disability and pension fund, notwithstanding any other provisions of the Revised Code with respect to investments by them, and are also acceptable as security for the deposit of public moneys.

LITIGATION

The University is a defendant, from time to time, in various legal actions incident to its operations, including professional liability claims resulting from its former operation of the University Hospital, but all such actions are unrelated to the Series 2012A Bonds. The University believes that its aggregate liability, if any, in any pending actions, taking insurance coverage into account, will not be material.

TAX MATTERS

In the opinion of Peck, Shaffer & Williams LLP, Bond Counsel, under existing law interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

The Series 2012A Bonds, the interest on the Series 2012A Bonds and the transfer, and any profit made on the sale or other disposition, of the Series 2012A Bonds are exempt from taxes levied by the State and its political subdivisions. For purposes of this paragraph, “taxes” means any direct or indirect taxes, including income, ad valorem, transfer, the commercial activities and excise tax, and corporate franchise tax measured by net income of a corporation, but “taxes” does not mean or include: (i) the corporate franchise tax measured by net worth of a corporation; (ii) the estate tax; (iii) the taxes levied on insurance companies and dealers in intangibles pursuant to Chapter 5725 of the Revised Code; and (iv) the tax on shares of and capital employed by dealers in intangibles pursuant to Section 5707.03 of the Revised Code. Bond Counsel will express no opinion and make no representation regarding other federal, state or local income tax consequences resulting from the receipt or accrual of interest on the Series 2012A Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the Board and others, and the compliance with certain covenants of the University, to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2012A Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations.

The University has not designated the Series 2012A Bonds as “qualified tax exempt obligations” as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which, including provisions for the rebate by the University of certain investment earnings to the federal government, require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance.
Noncompliance with these requirements could cause the interest on the Series 2012A Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The University covenants in the Bond Resolution to take such actions which may be required of it for the interest on the Series 2012A Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Series 2012A Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the Series 2012A Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

On September 12, 2011, President Obama submitted to Congress a legislative proposal entitled the “American Jobs Act of 2011” (the “Jobs Act”). If enacted, the Jobs Act would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The Jobs Act would be effective for taxable years beginning on or after January 1, 2013. In addition, there are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters with respect to the Series 2012A Bonds or affect the market value of the Series 2012A Bonds. It cannot be predicted whether or in what form the Jobs Act or any such other proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2012A Bonds should consult their own tax advisors regarding the Jobs Act or any other pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Circular 230

THE FOREGOING DISCUSSION OF TAX MATTERS WAS NOT INTENDED OR WRITTEN BY BOND COUNSEL TO BE USED, AND IT CANNOT BE USED FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON AN OWNER OF THE SERIES 2012A BONDS. THE FOREGOING DISCUSSION OF TAX MATTERS WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SERIES 2012A BONDS. EACH PROSPECTIVE OWNER OF THE SERIES 2012A BONDS SHOULD SEEK ADVICE BASED ON THE PROSPECTIVE OWNER’S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Original Issue Premium

“Acquisition Premium” is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. Certain of the Series 2012A Bonds stated to mature in the years 2012 through 2026 and 2029 through 2031 are being initially offered and sold to the public at an Acquisition Premium. For federal income tax purposes, the amount of Acquisition Premium on each bond the interest on which is excludible from gross income for federal income tax purposes (“tax-exempt bonds”) must be amortized and will reduce the bondholder’s adjusted basis in that bond. The amount of any Acquisition Premium
paid on the Premium Bonds, or on any of the Series 2012A Bonds, that must be amortized during any period will be based on the “constant yield” method, using the original bondholder’s basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining bondholder’s taxable income for federal income tax purposes.

Holders of any Series 2012A Bonds purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

**Original Issue Discount**

Certain of the Series 2012A Bonds stated to mature in 2020, 2027, 2028 and 2031 (the “Discount Bonds”) are being initially offered and sold to the public at a discount (“OID”) from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the “issue price” of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond. The amount accrued will be based on a single rate of interest, compounded semiannually (the “yield to maturity”) and, during each semi-annual period, the amount will accrue ratably on a daily basis. The OID accrued during the period that an initial purchaser of a Discount Bond at its issue price owns it is added to the purchaser’s tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond. In practical effect, accrued OID is treated as stated interest is treated, that is, as excludible from gross income for federal income tax purposes.

In addition, original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.
MISCELLANEOUS

The summaries or descriptions of the provisions of the Trust Agreement found herein are brief outlines of certain provisions thereof and do not purport to be complete statements of such provisions. Reference is hereby made to the Restated Trust Agreement, which is available from the University, for further information.

The delivery of this Official Statement has been duly authorized by the Board of Trustees of the University of Cincinnati.

BOARD OF TRUSTEES OF THE UNIVERSITY OF CINCINNATI

By: /s/ Gary Hunt
    Gary Hunt, Treasurer

Dated: February 15, 2012
APPENDIX A

THE UNIVERSITY OF CINCINNATI

One of the nation’s largest institutions of higher learning, the University of Cincinnati was founded in 1819 with the first charter granted by the State in 1870. The University’s Uptown Campus is located on a 202-acre tract in the residential Clifton area of the City, approximately 2 miles north of downtown Cincinnati. Its physical plant includes 98 principal structures on the Uptown Campus, a portion of which is leased from the City of Cincinnati under a long-term lease. The acreage and buildings at the Victory Parkway Campus (which is located approximately 2 miles from the Uptown Campus) and the Stratford Heights Complex are included in the Uptown Campus numbers. The University has two satellite branches operating out of 11 principal structures on separate campuses totaling 223 acres. The University also has several smaller sites which are not a part of the campuses listed above, including the Hazelwood Botanical Preserve, Cincinnati and Mitchel Observatories, the Campus Services Building, the Campus Receiving Building, the Center Hill Complex, the University’s Reading Campus, One Stetson Square, Turner Center, Bellevue Gardens and the Central Utility Plant. They represent a total of 24 principal buildings located on 141 acres. Total replacement cost of all its real and personal property (excluding land costs) was estimated by the University’s insurers to be in excess of $3.8 billion as of July 2011.

The University, formerly city owned, became a state university on July 1, 1977. The University is composed of 13 colleges and The Graduate School. Its total enrollment in the Fall Quarter of 2011 is 42,421 students. The University has approximately 2,276 full-time faculty members, and its total faculty numbered 4,401 for the Fall Quarter of 2011. The University has seven faculty members identified as U.S. Fulbright Scholars. The prestigious Fulbright awards allows faculty to teach and conduct research internationally. In 2011-12, the University faculty representing the disciplines of architecture, communications, creative writing, history, philosophy, planning and sociology will be conducting such work in Austria, Canada, China, Denmark, Germany, Israel, South Africa, Taiwan and the West Bank. The University has been designated in long-range planning by the Ohio Board of Regents as one of only two comprehensive graduate public universities in the State. As of June 30, 2011, the market value of the endowment fund for the University was $1.004 billion.

The University carries out its rigorous scholarship and research mission while maintaining a deep commitment to accessible education. The University’s students pursue success in hundreds of academic programs in the sciences, arts, humanities, and professional disciplines. The University’s programs are highly regarded and some programs are ranked by U.S. News and World Report. The ranked programs include:
The Interior Design program is ranked No. 3 by the Almanac of Architecture and Design. Research funding has grown rapidly and exceeds $400 million, including affiliates. The University has strong research relationships with other institutions and with industry, including Cincinnati Children’s Hospital Medical Center, UC Health, Procter & Gamble, General Electric, Wright Patterson Air Force Base, and others. New National Science Foundation rankings were published in July 2011 based on Fiscal Year 2009 data; the University is ranked 25th among public institutions for federal research expenditures and 47th out of all universities for federally financed R&D expenditures. In addition, the University is ranked 34th out of public universities for all R&D expenditures.

The Board of Trustees of the University and the University are declared by statute to be a public body, both politic and corporate, performing essential governmental functions and serving public purposes, and an instrumentality of the State.

### The Board of Trustees

The University’s powers are vested in and are exercised by its Board of Trustees, consisting of nine members appointed by the Governor of Ohio for overlapping terms of nine years. The Board as now constituted includes: C. Francis Barrett, Chairperson; Thomas H. Humes, Vice Chairperson; Robert E. Richardson, Jr., Secretary; Sandra W. Heimann, Margaret E. Buchanan, Gary Heiman, Stanley M. Chesley, Thomas D. Cassady and William C. “Wym” Portman III.

Sandra W. Heimann’s term expired January 1, 2012, but she remains on the Board of Trustees for up to sixty days or until a replacement is appointed and takes the position.

### University Officers

Key officers of the University include Gregory H. Williams, President and Chief Administrative Officer of the University; Karen K. Faaborg, JD, Executive Vice President; Robert F. Ambach, Senior Vice President for Administration and Finance; Thomas F. Boat, MD, Dean of the College of Medicine and Vice President for Health Affairs; William Ball, MD, Interim Vice President for
Research; Santa J. Ono, PhD, Senior Vice President for Academic Affairs and Provost; Mitchel D. Livingston, PhD, Vice President for Student Affairs and Chief Diversity Officer; James D. Plummer, Vice President for Finance; and Gary Hunt, Treasurer. Brief biographies of each follow.

**Gregory H. Williams, President**

Gregory H. Williams serves as the 27th president of the University, one of the nation’s top 25 public research universities and named by Forbes as one of the world’s most beautiful campuses. He began his tenure at the University on November 1, 2009. During his first year, he launched a new strategic plan, UC2019 - Accelerating Our Transformation, which takes its name from the University’s upcoming bicentennial year.

With UC enrollment at a historic high of more than 42,400 students, President Williams is committed to the University becoming a first-choice destination for students, patients, faculty and staff. The UC2019 plan targets, based on external benchmarks, to position the University among the best universities in the world.

From 2001-2009, Dr. Williams served as president of The City College of New York (CCNY), the flagship college of The City University of New York. He has worked as a university administrator for over 30 years, serving in a variety of posts at The George Washington University, The University of Iowa and The Ohio State University. Prior to becoming CCNY’s president, he was Dean of the Law School and Carter C. Kissell Professor of Law at The Ohio State University. Early in his career, Dr. Williams was a deputy sheriff, and he later worked as an aide to a U.S. Senator.

President Williams is the author of three published books. He is best known for his award-winning and best-selling memoir, *Life on the Color Line: The True Story of a White Boy Who Discovered He Was Black*. As a result of his autobiography, he has been featured on a number of national programs including “Oprah,” “Dateline NBC with Tom Brokaw,” “Larry King Live,” ABC’s “Nightline with Ted Koppel” and “Fresh Air with Terri Gross” of National Public Radio.


Dr. Williams currently serves on the board of the Cincinnati USA Regional Chamber of Commerce, Cincinnati Center City Development Corporation (3CDC), Uptown Consortium, and United Way of Greater Cincinnati. He is also a member of the Cincinnati Business Committee, the Strive Executive Committee and the CincyTech Executive Committee. He is a past Chair of the Commission on Access, Diversity and Excellence (CADE) of the Association of Public and Land Grant Universities (APLU, formerly the National Association of State Universities and Land-Grant Colleges) and a past president of the Association of American Law Schools.

Dr. Williams has received numerous awards. Among them are the “Governor’s Tribute to African-American Leaders of Excellence in State Service” (2004) from New York Governor George Pataki for his significant contributions to the people of the State of New York, the Austrian Cross of Honor in Science and Art, First Class (2006), and the “Dean of the Year” award given by the National
Association of Public Interest Law (1999). He also was the first recipient of the National Bar Association’s A. Leon Higginbotham, Jr. Award for Outstanding Contributions to the Preservation of Human and Civil Rights (1999).

President Williams has earned five degrees, including a JD and PhD from George Washington University, and he holds five honorary doctorates.

Karen K. Faaborg, JD, Executive Vice President

Karen Faaborg assumed the position of Executive Vice President on February 1, 2011, as the capstone to her long career at the University which began in 1980 in the College-Conservatory of Music where she earned tenure as Professor of Arts Administration. Her interest in University administration began in 1987 when she was appointed Associate Dean of CCM. She subsequently served for eight years in the Office of the Senior Vice President and Provost as Vice Provost for Academic Personnel with responsibility for administering the University’s contract with the AAUP.

Most recently she has served as Senior Associate Vice President and Chief Human Resources Officer for the University responsible for all employment functions for faculty, staff, and student employees. In this capacity she helped move the HR Department into more strategic alignment with the academic mission and business practices of the University and began to work closely with the Offices of the President, the Provost, and the Senior Vice President for Administration and Finance on major projects and assignments.

Before beginning her career at the University, Ms. Faaborg taught in Greater Cincinnati at Walnut Hills High School where she served as head of the theater program, and at Wyoming High School as head of the English Department. In 1977 she started working at the Arts Consortium in Cincinnati’s west end neighborhood where she had the opportunity to serve the children of the urban community and hone her skills as an arts administrator.

Ms. Faaborg holds the JD degree from the University’s College of Law. Her undergraduate degree is in English from the University of Kentucky. She also holds a masters degree in theater from Miami University. Her primary research interests in her academic field are in the legal aspects of non-profit organization management and include employment law, copyright law, and contracts. Her primary service as a university administrator has focused on initiatives related to diversity, shared governance, and collaborative working relationships among faculty and staff personnel.

Robert F. Ambach, Senior Vice President for Administration and Finance

Mr. Robert Ambach has been the Senior Vice President for Administration and Finance at the University since April 1, 2010. Mr. Ambach is a double alumnus of the University and holds a B.B.A. in Finance and Real Estate and a Masters in Public Administration and Economic Development. The Division of Administration and Finance provides a broad range of financial and administrative services to students, faculty, staff and other university stakeholders. The division strives to deliver all of its services with efficiency and in the best interests of the University. Major units of the division include Board of Trustees Office, Business Affairs, Chief Investment Officer, Community Development, Finance, General Counsel, Human Resources, Internal Audit, Public Safety and UC Information Technologies.

Mr. Ambach has spent the majority of his career in Higher Education Administration and economic development. His career began as a Budget Analyst in the Office of Budget and Reporting at the University.
After serving two years in this capacity, he resigned for a position with the United States Peace Corps and served as a volunteer in the West African nation of Ghana. As a small enterprise developer, Mr. Ambach worked in rural areas of the country, writing grant proposals, mentoring business owners, and developing marketing, accounting and record keeping systems for small-scale enterprises.

Upon his return to the United States in 1993, Mr. Ambach returned to the University. He held various positions within the Finance Division and was promoted through the ranks (System Analyst, Accountant I, Accountant II and Senior Accountant). In 1997, he accepted the position of Assistant Director of Budget Planning in the Office of the Vice President for Finance and was later promoted to University Director of Budget Planning and served as the Interim Associate Vice President for Finance.

In March 2001, Mr. Ambach accepted the position of Associate Executive Director of the Cal Poly Foundation at California Polytechnic State University, San Luis Obispo. Primary responsibilities at the Foundation included management of capital projects and liaison with the University on the Faculty/Staff Housing and Student Housing programs. To that end, he was also named the Managing Director of the Cal Poly Housing Corporation. Other responsibilities with the Foundation included the development and recommendation of policies and procedures related to the administration of all Foundation operations (endowment management, bookstore and food services) and representing the Foundation on various boards and committees on and off-campus.

In February 2004, Mr. Ambach returned to the University as the Senior Associate Vice President and Chief Financial Officer of the University’s Academic Health Center, and Senior Associate Dean of Operations and Finance for the College of Medicine. The University’s Academic Health Center includes the College of Medicine, Cincinnati Cancer Consortium, the Hoxworth Blood Center, University Health Services as well as various centers and institutes. In January 2008 when the University moved to a “Single Provost Model”, he was also given the responsibility to serve as the liaison for the oversight of the AHC/COM’s space planning, governmental relations and public relations functions which are provided centrally. Other university responsibilities included membership on the President’s Budget Advisory Committee, Financial Coordinating Committee, Academic Operations Committee, Strategic Enrollment Management Committee, University Naming Committee, Athletics Funding Task Force and Performance Based Budgeting Development Team.

**Thomas F. Boat, MD, Dean of the College of Medicine and Vice President for Health Affairs**

Thomas F. Boat is the Vice President for Health Affairs and Christian R. Holmes Professor and Dean of the College of Medicine at the University of Cincinnati. Dr. Boat is the President and Chairman of the Board of University of Cincinnati Physicians (UCP). Prior to his appointment as Vice President and Dean of the College of Medicine, he was the CEO of UCP. He is the immediate past director of the Children’s Hospital Research Foundation and past Chairman of the University of Cincinnati College of Medicine’s Department of Pediatrics.

Dr. Boat also was physician-in-chief of Children’s Hospital Medical Center of Cincinnati. A current focus is creating high value innovative systems of care at the College of Medicine that are increasingly responsive to the needs of patients and families. He earned an M.D. at the University of Iowa. A pediatric pulmonologist by training, Dr. Boat worked early in his career to define the pathophysiology of airway dysfunction and more effective therapies for chronic lung diseases of childhood, such as cystic fibrosis. More recently he worked at local and national levels to improve research efforts, subspecialty training and clinical care. He has a special interest in issues posed by children’s mental health for pediatric care, research, and training.
Dr. Boat joined Cincinnati Children’s in 1993, after serving as chairman of the Department of Pediatrics at the University of North Carolina, Chapel Hill. He is a member of the Institute of Medicine and served as co-chair of the IOM Forum on the Science of Health Care Quality Improvement and Implementation, as well the IOM Committee on the Prevention of Mental Disorders and Substance Abuse Among Children, Youth, and Young Adults. He chaired the IOM Committee addressing Acceleration of Research and Orphan Product Development for Rare Diseases and currently chairs the Committee on Pediatric Studies conducted under the Best Pharmaceuticals for Children Act (BPCA) and the Pediatric Research Equity Act (PREA).

Dr. Boat has been a member of the AAHRPP Board of Directors since 2004, and is currently immediate past Board President. He has served as Chair of the American Board of Pediatrics, and President of the Society for Pediatric Research, as well as the American Pediatric Society.

**William Ball, MD, Vice President for Research**

William Ball, MD, was named Interim Vice President for Research effective August 1, 2011. A professor of radiology, biomedical engineering and pediatrics and former interim chair and chair of the department of biomedical engineering from 2001 to 2008, Dr. Ball has extensive experience in cross-campus collaboration. He currently serves as attending neuroradiologist at Cincinnati Children’s Hospital Medical Center.

Dr. Ball received his medical degree from Tulane University School of Medicine and is board certified in both pediatrics and radiology. He completed a fellowship in pediatric radiology/pediatric neuroradiology at Cincinnati Children’s. He completed fellowship training in adult neuroradiology at the University of New Mexico Center and served on the faculty until joining the University and Cincinnati Children’s in 1984. In 1993, Dr. Ball developed and created the Imaging Research Center at Cincinnati Children’s and served as its director from 1993 to 2002.

While at the University, Dr. Ball has chaired or co-chaired a number of initiatives, including the Bioinformatics Taskforce, the Civic Engagement Council, the Initiatives subcommittee of the Academic Priorities Taskforce and the Research in Radiology Taskforce. He was a steering committee member for the university’s Clinical and Translational Science Award through the Center for Clinical and Translational Science and Training, and was a member of the executive committee for the College of Medicine’s strategic planning initiative.

Dr. Ball has conducted extensive research on pediatric neuro-imaging and has contributed to nearly 140 peer-reviewed manuscripts and 13 book chapters.

**Santa Jeremy Ono, PhD, Senior Vice President for Academic Affairs and Provost**

Santa Jeremy Ono, PhD, was appointed Senior Vice President for Academic Affairs and University Provost at the University on September 1, 2010. He also serves as Professor of Pediatrics within the College of Medicine and Professor of Biology in the McMicken College of Arts and Sciences. Prior to his move to the University, Dr. Ono served as Vice Provost for Academic Initiatives and Deputy to the Provost and then Senior Vice Provost for Undergraduate Academic Affairs at Emory University, also serving as Professor in the Department of Ophthalmology, Emory University School of Medicine. Ono received his education at the University of Chicago, McGill University and Harvard University. His training in Biochemistry & Molecular Biology at Harvard was supported by a Helen Hay Whitney Foundation Fellowship.
Dr. Ono’s first academic appointment was as Assistant Professor of Medicine at the Johns Hopkins School of Medicine. While at Hopkins, he won the American Diabetes Association Career Development Award and the Investigator Award from the National Arthritis Foundation. In 1996, Dr. Ono was recruited to the Harvard Medical School, where he was an Associate Professor and on staff at the Schepens Eye Research Institute. He was a member of the Executive Committee of the Harvard Program in Immunology, PI of the Harvard Program in Ocular Immunology and on the Executive Committee of the NIH Training Program in Molecular Bases of Eye Diseases.

In 2001 Dr. Ono was appointed Cumberlege Professor and then GlaxoSmithKline Chair of Biomedical Sciences at University College London and Moorfields Eye Hospital. He was head of the Department of Immunology at the UCL Institute of Ophthalmology and on the executive committee of the UCL Division of Infection & Immunity. At UCL, Dr. Ono also served as Associate Dean of Students, a member of the UCL Council (the university’s governing body) and its finance committee.

Dr. Ono has served on the editorial boards of the Journal of Immunology, Journal of Biological Chemistry, Immunology and the Journal of Allergy & Clinical Immunology. He is a recipient of the Brit Katz Award from Emory University, the Roche Award, the Pharmacia International Award in Allergy Research and the Medal in Bronze from Osaka City University. He has delivered keynote, plenary or major lectures at the Kyoto Cornea Conference, the International Congress of Immunology (ICI), the annual meetings of ARVO and AAAAI and at numerous universities. He has also served on the boards of the Posse Foundation, Intervarsity USA and Trent School - Church of England.

**Mitchel D. Livingston, PhD, Vice President for Student Affairs and Chief Diversity Officer**

Mitchel Livingston is vice president for Student Affairs, Chief Diversity Officer, and professor of Educational Studies at the University. He joined the University in 1994 after serving as vice president for Student Affairs at the University at Albany, State University of New York, and Dean of Students at The Ohio State University.

Earning his Ph. D. in Higher Education Administration at Michigan State University, he received his master and bachelor degrees in Education from Southern Illinois University.

Dr. Livingston’s success in public higher education is evidenced by the following achievements:

- Forty years administrative experience at six different universities
- Fifteen years teaching experience
- Tenure as full professor
- Leadership for multi-million fundraising initiatives
- National consultant implementing a model for developing just campus communities and in the areas of multi-culturalism, community building and organizational behavior
- Keynote speaker for national educational and professional organizations
- Service on six corporate and community boards:
  - Fifth Third Bancorp;
  - The Arts Wave (formerly Fine Arts Fund);
  - Public Media Connect - CET/Think TV; former board chair
  - Center for Holocaust & Humanity Education;
  - BRIDGES for a Just Community (former board chair); and
  - National Underground Railroad Freedom Center.
Given his broad knowledge and experience, Dr. Livingston is often engaged as a speaker on issues of diversity, leadership, organizational culture, access, and community building.

Dr. Livingston received a number of honors and awards, including the Governor’s Educator of the Year award, State of New York; Dr. Martin Luther King award for distinguished community service and Award for Excellence in Administration, University at Albany; Educator of the Year award, Anti-Defamation League, Albany, New York; national spokesperson for INROADS, Inc. from 2004-06; Educational Excellence award from the League of United Latin American Citizens; Prince Hall Humanitarian Award from True American Lodge #2; Men of Honor, A Salute to African American Men; 2011 Profiles in Courage; Gentlemen of Style and Substance; and Talbert House Community Service Award.

**James D. Plummer, Vice President for Finance**

Mr. Plummer is a graduate of Eastern Kentucky University with a Bachelors of Business Administration in 1970 and a Masters of Arts in 1985. His career has consisted of the position of Associate Budget Director and Internal Auditor at Eastern Kentucky University as well as the position of Budget Director at both the University of Nevada-Reno and East Carolina University.

Mr. Plummer was recruited to the University in 1999 as the Associate Vice President and Director of Budget Planning. He was promoted to Chief Financial Officer during Fiscal Year 2004, and, in October 2006, he was promoted to Vice President for Finance.

**Gary Hunt, Treasurer**

Mr. Hunt was appointed Treasurer in August, 2011. He has over 25 years’ experience in treasury and financial management and most recently served as the Treasurer at Boise State University. Prior to joining Boise State in 2009, Mr. Hunt served as Vice President and Treasurer at both Interactive Communications Inc. and at AFC Enterprises, and has held a variety of positions of increasing responsibility in treasury at various corporations during his career.

Mr. Hunt is a 1981 graduate of Miami University with a Bachelors of Science in Business and he received his Masters of Business Administration with a concentration in finance from DePaul University in 1987. In 2010, he was recognized for his contribution to the publication *Strategic Financial Analysis for Higher Education, Seventh Edition.*

**Historical Development**

Cincinnati College and Medical College of Ohio were the first units of the present University and were founded in 1819. Four other units of the University join them as the oldest of their kind outside the original thirteen colonies: the College of Law, the Cincinnati Observatory, the College of Pharmacy, and the College-Conservatory of Music.

In 1858, Charles McMicken, a prominent Cincinnati businessman, left the City of Cincinnati virtually his entire estate of approximately $1 million to establish a municipal university. The University began operations in 1869 as the McMicken College of Arts and Sciences and was chartered by the State of Ohio in 1870.
The campus was moved to its present site in 1895. Engineering courses were added to the curriculum in 1874 and the College of Engineering was established in 1900. Between the turn of the century and 1918 the University also added the Teachers College, the College of Medicine, the College of Nursing and Health, and the College of Law. In 1906 the cooperative system of education, now used by more than 150 colleges and universities throughout the nation, was originated at the University by Dean Herman Schneider. The cooperative system provides students the opportunity for alternating periods of classroom study and work in fields directly connected with their professional goals.

During the 1920’s, growth of the University continued, with the completion of Memorial Residence Hall, Tanners Research Building, Taft Hall, the University Library, Holmes Hospital, and the Basic Science Laboratory. Physical expansion was halted during the depression of the 1930’s and the years of World War II, when the University trained thousands in four separate military programs. The expansion of the University resumed after the war, however, with the addition of the College of Pharmacy in 1947. During the 1960’s the University expanded its housing system as enrollment rose from 10,820 in 1955 to 34,742 in 1970-71. In the 1970’s, the University built a completely new engineering complex as well as a new College of Medicine and Central Library.

Today, the University’s transformation continues, from its roots as a municipal university, to a state-affiliated institution, to a full state university, and now to the nationally recognized research university. This transformation was envisioned within the 2000 Campus Master Plan, the UC|21 strategic plan and the University’s Academic Master Plan. In September 2010, President Williams unveiled a new strategic plan, UC2019, Accelerating Our Transformation, which directs the University to build on recent accomplishments and all of the strengths of the past and present, to create a future that places the University among the best in the world.

2000 Campus Master Plan

Since the approval of the University Campus Master Plan (the “Master Plan”) in 1991 and then in 2000, more than $1.4 billion in capital projects have been completed. One major phased project remains in design and construction. Signature, national, and local architects have been selected for the design of major capital projects and the work has been the subject of much press and many awards. In 2010, Forbes Magazine named the University one of the world’s most beautiful college campuses, and Princeton Review named the University the greenest public university in Ohio. In-house University staffs, typically provide the programs for major projects and the design for projects costing less than $1 million. Numerous new academic and auxiliary facilities have been built in addition to renovation and rehabilitation of many existing facilities. Some of projects recently completed, under construction, or in the planning stage include:

Building projects recently completed:

- Sheakley Athletic Complex - Fields and Bubble
- Sheakley Storage Tank Piping, Pumps and Controls
- Medical Sciences Building Rehabilitation Phase 2
- Siddall Hall Shower Renovation Flrs 1-10
Major projects currently in construction:

- Kehoe 223-240 Renovation
- MSB Rehabilitation Interim Renovations for Phase 3
- Teachers College/Dyer Renovation Phase 2A
- Court Archeological Research Facility
- Sheakley Athletics Complex - Stands and Restroom Building
- Medical Sciences Bldg Rehabilitation Phase 3
- Procter Hall Facade Renovation
- Alumni Engineering Learning Center
- DAAP Facade Rehabilitation
- Energy Savings Projects - Air Changes per Hour
- Kettering North Demolition
- Morgens Hall Renovations
- 60 West Charlton Phase 2
- Undergraduate Teaching Labs Renovation - Phases 3&4
- MSB Radiology Office Renovation
- MSB Core A
- NSF Grant for Chemistry Labs

Major projects currently in design and planning:

- Undergraduate Teaching Labs Renovation - Phases 5&6
- Physiology Microscopy Suite
- Altitude Chamber Installation
- Public Information Pylons
- Primary Electric Substation
- East Campus Utility Plant Fuel Conversion Modifications
- Muntz Renovations on Blue Ash Campus
- Annex Renovations on Blue Ash Campus

Major projects currently in fund raising:

- College of Law
- College of Pharmacy

**UC2019 | ACCELERATING OUR TRANSFORMATION**

Once the implementation of the 1991 Master Plan was substantially complete, the University was able to redirect the majority of its focus back to its strategic vision. In May 2004, the University unveiled UC|21-Defining the New Urban Research University as the strategic vision for charting its academic course. UC|21 was the shorthand for the University’s aspiration to be a leader in the 21st century. The vision reshaped the University academically as certainly as the campus master plan has reshaped the University’s physical landscape.

UC|21 embraced a set of six guiding principles that were essential for the new urban research university: scholarship, citizenship, stewardship, leadership, partnership and cultural competency. These principals built on the University’s rich heritage as an agent of transformation and discovery, while underscoring its commitment to serve a rapidly changing world and the local Cincinnati community.
Under UC|21, the University began the expansion of its role as a comprehensive, public research institution regionally, nationally and globally. Major accomplishments (measured from a Fiscal Year 2003 baseline) as a result of UC|21 included increased enrollments of 21.2%; improved retention rates of 8% and graduation rates of 8%; increased research funding of 42.7%; successful budget and administration reorganization as reflected in the audited financial statements as increases in operating cash balances; and partnerships with the local community as evidenced by a 50% increase in the number of students engaged in internships and co-ops, increased corporate research investment, and increased participation in community organizations by students, faculty and staff.

As the milestone of the University’s 200th anniversary approaches in 2019, a unique opportunity arises to build on recent accomplishments and all of the strengths of the past and present, to create a future that places the University among the best in the world. In September 2010, President Williams unveiled a new strategic plan, outlining a blueprint for achieving excellence and setting institutional priorities: UC2019►Accelerating Our Transformation. The UC2019►plan focuses on accelerating our advancement by identifying core principals, operational principals and strategic, ambitious, achievable and measurable goals. The University unveiled an Academic Master Plan aligned to UC2019► in April 2011 and will be unveiling an action plan for the UC2019► priorities and implementation this fiscal year.

Core Principles

All people benefit from the creation, understanding and dissemination of knowledge. That concept lies at the core of the University’s mission and vision. The University’s mission is centered on people in a variety of manifestations. The University is committed to:

- **Transforming lives through**
  - education of students, preparing emerging generations for lives of ongoing discovery and full engagement as they shape an evolving world
  - excellent health care provided to all; building the quality of life and the general well-being of people everywhere
  - economic development capacity based on a capable workforce of prepared and dedicated alumni
  - marketable discoveries generated by innovative facility, and unmatched intellectual resources
  - service defined by quality and effectiveness, applying the benefits of knowledge to the betterment of all

- **Transforming education through**
  - continually improved quality of the academic enterprise, driven toward measurable outcomes and assessment
  - a commitment to integrated academic experiences emphasizing purposeful student development, rich in contextual learning such as research, co-op, study abroad, industrial collaborative, service learning, internships, practicum experiences, all leading up to rigorous assessment
  - aggressively inclusive pathways of access to affordable University programs and resources
  - alignment with state initiatives to guarantee a return on public investment
  - maintaining access to an increasingly diverse student population to cultivate future generations of scholars and researchers who will ensure our long-term competitiveness
  - a rich campus life, including nationally competitive athletic programs and recreational sports
- Transforming knowledge through
  - ongoing discovery in an environment of intellectual freedom that promotes and reward inquiry, analysis and the generation of new knowledge
  - collaboration in various contexts to encourage the real-world application of ground-breaking innovation
  - leveraging resources as a complex, comprehensive urban research university to fully support the acquisition, discovery and application of knowledge
  - innovation in multidisciplinary collaborative education and research, leveraging the University’s relationships with the business, civic, cultural, educational, health care and professional communities composing the urban environment

Operational Principles

In achieving its strategic goals, the University will be guided by the following operational principles:

- Learning
- Global Engagement
- Discovery
- Diversity
- Community
- Mission-Based Health Care
- Economy
- Collaboration
- Sustainability

Goals

Guided by Core Principles and Operating Principles, the University will achieve specific, objective and measurable goals. The goals are aspirational and, where possible, connected to external benchmarks. The University’s progress will be monitored through an annual report card, as well as a continually updated institutional dashboard. The University will aim to achieve most of these goals within five years and will measure success against the elite set of peers represented by the Association of American Universities and The Top American Research Universities.

The Board of Trustees monitored the progress of the University implementation of UC|21. The Board of Trustees will monitor the progress with respect to the goals of UC2019 on a regular basis and annually receives a report card from the University President setting forth the progress made in the preceding year. A new report card was delivered to the Board of Trustees in September 2011 and the following includes highlights from the report card.

Learning:
- U.S. News & World Report’s annual college guide lists the University among its “Best National Universities” with its overall ranking rising to No. 143 from No. 157. The Princeton Review’s 2012 edition lists the University as one of the country’s best institutions for undergraduate education.
- In Fall 2011, the University welcomed its largest student body in history, with more than 42,000 students. The student body continues the trend of academically preparedness, with an average ACT of 25, 45 incoming National Merit Scholars, and a record 157 total National Merit or National Achievement Scholars enrolled.
- The Fall 2011 scholarships were up by $500,000 for first-generation National Merit and honors program students. These students represent the top 1% of all high school graduates.
Discovery:
- The National Science Foundation ranked the University 34th among all public institutions nationally for total research expenditures and 25th for all public institutions nationally for federal research expenditures based on Fiscal Year 2008 data, published in July 2011.
- The University reaches another record level of $443 million in total research funding for fiscal year 2010. The amount represents an increase of more than $65 million.
- In February 2011, three University Professors were named new Fellows of the American Association for the Advancement of Science (AAAS). The University now has 17 AAAS members; 10 of them are in the College of Medicine.
- The University’s trauma and critical care researchers will expand their research on air medical evacuation with the help of a $24 million award from the U.S. Air Force.

Community:
- The number of students participating in volunteer activities in 2010-11 was 11,256; up 41% from the prior year. The University has been recognized as a national leader among institutions of higher education for its support of volunteering, service learning and civic engagement.
- In January 2011, the University’s College of Law launched the new Entrepreneurship and Community Development Clinic (ECDC) which offers third-year law students hands-on experience representing local small business owners and aspiring entrepreneurs on transactional legal issues critical to their success.
- The University Board of Trustees changed the name of the College of Business to the Carl H. Lindner College of Business in honor of Carl Lindner Jr.’s extraordinary support of the University and his legacy of entrepreneurship and excellence in business.

Economy:
- Institutional liquidity (as a % of Total Expenditures and Transfers) increased in Fiscal Year 2011 to 26.6%.
- The Ohio Board of Regents’ Financial Health Composite score for Fiscal Year 2011 was 3.6 and increased from the Fiscal Year 2010 score of 3.3.
- The University’s fund-raising campaign, Proudly Cincinnati, was over 80% of its way to its $1 billion goal, with more than $822.3 million raised through September 30, 2011.
- The 2011 Ohio Faculty Innovator Award from the Ohio Board of Regents honors one of UC’s own psychology professors for work on the Ohio Digital Bookshelf. The annual award recognizes Ohio faculty who finds creative ways to reduce the cost of course materials for students while improving educational content.

Sustainability:
- The Princeton Review once again named the University among the nation’s “green leaders” in higher education. This year’s national list of schools leading in environmental practices and in preparing the next generation of green professionals marks the second straight year the University made this prestigious list.
- The University’s recycling efforts has led to a 42% decrease of waste sent to local landfills from 2000 to 2010. These recycling efforts are resulting from the help of the Facilities Management and President’s Advisory Council on Environment & Sustainability committee, which includes faculty, students, and staff.
- The University won the 2011 Green Business Award from the Business Courier for sustainable transportation policies. The contest judged companies and institutions in the areas of water and energy efficiency, indoor environment, materials uses, sustainable site and triple bottom line.
Global Engagement:
- Representatives of the University’s College of Business and College of Education, Criminal Justice, and Human Services hosted a delegation from Kurdistan in Iraq as a part of a new educational partnership during Fall 2010. The University is one of only five universities nationally selected to participate in the partnership supported by the U.S. State Department.
- The *International Student Barometer*, the largest survey of international college students in the world, rates the University first among national peers in providing learning and living opportunities.
- Six University students have won awards to study abroad next academic year with the support of the Benjamin A. Gilman International Scholarship given by the U.S. Department of State.
- Beginning Fall 2011, the University increased its annual support of study abroad by $500,000 as part of the Presidents UC2019 goal to double the number of students studying abroad.

Diversity:
- The University’s five-year diversity plan developed by a subcommittee of the Diversity Council will begin implementation this year. The plan includes action steps to achieve greater diversity across the university in an inclusive environment.
- The University’s Partner for Achieving School Success (PASS) a center in the College of Education, Criminal Justice, and Human Services won a $550,000 grant from the Social Innovation Fund to expand services for the Gen-1 House and the Higher Education Mentoring Initiative (HEMI), programs that support first-generation college students and students coming from the foster care system respectively.
- The University in collaboration with Procter & Gamble, STRIVE and the National Underground Railroad Freedom Center has launched a new mentoring initiative designed to pair external mentors to African American students enrolled at the University. The Striving to Transform, Enrich, Empower and Reward (STEER) program is working to improve the retention rates of African American students at the University and to ensure that they graduate. Fifty students have been paired with Procter & Gamble.
- The retention rate for African American baccalaureate students has improved to 83 percent, nearly equal to the retention rates for majority students (based on 2011 fall data). The retention rate for African American students is up from 71 percent in 2005. African American students continue to report high levels of integration into and satisfaction with their experience at the University.

Mission-Based Health Care:
- In August 2011, the College of Medicine implemented a new medical curriculum of classes for first-year students. The new curriculum gives first-year students the opportunity to immediately engage in various clinical activities such as First Responder training. Students will be able to complete a full medical history and physical exam at the end of the first semester.
- The University’s Medical researchers continue to receive grants, awards, and recognition for their studies and programs. Examples of these are in the areas of Environmental Health, Advanced Technology/Therapeutic Development and Neuroscience.
- In 2010, the University’s College of Pharmacy achieved a 100 percent passing rate on the National Association of Boards of Pharmacy License Exams (NAPLEX) licensure exam. The University average score was 108.04. The average score in Ohio is 107.58, while the national average is 103.06.
Collaboration:

- The Ohio Board of Regents and the University System of Ohio (USO) announced the creation of the Ohio Center of Excellence in Music and Theater Arts at the College – Conservatory of Music (CCM). This is the only Center of Excellence in arts statewide, and this recognition reflects CCM’s standing as the exemplary performing-arts institution in the state.
- The University is a leading partner in a new Water Technology Innovation Cluster. The cluster will position the region of Ohio, Kentucky and Indiana as a national and world leader in water-related technology development and commercialization.
- In September 2010, the University’s College of Medicine launched a “Science on Wheels” program. This program is a fully-equipped mobile lab that allows grade school students hands-on experimentation to complement their classroom instruction. In collaboration with Cincinnati Public Schools (CPS) and Cincinnati Children’s Hospital Medical Center, this mobile unit mimics the standard laboratory with wet and dry labs, microscopes and safety equipment.

ACADEMIC PROGRAMS

The primary educational objectives of the University are: (1) to preserve and disseminate knowledge now available in the arts, sciences, and various professional areas important in modern life; (2) to extend through basic research and investigation the boundaries of knowledge; and (3) to educate men and women, by example and teaching, for a fuller and richer life as responsible citizens in modern society. The important schools and branches of the University are:

- The Graduate School at the University of Cincinnati
- McMicken College of Arts and Sciences
- College of Education, Criminal Justice and Human Services
- Carl H. Lindner College of Business
- College of Medicine
- College of Law
- College of Nursing
- College of Design, Architecture, Art and Planning
- College of Engineering and Applied Science
- College-Conservatory of Music
- UC Blue Ash College (located in Blue Ash, a suburb of Cincinnati)
- UC Clermont College (located in Batavia, Ohio)
- James L. Winkle College of Pharmacy
- College of Allied Health Sciences

The University is affiliated with many other institutions, including Cincinnati Children’s Hospital Medical Center, Shriners Hospitals for Children®-Cincinnati, the Art Academy of Cincinnati, Cincinnati State Technical and Community College, the Cincinnati Speech and Hearing Center and Cincinnati Center for Development Disorders. Through such affiliation, the University is able to broaden its curricular offerings. The University also has Army and Air Force ROTC programs.

The University is a member of the North Central Association, an organization of colleges and universities from 19 states, including Ohio. The Higher Learning Commission is a main division of the North Central Association, and it is the Higher Learning Commission that accredits the colleges and universities in the North Central Association. The University is accredited by The Higher Learning Commission. In addition, many of the University’s programs also receive professional accreditation from
specialized accreditation bodies. It also has professional accreditation in many fields, including Architecture, Design, Art, Teaching, Business Administration, Chemistry, Engineering (Aerospace, Chemical, Civil, Electrical, Mechanical, Nuclear, Metallurgical and Material Science), Law, Medicine, Music, Nursing and Health, and Pharmacy. The University is also a member of the Greater Cincinnati Consortium of Colleges and Universities, which is composed of seventeen institutions in the Greater Cincinnati and Northern Kentucky areas.

Many colleges and programs are nationally ranked in prominent publications in addition to the many programs ranked in the Top 10 by *U.S. News and World Report*. In 2010, the Princeton Review ranked the College of Law among the Top 172 law schools in the country, and the College of Business among the Top 301 business schools in the country. The College of Law ranked first in the state for overall test takers, with a passage rate of 92 percent. This can be compared to an overall passage rate for all test-takers of 81.6 percent. Additionally, the passage rate for law graduates’ first-time test takers was 94 percent, up from last year’s 91 percent. This makes the University’s law students first among Ohio law schools for first-time test takers. For the 13th straight year, *DesignIntelligence* ranked the University among the best architecture and design programs in the nation. The 2012 national report card on U.S. design programs ranks the interior design program as No. 3 in the country; the industrial design program is ranks No. 1 (undergraduate) and No. 2 (graduate) and the architectural program ranks No. 10.

*ARCHITECT* magazine recently published its first-ever rankings guide to architecture schools, and - as with other architectural rankings - the University placed among the nation’s best. The architecture program at DAAP was rated in the nation’s top five in terms of delivering a “practice-based education”.

The University is the world-wide founder of co-operative education, a program that alternates classroom teaching with real-life work experience for students. The program was founded in 1906 and is over 100 years old, but is one of the assets that keep the University transforming. The co-operative education program is emulated by over 1,500 institutions around the world, as the University remains one of the Top 10 co-op universities in the nation.

The program allows students to gain real work experience, keeps the University in touch with the employer’s needs, and help students pay for college expenses. Last fiscal year, University students earned $43 million from employers, with an average co-op salary of $5,000 a year. The program gives students a competitive advantage in their careers and allows the University the benefit of improving the curriculum to the changing needs of employers.

Six University programs have been named as Ohio’s Centers of Excellence. Ohio’s Centers of Excellence are distinctive, national recognized programs in emerging areas of academic study that are platforms for world-class research and academic talent, divers of economic advancement and magnets for public and private investment. The six University programs are in the areas of Advanced Energy; Advanced Transportation and Aerospace; Biomedicine and Health Care; Enabling Technologies: Advanced Materials and Sensors; Cultural and Societal Transformation; and Music and Theatre Arts. The most recent recognition for the University incorporates the College of Design, Architecture, Art, and Planning (DAAP), the College of Medicine and the College of Engineering as an Ohio Center of Excellence. Six programs are the largest number of programs to be recognized in any one school to date.

**PHYSICAL PLANT**

The campus of the University consists of the 202-acre Uptown Campus in Clifton and two satellite branches: UC Blue Ash College and UC Clermont College. UC Blue Ash College is located in Blue Ash, Ohio on a 132-acre tract. UC Clermont College is located on a 91-acre tract near Batavia, Ohio (approximately 17 miles east of downtown Cincinnati).
The University owns or operates 98 academic, research, main administrative, athletic, and student services buildings on the Uptown Campus; 11 principal buildings located on the two branch campuses; and 24 buildings located off-campus on 141 acres of land. In addition, the University leases its hospital buildings to University Hospital, Inc.

The University grounds and buildings are owned by the State and controlled by the University, except for the 19 acres of real property constituting the former General Division of the University of Cincinnati Hospital, which is leased from the City of Cincinnati under a 75-year lease that expires on July 31, 2053 and that is subleased to University Hospital, Inc. The site of the Goodman Parking Garage, which serves the Medical Center, is also leased from the City of Cincinnati.

UNIVERSITY HOSPITAL

University Hospital opened in 1823 as the country’s first teaching hospital. The mission of University Hospital is to provide high quality clinical services, research and physicians. Many physicians at University Hospital are also faculty physicians at the University’s College of Medicine, one of the top 50 medical schools in the country. University Hospital is an affiliate of the University’s Academic Health Center and as such plays an important role in the academic mission of the College of Medicine.

The operation of University Hospital is managed by UC Health, formerly known as The Health Alliance of Greater Cincinnati (the “Health Alliance” or “UC Health”). The University Hospital operations have been managed by UC Health since 1995 and its health care activities have been coordinated with those of the other members of UC Health. UC Health is an Ohio nonprofit corporation qualified as a tax-exempt organization under §501(c)(3) of the Internal Revenue Code.

The Health Alliance was formed in January 1995 to provide the greater Cincinnati community with high quality, cost-effective, and accessible health care through an integrated delivery system. The “Participating Entities” in the Health Alliance, who were parties to the Joint Operating Agreement establishing the Health Alliance, included the University (for University Hospital) and certain other hospitals in the Cincinnati area. Between 2008 and mid-2010, each of the Participating Entities other than the University terminated their participation in the Health Alliance. Accordingly, the University is the sole remaining Participating Entity in UC Health.

Until January 1, 1997, University Hospital was a part of the University and governed by its Board. However, effective January 1, 1997, the University reorganized University Hospital into University Hospital, Inc. (“UHI”), an Ohio nonprofit corporation. The University subleased the land and hospital facilities constituting University Hospital to UHI. Since 1997, the net patient service revenues of UHI, which were formerly part of the University’s General Receipts, are no longer included in the University’s General Receipts, nor are they available to the University for any other purpose.

In 2010, UC Health completed a reorganization to reflect both the departure of the Participating Entities other than the University and UC Health’s new, closer affiliation with the College of Medicine. This reorganization more closely aligns the mission and operations of University Hospital and UC Health, especially as related to the College of Medicine. In July 2011, UC Health had entered into an agreement with UCP (a 650 multi-specialized physicians group) to provide for the integration of the operations of UCP and UC Health and in connection with that integration to transfer most of the assets and liabilities of UCP to an affiliate of UC Health and to provide for the lease of certain employees of UCP to UC Health’s affiliate. Even with this closer affiliation, the understanding of all of the involved parties is that the
reorganized UC Health will continue to be a private corporation and that it will not be a component of the University. The legal and governance structure for UC Health was formulated so as to achieve these results.

Under the terms of the University’s arrangement with UC Health, net income or loss from UHI’s operations accrues directly to the operating results of UC Health, not the University. Accordingly, the University’s financial reports reflect no net income or loss from University Hospital’s operations, but the University’s investment in UC Health is included as an investment on the University’s Statement of Net Assets and reflects 100% of the net assets of UC Health. The investment in UC Health as of June 30, 2011 is $421 million. At June 30, 2010, the value of that investment was $336 million. The University expects to continue to report UC Health on the University’s Statement of Net Assets as an investment. The University will not be liable for the debts of UC Health. The University believes that there will be no adverse impact on its investment in UC Health from the reorganization of UC Health.

Pursuant to the Operating and Affiliation Agreement between UC Health and the University dated January 25, 2006, UC Health provides financial support to the University for academic programs that directly or indirectly support patient care at University Hospital or UC Health. UC Health also provides the University an annual education and research payment and programmatic support that must be used exclusively for academic health center purposes. The total of these payments and support for the years ended June 30, 2011 and 2010 were $9,322,000 and $9,103,000, respectively. Additionally, the University provides various shared services, consisting mainly of utilities, security and various administrative services to UC Health for which the University is reimbursed on a cost basis. The total cost of these services for the years ended June 30, 2011 and 2010 were approximately $19,131,000 and $18,149,000, respectively.

ENDOWMENT

The University’s total market value of the endowment was $1.004 billion for its Fiscal Year ended June 30, 2011. This reflects the recovery of global equity markets from the steep declines of 2009 and donations from supporters to the University’s Proudly Cincinnati fundraising campaign. The market value of the endowment for Fiscal Year ended June 30, 2010 was $886.3 million, which ranked 71st largest of 865 colleges and universities and ranks amongst the Top 25 largest public institutions participating in the 2010 NACUBO-Commonfund Study of Endowments.

The University has also been awarded fourteen endowed chairs under the Eminent Scholars program created for state institutions of higher learning by the Ohio Board of Regents since the program has been extant. These fourteen chairs represent a $7,370,000 contribution to this endowment fund from the Ohio General Assembly.

<table>
<thead>
<tr>
<th>Total Endowment Market Value*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year End June 30</td>
</tr>
<tr>
<td>(In Thousands)</td>
</tr>
<tr>
<td>2007</td>
</tr>
<tr>
<td>$1,185,400</td>
</tr>
</tbody>
</table>

*Includes University of Cincinnati Foundation permanent endowments.

Source: University of Cincinnati Treasurer.
ENROLLMENT AND ADMISSIONS

Total fall enrollment in the 2011-12 school year is 42,421 students, or 34,536 full-time equivalents (“FTE’s”). The University projects flat enrollment for the fall of the 2012-13 school year. The University awarded 5,529 undergraduate degrees and 2,836 advanced degrees in the 2010-11 academic year. More detailed enrollment statistics follow:

Fall Enrollment - Total Headcount

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>27,700</td>
<td>28,369</td>
<td>30,417</td>
<td>31,523</td>
<td>31,985</td>
</tr>
<tr>
<td>Graduate</td>
<td>7,831</td>
<td>7,715</td>
<td>8,221</td>
<td>8,783</td>
<td>9,376</td>
</tr>
<tr>
<td>Professional (Law and Medicine)</td>
<td>987</td>
<td>988</td>
<td>1,029</td>
<td>1,051</td>
<td>1,060</td>
</tr>
<tr>
<td>Total</td>
<td>36,518</td>
<td>37,072</td>
<td>39,667</td>
<td>41,357</td>
<td>42,421</td>
</tr>
</tbody>
</table>

Fall Enrollment - Full-Time Equivalents

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>22,931</td>
<td>23,570</td>
<td>25,204</td>
<td>26,128</td>
<td>26,927</td>
</tr>
<tr>
<td>Graduates</td>
<td>5,185</td>
<td>5,023</td>
<td>5,417</td>
<td>5,746</td>
<td>6,159</td>
</tr>
<tr>
<td>Professional (Law and Medicine)</td>
<td>1,383</td>
<td>1,372</td>
<td>1,428</td>
<td>1,447</td>
<td>1,450</td>
</tr>
<tr>
<td>Total</td>
<td>29,499</td>
<td>29,965</td>
<td>32,049</td>
<td>33,321</td>
<td>34,536</td>
</tr>
</tbody>
</table>

Of the 42,421 students (34,536 FTE’s) in the fall of 2011, 33,329 students attended classes at the Uptown Campus (27,996 FTE’s) and 9,092 students (6,540 FTE’s) attended classes at branch campuses.

Source: University of Cincinnati Office of Institutional Research.

The average University freshmen composite scores on the American College Test (“ACT”) and the Scholastic Aptitude Test (“SAT”) for the last five years are as follows:

Average Freshman Standardized Test Scores
(Baccalaureate Colleges)

<table>
<thead>
<tr>
<th></th>
<th>ACT Scores</th>
<th>SAT Scores*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>24.1</td>
<td>1,110</td>
</tr>
<tr>
<td>2008</td>
<td>24.8</td>
<td>1,129</td>
</tr>
<tr>
<td>2009</td>
<td>24.8</td>
<td>1,128</td>
</tr>
<tr>
<td>2010</td>
<td>25.0</td>
<td>1,134</td>
</tr>
<tr>
<td>2011</td>
<td>25.0</td>
<td>1,132</td>
</tr>
</tbody>
</table>

*Excludes the writing component score, which is one-third of the total SAT score.

Source: University of Cincinnati Admissions Department.
Over the past five academic years, the average University freshman composite score for those students entering baccalaureate colleges was 24.7 on the ACT and 1,127 on the SAT. The national average for all students for the 2010-2011 academic year on the ACT was 21.0.

**Student Admissions**
(Two Year Colleges & Baccalaureate)

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Applications Received</th>
<th>Applications Accepted</th>
<th>Percent Accepted</th>
<th>Applicants Accepted</th>
<th>Applicants Enrolled</th>
<th>Percent of Applicants Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>13,676</td>
<td>11,769</td>
<td>86.06%</td>
<td>5,432</td>
<td>46.2%</td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>16,707</td>
<td>13,090</td>
<td>78.35%</td>
<td>5,421</td>
<td>41.4%</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>18,426</td>
<td>13,996</td>
<td>75.96%</td>
<td>6,200</td>
<td>44.3%</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>19,979</td>
<td>13,742</td>
<td>68.80%</td>
<td>5,969*</td>
<td>43.4%</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>20,231</td>
<td>14,043</td>
<td>69.41%</td>
<td>6,237</td>
<td>44.4%</td>
<td></td>
</tr>
</tbody>
</table>

*Decrease in Academic Year 2010-11 Applicants Enrolled are due to the closing of the Center for Access & Transition (CAT).

Source: University of Cincinnati Office of Institutional Research.

The University seeks to maintain selectivity in its baccalaureate programs and to be accessible to all students. Applicants who are denied admissions to baccalaureate programs are offered admissions to the University’s associate degree technical programs.

The above table includes admissions to colleges and programs that support the University’s commitment to accessible education. The University differs from many other universities in that it admits undergraduates directly into specific programs of study, rather than admitting undergraduates to the University as a whole and then later requiring the students to seek admission to the programs of study they wish to pursue. This approach is attractive to many undergraduates because it assures them that they will be able to pursue their desired programs of study. As a result of this approach, the University is able to attract many highly motivated and directed undergraduates. The following table reflects admissions to the University’s baccalaureate colleges.

**Student Admissions**
(Baccalaureate Colleges)

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Applications Received</th>
<th>Applications Accepted</th>
<th>Percent Accepted</th>
<th>Applicants Accepted</th>
<th>Applicants Enrolled</th>
<th>Percent of Applicants Enrolled</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>11,741</td>
<td>8,810</td>
<td>75.0%</td>
<td>3,640</td>
<td>41.3%</td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>14,054</td>
<td>9,248</td>
<td>65.8%</td>
<td>3,284</td>
<td>35.5%</td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>15,267</td>
<td>10,283</td>
<td>67.4%</td>
<td>3,798</td>
<td>36.9%</td>
<td></td>
</tr>
<tr>
<td>2010-11</td>
<td>16,328</td>
<td>10,776</td>
<td>66.0%</td>
<td>3,936</td>
<td>36.5%</td>
<td></td>
</tr>
<tr>
<td>2011-12</td>
<td>16,426</td>
<td>11,076</td>
<td>67.4%</td>
<td>4,300</td>
<td>38.8%</td>
<td></td>
</tr>
</tbody>
</table>

Source: University of Cincinnati Office of Institutional Research.
### Student Financial Aid Awarded
#### (In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEOG</td>
<td>$2,739</td>
<td>$2,914</td>
<td>$2,460</td>
<td>$2,386</td>
<td>$2,343</td>
</tr>
<tr>
<td>Pell</td>
<td>16,749</td>
<td>18,941</td>
<td>21,473</td>
<td>35,347</td>
<td>43,296</td>
</tr>
<tr>
<td>NDSL/Perkins</td>
<td>6,095</td>
<td>8,542</td>
<td>2,851</td>
<td>0</td>
<td>2,672</td>
</tr>
<tr>
<td>HPL-NSL</td>
<td>332</td>
<td>360</td>
<td>270</td>
<td>290</td>
<td>171</td>
</tr>
<tr>
<td>GSL/Stafford</td>
<td>145,702</td>
<td>163,897</td>
<td>188,088</td>
<td>228,559</td>
<td>0</td>
</tr>
<tr>
<td>PLUS/SLS</td>
<td>29,216</td>
<td>25,597</td>
<td>25,755</td>
<td>32,431</td>
<td>0</td>
</tr>
<tr>
<td>ALP</td>
<td>21,289</td>
<td>24,508</td>
<td>22,071</td>
<td>11,373</td>
<td>0</td>
</tr>
<tr>
<td>Direct Loans</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>337,771</td>
</tr>
<tr>
<td><strong>Total Federal</strong></td>
<td>222,122</td>
<td>244,759</td>
<td>262,968</td>
<td>310,386</td>
<td>386,253</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OIG</td>
<td>5,665</td>
<td>5,718</td>
<td>6,220</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>OCOG</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,031</td>
<td>2,857</td>
</tr>
<tr>
<td><strong>Total State</strong></td>
<td>5,665</td>
<td>5,718</td>
<td>6,220</td>
<td>3,031</td>
<td>2,857</td>
</tr>
<tr>
<td><strong>University</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarship</td>
<td>39,144</td>
<td>42,558</td>
<td>43,410</td>
<td>47,578</td>
<td>35,397</td>
</tr>
<tr>
<td>Tuition Remission</td>
<td>13,605</td>
<td>13,481</td>
<td>11,367</td>
<td>11,391</td>
<td>8,007</td>
</tr>
<tr>
<td>(Grad. &amp; Faculty &amp; Staff)</td>
<td>43,523</td>
<td>43,674</td>
<td>42,366</td>
<td>41,512</td>
<td>27,927</td>
</tr>
<tr>
<td>Grad. Scholarship</td>
<td>42,230</td>
<td>42,600</td>
<td>43,690</td>
<td>44,334</td>
<td>45,555</td>
</tr>
<tr>
<td>Graduate &amp; Student</td>
<td>15,260</td>
<td>16,625</td>
<td>14,190</td>
<td>8,320</td>
<td>5,874</td>
</tr>
<tr>
<td>Assistant Employment</td>
<td>154,494</td>
<td>159,527</td>
<td>155,592</td>
<td>153,644</td>
<td>123,333</td>
</tr>
<tr>
<td>Sponsored Programs</td>
<td>732</td>
<td>589</td>
<td>569</td>
<td>559</td>
<td>573</td>
</tr>
<tr>
<td>University Loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal University</strong></td>
<td>154,494</td>
<td>159,527</td>
<td>155,592</td>
<td>153,644</td>
<td>123,333</td>
</tr>
<tr>
<td><strong>Total Aid</strong></td>
<td>$382,281</td>
<td>$410,004</td>
<td>$424,780</td>
<td>$467,111</td>
<td>$512,443</td>
</tr>
</tbody>
</table>

**Source:** University of Cincinnati Controller’s Office.
GENERAL RECEIPTS

The General Receipts of the University for Fiscal Years 2007 through 2011 are shown below. The University’s current expenditures, which are financed in part by State appropriations and other funds excluded from the General Receipts, have been and are expected to be substantially greater than the General Receipts in every Fiscal Year.

**General Receipts**
Fiscal Year Ended June 30
(Dollars In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees</td>
<td>$260,605</td>
<td>$272,910</td>
<td>$279,822</td>
<td>$304,482</td>
<td>$340,150</td>
</tr>
<tr>
<td>Endowment Income</td>
<td>2,907</td>
<td>3,075</td>
<td>2,571</td>
<td>2,085</td>
<td>2,015</td>
</tr>
<tr>
<td>Private Gifts &amp; Grants</td>
<td>2,732</td>
<td>4,428</td>
<td>4,741</td>
<td>4,808</td>
<td>4,402</td>
</tr>
<tr>
<td>Departmental Sales and Charges</td>
<td>58,645</td>
<td>66,041</td>
<td>64,326</td>
<td>64,878</td>
<td>62,943</td>
</tr>
<tr>
<td>Recovery of Indirect Exp.</td>
<td>36,516</td>
<td>36,287</td>
<td>38,014</td>
<td>40,507</td>
<td>40,816</td>
</tr>
<tr>
<td>Other</td>
<td>6,299</td>
<td>7,991</td>
<td>14,654</td>
<td>11,769</td>
<td>8,282</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>77,039</td>
<td>82,415</td>
<td>90,776</td>
<td>91,460</td>
<td>95,095</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$445,373</strong></td>
<td><strong>$473,147</strong></td>
<td><strong>$494,904</strong></td>
<td><strong>$519,989</strong></td>
<td><strong>$553,703</strong></td>
</tr>
</tbody>
</table>

**Budgeted General Receipts**

The following table sets forth the General Receipts included in the University’s budget for Fiscal Year ended June 30, 2012. As in prior years, the University’s current expenditures, which are financed in part by State appropriations and other funds excluded from the General Receipts, are expected to be substantially greater than the General Receipts.

**Budgeted General Receipts**
(In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year Ending June 30, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Fees (net of scholarships)*</td>
<td>$358,775</td>
</tr>
<tr>
<td>Recovery of Indirect Expenses</td>
<td>38,851</td>
</tr>
<tr>
<td>Private Gifts and Grants</td>
<td>410</td>
</tr>
<tr>
<td>Endowment Income</td>
<td>2,476</td>
</tr>
<tr>
<td>Sales and Services</td>
<td>61,358</td>
</tr>
<tr>
<td>Other</td>
<td>8,740</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>96,434</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$567,044</strong></td>
</tr>
</tbody>
</table>

*Scholarships are estimated and subject to adjustment.
GRANTS, CONTRACTS, AND AWARDS

In addition to General Receipts, the grants, contracts, and awards that the University has received for Fiscal Years 2007 through 2011 are shown below.

<table>
<thead>
<tr>
<th>Grants, Contracts, and Awards</th>
<th>Fiscal Year Ended June 30</th>
<th>(In Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td><strong>FEDERAL SOURCES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States Public Health</td>
<td>$125,071</td>
<td>$114,346</td>
</tr>
<tr>
<td>National Science Foundation</td>
<td>7,689</td>
<td>13,322</td>
</tr>
<tr>
<td>Environmental Protection Agency</td>
<td>2,673</td>
<td>3,580</td>
</tr>
<tr>
<td>Department of Defense</td>
<td>6,532</td>
<td>6,662</td>
</tr>
<tr>
<td>Department of Energy</td>
<td>2,718</td>
<td>2,882</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration</td>
<td>834</td>
<td>1,201</td>
</tr>
<tr>
<td>Department of Education</td>
<td>28,861</td>
<td>30,229</td>
</tr>
<tr>
<td>Other Federal Agencies</td>
<td>3,721</td>
<td>6,890</td>
</tr>
<tr>
<td><strong>TOTAL FEDERAL</strong></td>
<td>178,099</td>
<td>179,112</td>
</tr>
<tr>
<td><strong>NON-FEDERAL SOURCES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Governments</td>
<td>5,245</td>
<td>8,521</td>
</tr>
<tr>
<td>City/County Governments</td>
<td>854</td>
<td>502</td>
</tr>
<tr>
<td>Other Non-Government Agencies</td>
<td>20,695</td>
<td>26,500</td>
</tr>
<tr>
<td><strong>TOTAL NON-FEDERAL</strong></td>
<td>26,794</td>
<td>35,523</td>
</tr>
<tr>
<td><strong>TOTAL ALL UNIVERSITY SOURCES</strong></td>
<td>204,893</td>
<td>214,635</td>
</tr>
<tr>
<td>University Faculty at Affiliated Institutions</td>
<td>128,609</td>
<td>138,394</td>
</tr>
<tr>
<td><strong>TOTAL ALL SOURCES AND AFFILIATED INSTITUTIONS</strong></td>
<td>$333,502</td>
<td>$353,029</td>
</tr>
</tbody>
</table>

* The University sponsored funding level for Fiscal Year 2011 is $251.2 million. In Fiscal Year 2010 federal funding from the American Recovery and Reinvestment Act (ARRA) accounted for $44.4 million of the increase in research funding.
LABOR RELATIONS

The University has current agreements or is in negotiations with six labor unions covering eight bargaining units.

A. American Association of University Professors (the “AAUP”). In November, 1974, the faculty of the University elected the AAUP as sole bargaining agent with the University administration. Approximately 1,700 full and part-time faculty and librarians are included in the bargaining unit. The current agreement expires on June 30, 2013.

B. American Federation of State, County and Municipal Employees (“AFSCME”) Ohio Council 8. This bargaining unit represents approximately 500 employees primarily in the areas of maintenance and service. The current agreement expires on February 11, 2012.

C. International Union of Operating Engineers (“IUOE”). This agreement covers approximately 70 employees in the areas of skilled trades and power plant. The current agreement expires on July 31, 2012.

D. The Ohio Nurses Association (“ONA”) represents approximately 8 registered nurses at the Hoxworth Blood Center. The current agreement expires on January 19, 2014.

E. District 1199/Service Employees International Union (“SEIU/1199”) represents approximately 400 clerical and secretarial staff members. The bargaining agreement expires on June 30, 2014.

F. The Fraternal Order of Police/Ohio Labor Council (“FOP”) represents approximately 50 sworn police officers. The current agreement expires on June 30, 2014.

G. The FOP also represents approximately 33 security officers. The current agreement expired on June 30, 2011. The terms of the agreement have been extended as the parties continue to negotiate.

H. The FOP also represents approximately 10 emergency dispatchers. The current agreement expires on June 30, 2012.

The University’s relationship with its employees is governed under the rules of the Civil Service laws and collective bargaining laws of Ohio. Union agreements, negotiated by the above-listed labor unions and the University, cover wages, salaries, hours, terms and conditions of employment, fringe benefits, and other similar matters.
RETIREMENT SYSTEMS

Retirement benefits are available for substantially all employees under one of several contributory retirement plans. Prior to July 1, 1977, when the University became a state institution, employees were covered by either the City of Cincinnati Retirement System (“CRS”) or the Teachers’ Insurance and Annuity Association - College Retirement Equities Fund (“TIAA-CREF”). Certified teachers appointed on or after July 1, 1977, are covered by the State Teachers’ Retirement System (“STRS Ohio”). Non-certified employees appointed on or after that date are covered by the Ohio Public Employees Retirement System (“OPERS”). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP) if they meet certain eligibility requirements.

STRS Ohio and OPERS are statewide systems that offer three separate plans: (1) a defined benefit plan, (2) a defined contribution plan, and (3) a combined plan. Each of the three options is discussed in greater detail in the following sections.

Defined Benefit Plans

The OPERS, STRS Ohio, and CRS plans are cost-sharing, multiple-employer, defined-benefit, public-employee retirement systems. Each provides retirement, disability and survivor benefits to plan members and beneficiaries. These plans also provide health-care benefits to vested retirees. Benefits provided under the plans are established by state statute or the Cincinnati Municipal Code.

OPERS provides postemployment health care benefits to retirees with ten or more years of qualifying Ohio service credit under the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage. The plan benefits include a medical plan, prescription drug program and Medicare Part B premium reimbursement. The Ohio Revised Code permits, but does not mandate, OPERS to provide Other Post Employment Benefits (OPEB) to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to Chapter 3307 of the Ohio Revised Code, STRS Ohio has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of monthly premiums.

All three plans issue separate, publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by contacting each organization as follows: Ohio Public Employee Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215, Telephone (800) 222-7377; STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215, Telephone (888) 227-7877; and City of Cincinnati Retirement System, 801 Plum Street, Cincinnati, Ohio 45202, Telephone (513) 352-3227.

In addition to the pension benefits described above, the University provides postretirement health care and dental benefits (under its labor agreement with the American Association of University Professors) to all who are participants of TIAA-CREF when they retire. During 2011, 2010, and 2009, the net cost of these benefits recorded on a pay-as-you-go basis totaled approximately $2,467,000, 2,922,000 and 3,148,000 respectively.
The Ohio Revised Code provides OPERS and STRS Ohio statutory authority over employer and employee contributions. The Cincinnati Municipal Code provides CRS statutory authority. The required, actuarially determined contribution rates (as a percentage of covered payroll) for the employee and the University are as follows for the year ending June 30, 2011:

<table>
<thead>
<tr>
<th></th>
<th>OPERS (Staff)</th>
<th>OPERS (Law Enforcement Staff)</th>
<th>STRS Ohio</th>
<th>CRS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All year</td>
<td>10%</td>
<td></td>
<td>10%</td>
<td>8%</td>
</tr>
<tr>
<td>7/10 - 12/10</td>
<td></td>
<td>11.10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/11 - 6/11</td>
<td></td>
<td>11.60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>University:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All year</td>
<td>14%</td>
<td></td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>7/10 - 12/10</td>
<td></td>
<td>17.87%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/11 - 6/11</td>
<td></td>
<td>18.10%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The University’s contributions, representing 100% of employer contributions for the year ended June 30, 2011, and for each of the two preceding years are as follows (in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>OPERS</th>
<th>STRS</th>
<th>CRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$20,904</td>
<td>$16,733</td>
<td>$162</td>
</tr>
<tr>
<td>2010</td>
<td>20,543</td>
<td>17,334</td>
<td>118</td>
</tr>
<tr>
<td>2011</td>
<td>21,534</td>
<td>17,894</td>
<td>85</td>
</tr>
</tbody>
</table>

OPERS Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For the year ended December 31, 2010, OPERS allocated 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010 of the employer contribution rate to fund the health care program for members in the Traditional Plan. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73% from January 1 through February 28, 2010, and 4.23% from March 1 through December 31, 2010. 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. Of the $21,534,000 University employer contributions to OPERS for 2011, $7,691,000 was to fund OPEB.

For the fiscal year ended June 30, 2010, STRS Ohio allocated employer contributions equal to 1.0% covered payroll to a Health Care Stabilization Fund from which payments for health care benefits are paid. University employer contributions to STRS Ohio to fund OPEB for 2011 were $1,278,000.

In addition to the pension benefits described above, the University provides postretirement health-care and dental benefits (under its labor agreement with the American Association of University Professors) to all who are participants of TIAA-CREF when they retire. During Fiscal Years 2011, 2010 and 2009, the net cost of these benefits recorded on a pay-as-you-go basis totaled approximately $2,467,000, $2,922,000 and $3,148,000, respectively.
Defined Contribution Plans

On June 23, 1998, pursuant to Ohio House Bill 586, the University created an Ohio Alternative Retirement Plan ("ARP") which is designed to aid the University in recruiting and retaining employees by offering a portable retirement option. The ARP is a defined-contribution plan that provides full and immediate vesting of all contributions made on behalf of the participant. Contributions are directed to one of eight investment management companies, which allows the participant to manage the investment of all retirement funds. New employees who qualify for the ARP have 120 days from the date of hire to elect the ARP option. Once this window has passed, the employee will not have the option to elect into the ARP. ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant’s choice of investment options.

At June 30, 2011, there were 1,885 members of the plan. During 2011, 2010 and 2009, the employer contributions were $14,336,000, $14,221,000 and $13,956,000, respectively. The employer contribution rate for participants electing out of OPERS and STRS Ohio was 14% for Fiscal Years 2011, 2010 and 2009.

OPERS also offers a defined contribution plan, the Member-Directed Plan (MD). The MD plan does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant’s choice of investment options.

STRS Ohio also offers a defined contribution plan in addition to its long established defined benefit plan. All employee contributions and employer contributions at a rate of 10.5% are placed in an investment account directed by the employee. Disability benefits are limited to the employee’s account balance. Employees electing the defined contribution plan receive no postretirement health care benefits.

Combined Plans

STRS Ohio offers a combined plan with features of both a defined contribution plan and a defined benefit plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits.

OPERS also offers a combined plan. This is a cost-sharing multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits. OPERS provides retirement, disability, survivor and postretirement health benefits to qualifying members of the combined plan.
INSURANCE

The University currently carries “all-risk” property insurance on a replacement cost basis for all of its buildings and contents, through an insurance program of four-year state universities in Ohio known as the Inter University Council Insurance Consortium (“IUCIC”). The IUCIC program includes a pooled retention and commercial property insurance, with dedicated limits of $100 million per university per occurrence and shared excess limits of $1 billion per occurrence. The University’s $100,000 retention under this program is funded through a property reserve account with contributions from various university departments, branches and auxiliaries. Casualty Insurance, including Comprehensive General Liability (“CGL”) and Educators Legal Liability (“ELL”) coverages, is provided through a separate IUCIC program. This program is a combination of self-insurance through actuarially established pool funds and commercially purchased insurance. The CGL and ELL coverages each have self-insured limits of $10 million, with $9 million reinsured through a commercial reinsurance agreement. The retained limit is dedicated to each of the participating universities, with a self-insurance pool funded according to an actuarial formula. This program also includes shared commercial excess insurance limits of $20 million for ELL, $25 million for CGL and an additional $15 million shared CGL limit. The university deductible of $100,000 for ELL is funded by a University budget account; the $100,000 CGL deductible is funded through an actuarially-supported trust fund. Medical Professional Liability (“MPL”) coverage is provided through a separate self-insurance trust fund, with actuarially-supported limits of $4 million per occurrence. This program is shared among the University’s academic health programs, Hoxworth Blood Center, and clinical practices associated with the Academic Health Center, including UC Physicians, Inc. and subsidiary corporations. An additional $30 million in MPL coverage is provided through commercial excess insurance policies.

FEES AND CHARGES

Tuition and Fees

Tuition and fees for the academic year 2011-12 range from $5,034 to $31,935 for residents of Ohio, and from $11,886 to $49,065 for out-of-state residents. Special fees for instruction of students taking less than a full academic program exist in all of the colleges. A General Fee (Student Services Fee) of $260 for Uptown Campus students and $152 for branch campus students per quarter is included in tuition for full-time students. There are also a number of miscellaneous student fees. As part of the planning for the MainStreet Project, the University instituted a Campus Life Fee, and the Campus Life Fee for academic year 2011-12 is $162 per quarter.
University regulations define a resident of Ohio. In general, residence for a period of 12 months prior to the registration date is required to be considered a resident. The academic tuition effective for 2011-12 and general fees for Ohio residents and non-residents per quarter are as follows:

**Ohio Resident**

**Tuition & General Fees (Quarterly)**

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Uptown Campus</td>
<td>$3,133</td>
<td>$3,133</td>
<td>$3,133</td>
<td>$3,355</td>
<td>$3,473</td>
</tr>
<tr>
<td>-Branch Campus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UC Clermont College</td>
<td>1,514</td>
<td>1,514</td>
<td>1,514</td>
<td>1,621</td>
<td>1,678</td>
</tr>
<tr>
<td>UC Blue Ash College</td>
<td>1,744</td>
<td>1,744</td>
<td>1,744</td>
<td>1,833</td>
<td>1,897</td>
</tr>
<tr>
<td>Graduate School</td>
<td>4,037</td>
<td>4,118</td>
<td>4,241</td>
<td>4,412</td>
<td>4,567</td>
</tr>
<tr>
<td>Law*</td>
<td>9,491</td>
<td>9,681</td>
<td>9,971</td>
<td>10,473</td>
<td>11,102</td>
</tr>
<tr>
<td>Medicine</td>
<td>8,970</td>
<td>9,329</td>
<td>9,795</td>
<td>10,285</td>
<td>10,645</td>
</tr>
</tbody>
</table>

**Non-Ohio Resident**

**Tuition & General Fees (Quarterly)**

<table>
<thead>
<tr>
<th></th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Uptown Campus</td>
<td>$ 7,974</td>
<td>$ 7,974</td>
<td>$ 7,974</td>
<td>$ 8,196</td>
<td>$ 8,314</td>
</tr>
<tr>
<td>-Branch Campus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UC Clermont College</td>
<td>3,798</td>
<td>3,798</td>
<td>3,798</td>
<td>3,905</td>
<td>3,962</td>
</tr>
<tr>
<td>UC Blue Ash College</td>
<td>4,522</td>
<td>4,522</td>
<td>4,522</td>
<td>4,611</td>
<td>4,675</td>
</tr>
<tr>
<td>Graduate School</td>
<td>7,315</td>
<td>7,461</td>
<td>7,685</td>
<td>7,995</td>
<td>8,275</td>
</tr>
<tr>
<td>Law*</td>
<td>16,551</td>
<td>16,882</td>
<td>17,388</td>
<td>18,263</td>
<td>19,360</td>
</tr>
<tr>
<td>Medicine</td>
<td>15,359</td>
<td>14,329</td>
<td>15,045</td>
<td>15,802</td>
<td>16,355</td>
</tr>
</tbody>
</table>

*Law School tuition is presented on a semester basis.

The residence hall fee schedule as of September 1, 2011 is $1,933 per quarter for residence hall bed, together with a $1,327 board charge per quarter for a 209 meal per quarter plan. The residence hall system had a total of 3,862 beds available for occupancy for students in 2011. Fall Quarter 2011 residence hall occupancy is anticipated to be 100% based on application volume to date.
Parking

The University has established rate schedules for its parking lots, campus drives and garages based on hourly and quarterly usage for students and monthly rates for faculty and staff. The following rates are effective as of July 2011 for the various parking facilities.

**Faculty, Staff and Student Rates:**

**CCM Garage/Varsity Village Garage and McMicken Decal:**
- Faculty/Staff: $100/month
- Student: $300/quarter

**Clifton Court Garage, Kingsgate Garage, Goodman Garage, Calhoun Garage, Zone A designated spaces and Victory Parkway Campus designated area:**
- Faculty/Staff: $87/month
- Student: $261/quarter

**Woodside Drive Garage, Campus Green Garage, Eden Avenue Garage Levels 1-7:**
- Faculty/Staff: $75/month
- Student: $225/quarter

**Stratford Garage:**
- Faculty/Staff: $75/month
- Student: $225/quarter

**Stratford Lot, Corry Garage and University Garage:**
- Faculty/Staff: $50/month
- Student: $150/quarter

**Lot 13, Lot 16 and Lot 22:**
- Faculty/Staff: $41/month

**Reading Lot and Winslow Lot:**
- Faculty/Staff: $21/month

Hourly garage parking is available in half-hour increments to a maximum of $10.00 for 24 hours. Evening decals and evening hourly rates are available for the CCM, Clifton Court, Campus Green, Stratford and Corry garages.

**Fee Regulations**

All fees required of students must be paid in advance as a condition of registration. If the fees are not paid promptly, the University may exclude students from their classes. The University allows students and their parents to pay educational expenses in low-cost monthly payments through contracts with private financial organizations. Student fees are subject to change by action of the Board of Trustees; such changes take effect at once and apply to students already enrolled, unless otherwise specified. The University allows fees for tuition, room and board to be refunded proportionately when the student withdraws on or prior to the fifteenth day of the academic quarter.
STATE APPROPRIATIONS

All State universities in Ohio receive State financial assistance for both operations and capital improvements through appropriations by the General Assembly. State appropriations contribute substantially to the maintenance and operation of the University.

The following table shows State operating appropriations to the University for Fiscal Years 2007 through 2011 (dollars in thousands):

<table>
<thead>
<tr>
<th>Fiscal Year Ending June 30</th>
<th>State Operating Appropriations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$185,863</td>
</tr>
<tr>
<td>2008</td>
<td>193,814</td>
</tr>
<tr>
<td>2009</td>
<td>211,836</td>
</tr>
<tr>
<td>2010</td>
<td>211,291</td>
</tr>
<tr>
<td>2011</td>
<td>212,066</td>
</tr>
</tbody>
</table>

* Includes federal stimulus dollars in fiscal years 2010 and 2011.

State revenue and budget concerns have compelled and from time to time in the future may compel a stabilization or reduction of the level of State assistance and support for higher education in general and the University in particular and/or temporary adjustments in payment schedules of moneys appropriated to the University. In addition, appropriations made by the General Assembly for higher education and other purposes are subject to decreases by the Governor pursuant to Section 126.08, Ohio Revised Code.

State operating appropriations are classified as non-operating revenue on the University’s financial reports. For Fiscal Year 2011, the State operating appropriation represents 23% of the total of the University’s operating revenues plus the State operating appropriation. The State funding formula implemented within the State’s Fiscal Year 2010 budget, allocates funding based on course completions rather than enrollments alone; other measures include attracting, retaining and graduating at risk students; degree attainment success factors and incentives for courses in Science, Technology, Engineering, Mathematics and Medicine (STEMM) fields.

The Governor signed into law the Fiscal 2012-2013 State of Ohio Executive Budget on June 30, 2011; the budget contain less cuts to higher education than what was internally planned for by the University. As anticipated, the supplemental State Share of Instruction (“SSI”) funding that came from federal stimulus dollars has been cut from the higher education budget, which amounts to $28.8 million annually for the University. The proposed budget does include small increases for Fiscal Years 2012 and 2013 from the Fiscal Year 2011 SSI funding levels; however, there will also be changes in the SSI formula that will impact the total allocation. The University budgeted for a cut in SSI funding in Fiscal Year 2012 of $28.2 million from the Fiscal Year 2011 level, resulting in a Fiscal year 2012 SSI budget of $181.1 million. A SSI funding increase of $3.2 million for Fiscal Year 2013 was provided for in the budget. Also included in the Ohio Executive Budget is a cap on resident undergraduate tuition increases of 3.5% annually.

The University developed its Fiscal Year 2012 budget using a campus-wide collaborative effort, which included budget hearings, presentations, and discussions throughout the University’s governance and decision making structure. The assumptions factored into the Fiscal Year 2012 budget included a 14% decrease in the SSI funding (representing the elimination of the federal stimulus dollars); a 15%
decrease in other State funding that impacts the clinical and medical areas; flat enrollment (based on Fiscal Year 2011 enrollment); approved tuition increases of 3.5% to resident undergraduate tuition and fees, 3.5% for graduate tuition and fees, and increases for the Professional students in Medicine MD, Law and PharmD programs of 3.5%, 6% and 8.5% respectively; and a reserve for future State SSI reallocation/cuts of approximately 4% of the SSI funding. These assumptions result in a University-wide 12% budget reduction in Fiscal Year 2012, which will be achieved through expense reduction and revenue growth similar to the past two years. The University’s Fiscal Year 2012 Operating Budget was approved by the University’s Board of Trustees at their June 21, 2011 meeting.

One important initiative within the University’s operating budget began in Fiscal Year 2010 and which impacts Fiscal Year 2012 relates to budgeting for reserves to be utilized for future State funding cuts. In Fiscal Year 2010 the University created a permanently budgeted line item reserve to replace a portion of State operating support provided through federal stimulus funding. The reserve line item was originally established at $4 million in Fiscal Year 2010 and was increased by $10.85 million in Fiscal Year 2011. This $14.85 million reserve was fully utilized within the Fiscal Year 2012 budget to offset a portion of the cut in State operating support related to the loss of the federal stimulus funding. The Fiscal Year 2012 budget includes a new $7.87 million reserve.

The University is continuing to develop new means of attracting and generating new income sources and is implementing new programs that will allow for increases in research funding. The University is working closely with the Ohio Board of Regents, the Governor and the State legislators to insure that future budget proposals will result in a more opportunistic State-funding situation for all higher education institutions in the State under the new University System of Ohio.

The University also receives State capital appropriations every biennium, with the exception of the 2011-2012 biennium. State budget issues precluded the allocation of 2011-2012 capital funds to higher education. Appropriations are primarily used for renovation/rehabilitation and construction of academic facilities. As of September 30, 2011, the University has State appropriated funds of $15,400,000 remaining from prior biennia for future capital expenditures. Appropriated State capital funds are comprised of:

- Released encumbered funds not yet expended - $1,400,000
- Released unencumbered funds - $6,200,000
- Unreleased and re-appropriated funds - $7,800,000

Available State capital appropriations will be used for the following projects/initiatives:

- Barrett Cancer Center/Bio-Bank Facility
- Rhodes Alumni Engineering Learning Center
- UC Blue Ash College Renovation/Expansion
- Rieveschl 500 Level Teaching Labs
- Basic Renovations
  - Uptown Campus, UC Clermont College and UC Blue Ash College
- Instructional Equipment
  - Uptown Campus, UC Clermont College and UC Blue Ash College
Beginning in Fiscal Year 1998, State universities in Ohio received a capital component allocation determined by a formula that considers the volume of educational activities (credit enrollment, research and noncredit job training) on each campus and the age of the institution and facilities. The University (Uptown Campus, UC Clermont College and UC Blue Ash College) received the following capital allocation for the 2009-2010 biennium:

- Capital Component - $30,200,000
- Basic Renovations - $11,500,000
- Instructional Equipment - $1,900,000

There can be no assurances that future State appropriations for operating or capital improvement purposes will be made available in the amounts requested, required or budgeted by the University. The General Assembly currently determines such appropriations biennially.

**TEMPORARY INVESTMENT POOL**

The Temporary Investment Pool for the University is the investment vehicle for pooling and investing funds which are temporarily available. Operating and other funds for all areas of the University participate in the Pool. The pooling allows the investment plan to take a longer-term perspective than would otherwise be appropriate, since declines in some funds will be offset by increases in others. This has provided a growing “permanent” base for investing. Securities are carried at market value in accordance with Generally Accepted Accounting Principles.

Since the portfolio is structured to meet known needs, other than changes that result from cash flow, few changes in the portfolio are anticipated. The quality of the portfolio is monitored so that appropriate action can be taken should the quality of an issuer begin to deteriorate sufficiently to warrant action.

As of June 30, 2011, the book value of the portfolio was $412,706,989 and the market value was $414,016,433. The average life of the investments was 0.9 years. All investments in the pool meet the University’s investment guidelines. The maturity schedule incorporates the anticipated cash requirements of the University.

**UNIVERSITY POLICIES AND PROCESSES**

As part of the University’s strategic plan, a number of policies and processes have been developed and implemented, designed to improve efficiency and reduce expenditures. Policies that focus on improving cash balances and reducing the accumulated negative fund balances, enacting a realistic performance based budgeting process, as well as the ongoing review of academic programs, collegiate restructuring and administrative streamlining will allow the University to respond to economic challenges with significant strength.

**Operating Cash Policy**

The University’s Board of Trustees approved the University Operating Cash Policy in November 2006. This policy was developed to build the University’s operating cash balance over a period of time, to an average daily balance of no less than 25% of annual operating budget expenditures and transfers, and a minimum daily balance of no less than 17% of annual operating budget expenditures and transfers.
Policy levels are based on the University’s operating budget, annual financial statements and typical monthly cash disbursements. The policy will be achieved over time by such actions as implementing an all-funds balanced operating budget process, disciplined payoff of existing funds that are in a deficit position, closely evaluating all capital projects, concentration on receivables management and expense/deficit control at the Vice President for Finance level (in consultation with the appropriate Senior Vice President). As required by the policy, cash position is monitored by a committee on a periodic basis to assure the cash policy levels are achieved and cash status is reported to the Board of Trustees on an annual basis.

By improving the operating budget process, retiring certain funds that were in a deficit position, reducing receivables and improving overall financial performance in Fiscal Years 2007 through Fiscal Year 2010, the University was able to increase its operating cash balance by $153,800,000 from Fiscal Year 2006. In addition to these efforts, the University adjusted its financial management approach in the spring of 2008. A Liquidity Reserve Fund was established by the Board of Trustees in February 2008, which would retain the cash conserved by the restructuring of the University’s 2008 and 2009 principal maturities on its fixed rate, general receipts debt. The liquidity reserve was funded in Fiscal Years 2008 and 2009; the balance in the reserve as of June 30, 2011 is $54,546,000.

The cash balances of the University for Fiscal Years 2007 through 2011 are shown below.

<table>
<thead>
<tr>
<th>Operating Cash Balances (Excludes Endowment Assets)</th>
<th>Fiscal Year Ended June 30</th>
<th>(Dollars In Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>Operating Cash</td>
<td>$45,700</td>
<td>$109,000</td>
</tr>
</tbody>
</table>

The cash policy levels change annually since they are based on the University’s operating budget, annual financial statements and typical monthly cash disbursements. The average daily target per the cash policy in 2006 when the policy was established was $236,000,000; the average daily target per the cash policy in 2011 is $272,000,000. The minimum daily target per the cash policy in 2006 when the policy was established was $160,000,000; the minimum daily target per the cash policy in 2011 is $185,000,000. Cash balances have been maintained above the minimum daily target since October, 2009; with various months exceeding the average daily target during Fiscal Year 2010 and Fiscal Year 2011.

Accumulated Fund Balance Initiative

The University’s Board of Trustees approved a University policy in November 2008, relating to the elimination of accumulated negative fund balances. Over many years, the University permitted a mixture of academic, auxiliary and institutional departments to accumulate negative balances for a variety of reasons, which in turn overshadowed the areas that had positive cash balances. These accumulated budget overruns resulted in an overall negative fund balance. This policy was developed to address how the University would systematically fully discharges the negative fund balances in the selected areas.
The accumulated fund balance is reflected on the University’s Balance Sheet in Unrestricted Net Assets. The summary of the Unrestricted Net Assets of the University are shown below.

### Unrestricted Net Assets
Fiscal Year Ended June 30
(Dollars In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>($186,800)</td>
<td>($124,600)</td>
<td>($60,800)</td>
<td>($6,600)</td>
<td>$53,900</td>
</tr>
</tbody>
</table>

The improvement of the unrestricted net asset deficit beginning in 2008 was a result of a combination of disciplined financial activities, integrated budget planning, a transfer of funds expendable and quasi-endowments, the restructuring of the 2008 and 2009 bond maturities and significantly improved operations. During Fiscal Year 2011, the unrestricted net assets increased by $60 million to a positive $53.9 million. These improvements are a result of the implementation of targeted financial strategies, greater accountability, and an integrated budget planning process.

### Performance-Based Budgeting

The University’s Board of Trustees institutionalized the University’s adoption of a Performance-Based Budgeting model in March 2009. The University implemented the performance-based budgeting model University-wide in Fiscal Year 2010. This model replaces the historical allocation of resources that was dependant on the previous year’s budget. The model incentivizes growth and efficiencies and is based on a set of guiding principles that guarantees transparency and accountability. The performance-based budgeting model is resource and enrollment driven, and is tied to the University’s mission. Each college is assigned a budget threshold that it has to obtain; it can meet that threshold by either increasing enrollment and/or decreasing costs. Progress on plans to meet thresholds is monitored monthly and budget adjustments are made as necessary. The model allows for the college units to share in the savings that are a result of exceeding their established thresholds. The budgeting process is broadly representative and co-managed by the Provost and by the Senior Vice President for Administration and Finance, working with the college deans and vice presidents.

### Investment Policy of the University

The administration of the University’s invested funds is governed by policies established by the Board of Trustees. These policies, which encompass the University’s endowment fund “A” (pooled endowment), gifted real estate, and temporary investment pool, are briefly described below.

#### Endowment Fund A

The goal of the University’s endowment investment policy shall be to produce real growth in assets net of administrative and investment fees, by generating a total rate of return which is greater than, or equal to, the spending rate established by the University’s endowment spending policy plus the rate of inflation. The University also elects to partially fund its development program via a fee to be taken annually from “A” pool assets.
The State of Ohio enacted the Uniform Prudent Management of Institutional Funds Act of Ohio (UPMIFA) by passing Amended House Bill 522, effective June 2009, providing standards for endowment investment management and spending. The University acknowledges its obligations under UPMIFA under the terms of paragraphs (3) and (4) of this act.

Investments in endowment fund “A” shall be made in accordance with investment guidelines approved by the investment committee and reviewed by it at least annually. Such guidelines shall require, at a minimum, that investments shall be diversified consistent with prudent investment management practices in accordance with asset allocation guidelines approved by the investment committee.

**Spending Policy**

The income distribution for endowment spending in a fiscal year is currently five per cent times the previous twelve-quarter moving average of market value. This formula shall be applied to the 12 quarters ending on December 31 prior to the fiscal year in question, so that final budget guidance on available income can be issued.

**Strategic Community Investments**

Endowment funds may also be invested in loans, direct real estate or other investments not yielding a market rate of return, that are judged to be of a long term strategic importance to the University. Such investments shall be held separately from the endowment fund “A” and must be approved by the chair of the finance and administration committee and the president of the University, after notification to the full Board of Trustees. The total of such investments shall not exceed $25 million at any time.

**Temporary Investment Pool**

The goal of the University’s temporary investment pool (“TIP”) investment policy shall be to invest operating funds and borrowed proceeds to provide, in order of priority, safety of principal, liquidity, and maximum total return consistent with safety and liquidity.

Pursuant to section 3345.05 of the Ohio Revised Code, all those charged with the responsibility to manage the investment of the TIP are fiduciaries required to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aim, and, pursuant to section 3345.05(C)(1) of the Ohio Revised Code, at least 25% of the average amount of the TIP over the course of the previous fiscal year shall be invested in securities of the United States government or of its agencies or instrumentalities, the Treasurer of State of Ohio’s pooled investment program, obligations of the State of Ohio, or any political subdivision of this state, certificates of deposit of any national bank located in this state, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in 270 days or less which are eligible for purchase by the Federal Reserve System, as a reserve.

Eligible funds in amounts in excess of those necessary to meet requirements of division (C)(1) of section 3345.05 may be pooled with other institutional funds and invested in accordance with section 1715.52 of the Ohio Revised Code.
Overall, investments in the temporary investment pool shall be made in accordance with the appropriate section of the Ohio Revised Code and within investment guidelines approved by the investment committee and reviewed by it at least annually. Such guidelines shall require, at a minimum, that investments shall be diversified consistent with prudent investment management practices in accordance with asset allocation guidelines approved by the investment committee.

**Donor Directed Investments**

On occasion the university accepts an endowed gift where the donor places restrictions as to the investment held, yield target or type of investment. If the donor’s directions are not unduly onerous, then the administrative investments committee shall accept the gift but shall attempt to influence the donor to permit pooling of the assets, either immediately or at some future date.

**Separately Invested Endowment Funds**

Additional endowment funds may be invested in loans, direct real estate, or other investments not yielding a market rate of return, that are judged to be of long term strategic importance to the University. Such investments shall be held separately from the endowment fund “A” and must be approved by the chair of the finance committee and the President of the University, after notification to the entire Board of Trustees. The total of such investments shall not exceed $25,000,000 at any time.

The University has already made $16,208,000 of loans from Separately Invested Endowment Funds, and it is currently considering making additional Strategic Loans and/or investments of Separately Invested Endowment Funds for real estate development projects located on the periphery of the University’s campus.

**Gifted Real Estate**

An annual review of all real estate holdings is performed to determine if the property should be sold or if the net rate of return from rental income can be increased. Proposed real estate gifts to the University are reviewed, prior to acceptance, in order to assure that an asset will be received, that clear title will be conveyed and to ascertain whether any environmental hazards or similar liabilities exist.
APPENDIX B

SUMMARY OF RESTATED TRUST AGREEMENT

The following is a summary of certain provisions of the Restated Trust Agreement dated as of May 1, 2001, between the University of Cincinnati and Fifth Third Bank (now, by sale of its corporate trust services, The Bank of New York Trust Company, N.A.), as Trustee, which agreement amends and restates the Trust Agreement between the University of Cincinnati and The Fifth Third Bank, dated as of May 1, 1974 (the “Original Trust Agreement”). Although the Series 2001 Bonds were issued pursuant to the Original Trust Agreement, the Restated Trust Agreement will take effect immediately after their issuance and control the Series 2001 Bonds in all aspects other than their issuance. This summary is not to be regarded as a complete statement of the Restated Trust Agreement to which reference is made for a complete statement of the actual terms thereof. Copies of the Original Trust Agreement and the Restated Trust Agreement are on file with the Trustee.

DEFINITION OF CERTAIN TERMS

The terms defined below are among those used in the Official Statement and in the summary of the Restated Trust Agreement which follow:

“Balloon Indebtedness” means (a) a series of Bonds, twenty-five percent (25%) or more of the principal of which matures on the same date, which portion of the principal is not required by the applicable Supplemental Trust Agreement to be amortized prior to such date, or (b) a series of Bonds with a maturity of seven years or less, issued in anticipation of Bonds with a longer maturity.

“Board” means the Board of Trustees of the University, or if there shall be no such Board of Trustees, such Person or body which pursuant to law or the organizational documents of the University is vested with the power to direct the management and policies of the University, and shall include any committee empowered to act on behalf of such board or body.

“Bond” or “Bonds” means any bond, or all of the bonds, or an issue or series of bonds, as the case may be, as so identified in the certificate of the Fiscal Officer, of the University issued pursuant to the 2001 General Bond Resolution, a Series Resolution and the Restated Trust Agreement, as well as any bond or bonds outstanding and issued under the terms of the Original Trust Agreement. The definition of Bond and Bonds does not include “Note” or “Notes”.

“Bond Redemption and Purchase Account” means the Bond Redemption and Purchase Account authorized and created pursuant to Section 4.05 of the Restated Trust Agreement.

“Bond Service Reserve Account” means the Bond Service Reserve Account authorized and created pursuant to Section 4.03 of the Restated Trust Agreement.

“Capital Appreciation Bonds” means those Bonds payable at par value at maturity, the payment of which includes compound accreted amounts as specified in a Series Resolution or Supplemental Trust Agreement.
“Certificate of Award” means, with respect to any series of Obligations, the Certificate of Award for such series, if any, authorized in the applicable Series Resolution or the contract of purchase for such series of Obligations.

“Costs of University Facilities” means the costs of or related to University Facilities, and the financing thereof, for the payment of which Obligations may be issued under the Act.

“Credit Enhancer” means the issuer of a Credit Support Instrument.

“Credit Support Instrument” means an irrevocable letter of credit, line of credit, insurance policy, guaranty or surety bond or similar instrument providing for the payment of or guaranteeing the payment of principal or purchase price of and interest on Obligations when due, either to which the University is a party or which is provided at the request of the University.

“Crossover Amount” means the amount of money and Government Bonds which are on deposit in a Crossover Escrow Account and which, together with investment income thereon, are held as provided in the definition of “Crossover Refunded Bond”.

“Crossover Date” means, when used with respect to any particular Crossover Refunding Bonds and Crossover Refunded Bonds, the date on which the Crossover Amount on deposit in a Crossover Escrow Account shall be used to retire all such Outstanding Crossover Refunded Bonds for which such Crossover Escrow Account was established.

“Crossover Escrow Account” means an escrow account in which a Crossover Amount is deposited.

“Crossover Refunded Bond” means any Obligation if:

(i) The Trustee shall have received and shall hold in trust for and irrevocably committed thereto, moneys sufficient, or

(ii) The Trustee shall have received and shall hold in trust for and irrevocably committed thereto, Government Bonds which are certified by an independent certified public accountant to be of such maturities, irrevocably established redemption dates or irrevocably established repurchase dates (if such Government Bonds are subject to a repurchase agreement) and interest payment dates, and to be of such principal amounts or irrevocably established redemption prices and to bear such interest, which together with any moneys to which reference is made in paragraph (i) above, without the need for further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust, except as provided herein), will be sufficient:

(A) for the payment of all principal of and premium, if any, on such Obligation as the same becomes due, whether at its maturity or redemption date or otherwise, as the case may be, or if a default in payment shall have occurred on any maturity or redemption date, then for the payment of all principal of and premium on such Obligation to the date of the tender of payment; provided, that if any such Obligation is to be redeemed prior to the maturity thereof, notice of that redemption shall have been given or irrevocable provision shall have been made for the giving of that notice and
(B) for the payment of interest (in whole or in part) on any Crossover Refunding Bonds, the proceeds of which were, in whole or in part, deposited in such Crossover Escrow Account, or both. Prior to the Crossover Date, the Crossover Amount may be pledged as security for the Crossover Refunding Bonds, the Crossover Refunded Bonds, or both. The moneys and proceeds of such Government Bonds shall, to the extent needed, be used for the foregoing purposes or used to reimburse a provider of a Credit Support Instrument for amounts advanced by it for the foregoing purposes.

“Crossover Refunding” means an advance refunding in which Crossover Refunding Bonds are issued to refund Crossover Refunded Bonds and in which a Crossover Amount is deposited in a Crossover Escrow Account.

“Crossover Refunding Bond” means any Obligation, to the extent that any proceeds from the sale thereof shall, upon deposit in a Crossover Escrow Account, constitute a Crossover Amount.

“Debt Service Account” means the Debt Service Account within the Debt Service Fund authorized and created pursuant to Section 4.01 of the Restated Trust Agreement.

“Debt Service Charges” means, generally, for any applicable time period, the principal (including any Mandatory Sinking Fund Requirements), interest and redemption premium, if any, required to be paid by the University on the Obligations pursuant to any Series Resolution, less any capitalized interest for such time period and accrued interest on deposit in the Debt Service Account. The methods for determining Debt Service Charges for the Obligations with Mandatory Sinking Fund Requirements, Obligations which are insured or secured by a Credit Support Instrument, or Obligations which are Variable Rate Bonds, Balloon Indebtedness, Capital Appreciation Bonds, Crossover Refunded Bonds or Crossover Refunding Bonds are set forth in Section 2.02 of the Restated Trust Agreement.

“Debt Service Fund” means the Debt Service Fund authorized and created in Section 4.01 of the Restated Trust Agreement.

“Event of Default” means an Event of Default as defined in Section 6.01 of the Restated Trust Agreement.

“Fiscal Officer” means either the Vice President for Finance or the Treasurer of the University or such other person designated by the Vice President for Finance or the Treasurer to act as Fiscal Officer for purposes of the Restated Trust Agreement.

“Fiscal Year” means a period of twelve consecutive months constituting the fiscal year of University commencing on the first day of July of any year and ending on the last day of June of the next succeeding calendar year, both inclusive, or such other consecutive twelve month period as hereafter may be established from time to time for budgeting and accounting purposes of the University by the Board to be evidenced, for purposes hereof, by a certificate of the Fiscal Officer filed with the Trustee.

“General Receipts” means all moneys received by the University, except: (i) moneys raised by taxation and state appropriations; (ii) any grants, gifts, donations and pledges and receipts therefrom which under restrictions imposed in the grant or promise thereof or as a condition of the receipt thereof are not available for payment of Debt Service Charges; and (iii) any special fee charged pursuant to Section 154.21(D) of the Ohio Revised Code and receipts therefrom.
“Government Bonds” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), and (c) securities which represent an interest in the obligations described in (a) and (b) above.

“Mandatory Sinking Fund Requirements” means amounts required by any Series Resolution or the Certificate of Award to be deposited to the Debt Service Account in any fiscal year for the purpose of retiring principal maturities of Obligations which by the terms of such Obligations are due and payable, if not called for prior redemption, in any subsequent fiscal year.

“Notes” or “Note” means any note or all of the notes, or an issue of notes, as the case may be, as so identified in the certificate of the Fiscal Officer, including Commercial Paper, issued by the University in anticipation of the issuance of Bonds or receipt of appropriations from the Ohio Board of Regents to pay Costs of University Facilities pursuant to the Act, or to pay costs of refunding or retirement of Notes previously issued pursuant to the Act, the 2001 General Bond Resolution, a Series Resolution and the Restated Trust Agreement, but excludes any note or notes issued prior to the execution and delivery of the Restated Trust Agreement. The definition of Note and Notes does not include “Bond” or “Bonds”.

“Obligations” means Bonds or Notes.

“Original Bond Service Reserve Account” means the Bond Service Reserve Account established under Section 6 of the Original Trust Agreement.

“Original Trust Agreement” means the Trust Agreement dated as of May 1, 1974 between the University and the Trustee, as the same has been amended and supplemented up to the date of the Restated Trust Agreement.

“Post-Amendment Bonds” means any Bonds issued under the Restated Trust Agreement.

“Pre-Amendment Bonds” means any Bonds issued pursuant to the Original Trust Agreement prior to the amendment of the Trust Agreement by the Restated Trust Agreement, other than the Series 2001 Bonds.

“Project Fund” means the Project Fund created in Section 4.06 of the Restated Trust Agreement.

“Rebate Fund” means the Rebate Fund created by Section 4.17 of the Restated Trust Agreement.

“Replacement and Repair Account” means the Replacement and Repair Account created pursuant to the Original Trust Agreement.

“Required Reserve” means, with respect to each series of Pre-Amendment Bonds, the amount deposited into the bond service reserve account created under the Original Trust Agreement on the date of issuance of such series of Pre-Amendment Bonds; provided, that if the moneys in a subaccount of the Bond Service Reserve Account are sufficient to pay the Debt Service Charges on the Bonds for
which such subaccount was created for not only the final maturity of such Bonds, but also a portion of the penultimate maturity (or Bonds due pursuant to mandatory sinking fund redemption), the University may use moneys in such subaccount to pay Debt Service Charges on such Bonds in their final year as well as to pay Debt Service Charges on such Bonds in their penultimate year.

“Reserve Account Ratio” means, with respect to each series of Pre-Amendment Bonds, the quotient produced by dividing the Required Reserve for such series of Pre-Amendment Bonds by an amount equal to the sum of the Required Reserves for all outstanding series of Pre-Amendment Bonds.

“Restated Trust Agreement” means the Restated Trust Agreement, dated as of May 1, 2001, between the University and the Trustee, as the same may be duly amended, modified or supplemented in accordance with its terms.

“Series Resolution” means a Resolution of the Board authorizing one or more series of Obligations and the execution and delivery of a Supplemental Trust Agreement, all in accordance with the 2001 General Bond Resolution and the Restated Trust Agreement.

“Series 2001 Bonds” means the University’s General Receipts Bonds, Series 2001 or whatever series of General Receipts Bonds is the last such series issued pursuant to the Original Trust Agreement.

“Special Funds” means the Debt Service Fund and accounts therein, and any other funds or accounts permitted by, established under, or identified in the Restated Trust Agreement or a Series Resolution and designated as Special Funds. The Rebate Fund shall not be a Special Fund.

“State” shall mean the State of Ohio.

“Subordinated Indebtedness” shall mean obligations (other than Bonds or Notes) which, with respect to any issue thereof, are secured by a pledge of the General Receipts which is subordinate to that of the holders of Obligations and which are evidenced by instruments, or issued under an indenture or other document, containing provisions for the subordination of such obligations.

“Supplemental Trust Agreement” means any one or more of Supplemental Trust Agreements entered into by the parties pursuant to the Restated Trust Agreement and a Series Resolution.

“Trustee” means the Trustee at the time serving under the Restated Trust Agreement, originally Fifth Third Bank and any successor Trustee as determined or designated under or pursuant to the Restated Trust Agreement.

“2001 General Bond Resolution” means the resolution of the Board adopted on March 27, 2001, authorizing the execution and delivery of the Restated Trust Agreement.

“University” means the University of Cincinnati, established and existing under Chapter 3361 of the Ohio Revised Code, and every part and component thereof as from time to time existing, and when the context admits, includes the Board.

“Variable Rate Bond” means a Bond the interest rate on which is an adjustable rate which varies from time to time as provided therein and in the Series Resolution pursuant to which such Bond is issued.
SUMMARY OF CERTAIN PROVISIONS
OF THE AMENDED AND RESTATED TRUST AGREEMENT

Flow of Funds

The University covenants to maintain, so long as any Post-Amendment Bonds or Pre-Amendment Bonds are outstanding, a special fund, designated the “Debt Service Fund”, as a trust fund held by the Trustee separate and apart from other funds of the University. The Debt Service Fund, with the accounts therein, and the General Receipts are pledged to the payment of Debt Service Charges in priority to all other expenses, claims and payments.

Pledge. So long as any Series 2001 Bonds are outstanding under the Restated Trust Agreement, the University covenants and agrees to fix, make, adjust and collect such fees, rates, rentals, charges and other items of General Receipts so that there shall inure to the University General Receipts, in view of other revenues and resources available to the University, sufficient (i) to pay Debt Service Charges then due or to become due in the current Fiscal Year; (ii) to pay any other costs and expenses payable hereunder and (iii) to pay all other costs and expenses necessary for the proper maintenance and successful and continuous operation of the University.

Debt Service Fund. The Trustee shall hold and administer the Debt Service Fund and any other Special Fund created under the Original Trust Agreement and the Restated Trust Agreement, together with the accounts contained therein, upon the terms and conditions, including, without limitation, the terms and conditions set forth in the Original Trust Agreement, the Restated Trust Agreement and the applicable Series Resolution and/or the Supplemental Trust Agreement for the investment of moneys deposited in such Funds. The following accounts are created by the University in the Debt Service Fund: the Debt Service Account, the Bond Service Reserve Account and the Bond Redemption and Purchase Account.

Debt Service Account. The Debt Service Account is hereby pledged to and shall be used solely for the payment of Debt Service Charges as they fall due at maturity or by operation of redemption requirements pursuant to mandatory sinking fund requirements, or for the payment of any amounts due to a Credit Enhancer to the extent as set forth in a Credit Support Instrument. Payments sufficient in time and amount to pay the Debt Service Charges on the Series 2001 Bonds as they become due shall be paid by the University directly to the Trustee and deposited in the Debt Service Account to the extent moneys in the Debt Service Account are not otherwise available therefor. Upon the occurrence and during the continuation of an Event of Default constituting a failure to pay interest, principal or premium on any Obligation when and as the same become due and payable, whether at stated maturity thereof or by redemption or acceleration or pursuant to Mandatory Sinking Fund Requirements with respect to the Series 2001 Bonds, if a subaccount in the Bond Service Reserve Account has been created to secure the Series 2001 Bonds, moneys in the applicable subaccount of the Bond Service Reserve Account may be transferred by the Trustee to the Debt Service Account to be used to pay Debt Service Charges on such series of Bonds pursuant to the provisions relating to the Bond Service Reserve Account of the Restated Trust Agreement. Upon the occurrence and during the continuation of an Event of Default described above, moneys in the Project Fund (if held by the Trustee) may also be transferred by the Trustee to the Debt Service Fund. Except for the “Disposition of Special Funds” as provided for in Section 4.10 of the Restated Trust Agreement, moneys in the Debt Service Account shall be used solely for the payment of Debt Service Charges on the Series 2001 Bonds and for the redemption of Series 2001 Bonds prior to maturity and as otherwise provided in the Restated Trust Agreement and the 2001 General Bond Resolution.
While the Series 2001 Bonds are outstanding, the University covenants that it will include in its budget for each Fiscal Year the amount required to be paid to the Debt Service Fund during such Fiscal Year. The University shall from time to time determine and reflect in such budgets, the amounts from respective sources of General Receipts to be applied to meet such payments, in such manner that the amounts and times of collection meet all payments required to be made into the Debt Service Fund.

**Bond Service Reserve Account. No Supplemental Bond Service Reserve Account has been established for the Series 2001 Bonds.** However, the Bond Service Reserve Account created pursuant to the Original Trust Agreement shall remain in full force and effect and shall be known as the “Original Bond Service Reserve Account” and such subaccount is pledged to and shall be used, as provided for in the Restated Trust Agreement, solely for the payment of Debt Service Charges on the Pre-Amendment Bonds, except as excess amounts may be transferred pursuant to Section 4.03 of the Restated Trust Agreement. Subsequent series of Obligations may have a Bond Service Reserve Account established, known as the Supplemental Bond Service Reserve Account.

The Trustee shall maintain separate subaccounts within the Original Bond Service Reserve Account for each series of Pre-Amendment Bonds which is outstanding and shall distribute the funds in the Original Bond Service Reserve Account into each such subaccount in an amount equal to the product of Reserve Account Ratio times the amount in the Original Bond Service Reserve Account on the date of such distribution. The various subaccounts within the Original Bond Service Reserve Account shall comprise the Original Bond Service Reserve Account which is pledged as security for all outstanding Pre-Amendment Bonds. If the Trustee is required to transfer money from the Original Bond Service Reserve Account pursuant to the provisions of Section 4.03 of the Restated Trust Agreement, the Trustee shall transfer a pro-rata amount from each subaccount within the Original Bond Service Reserve Account.

A Supplemental Bond Service Reserve Subaccount may be pledged for the payment of Debt Service Charges on any series of Post-Amendment Bonds for which a reserve fund has been mandated pursuant to the Series Resolution which authorized the issuance of such series of Obligations. The Trustee shall create a separate subaccount in the Supplemental Bond Service Reserve Account for each series of Obligations for which a reserve fund has been mandated by the Series Resolution which authorized such series of Obligations and each separate subaccount shall secure only the particular series of Obligations to which it is related.

If on the date upon which Debt Service Charges on any Bonds which are secured by a bond service reserve account or subaccount held by the Trustee fall due, the subaccount within the Debt Service Account related to such Bonds is insufficient to meet such Debt Service Charges to be paid therefrom on such date, the Trustee, without necessity for any order by the University, shall immediately transfer from the appropriate subaccount of the Bond Service Reserve Account an amount sufficient to make up such deficiency in the subaccount of the Debt Service Account. Except as may be provided in the applicable Series Resolution or Supplemental Trust Agreement, if on the day upon which amounts are due to a Credit Enhancer in reimbursement for amounts provided under a Credit Support Instrument, the amount in the subaccount within the Debt Service Account related to such Bonds (other than from any amounts provided under a Credit Support Instrument) is insufficient to pay such amounts to such Credit Enhancer on that date, the Trustee, without necessity for any further order of the University or officer thereof, shall make available for such reimbursement any amounts in the related subaccount of the Bond Service Reserve Account for the series of Obligations to which the Credit Support Instrument applies necessary to make up that insufficiency. The amount so transferred shall be applied only to the payment of Debt Service Charges on the Obligations to which that Bond Service Reserve Account pertains or for
the payment of any amounts due as reimbursement of draws under a Credit Support Instrument to a Credit Enhancer providing a Credit Support Instrument in connection with the Obligations to which that Bond Service Reserve Account pertains.

Any amount in a subaccount of the Bond Service Reserve Account in excess of the amount required to be contained therein pursuant to the Series Resolution which created such subaccount or the Certificate of Award (the “Required Amount”) shall be transferred to the Bond Service Account or to the Bond Redemption and Purchase Account for the purposes thereof, if and to the extent ordered by the Fiscal Officer. Such excess shall be determined by calculating the Required Amount with reference to outstanding Bonds of the particular series only, excluding any Bonds for the redemption or purchase of which such excess is being transferred to the Bond Redemption and Purchase Account.

Within one hundred fifty (150) days after the end of each Fiscal Year, the University shall, from General Receipts, restore to the various subaccounts within the Bond Service Reserve Account any amounts transferred therefrom or any decrease in value determined pursuant to Section 4.15 of the Restated Trust Agreement in such Fiscal Year so that the amounts in such subaccounts in the aggregate are at least equal to the various Required Reserves and/or Required Amounts, as appropriate.

Replacement and Repair Account. The Replacement and Repair Account created pursuant to the Original Trust Agreement is no longer necessary as security for the holders of the Pre-Amendment Bonds and the Account shall be closed and any money or investments contained therein shall be transferred to the Debt Service Account.

Bond Redemption and Purchase Account. Any amounts in the Bond Redemption and Purchase Account may be committed, by Series Resolution or other action by the Board, for the retirement of and for Debt Service Charges on specified Obligations and, so long as so committed, shall be used solely for such purposes whether directly or through transfer to the Debt Service Fund. The Fiscal Officer may cause moneys in the Bond Redemption and Purchase Account to be used to purchase any Obligations for cancellation and to redeem any Obligations in accordance with the redemption provisions of the applicable Series Resolution. From moneys in the Bond Redemption and Purchase Account, the Trustee shall transmit or otherwise disburse such amounts at such times as required for the redemption or purchase for cancellation of Obligations, and Debt Service Charges, in accordance with the applicable Series Resolution, or other action by the Board or order of the Fiscal Officer not inconsistent therewith. Any amounts in the Bond Redemption and Purchase Account not required for the purposes thereof pursuant to a commitment theretofore made, may be transferred to the Bond Service Account or the Bond Service Reserve Account upon order of the Fiscal Officer.

Project Fund. The Project Account created for the Series 2001 Bonds is a subaccount of the University’s Project Fund. The University, as necessary, shall disburse funds from the Project Fund and the various accounts therein upon the written direction of the Fiscal Officer. If so provided in any Series Resolution or a Supplemental Trust Agreement, any account within the Project Fund may be held and disbursed by the Trustee.

Denomination; Registration and Replacement

The Series 2001 Bonds are issuable as fully registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof.

In all cases in which Series 2001 Bonds shall be exchanged or transferred hereunder, the University shall execute and the Registrar or any Authenticating Agent, as the case may be, shall authenticate and deliver Series 2001 Bonds in accordance with the provisions of the Restated Trust Agreement.
Agreement. The exchange or transfer shall be made without charge; provided that the University and the Registrar or the Authenticating Agent, as the case may be, may make a charge for every exchange or transfer of Series 2001 Bonds, sufficient to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. The charge shall be paid before a new Series 2001 Bond is delivered.

All Series 2001 Bonds issued upon any transfer or exchange of Series 2001 Bonds shall be the valid obligations of the University, evidencing the same debt and entitled to the same benefits under the Restated Trust Agreement as the Series 2001 Bonds surrendered upon transfer or exchange. Neither the University, the Trustee, the Registrar nor any Authenticating Agent, as the case may be, shall be required to make any exchange or transfer of any Series 2001 Bond of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Series 2001 Bonds of that series and ending at the close of business on the day of such mailing or to transfer or exchange any such Series 2001 Bonds of that series selected for redemption, in whole or in part, within 90 days following such mailing.

Valuation

For the purpose of determining the amount on deposit to the credit of the Debt Service Account or the Original Bond Service Reserve Account, the value of obligations in which money in such accounts shall have been invested shall be computed at market value or the amortized cost thereof, whichever is lower as an aggregate of such amounts in the Debt Service Account and the Original Bond Reserve Account. For the purposes of determining the amount on deposit to the credit of the subaccounts within the Supplemental Bond Service Reserve Account, the value of the obligations in which moneys in such account have been invested shall be computed in the manner set forth in the Supplemental Trust Agreement which creates such subaccount. The Trustee shall value the Eligible Investments in the Special Funds as of the last day of each Fiscal Year.

Investment of Funds in the Debt Service Fund, Project Fund and Rebate Fund

Moneys in the Debt Service Fund, the Project Fund and the Rebate Fund shall be invested and reinvested by the Trustee (or the Fiscal Officer, as applicable) in Eligible Investments at the oral or written direction of the University, but if oral, confirmed promptly in writing. Investment of moneys in the Debt Service Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Debt Service Charges as they become due at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements. Each investment of moneys in the Debt Service Fund, the Project Fund and the Rebate Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments when necessary from such fund. In the absence of any written direction from the Fiscal Officer, the Trustee shall invest all funds in sweep accounts, money-market funds and similar short-term investments, provided that all such investments shall constitute Eligible Investments. The Trustee may trade with itself or its affiliates in the purchase and sale of securities for such investments.

Subject to any directions from the University with respect thereto, and any restrictions contained in the Restated Trust Agreement relating to the Rebate Fund, from time to time, the Trustee may sell at the best price reasonably obtainable Project Fund investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent, a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Debt Service Charges when
due as aforesaid, and shall do so without necessity for any order on behalf of the University and without restriction by reason of any order. An investment made from moneys credited to the Debt Service Fund, the Project Fund, or the Rebate Fund shall constitute part of that respective fund, and each respective fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto.

Eligible Investments consist of:

(a) Direct obligations of the United States (including obligations issued or held in book-entry form on the books of the Department of the Treasury); or obligations the principal and interest of which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America:

1. **U.S. Export-Import Bank** (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership.

2. **Farmers Home Administration** (FmHA)
   Certificates of beneficial ownership.

3. **Federal Financing Bank**

4. **Federal Housing Administration Debentures** (FHA)

5. **General Services Administration**
   Participation certificates.

6. **Government National Mortgage Association** (GNMA or “Ginnie Mae”)

7. **U.S. Maritime Administration**
   Guaranteed Title XI financing.

8. **U.S. Department of Housing and Urban Development** (HUD)
   Project Notes.
   Local Authority Bonds.
   New Communities Debentures.
   U.S. government guaranteed debentures.
   U.S. Public Housing Notes and Bonds.
   U.S. government guaranteed public housing notes and bonds.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. **Federal Home Loan Bank System**
   Senior debt obligations.

2. **Federal Home Loan Mortgage Corporation** (FHLMC or “Freddie Mac”)
   Participation Certificates.
   Senior debt obligations.
3. **Federal National Mortgage Association** (FNMA or “Fannie Mae”) 
Mortgage-backed securities and senior debt obligations.

4. **Student Loan Marketing Association** (SLMA or “Sallie Mae”) 
Senior debt obligations.

5. **Resolution Fund Corp.** (REFCORP) obligations

6. **Farm Credit System** 
Consolidated systemwide bonds and notes.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G; AAAM; or AAm.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(g) Investment Agreements, including GIC’S, acceptable to the Credit Enhancer whose Credit Support Instrument secures the applicable series of Obligations, if any.

(h) Commercial paper rated, at the time of purchase, “Prime - 1” by Moody’s and “A-1” or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody’s and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of “Prime - 1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P.

(k) Repurchase agreements which provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a buyer/lender, and the transfer of cash from a buyer/lender to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the buyer/lender in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria or be approved by the Credit Enhancer whose Credit Support Instrument secured the applicable series of Obligations, if any.

1. Repos must be between the buyer/lender and a dealer bank or securities firm.
   a. **Primary dealers** on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody’s, or
   b. **Banks** rated “A” or above by S&P and Moody’s.
2. The written repo contract must include the following:
   a. Securities which are acceptable for transfer are:
      (i) Direct U.S. governments, or
      (ii) Federal agencies backed by the full faith and credit of the U.S. government (and FNHA & FHLMC),
   b. The term of the repo may be up to 30 days.
   c. The collateral must be delivered to the buyer/lender, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
   d. Valuation of Collateral:
      (i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the buyer/lender to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the buyer/lender:
   a. Repo meets guidelines under state law for legal investment of public funds.
      (l) Any state administered pool investment fund in which the University is statutorily permitted or required to invest.
      (m) University administered pooled investment funds or other investments in conformance with University investment policies.

**Conditions for Issuing Obligations**

No Obligations shall be initially issued unless at the time of authentication of those Obligations:

(i) no Event of Default exists with respect to any covenants or obligations of the University contained in the Restated Trust Agreement or in the Obligations, and the authentication and delivery of those Obligations will not result in any such Event of Default; and
(ii) the General Receipts of the University for the most recently completed Fiscal Year are at least one and one half times the Maximum Annual Debt Service on all Obligations outstanding and to be outstanding after the issuance of the Obligations then under consideration.

The University may issue Obligations hereunder without the necessity for compliance with the provisions of (i) and (ii) in the preceding paragraph when necessary or appropriate, in the opinion of the Trustee (whose opinion shall be supported by a legal opinion of Bond Counsel or counsel to the University), to avoid an Event of Default under the Restated Trust Agreement.

Nothing contained in the Restated Trust Agreement shall prohibit the University from (a) issuing other indebtedness secured by and payable from the General Receipts, provided that such other indebtedness constitutes Subordinated Indebtedness, and (b) issuing other indebtedness payable from, but not secured by the General Receipts.

Other Covenants

The University covenants, among other things, as follows:

(1) Payment. The University will, from the sources provided in the Restated Trust Agreement, pay or cause to be paid, Debt Service Charges on each and all Obligations on the dates, at the places and in the manner provided in the Restated Trust Agreement, in the applicable Series Resolution and in the Obligations, according to the true intent and meaning thereof.

(2) Maintenance of Pledge. The University will not make any pledge or assignment of or create or suffer any lien or encumbrance upon the Debt Service Fund or General Receipts prior to or on a parity with the pledge thereof under the Restated Trust Agreement, except as authorized or permitted under the Restated Trust Agreement.

(3) Annual Reports. Within one hundred and fifty days after the end of each Fiscal Year, the University shall submit to the Trustee, to the Original Purchaser, and to Moody’s and S&P, or their respective successors, an annual report by the University showing the financial operations of the University during the preceding Fiscal Year, which may be in the form submitted to the Ohio Board of Regents or other State officials, and also showing the status of all Special Funds at the end of such Fiscal Year and the receipts thereto and payments therefrom during such Fiscal Year, and such other data as the Trustee may reasonably deem to be relevant under the Trust Agreement and request in writing. Upon request of the Trustee, the University will make available a copy of any report concerning the University prepared by the official auditing agency of the State.

(4) Inspection and Audit of Records. The Trustee, each Original Purchaser, or the holders of twenty-five percent or more of the principal amount of all outstanding Obligations shall have the right at all reasonable times to inspect any records, books, documents, Special Funds and accounts of the University relating to the Debt Service Fund at its own cost and expense. Such inspection may be conducted by a public accounting firm or other authorized representative selected by the party entitled to make the inspection.
**Limitation of Liability**

The University of Cincinnati is a State university which is a body politic and corporate and an instrumentality of the State of Ohio. The Series 2001 Bonds shall not be general obligations of the State of Ohio and the faith and credit of the State shall not be pledged to the payment thereof, and the holders and owners of the Series 2001 Bonds shall have no right to have excises or taxes levied by the General Assembly for the payment of principal, interest or any premium.

**Default**

Events of Default under the Restated Trust Agreement include:

(a) Failure to pay any interest on any Obligation when and as the same shall have become due and payable;

(b) Failure to pay the principal of or any premium on any Obligation when and as the same shall become due and payable, whether at the stated maturity thereof or by redemption or acceleration or pursuant to any Mandatory Sinking Fund Requirements;

(c) Failure by the University to perform or observe any other covenant, agreement or condition on the part of the University contained in the Restated Trust Agreement or in the Series 2001 Bonds, which failure or Event of Default shall have continued for a period of 30 days after written notice, by registered or certified mail, given to the University by the Trustee, specifying the failure or Event of Default and requiring the same to be remedied, which notice shall be given by the Trustee upon the written request of the Holders of not less than twenty-five percent in aggregate principal amount of the Obligations then outstanding; and

(d) Certain events of insolvency.

**Defeasance of Series 2001 Bonds**

The University may retire the obligations of the outstanding Series 2001 Bonds by depositing with the Trustee moneys or direct or guaranteed United States government obligations sufficient to pay at maturity or upon redemption the principal, interest, redemption premiums and all other sums required to be paid under the Restated Trust Agreement. In such event, the Supplemental Trust Agreement with respect to the defeased Series 2001 Bonds shall cease to be in effect and the defeased Series 2001 Bonds shall no longer be deemed outstanding. Supplemental Trust Agreements may be separately discharged.

**Modification of the Restated Trust Agreement Securing Bonds**

The Restated Trust Agreement provides that holders of not less than a majority in aggregate principal amount of the Obligations then outstanding shall have the right to consent to and approve the execution by the Trustee and the University of a modification, alteration, amendment or addition to the Restated Trust Agreement or any supplemental agreement in any particular, provided always that no such modification, alteration, amendment or addition shall: (a)(i) reduce the percentage of Obligations the consent of the Holders of which are required to consent to such Supplemental Trust Agreement or (ii) cause a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, without the consent of the Holders of all Obligations then Outstanding, (b) effect a change in the times, amount or currency of payment of the principal of, premium, if any, on or
interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the Holder of each such Obligation so affected or (c) modify the right of the Holders of not less than twenty-five percent in aggregate principal amount of the Obligations then outstanding and in default as to payment of principal, premium or interest to compel the Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Holders of a majority in aggregate principal amount of the Obligations then Outstanding. If the Trustee shall receive the consent and approval of holders of not less than a majority in aggregate principal amount of the Bonds then outstanding, the Trustee shall execute such Supplemental Trust Agreement, without liability or responsibility to any holder of any Bond. The University and the Trustee may enter into supplemental trust agreements for certain purposes without notice to the Bondholders.

Requirements of Bond Insurers

Each Bond Insurer has a specific standard set of provisions that applies to each issue it insures. The various supplemental trust agreements prepared in connection with the respective series of bonds contain the standard provisions of each Bond Insurer which insures such respective series of bonds.
APPENDIX C

LEGAL APPROVING OPINION OF BOND COUNSEL

The form of the legal approving opinion of Peck, Shaffer & Williams LLP, bond counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to therein and may vary from the form set forth to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the final Official Statement shall create no implication that Peck, Shaffer & Williams LLP has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.

RBC Capital Markets, LLC
Cincinnati, Ohio

Ladies and Gentlemen:

We have examined the transcript submitted relating to the $89,040,000 University of Cincinnati General Receipts Bonds, Series 2012A, dated March 5, 2012 of the Board of Trustees (herein the “Board”) of the University of Cincinnati (herein the “University”), in fully registered form of the denomination of $5,000 and multiples thereof, as provided in the Trust Agreement hereinafter identified.

$89,040,000 University of Cincinnati General Receipts Bonds, Series 2012A (the “Series 2012A Bonds”), are issued by the Board of Trustees of the University, pursuant to the Amended and Restated Trust Agreement, dated as of May 1, 2001, as supplemented, by and between the University and The Bank of New York Mellon Trust Company, N.A., as Trustee, and herein together called the “Trust Agreement”.

The Series 2012A Bonds are issued under the general laws of the State of Ohio, particularly Chapter 3345 of the Ohio Revised Code, and the Trust Agreement, and are entitled to the benefit and security of the Trust Agreement. The Series 2012A Bonds are on a parity in all respects with all Obligations (as defined in the Trust Agreement) issued under the Trust Agreement the conditions to their issuance as Obligations under the Trust Agreement having been met.

We are of the opinion that the laws under which these Series 2012A Bonds are issued are constitutional and the proceedings regular and in due form.

We have examined completely executed Bond No. 2012A-1 of this series and approve its form and execution. The Series 2012A Bonds, in our opinion, are legal and valid obligations of the University, issued by the Board, payable as to both principal and interest from and secured by a lien on and pledge of the General Receipts of the University, as defined in the Trust Agreement.

As provided in the Trust Agreement, additional Obligations may hereafter be authorized and issued on a basis of parity with the currently outstanding obligations, including the Series 2012A Bonds.

Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Series 2012A Bonds is excludible from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the “Code”). Furthermore, interest on the Series 2012A Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the
Code, in computing the alternative minimum tax for individuals and corporations. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. We express no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Series 2012A Bonds.

We are further of the opinion that the interest on the Series 2012A Bonds, so long as excludible from adjusted gross income under the Code is excludible from the Ohio personal income tax and so long as excludible from “taxable income” under the Code, is excludible from the net income base used in calculating the Ohio corporate franchise tax.

This opinion is based upon laws, rulings and decisions in effect on the date hereof. In giving this opinion, we have relied upon covenants and certifications of facts, estimates and expectations made by the University and others which we have not independently verified. It is to be understood that the enforceability of the Series 2012A Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting creditors’ rights, and to the exercise of judicial discretion in accordance with general principles of equity.

PECK, SHAFFER & WILLIAMS LLP