

**All data highlighted in red must be updated with Fiscal Year End 2010 information.**

State of Ohio Higher Educational Facility Revenue Bonds (Otterbein College 2008 Project) Series A, \$13,455,000, Dated: July 9, 2008\*

State of Ohio Higher Educational Facility Revenue Bonds (Otterbein College 2007 Project) \$11,270,000, Dated: August 23, 2007\*

State of Ohio Higher Educational Facility Revenue Bonds (Otterbein College 2005 Project) \$13,010,000, Dated: November 9, 2005\*

\*Note: Effective as of the commencement of the Fall Term on September 13, 2010, Otterbein College changed its name to Otterbein University.

## Enrollment

The following table shows total and full-time equivalent (FTE) undergraduate enrollment for the past five academic years:

| Academic Year | Total Undergraduate Enrollment | FTE Undergraduate Enrollment |
|---------------|--------------------------------|------------------------------|
| 2005-06       | 2,724                          | 2,415                        |
| 2006-07       | 2,804                          | 2,494                        |
| 2007-08       | 2,715                          | 2,428                        |
| 2008-09       | 2,748                          | 2,467                        |
| 2009-10       | 2,642                          | 2,393                        |

### Enrollment Composition

Full-time undergraduate students for Fall 2010 consisted of 90% from the State of Ohio, 9% from states outside of Ohio and less than 1% from various foreign countries.

### Freshman Classes

The following table shows the number of applications received, the number accepted for admission, the size of the entering freshman class, and the enrollment yield percentage of the accepted applicants for the last five academic years, including the most recent academic year:

| Academic Year | Applications Received | Applications Accepted | % Accepted | Entering Class Size | Accepted Enrolled |
|---------------|-----------------------|-----------------------|------------|---------------------|-------------------|
| 2005-06       | 2,708                 | 2,093                 | 77%        | 630                 | 30%               |
| 2006-07       | 2,806                 | 2,136                 | 76%        | 658                 | 31%               |
| 2007-08       | 3,375                 | 2,731                 | 81%        | 643                 | 24%               |
| 2008-09       | 3,381                 | 2,774                 | 82%        | 659                 | 24%               |
| 2009-10       | 3,653                 | 2,859                 | 78%        | 643                 | 22%               |

The academic profile of entering freshman students remains consistently higher than the national average on the Scholastic Aptitude Test (SAT) and the American College Test (ACT), as shown in the following table:

| Year    | University |            |      |       | National |           |
|---------|------------|------------|------|-------|----------|-----------|
|         | Writing    | SAT Verbal | Math | Total | ACT      | SAT Total |
| 2005-06 | --         | 557        | 559  | 1,116 | 22.8     | 1,028     |
| 2006-07 | --         | 534        | 528  | 1,062 | 23.0     | 1,021     |
| 2007-08 | 563        | 573        | 569  | 1,705 | 22.9     | 1,511     |
| 2008-09 | 524        | 538        | 533  | 1,595 | 22.8     | 1,511     |
| 2009-10 | 517        | 533        | 523  | 1,573 | 23.0     | 1,509     |

High school grade point average for the Fall 2010 class was as follows:

| 4.0+ GPA    | Percent |
|-------------|---------|
| 3.50 - 4.00 | 50%     |
| 3.00 - 3.49 | 26%     |
| 2.20 - 2.99 | 23%     |
| 0.00 - 2.19 | 1%      |

### Admission Matriculation Plan

|            | Entering Freshman Enrollment |         |         |         |         |
|------------|------------------------------|---------|---------|---------|---------|
|            | 2005-06                      | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| Target     | 660                          | 670     | 660     | 660     | 660     |
| Actual     | 630                          | 658     | 643     | 659     | 643     |
| Difference | (30)                         | (12)    | (17)    | (1)     | (17)    |

## Rankings

In the 2010 edition of U.S. News & World Report's "America's Best Colleges," the University earned the 21st highest peer assessment (academic reputation) score in the Regional Universities (Midwest) category and earned the 16th highest overall score among its 146 peers. Institutions in this category provide a full range of undergraduate and master's programs. In earning its rankings, the University competed with 146 Universities from Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Iowa and Missouri.

## Financial Aid/Scholarships

The University continues its attempts to increase the overall quality of its incoming freshman class through two key academic scholarships, the President's Scholar Awards and Otterbein Scholar Awards. The President's Scholar Awards are for amounts of \$12,500 each. These are granted to students who meet the criteria for the Otterbein Scholar Awards and then compete through a special application and essay evaluation. There are two tiers of awards for the Otterbein Scholar Awards. To qualify for tier one (\$8,000 each), students must be first-time freshman or transfer students who are in the upper 10% of their high school class or who have a 3.5 or better grade point average on a 4.0 scale (3.0 GPA for transfer students), and an ACT composite score of 24 or higher or a total of 1,650 or higher on the SAT (including math, critical reading and writing). Tier two awards (\$6,000 each) are given to first-time freshman or transfer students who are in the upper 20% of their high school class or who have a 3.4 or better grade point average on a 4.0 scale (3.0 GPA for transfer students), and an ACT composite score of 22 or higher or a total of 1,570 or higher on the SAT (including math, critical reading and writing). Through these awards, the University hopes to continue the current trend of increasing the number of students who choose to enroll after being recommended for the awards. For the 2010-11 academic year, 195 students received President's Scholar Awards, 144 students received tier one Otterbein Scholar Awards and 85 students received tier two Otterbein Scholar Awards.

## Tuition, Fees, Room and Board

The following table sets forth the undergraduate tuition and room and board charges by the University and the total revenue (rounded) from all tuition and room and board for the University for the most recent five fiscal years, including projections for the current fiscal year, and projections for the next fiscal year.

| Fiscal Year | Tuition and Fees | Room and Board | Tuition, Fees, Room and Board | Total Revenue from Tuition, Fees, Room and Board |
|-------------|------------------|----------------|-------------------------------|--|
| 2005-06     | \$22,518         | \$6,468        | \$28,986                      | \$62,235,000                                     |
| 2006-07     | \$23,871         | \$6,789        | \$30,660                      | \$67,828,000                                     |
| 2007-08     | \$25,065         | \$7,149        | \$32,214                      | \$70,991,000                                     |
| 2008-09     | \$26,319         | \$7,461        | \$33,780                      | \$74,923,000                                     |
| 2009-10     | \$27,321         | \$7,605        | \$34,926                      | \$76,605,117                                     |
| 2010-11     | \$28,413         | \$7,887        | \$36,300                      | \$79,487,837(A)                                  |

A - Based on budget

The following table compares the University's 2010-11 tuition and fees and room and board with certain other private colleges and universities in Ohio that are similar to the University:

| Name                     | Tuition  | Room and Board | Fees    | Total    |
|--------------------------|----------|----------------|---------|----------|
| Baldwin-Wallace College  | \$25,260 | \$7,028        | \$0     | \$32,288 |
| Capital University       | \$29,310 | \$7,864        | \$0     | \$37,174 |
| Denison University       | \$37,270 | \$9,580        | \$950   | \$47,800 |
| Heidelberg College       | \$22,242 | \$8,636        | \$538   | \$31,416 |
| John Carroll University  | \$29,250 | \$8,750        | \$1,000 | \$39,000 |
| Kenyon College           | \$39,420 | \$9,500        | \$1,480 | \$50,400 |
| Marietta College         | \$27,640 | \$8,440        | \$700   | \$36,780 |
| Mount Union College      | \$24,500 | \$7,780        | \$300   | \$32,580 |
| Muskingum College        | \$20,010 | \$8,170        | \$936   | \$29,116 |
| Oberlin College          | \$41,234 | \$11,010       | \$343   | \$52,587 |
| Ohio Northern University | \$32,859 | \$9,072        | \$240   | \$42,171 |
| Ohio Wesleyan University | \$35,918 | \$9,276        | \$480   | \$45,674 |
| Otterbein University     | \$28,413 | \$7,887        | \$0     | \$36,300 |
| The College of Wooster   | \$36,320 | \$9,070        | \$278   | \$45,668 |
| Wilmington College       | \$25,214 | \$8,520        | \$500   | \$34,234 |
| Wittenberg University    | \$34,874 | \$9,032        | \$550   | \$44,456 |

## Financial Aid

The following table lists the sources of assistance for the 2010-11 academic year:

| Source of Aid                  | Amount of Aid | % of Total |
|--------------------------------|---------------|------------|
| Federally funded loans:        |               |            |
| Stafford/Subsidized            | \$7,599,257   | 13%        |
| Stafford/Unsubsidized          | \$7,697,516   | 13%        |
| Parent Loans Undergraduate     | \$4,373,869   | 8%         |
| Perkins                        | \$431,479     | 1%         |
| Alternative/private loans      | \$4,544,038   | 9%         |
| Federal/state grants           | \$3,923,854   | 10%        |
| University scholarships/grants | \$25,607,050  | 42%        |
| Other grants/scholarships      | \$300,686     | 1%         |
| Student employment earnings    | \$838,681     | 1%         |
| Outside scholarships           | \$1,123,521   | 2%         |

## Gifts, Grants and Bequests

The table below sets forth the total amounts (rounded) of gifts, grants, and bequests received in cash by the University, excluding government grants:

| Fiscal Year | Unrestricted | Restricted  | Total       |
|-------------|--------------|-------------|-------------|
| 2005-06     | \$734,000    | \$3,948,000 | \$4,682,000 |
| 2006-07     | \$1,991,000  | \$1,863,000 | \$3,854,000 |
| 2007-08     | \$797,000    | \$3,217,000 | \$4,015,000 |
| 2008-09     | \$673,000    | \$1,821,000 | \$2,494,000 |
| 2009-10     | \$701,940    | \$4,295,160 | \$4,997,100 |

Some of the foundations and corporations from which the University has received substantial gifts or grants within the past five years are listed below:

### Corporations

Bailey Family Trust  
Carrie Bremer Trust  
Coca Cola Bottling Company of Ohio/Kentucky  
Fidelity Investments Charitable Gift Fund  
Higher Education Program  
J.P.Morgan Chase Foundation  
Merck Company Foundation  
Merck Institute for Science Education  
Research Corporation

### Foundations

James A. & Kathleen C. Rutherford Foundation  
Austin E. Knowlton Foundation  
John B. & Olive S. Cook Foundation  
Vida S. Clements Foundation  
Columbus Foundation  
McGregor Fund  
Diefenbach Trust  
Richard H. & Ann Shafer Foundation  
Reinberger Foundation  
Schmitt Family Fund  
Pembroke Foundation  
Osteopathic Heritage Foundation  
Knight Trust  
Norma G. Sticklen Rev. Living Trust  
Agnes C. Myers Trust  
Cameron Allen Revocable Trust  
TG Benefits  
Wilkinson Living Trust  
Susan G. Komen for the Cure

The following table shows total cash received (rounded) in gifts and grants from corporations and foundations:

| Fiscal Year | Total Gifts and Grants from Foundations and Corporations |
|-------------|--|
| 2005-06     | \$488,000  |
| 2006-07     | \$570,000  |
| 2007-08     | \$1,278,000  |
| 2008-09     | \$699,000  |
| 2009-10     | \$712,000  |

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**Endowment Funds and Funds Functioning as Endowment**

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The University's Endowment Funds and Funds Functioning as Endowment include:

- (1) Endowment funds that are permanently restricted by the donor as to the use of principal and income.
- (2) Temporarily Restricted endowment funds that are restricted only until a donor imposed time period or use has been met.
- (3) Funds Functioning as Endowment that are unrestricted funds available at the discretion of the University.
- (4) Annuity and Life Income Funds, which include annuities and life income funds that are subject to the conditions of gift agreements (annuity and life income contracts).

**Pooled Investment Fund Information**

Substantially all of the assets in the Endowment Funds and Funds Functioning as Endowment are pooled into one investment portfolio known as the Pooled Investment Fund. Funds subscribe to, or dispose of, units in the Pooled Investment Fund at the market value per unit as of the end of the quarter immediately preceding the transaction. Net investment return from securities in the Pooled Investment Fund is allocated annually to the individual endowments and other funds based on the relationship of the fair value of each to the total fair value of the Pooled Investment Fund, as adjusted for additions to, or deductions from, those accounts.

The University has adopted a total return concept in making distributions from its Pooled Investment Fund. This includes a spending policy that limits the distributions from the assets in the Pooled Investment Fund to no more than 5% of the most recent three-year average of asset market values as of December 31. In recent years, the University has distributed less than 5% annually.

***Pooled Investment Fund Information***

The market value (rounded) of the University's Pooled Investment Fund assets as of the close of the past five years are set forth in the table below:

| <u>Fiscal<br/>Year</u> | <u>Market<br/>Value</u> |
|------------------------|-------------------------|
| 2004-05                | \$75,939,000            |
| 2005-06                | \$81,492,000            |
| 2006-07                | \$94,094,000            |
| 2007-08                | \$85,296,000            |
| 2008-09                | \$64,258,000            |
| 2009-10                | \$72,706,000            |

***Management Firms of the Pooled Investment Fund***

Beginning in November 2007, all assets in the Pooled Investment Fund of the University were moved to The Common Fund for Non-Profit Organizations, Strategic Solutions Advisory Services, and were allocated to various Common Fund funds.

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**Outstanding Indebtedness**

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(See Sheet 2 TABLE 1)

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**Faculty and Employees**

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The following information is provided as to faculty and employees for the 2009-10 academic year (as of November 1, 2009):

The University had 164 full-time faculty, of which 63% have tenure and 85% have the doctoral degree or the appropriate terminal degree for their fields. The University employed 157 part-time faculty members, constituting approximately 52 full-time equivalents. The University had 223 full-time administrative and support staff. The University employed 43 part-time administrative and support staff, constituting approximately 22 full-time equivalents.

**Outstanding Indebtedness - TABLE 1**

| Fiscal Year<br>Ended<br>June 30 | 2005 Bonds                      |                 | 2007 Bonds                      |                 | 2008 Bonds                      |                 |                                 |                 |                      |                       |
|---------------------------------|---------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|-----------------|---------------------------------|-----------------|----------------------|-----------------------|
|                                 | Outstanding<br>Principal Amount | Debt<br>Service | Outstanding<br>Principal Amount | Debt<br>Service | Series A                        |                 | Series B                        |                 | Total<br>Outstanding | Total Debt<br>Service |
|                                 |                                 |                 |                                 |                 | Outstanding<br>Principal Amount | Debt<br>Service | Outstanding<br>Principal Amount | Debt<br>Service |                      |                       |
| 2010                            | 12,090,000                      | 822,794         | 10,895,000                      | 709,479         | 12,905,000                      | 1,200,969       | 7,635,000                       | 384,955         | 43,525,000           | 3,118,197             |
| 2011                            | 11,840,000                      | 818,513         | 10,695,000                      | 712,069         | 12,355,000                      | 1,184,469       | 7,455,000                       | 395,040         | 42,345,000           | 3,110,090             |
| 2012                            | 11,580,000                      | 818,625         | 10,485,000                      | 713,544         | 11,805,000                      | 1,164,256       | 7,260,000                       | 405,076         | 41,130,000           | 3,101,501             |
| 2013                            | 11,305,000                      | 822,925         | 10,270,000                      | 709,573         | 11,255,000                      | 1,142,669       | 7,050,000                       | 413,549         | 39,880,000           | 3,088,716             |
| 2014                            | 11,020,000                      | 821,725         | 10,045,000                      | 710,770         | 10,780,000                      | 1,046,575       | 6,700,000                       | 545,951         | 38,545,000           | 3,125,021             |
| 2015                            | 10,725,000                      | 820,125         | 9,810,000                       | 711,396         | 10,285,000                      | 1,045,715       | 6,335,000                       | 550,763         | 37,155,000           | 3,127,999             |
| 2016                            | 10,415,000                      | 823,025         | 9,565,000                       | 711,495         | 9,765,000                       | 1,048,249       | 5,960,000                       | 550,530         | 35,705,000           | 3,133,299             |
| 2017                            | 10,095,000                      | 820,425         | 9,310,000                       | 711,056         | 9,220,000                       | 1,049,014       | 5,575,000                       | 549,082         | 34,200,000           | 3,129,577             |
| 2018                            | 9,760,000                       | 821,906         | 9,045,000                       | 710,004         | 8,650,000                       | 1,047,941       | 5,180,000                       | 548,274         | 32,635,000           | 3,128,125             |
| 2019                            | 9,410,000                       | 822,350         | 8,765,000                       | 713,531         | 8,055,000                       | 1,045,124       | 4,775,000                       | 546,875         | 31,005,000           | 3,127,879             |
| 2020                            | 9,045,000                       | 822,156         | 8,475,000                       | 711,594         | 7,430,000                       | 1,045,609       | 4,355,000                       | 550,347         | 29,305,000           | 3,129,706             |
| 2021                            | 8,665,000                       | 821,325         | 8,170,000                       | 713,759         | 6,775,000                       | 1,044,000       | 3,925,000                       | 547,785         | 27,535,000           | 3,126,869             |
| 2022                            | 8,265,000                       | 823,250         | 7,855,000                       | 709,606         | 6,080,000                       | 1,048,513       | 3,480,000                       | 550,539         | 25,680,000           | 3,131,907             |
| 2023                            | 7,845,000                       | 822,750         | 7,525,000                       | 709,288         | 5,350,000                       | 1,044,325       | 3,025,000                       | 547,714         | 23,745,000           | 3,124,077             |
| 2024                            | 7,405,000                       | 821,250         | 7,175,000                       | 713,138         | 4,575,000                       | 1,047,938       | 2,555,000                       | 549,667         | 21,710,000           | 3,131,992             |
| 2025                            | 6,945,000                       | 818,750         | 6,810,000                       | 711,156         | 3,760,000                       | 1,044,213       | 2,070,000                       | 550,798         | 19,585,000           | 3,124,917             |
| 2026                            | 6,460,000                       | 820,125         | 6,425,000                       | 713,344         | 2,895,000                       | 1,048,013       | 1,575,000                       | 546,961         | 17,355,000           | 3,128,442             |
| 2027                            | 5,950,000                       | 820,250         | 6,025,000                       | 709,700         | 1,985,000                       | 1,044,200       | 1,065,000                       | 547,640         | 15,025,000           | 3,121,790             |
| 2028                            | 5,415,000                       | 819,125         | 5,605,000                       | 710,225         | 1,020,000                       | 1,047,638       | 540,000                         | 547,920         | 12,580,000           | 3,124,907             |
| 2029                            | 4,850,000                       | 821,625         | 5,160,000                       | 714,125         |                                 | 1,048,050       |                                 | 547,695         | 10,010,000           | 3,131,495             |
| 2030                            | 4,255,000                       | 822,625         | 4,695,000                       | 711,375         |                                 |                 |                                 |                 | 8,950,000            | 1,534,000             |
| 2031                            | 3,630,000                       | 822,125         | 4,205,000                       | 712,500         |                                 |                 |                                 |                 | 7,835,000            | 1,534,625             |
| 2032                            | 2,975,000                       | 820,125         | 3,690,000                       | 712,375         |                                 |                 |                                 |                 | 6,665,000            | 1,532,500             |
| 2033                            | 2,285,000                       | 821,500         | 3,150,000                       | 711,000         |                                 |                 |                                 |                 | 5,435,000            | 1,532,500             |
| 2034                            | 1,560,000                       | 821,125         | 2,580,000                       | 713,250         |                                 |                 |                                 |                 | 4,140,000            | 1,534,375             |
| 2035                            | 800,000                         | 819,000         | 1,985,000                       | 709,125         |                                 |                 |                                 |                 | 2,785,000            | 1,528,125             |
| 2036                            |                                 | 820,000         | 1,355,000                       | 713,500         |                                 |                 |                                 |                 | 1,355,000            | 1,533,500             |
| 2037                            |                                 |                 | 695,000                         | 711,250         |                                 |                 |                                 |                 | 695,000              | 711,250               |
| 2038                            |                                 |                 |                                 | 712,375         |                                 |                 |                                 |                 |                      | 712,375               |
|                                 |                                 |                 |                                 |                 |                                 |                 |                                 |                 | 76,940,279           |                       |

Notes:

Excluding the Bonds, the University has no other long term indebtedness.

See Note 10 in the Otterbein University Accountant's Report and Financial Statements for June 30, 2010 and 2009.