



COMMISSIONERS OF THE SINKING FUND

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# SINKING FUND

## Semi-Annual Report

FOR THE PERIOD:  
**JULY 1, 2018 - DECEMBER 31, 2018**

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**UNAUDITED**  
FEBRUARY 14, 2019

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# **State of Ohio**

## **Commissioners of the Sinking Fund**

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Keith Faber  
Auditor of State  
*President*

*Term beginning January 14, 2019*

Frank LaRose  
Secretary of State  
*Secretary*

*Term beginning January 14, 2019*

Mike DeWine  
Governor  
*Member*

*Term beginning January 14, 2019*

Robert Sprague  
Treasurer of State  
*Member*

*Term beginning January 14, 2019*

Dave Yost  
Attorney General  
*Member*

*Term beginning January 14, 2019*

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**STATE OF OHIO  
BOARD OF COMMISSIONERS OF THE SINKING FUND**

30 East Broad Street, 9<sup>th</sup> Floor  
Columbus, Ohio 43215

614.466.6903

February 14, 2019

The Honorable Mike DeWine, Governor and  
The Honorable Members of the Ohio General Assembly:

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

The Commission prepared this report, which covers general obligation bond balances and activity, as of and for the six months that ended December 31, 2018, using the cash basis of accounting. All information presented herein is unaudited.

Brief summaries on the status of the State's general obligation bonds, debt service requirements, and funding sources, as of December 31, 2018, and the changes in debt principal, including issuances and maturities, interest and accreted principal paid, and net interest rate swap receipts realized and net interest rate swap payments made, for the period, July 1, 2018 through December 31, 2018, immediately follow this letter. The report also presents more detailed descriptions and financial information on the ten types of outstanding general obligation bonds and their associated debt service funds. The Commission did not convene any meetings during this reporting period.

This semi-annual report is designed to provide the State of Ohio's citizens, taxpayers, customers, investors and creditors with a general overview of the State's general obligation bonds, and to demonstrate accountability for the money the State borrows. Questions regarding any of the information provided in this report, or requests for additional information, should be addressed to the Sinking Fund Commission, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215, or by phone at (614) 466-6903.

Respectfully Submitted,

Handwritten signature of Keith Faber in blue ink.

Keith Faber, Auditor of State  
President

Handwritten signature of Frank LaRose in blue ink.

Frank LaRose, Secretary of State  
Secretary

Handwritten signature of Robert Sprague in blue ink.

Robert Sprague, Treasurer of State  
Member

Handwritten signature of Mike DeWine in blue ink.

Mike DeWine, Governor of State  
Member

Handwritten signature of Dave Yost in blue ink.

Dave Yost, Attorney General of State  
Member

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**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of December 31, 2018 (Dollars in 000s)

<b>Legal Authority &amp; Date of Voter Authorization</b>	<b>COAL RESEARCH AND DEVELOPMENT BONDS Article VIII, Section 15, of Ohio Constitution 11/5/1985</b>	<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS Article VIII, Section 2(n), of Ohio Constitution 11/2/1999</b>	<b>CONSERVATION PROJECTS BONDS Article VIII, Sections 2(o) and 2(q), of Ohio Constitution 11/07/2000, 11/04/2008</b>
Bonds Authorized .....	\$ 260,000	\$ 5,545,000	\$ 700,000
Bonds Issued (A) .....	246,000	5,070,000	500,000
Bonds Authorized, but not Issued .....	14,000	475,000	200,000
Bonds Matured .....	178,620	2,230,670	242,745
Outstanding Bonded Debt (B) .....	37,380	2,657,340	253,415
Total Interest Cost to Maturity .....	58,005	2,656,546	187,643
Interest Paid through 12/31/18.....	51,312	1,793,758	121,331
Remaining Interest through Maturity .....	6,693	862,788	66,312
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 12/31/18.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	-	-	21
Final Maturity Date .....	2/1/2028	6/15/2038	3/1/2032
Funding Source(s).....	General Revenue Fund	General Revenue Fund & Net Lottery Proceeds	General Revenue Fund

<b>Legal Authority &amp; Date of Voter Authorization</b>	<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS Article VIII, Section 2(n), of Ohio Constitution 11/2/1999</b>	<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS Article VIII, Section 2(m), of Ohio Constitution 11/7/1995</b>	<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS Article VIII, Section 2(l), of Ohio Constitution 11/2/1993</b>
Bonds Authorized (D) .....	\$ 4,445,000	\$ 3,683,000	\$ 492,000
Bonds Issued (A) .....	3,830,000	3,312,955	453,000
Bonds Authorized, but not Issued .....	615,000	370,045	39,000
Bonds Matured .....	1,535,425	2,194,035	315,865
Outstanding Bonded Debt (B) .....	2,201,020	1,112,845	137,270
Total Interest Cost to Maturity (C) .....	2,155,660	1,060,670	170,082
Interest Paid through 12/31/18.....	1,311,727	728,759	131,334
Remaining Interest through Maturity (C) .....	843,933	331,911	38,748
Original Discount on Capital Appreciation Bonds .....	-	-	-
Accreted Principal Paid through 12/31/18.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	-	56,672	-
Final Maturity Date .....	2/1/2038	5/1/2034	4/1/2033
Funding Source(s) .....	General Revenue Fund	Highway User Receipts	General Revenue Fund

All dollar amounts represented have been rounded to the nearest thousand.

Note: Some totals may not foot due to rounding.

(continued)

**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of December 31, 2018 (Dollars in 000s)  
(Continued)

	<b>PERSIAN GULF, AFGHANISTAN &amp; IRAQ CONFLICTS COMPENSATION BONDS Article VIII, Section 2(r), of Ohio Constitution 11/3/2009 (E)</b>	<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS Article VIII, Sections 2(p) and 2(s), of Ohio Constitution 05/04/2010 05/06/2014</b>	<b>JOB READY SITE DEVELOPMENT BONDS Article VIII, Section 2(p), of Ohio Constitution 05/04/2010 (F)</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized .....	\$ 200,000	\$ 4,425,000	\$ 150,000
Bonds Issued (A) .....	83,910	4,084,986	150,000
Bonds Authorized, but not Issued.....	-	340,014	-
Bonds Matured .....	51,480	2,189,257	112,750
Outstanding Bonded Debt (B) .....	32,430	1,833,470	37,250
Total Interest Cost to Maturity .....	21,576	2,031,802	31,840
Interest Paid through 12/31/18.....	15,806	1,372,028	29,062
Remaining Interest through Maturity .....	5,770	659,774	2,779
Original Discount on Capital Appreciation Bonds.....	-	269,198	-
Accreted Principal Paid through 12/31/18.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	-	7,966	-
Final Maturity Date .....	10/1/2026	9/1/2038	11/1/2022
Funding Source(s).....	General Revenue Fund	General Revenue Fund	General Revenue Fund

	<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS Article VIII, Section 2(p), of Ohio Constitution 05/04/2010</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>	
Bonds Authorized .....	\$ 1,200,000
Bonds Issued (A) .....	851,000
Bonds Authorized, but not Issued .....	349,000
Bonds Matured .....	510,015
Outstanding Bonded Debt.....	340,475
Total Interest Cost to Maturity .....	162,497
Interest Paid through 12/31/18	129,959
Remaining Interest through Maturity .....	32,538
Original Discount on Capital Appreciation Bonds.....	-
Accreted Principal Paid through 12/31/18.....	-
Remaining Discount through Maturity .....	-
Cash Balance in Bond Service Fund .....	-
Final Maturity Date .....	11/1/2027
Funding Source(s) .....	General Revenue Fund

All dollar amounts represented have been rounded to the nearest thousand.  
Note: Some totals may not foot due to rounding.

(continued)

**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
**As of December 31, 2018 (Dollars in 000s)**  
(Continued)

Notes:

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All dollar amounts represented within this report have been rounded to the nearest thousand.

- (A) The "Bonds Issued" balance includes bonds that have been refunded, but excludes refunding bonds (i.e. bonds issued solely to refund prior bonds). Also, not more than:
- \$220 million in Highway Capital Improvements Bonds may be issued in any year, plus the principal amount of highway obligations that in any prior fiscal years could have been but were not issued within the \$220 million fiscal year limit.
  - \$50 million in Natural Resources Capital Facilities Bonds may be issued in any fiscal year.
  - \$175 million in Public Infrastructure Capital Improvements Bonds may be issued annually. In May 2014 voters approved an amendment which authorized a ten-year extension of the existing local government infrastructure program (authorized November, 2005). The amendment increased the allowable annual issuance amount from \$150 million to \$175 million in the first five fiscal years and \$200 million in each fiscal year thereafter.
  - \$50 million in Conservation Projects Bonds may be issued in any fiscal year, plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued within the \$50 million fiscal year limit.
  - \$1,200 million in Third Frontier Research and Development Projects Bonds may be issued. Since Fiscal Year 2012 ended, no more than \$175 million in any fiscal year thereafter, plus in each case the principal amount of obligations that in any prior fiscal year could have been but were not issued.
- (B) The "Outstanding Bonded Debt" balance excludes bonds refunded, but includes refunding bonds in cases when issued. Also, not more than
- \$1.2 billion in Highway Capital Improvements Bonds may be outstanding at any time.
  - \$100 million in Coal Research and Development Bonds may be outstanding at any time.
  - \$200 million in Natural Resources Capital Facilities Bonds may be outstanding at any time.
  - \$400 million in Conservation Projects Bonds may be outstanding at any time.
- (C) The "Total Interest Cost to Maturity" and "Remaining Interest through Maturity" balances for the Common Schools Capital Facilities Bonds and the Public Infrastructure Capital Improvements Bonds include estimates for interest payable on variable rate bonds.
- (D) The amounts of general obligation bonds authorized for Common Schools Facilities and for Higher Education Facilities were reduced by \$800 million and \$950 million, respectively, by HB562 enacted by the General Assembly in spring 2008. The proceeds generated by the Buckeye Tobacco Settlement Financing Authority transaction were used to fund such purposes in lieu of bonded debt until the proceeds from the Settlement, specified for the School Building Assistance Fund and the Higher Education Improvement Fund, were expended. As of June 30, 2012, all such payments from the Authority to the School Building Assistance Fund were made.
- (E) On December 31, 2013, the State's authority to issue additional bonds under Section 2(r) of Article VIII of the Constitution expired.
- (F) Authorization to issue under Section 2(p) of Article VIII has been exhausted.

**STATE OF OHIO**  
**SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST**  
**AND ACCRETED PRINCIPAL PAID, AND NET INTEREST RATE SWAP TRANSACTIONS**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

<i>Outstanding General Obligation Bond Principal as of July 1, 2018:</i>		
Coal Research and Development Projects Bonds .....	\$ 39,005	
Common Schools Capital Facilities Bonds .....	2,855,940	
Conservation Projects Bonds .....	272,175	
Higher Education Capital Facilities Bonds .....	2,344,925	
Highway Capital Improvements Bonds .....	939,350	
Natural Resources Capital Facilities Bonds .....	140,955	
Public Infrastructure Capital Improvements Bonds .....	1,774,130	
Job Ready Site Development Bonds.....	46,495	
Third Frontier Research & Development Projects Bonds .....	393,460	
Veteran's Compensation Bonds.....	32,430	
	<u>8,838,865</u>	
<i>General Obligation Bonds Issued - July 1 through Dec 31, 2018:</i>		
Infrastructure Improvement, Series 2018A.....	160,000	Date of Issue November 6, 2018
Highway Capital Improvements, Series V.....	187,125	December 12, 2018
<i>Total Issuances.....</i>	<u>347,125</u>	
<i>General Obligation Bonds Refunded - July 1 through Dec 31, 2018:</i>		
<i>Total Refunded Principal.....</i>	<u>-</u>	Date of Refunding
<i>General Obligation Bonds Matured - July 1 through Dec 31, 2018:</i>		
Coal Research and Development Projects Bonds .....	1,625	
Common Schools Capital Facilities Bonds .....	198,600	
Conservation Projects Bonds .....	18,760	
Higher Education Capital Facilities Bonds .....	143,905	
Highway Capital Improvements Bonds .....	13,630	
Natural Resources Capital Facilities Bonds .....	3,685	
Public Infrastructure Capital Improvements Bonds .....	100,660	
Job Ready Site Development Bonds.....	9,245	
Third Frontier Research & Development Projects Bonds .....	52,985	
Veteran's Compensation Bonds.....	-	
<i>Total Maturities.....</i>	<u>543,095</u>	
<i>Outstanding General Obligation Bond Principal as of December 31, 2018:</i>		
Coal Research and Development Projects Bonds .....	37,380	
Common Schools Capital Facilities Bonds .....	2,657,340	
Conservation Projects Bonds .....	253,415	
Higher Education Capital Facilities Bonds .....	2,201,020	
Highway Capital Improvements Bonds .....	1,112,845	
Natural Resources Capital Facilities Bonds .....	137,270	
Public Infrastructure Capital Improvements Bonds .....	1,833,470	
Job Ready Site Development Bonds.....	37,250	
Third Frontier Research & Development Projects Bonds .....	340,475	
Veteran's Compensation Bonds.....	32,430	
	<u>\$ 8,642,895</u>	
<i>Interest &amp; Accreted Principal Paid, July 1 through Dec 31, 2018:</i>		
	Interest	Accreted Principal
Coal Research and Development Projects Bonds .....	\$ 861	\$ -
Common Schools Capital Facilities Bonds .....	65,333	
Conservation Projects Bonds .....	5,994	
Higher Education Capital Facilities Bonds .....	54,858	
Highway Capital Improvements Bonds .....	22,554	
Natural Resources Capital Facilities Bonds .....	3,573	
Public Infrastructure Capital Improvements Bonds .....	38,218	
Job Ready Site Development Bonds.....	880	
Third Frontier Research & Development Projects Bonds .....	5,787	
Veteran's Compensation Bonds.....	712	
<i>Total Interest and Accreted Principal Paid.....</i>	<u>\$ 198,768</u>	<u>\$ -</u>
<i>Interest Rate Swap Agreements-Net Receipts &amp; Payments,</i>		
<i>July 1 through December 31, 2018:</i>		
	Net Swap Receipts	Net Swap Payments
Common Schools Capital Facilities Bonds .....	\$ -	\$ 2,142
Public Infrastructure Capital Improvements Bonds .....	-	995
<i>Total Net Receipts and Payments.....</i>	<u>\$ -</u>	<u>\$ 3,137</u>

All dollar amounts represented have been rounded to the nearest thousand.

Note: Some totals may not foot due to rounding.

**STATE OF OHIO**  
**SCHEDULE OF BOND SERVICE REQUIREMENTS FOR NEXT SIX MONTHS**  
As of December 31, 2018 (Dollars in 000s)

	<b>COAL RESEARCH AND DEVELOPMENT BONDS</b>			<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS</b>		
	Principal	Interest	Total	Principal	Interest (A)	Total
Period from January 1, 2019 to June 30, 2019.....	\$ 4,505	\$ 824	\$ 5,329	\$ 73,025	\$ 62,513	\$ 135,538
	<b>CONSERVATION PROJECT BONDS</b>			<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS</b>		
	Principal	Interest	Total	Principal	Interest	Total
Period from January 1, 2019 to June 30, 2019.....	\$ 12,560	\$ 5,389	\$ 17,949	\$ 43,325	\$ 53,754	\$ 97,079
	<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS</b>			<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS</b>		
	Principal	Interest	Total	Principal	Interest	Total
Period from January 1, 2019 to June 30, 2019.....	\$ 75,215	\$ 25,826	\$ 101,041	\$ 8,685	\$ 3,200	\$ 11,885
	<b>PERSIAN GULF, AFGHANISTAN, IRAQ CONFLICTS BONDS</b>			<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS</b>		
	Principal	Interest	Total	Principal	Interest (A)	Total
Period from January 1, 2019 to June 30, 2019.....	\$ 3,665	\$ 712	\$ 4,377	\$ 49,205	\$ 39,420	\$ 88,625
	<b>JOB READY SITE DEVELOPMENT BONDS</b>			<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS</b>		
	Principal	Interest	Total	Principal	Interest	Total
Period from January 1, 2019 to June 30, 2019.....	\$ 4,750	\$ 711	\$ 5,461	\$ 25,410	\$ 4,922	\$ 30,332

Notes:

(A) Estimates for future interest payments on Common Schools and Public Infrastructure bonds include, for the variable rate bonds, a constant interest rate of 3.00 percent through maturity. The variable interest rate paid to bondholders is reset weekly until the variable rate bonds mature.

*All dollar amounts represented have been rounded to the nearest thousand.*

## COAL RESEARCH AND DEVELOPMENT BONDS

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On November 5, 1985, voters approved Section 15 of Article VIII of the Ohio Constitution, authorizing the issuance of Coal Research and Development Bonds. The vote was: Yes—1,439,344; No—807,647.

Proceeds of Coal Research and Development Bonds provide financial assistance for research and development of technology that encourages the use of Ohio coal.

Not more than \$100 million in bond principal can be outstanding at any one time.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue Fund to the Coal Research and Development Bond Service Fund, a fund created under Section 151.07 of the Ohio Revised Code.

Section 15 of Article VIII of the Ohio Constitution was initially implemented by the General Assembly with the adoption of HB750 in 1986, which enacted Sections 1555.01 et seq. of the Ohio Revised Code. Subsequent laws authorizing the issuance of Coal Research and Development Bonds and designating the purposes for which proceeds of such bonds may be used were passed by the General Assembly.

The authority to issue Coal Research and Development Bonds in amounts authorized by the General Assembly was conferred upon the Sinking Fund Commission in HB750. The Commission's authority to issue additional Coal Research and Development Bonds was withdrawn, however, when provisions in HB640 became effective on September 14, 2000. That law enacted Sections 151.01 and 151.07, Ohio Revised Code, which designated the Ohio Public Facilities Commission as the issuer of these bonds. Section 52 of HB640 provides for the Ohio Public Facilities Commission to supersede the Sinking Fund Commission in all matters relating to the Coal Research and Development Bonds

Legislation for each authorized issuance of Coal Research and Development Bonds further provides that the bonds are to be dated, issued, and sold from time to time in such amounts as necessary to provide sufficient moneys to the credit of the Coal Research and Development Fund, a fund created under Section 1555.15 of the Ohio Revised Code.

**STATE OF OHIO**  
**COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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		July 1, 2018 THROUGH December 31, 2018
<b>CASH BALANCE, July 1, 2018</b> .....	<b>\$</b>	<b>6</b>
 <b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		2,481
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Royalties from Research and Development Grants.....		-
Interest Earnings.....		1
Unused Administrative Fees.....		-
<b>TOTAL CASH INFLOWS</b> .....		<b>2,482</b>
 <b>CASH OUTFLOWS:</b>		
Principal Paid.....		1,625
Interest Paid.....		858
Bond Sale and Miscellaneous Expenses.....		5
<b>TOTAL CASH OUTFLOWS</b> .....		<b>2,488</b>
<b>CASH BALANCE, December 31, 2018</b> .....	<b>\$</b>	<b>-</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

*Interest earnings rounded up to ensure correct final cash balance.*

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**Note:**

In addition to the December 31, 2018 cash balance reported above for the Coal Research & Development Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Coal Research & Development Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## COMMON SCHOOLS CAPITAL FACILITIES BONDS

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On November 2, 1999, voters approved Section 2(n) of Article VIII of the Ohio Constitution, authorizing the issuance of Common Schools Capital Facilities Bonds. The vote was: Yes—1,285,277; No—828,426.

Proceeds of Common Schools Capital Facilities Bonds finance the costs of facilities for a system of common schools throughout the state. Such costs include, without limitation, the cost of acquisition, construction, improvement, expansion, planning, and equipping.

There is not a limitation specified in the Constitution as to the amount of bond principal that can be outstanding at any one time for bonds issued pursuant to this section.

Common Schools Capital Facilities Bonds must mature no later than December 31 of the 25th calendar year after issuance, except that obligations issued to refund other obligations can mature not later than December 31 of the 25th calendar year after the year in which the original obligation to pay was issued.

Section 2(n) of Article VIII of the Ohio Constitution was initially implemented by the General Assembly with the adoption of SB206 in 1999. This legislation set forth, in uncodified law, temporary authority for the Treasurer of State to issue obligations in an aggregate principal amount not to exceed \$150 million (of which \$140 million was issued) and specified the purposes and uses of the proceeds of such obligations. The extra \$10 million was not reauthorized in HB640.

Subsequent to the passage of SB206 and the initial issuance of obligations under this section by the Treasurer of State, the General Assembly passed HB640, which enacted Sections 151.01 and 151.03 of the Ohio Revised Code, effective September 14, 2000. This provides for future issuance of Common Schools Capital Facilities Bonds by the Ohio Public Facilities Commission. Section 52.05 of HB640 provides for the Ohio Public Facilities Commission to supersede the Treasurer of State in all matters relating to these bonds.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue Fund and, in the judgment of the Director of the Office of Budget and Management, from net state lottery proceeds in the State Lottery Fund or the Lottery Profits Education Fund, to the Common Schools Capital Facilities Bond Service Fund, as created under Section 151.03 of the Ohio Revised Code.



**STATE OF OHIO**  
**COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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		<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$</b>	<b>16</b>
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		266,117
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Net Receipts from Swap Agreements.....		-
Interest Earnings.....		48
Swap and Variable Rate Overestimate Payments.....		-
		-
<b>TOTAL CASH INFLOWS.....</b>		<b>266,165</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....		198,600
Interest Paid.....		65,260
Net Payments under Swap Agreements.....		2,134
Bond Sale and Miscellaneous Expenses.....		187
		187
<b>TOTAL CASH OUTFLOWS.....</b>		<b>266,181</b>
<b>CASH BALANCE, December 31, 2018.....</b>	<b>\$</b>	<b>-</b>

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*All dollar amounts represented have been rounded to the nearest thousand.*

**Note:**

In addition to the December 31, 2018 cash balance reported above for the Common Schools Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Common Schools Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$153 in cash on hand in a custodial fund with the Treasurer of State's office.

## CONSERVATION PROJECTS BONDS

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On November 7, 2000, voters approved Section 2(o) of Article VIII of the Ohio Constitution, authorizing the issuance of Conservation Projects Bonds. The vote was: Yes—2,197,773; No—1,628,716.

On November 4, 2008, voters approved Section 2(q) of Article VIII of the Ohio Constitution, authorizing the issuance of an additional \$200 million of Conservation Projects Bonds. The vote was: Yes-3,574,294; No-1,585,410.

Conservation Projects Bonds provide financing for conservation projects. These projects includes conservation and preservation of natural areas, open spaces, and farmlands, and other lands devoted to agriculture, including by acquiring land or interests therein; provision of state and local park and recreation facilities, and other actions that permit and enhance the availability, public use and enjoyment of natural areas and open spaces in Ohio; and land, forest water, and other natural resources management projects.

Not more than \$50 million principal amount of Conservation Projects Bonds, plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued within the \$50 million fiscal-year limit, can be issued in any fiscal year. However, no more than \$400 million in principal can be outstanding at any one time (a combination of Ohio Constitution Article VIII, Sections 2(o) and 2(q)).

Conservation Projects Bonds mature no later than December 31 of the 25th calendar year after issuance, except that obligations issued to refund other obligations mature not later than December 31 of the 25th calendar year after the year in which the original obligation was issued.

Section 2(o) of Article VIII of the Ohio Constitution was implemented by the General Assembly with the adoption of HB3 in 2001, which amended Section

151.01 and Sections 901.21 - 901.23 of the Ohio Revised Code. This bill also enacted Section 151.09, Sections 164.20 - 164.27, and Sections 1519.05 - 1519.06 of the Ohio Revised Code, and set forth the purposes for which bond proceeds may be used. The authority to issue Conservation Projects Bonds in amounts authorized by the General Assembly was conferred upon the Ohio Public Facilities Commission in HB3.

Section 2(q) of Article VIII of the Ohio Constitution was implemented by the General Assembly with the adoption of HB2 in 2009, which amended Section 151.09 (B)(1) of the Ohio Revised Code.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue Fund to the Conservation Projects Bond Service Fund, created under Section 151.09 of the Ohio Revised Code.

Legislation authorizing the issuance of Conservation Projects Bonds further requires the issuance of bonds when the Ohio Public Works Commission certifies amounts needed for the purposes of: the Clean Ohio Conservation Fund, created in Section 164.27 of the Ohio Revised Code; the Clean Ohio Agricultural Easement Fund, created in Section 901.21 of the Ohio Revised Code; and the Clean Ohio Trail Fund, created in Section 1519.05 of the Ohio Revised Code.

In June 2013, the Ohio General Assembly enacted HB59, which repealed and replaced debt authorization sections of HB482 and HB487 (enacted in June 2012) for the Clean Ohio Trail Fund, the Clean Ohio Conservation Fund, and Clean Ohio Agriculture Easement Fund. This resulted in an overall increase to the appropriations of \$100 million.

**STATE OF OHIO**  
**CONSERVATION PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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		<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$</b>	<b>6</b>
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		24,748
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Interest Earnings.....		21
Unused Administrative Fees.....		-
<b>TOTAL CASH INFLOWS.....</b>		<b>24,769</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....		18,760
Interest Paid.....		5,989
Bond Sale and Miscellaneous Expenses.....		5
<b>TOTAL CASH OUTFLOWS.....</b>		<b>24,754</b>
<b>CASH BALANCE, December 31, 2018.....</b>	<b>\$</b>	<b>21</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

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Note:

In addition to the December 31, 2018 cash balance reported above for the Conservation Projects Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Conservation Projects Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## HIGHER EDUCATION CAPITAL FACILITIES BONDS

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On November 2, 1999, voters approved Section 2(n) of Article VIII of the Ohio Constitution, authorizing the issuance of Higher Education Capital Facilities Bonds. The vote was: Yes—1,285,277; No—828,426.

Higher Education Capital Facilities Bonds finance the costs of facilities for state-supported and state-assisted institutions of higher education. Such costs include, without limitation, the cost of acquisition, construction, improvement, expansion, planning, and equipping.

There is not a limitation specified in the Constitution as to the amount of bond principal that can be outstanding at any one time.

Higher Education Capital Facilities Bonds mature no later than December 31 of the 25th calendar year after issuance, except that obligations issued to refund other obligations must mature no later than December 31 of the 25th calendar year after the year in which the original obligation to pay was issued.

Section 2(n) of Article VIII of the Ohio Constitution was initially implemented by the General Assembly with the adoption of SB206 in 1999. This legislation set forth, in uncodified law, temporary authority for the Ohio Public Facilities Commission to issue obligations under this section in an aggregate principal amount not to exceed \$150 million (all of which was issued), and specified the purposes and uses of the bond proceeds.

Subsequent to the passage of SB206 and the initial issuance of obligations under this section of the Constitution, the General Assembly passed HB640, which enacted Sections 151.01 and 151.04 of the Ohio Revised Code, effective September 14, 2000, providing for the issuance of Higher Education Capital Facilities Bonds after that date by the Ohio Public Facilities Commission.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue Fund to the Higher Education Capital Facilities Bond Service Fund, as created under Section 151.04 of the Ohio Revised Code.

**STATE OF OHIO  
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND  
Cash Flow Statement  
For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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		<b>July 1, 2018 THROUGH December 31, 2018</b>
		<b>December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$</b>	<b>14</b>
 <b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		198,708
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Interest Earnings.....		33
Unused Administrative Fees.....		-
		<b>198,741</b>
<b>TOTAL CASH INFLOWS.....</b>		<b>198,741</b>
 <b>CASH OUTFLOWS:</b>		
Principal Paid.....		143,905
Interest Paid.....		54,845
Bond Sale and Miscellaneous Expenses.....		5
		<b>198,755</b>
<b>TOTAL CASH OUTFLOWS.....</b>		<b>198,755</b>
 <b>CASH BALANCE, December 31, 2018.....</b>	 <b>\$</b>	 <b>-</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

*Interest earnings rounded down to ensure accurate ending cash balance.*

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**Note:**

In addition to the December 31, 2018 cash balance reported above for the Higher Education Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Higher Education Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## HIGHWAY CAPITAL IMPROVEMENTS BONDS

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On November 7, 1995, voters approved Section 2(m) of Article VIII of the Ohio Constitution, authorizing the issuance of Highway Capital Improvements Bonds. The vote was: Yes—1,398,467; No—856,505.

Highway Capital Improvement Bonds finance the acquisition, construction, reconstruction, expansion, improvement, planning and equipping of highways, including those on the state highway system and urban extensions thereof, those within or leading to public parks or recreation areas, and those within or leading to municipal corporations, and for participation in such highway capital improvements with municipal corporations, counties, townships, or other governmental entities as designated by law, or any one or more of them, by grants, loans, or contributions to them for any such capital improvements.

No more than \$1.2 billion in bond principal for Highway Capital Improvements can be outstanding at any given time. In any given fiscal year, no more than \$220 million in such bonds may be issued, in addition to any unused portion from the \$220 million allocated to prior fiscal years.

Highway Capital Improvements Bonds mature in not more than 30 years from the date of issuance, or if issued to retire or refund other obligations, within 30 years from the date the debt originally was issued.

Section 2(m) of Article VIII of the Ohio Constitution, was initially implemented by the General Assembly with the adoption of Senate Bill (SB) 257, in 1996, which enacted Sections 5528.51 to 5528.56 of the Ohio Revised Code.

The authority to issue Highway Capital Improvements Bonds in amounts authorized by the General Assembly was conferred upon the Sinking Fund Commission in House Bill (HB) 257. The Commission's authority to issue additional Highway Capital Improvements Bonds was withdrawn, however, when provisions in HB640 became effective on September 14, 2000. The law enacted Sections 151.01 and 151.06 of the Ohio Revised Code, which called upon the Treasurer of State to become the issuer of the bonds. Section 52 of HB640 provides for the Treasurer of State to supersede the Sinking Fund Commission in all matters relating to the bonds.

Legislation authorizing the issuance of Highway Capital Improvements Bonds further requires that the obligations be issued from time to time in such amounts as are necessary to provide sufficient monies to the

credit of the Highway Capital Improvement Fund. This fund was created by Section 5528.53 of the Ohio Revised Code to pay costs charged to that fund as estimated by the Director of the Department of Transportation.

In each year that monies referred to in Section 5(a) of Article XII of the Ohio Constitution are available for the payment of debt service on Highway Capital Improvements Bonds, the monies are to be appropriated thereto, and the required application of any other excises and taxes are reduced in corresponding amount. Debt service is paid from the Highway Capital Improvement Bond Service Fund, created under Section 151.06 of the Ohio Revised Code.

**General Obligation Bonds Issued During the Six Months Ended December 31, 2018**

**\$187,125,000**

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State of Ohio  
Highway Capital Improvements General Obligation Bonds  
Series V

Dated: 12/12/2018

Date	Principal	Interest	Debt Service
5/1/2019		3,612,552.08	3,612,552.08
11/1/2019		4,678,125.00	4,678,125.00
5/1/2020	12,475,000	4,678,125.00	17,153,125.00
11/1/2020		4,366,250.00	4,366,250.00
5/1/2021	12,475,000	4,366,250.00	16,841,250.00
11/1/2021		4,054,375.00	4,054,375.00
5/1/2022	12,475,000	4,054,375.00	16,529,375.00
11/1/2022		3,742,500.00	3,742,500.00
5/1/2023	12,475,000	3,742,500.00	16,217,500.00
11/1/2023		3,430,625.00	3,430,625.00
5/1/2024	12,475,000	3,430,625.00	15,905,625.00
11/1/2024		3,118,750.00	3,118,750.00
5/1/2025	12,475,000	3,118,750.00	15,593,750.00
11/1/2025		2,806,875.00	2,806,875.00
5/1/2026	12,475,000	2,806,875.00	15,281,875.00
11/1/2026		2,495,000.00	2,495,000.00
5/1/2027	12,475,000	2,495,000.00	14,970,000.00
11/1/2027		2,183,125.00	2,183,125.00
5/1/2028	12,475,000	2,183,125.00	14,658,125.00
11/1/2028		1,871,250.00	1,871,250.00
5/1/2029	12,475,000	1,871,250.00	14,346,250.00
11/1/2029		1,559,375.00	1,559,375.00
5/1/2030	12,475,000	1,559,375.00	14,034,375.00
11/1/2030		1,247,500.00	1,247,500.00
5/1/2031	12,475,000	1,247,500.00	13,722,500.00
11/1/2031		935,625.00	935,625.00
5/1/2032	12,475,000	935,625.00	13,410,625.00
11/1/2032		623,750.00	623,750.00
5/1/2033	12,475,000	623,750.00	13,098,750.00
11/1/2033		311,875.00	311,875.00
5/1/2034	12,475,000	311,875.00	12,786,875.00
<b>Total:</b>	<b>\$ 187,125,000.00</b>	<b>\$ 78,462,552.08</b>	<b>\$ 265,587,552.08</b>

Average Life	8.386 Years
Average Coupon	5.000000%

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Net Interest Cost (NIC)	3.290806%
True Interest Cost (TIC)	2.996282%
Bond Yield for Arbitrage Purposes	2.640519%
All Inclusive Cost (AIC)	3.018880%

**STATE OF OHIO**  
**HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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		<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$</b>	<b>379</b>
 <b>CASH INFLOWS:</b>		
Transfers from Highway Operating Fund.....		88,785
Bond Proceeds.....		3,614
Accrued Interest on Bonds Sold.....		-
Interest Earnings.....		23
Unused Administrative Fees.....		-
		<b>92,422</b>
 <b>CASH OUTFLOWS:</b>		
Principal Paid.....		13,630
Interest Paid.....		22,470
Bond Sale and Miscellaneous Expenses.....		29
		<b>36,129</b>
<b>CASH BALANCE, December 31, 2018.....</b>	<b>\$</b>	<b>56,672</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

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**Note:**

In addition to the December 31, 2018 cash balance reported above for the Highway Capital Improvement Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Highway Capital Improvement Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$328 in cash on hand in a custodial fund with the Treasurer of State's office.



## NATURAL RESOURCES CAPITAL FACILITIES BONDS

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On November 2, 1993, voters approved Section 2(l) of Article VIII of the Ohio Constitution, authorizing the issuance of Natural Resources Capital Facilities Bonds. The vote was: Yes—1,547,841; No—1,008,182.

Natural Resources Capital Facilities Bonds finance or assist in the financing of the costs of capital improvements for state and local parks and land and water recreation facilities; soil and water restoration and protection, land management, including preservation of natural areas and reforestation; water management, including dam safety, stream, and lake management, and flood control and flood damage reduction; fish and wildlife resource management; and other projects that enhance the use and enjoyment of natural resources by individuals. Such capital improvements include, without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

Not more than \$50 million in principal can be issued in any fiscal year, and not more than \$200 million in principal can be outstanding at any one time.

Natural Resources Capital Facilities Bonds must mature within 25 years from the date of issuance, or, if issued to retire or refund other obligations issued under this section, within 25 years from the date the debt was originally issued.

The General Assembly initially implemented Section 2(l) of Article VIII of the Ohio Constitution with the adoption of HB790 in 1994, which enacted Sections 1557.01 et seq. of the Ohio Revised Code. This bill also specified the appropriate uses of proceeds derived from these bonds.

The authority to issue Natural Resources Capital Facilities Bonds in amounts authorized by the General Assembly was delegated to the Sinking Fund Commission in HB790. The Commission's authority to issue additional Natural Resources Capital Facilities Bonds was withdrawn, however, when provisions in HB640 became effective on September 14, 2000. The law enacted Sections 151.01 and 151.05 of the Ohio Revised Code, which designated the Ohio Public Facilities Commission as the issuer of these bonds. Section 52 of HB640 provides for the Ohio Public Facilities Commission to supersede the Sinking Fund Commission in all matters relating to the bonds.

Legislation authorizing the issuance of Natural Resources Capital Facilities Bonds further provides that the bonds are to be dated, issued, and sold from time to time in such amounts as necessary to provide sufficient moneys to the credit of the Ohio Parks and Natural Resources Fund. This fund was created under Section 1557.04 of the Ohio Revised Code to pay costs to service these bonds, as estimated by the Director of the Department of Natural Resources.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified to the Natural Resources Projects Bond Service Fund, as created under Section 151.05 of the Ohio Revised Code.

**STATE OF OHIO**  
**NATURAL RESOURCES PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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		<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$</b>	<b>2</b>
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		7,251
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Interest Earnings.....		-
Unused Administrative Fees.....		-
<b>TOTAL CASH INFLOWS.....</b>		<b>7,251</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....		3,685
Interest Paid.....		3,563
Bond Sale and Miscellaneous Expenses.....		5
<b>TOTAL CASH OUTFLOWS.....</b>		<b>7,253</b>
<b>CASH BALANCE, December 31, 2018.....</b>	<b>\$</b>	<b>-</b>

*All dollar amounts represented have been rounded to the nearest thousand.  
Interest paid has been rounded down to ensure correct final cash balance.*

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**Note:**

In addition to the December 31, 2018 cash balance reported above for the Natural Resources Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Natural Resources Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## **PERSIAN GULF, AFGHANISTAN, & IRAQ CONFLICTS COMPENSATION BONDS**

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On November 3, 2009, voters approved Section 2(r) of Article VIII of the Ohio Constitution, authorizing the issuance of Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Bonds (Veteran's Compensation Bonds). The vote was: Yes—2,227,521; No – 876,520.

Proceeds from Veteran's Compensation Bonds provide compensation to veterans who have served in active duty in the United States armed forces at any time during the Persian Gulf, Afghanistan, and Iraq conflicts. The State was authorized to issue up to \$200 million in general obligation bonds.

Veteran's Compensation Bonds issued shall mature not later than December 31 of the 15th calendar year after issuance, except obligations issued to refund obligations shall mature not later than December 31 of the 15th calendar in which the original obligation was issued.

As of December 31, 2013, additional obligations cannot be issued under this section except those issued to retire or refund obligations previously issued.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue Fund to the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund.

**STATE OF OHIO**  
**PERSIAN GULF, AFGHANISTAN, IRAQ COMPENSATION BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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	<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$ -</b>
 <b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	713
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	-
Unused Administrative Fees.....	-
<b>TOTAL CASH INFLOWS.....</b>	<b>713</b>
 <b>CASH OUTFLOWS:</b>	
Principal Paid.....	-
Interest Paid.....	711
Bond Sale and Miscellaneous Expenses.....	2
<b>TOTAL CASH OUTFLOWS.....</b>	<b>713</b>
<b>CASH BALANCE, December 31, 2018.....</b>	<b>\$ -</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

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In addition to the December 31, 2018 cash balance reported above for the Persian Gulf, Afghanistan, Iraq Compensation Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Persian Gulf, Afghanistan, Iraq Compensation Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$1 in cash on hand in a custodial fund with the Treasurer of State's office.

## PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS

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On November 3, 1987, voters approved Section 2(k) of Article VIII of the Ohio Constitution, authorizing the issuance of Public Infrastructure Capital Improvements Bonds. The vote was: Yes—1,674,913; No—689,383.

The bonds financed or assisted in the financing of the costs of public infrastructure capital improvements of municipal corporations, counties, townships, and other governmental entities. Capital improvements include, without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

Section 2(k) was initially implemented by the General Assembly with the adoption of HB704 in 1988. This enacted Chapter 164 of the Ohio Revised Code, and specified the purposes for which the bond proceeds could be used. The authority to issue Public Infrastructure Capital Improvements Bonds in amounts authorized by the General Assembly was conferred upon the Treasurer of State.

Under the original authorization, not more than \$120 million in principal could be issued in any calendar year, provided that the aggregate total principal amount of bonds and other obligations issued did not exceed \$1.2 billion. Of the authorized amount, the Treasurer of State issued bonds totaling \$1,199,986,136.

Public Infrastructure Capital Improvements Bonds mature in not more than 30 years from the date of issuance, or if issued to retire or refund other obligations, within 30 years from the date the debt originally was issued.

On November 07, 1995, voters approved Section 2(m), Article VIII of the Ohio Constitution, authorizing the issuance of additional Public Infrastructure Capital Improvements Bonds. The vote was: Yes—1,404,834; No—865,698.

Under Section 2(m), the capital improvements were limited to roads and bridges, wastewater treatment systems, water supply systems, solid waste disposal facilities, storm water and sanitary collection, storage, and treatment facilities, including real property, interests in real property, facilities, and equipment related to or incidental thereto, and includes without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

Not more than \$120 million in principal, plus the principal of Public Infrastructure Capital Improvements

Bonds that in any prior fiscal years could have been but were not issued within the \$120 million fiscal-year limit set forth in Section 2(m), can be issued in any fiscal year; and provided further that no infrastructure obligations shall be issued pursuant to this section until at least \$1,199,500,000 aggregate principal amount of obligations have been issued pursuant to Section 2(k) of Article VIII.

However, no more than \$1.2 billion in principal could be issued under Section 2(m). If bonds are issued to retire or refund obligations previously issued under Section 2(m), the new bonds are not counted against those fiscal year or total issuance limitations to the extent that their principal amount does not exceed the principal amount of the obligations to be refunded or retired.

The 123rd General Assembly passed HB640 in May 2000, which enacted Sections 151.01 and 151.08 of the Ohio Revised Code, effective September 14, 2000. This bill governed the subsequent issuance of Public Infrastructure Capital Improvements Bonds. With passage of this bill, the issuing authority remained the Treasurer of State.

Subsequently, the 126th General Assembly passed HB16, which amended Section 151.01 of the Ohio Revised Code, providing for further issuance of such obligations by the Ohio Public Facilities Commission. Section 39.02 of HB16, which went into effect on July 1, 2005, provides for the Ohio Public Facilities Commission to supersede the Treasurer of State in all matters relating to the obligations.

On November 08, 2005, voters approved Section 2(p), Article VIII of the Ohio Constitution, authorizing the issuance of additional Public Infrastructure Capital Improvements Bonds. The vote was: Yes—1,512,669; No—1,282,571.

Not more than \$120 million in principal amount could be issued in each of the first five fiscal years, and not more than \$150 million in principal amount could be issued in each of the next five fiscal years of issuance, plus in each case the principal amount that in any prior fiscal years could have been but were not issued within those fiscal year limits. No Public Infrastructure obligations may be issued pursuant to this section until at least one billion one hundred ninety-nine million five hundred thousand dollars (\$1,199,500,000) in aggregate principal amount of Public Infrastructure obligations have been issued pursuant to Section 2(m).

On May 06, 2014, voters approved Section 2(s), Article VIII of the Ohio Constitution, authorizing the issuance of additional Public Infrastructure Capital Improvements Bonds. The vote was: Yes—797,207; No—427,273.

In addition to the authorizations otherwise contained in Article VIII, Ohio Constitution, the General Assembly may now provide by law, in accordance with and subject to the limitations of this section for the issuance of bonds and other obligations of the state for the purpose of financing or assisting in the financing of the cost of public infrastructure capital improvements of municipal corporations, counties, townships, and other government entities as designated by law.

Not more than one billion eight hundred seventy-five million dollars (\$1,875,000,000) in principal amount of state general obligations may be issued under Section 2(s) for public infrastructure capital improvements.

Not more than \$175 million principal amount of those obligations may be issued in each of the first five fiscal years of issuance, and not more than \$200 million principal amount of those obligations may be issued in each of the next five fiscal years of issuance, plus in each case the principal amount of those obligations that in any prior fiscal year could have been but were not issued within those fiscal year limits. No Public Infrastructure obligations may be issued pursuant to this section until all obligations authorized under section 2 (p) have been issued.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue Fund to the bond service fund.

**General Obligation Bonds Issued During the Six Months Ended December 31, 2018**

**\$160,000,000**

State of Ohio  
Infrastructure Improvement General  
Obligation Bonds Series 2018A

Dated: 11/06/2018

Date	Principal	Interest	Debt Service
3/1/2019		2,555,555.56	2,555,555.56
9/1/2019	4,775,000	4,000,000.00	8,775,000.00
3/1/2020		3,880,625.00	3,880,625.00
9/1/2020	5,020,000	3,880,625.00	8,900,625.00
3/1/2021		3,755,125.00	3,755,125.00
9/1/2021	5,275,000	3,755,125.00	9,030,125.00
3/1/2022		3,623,250.00	3,623,250.00
9/1/2022	5,545,000	3,623,250.00	9,168,250.00
3/1/2023		3,484,625.00	3,484,625.00
9/1/2023	5,830,000	3,484,625.00	9,314,625.00
3/1/2024		3,338,875.00	3,338,875.00
9/1/2024	6,130,000	3,338,875.00	9,468,875.00
3/1/2025		3,185,625.00	3,185,625.00
9/1/2025	6,445,000	3,185,625.00	9,630,625.00
3/1/2026		3,024,500.00	3,024,500.00
9/1/2026	6,775,000	3,024,500.00	9,799,500.00
3/1/2027		2,855,125.00	2,855,125.00
9/1/2027	7,120,000	2,855,125.00	9,975,125.00
3/1/2028		2,677,125.00	2,677,125.00
9/1/2028	7,485,000	2,677,125.00	10,162,125.00
3/1/2029		2,490,000.00	2,490,000.00
9/1/2029	7,870,000	2,490,000.00	10,360,000.00
3/1/2030		2,293,250.00	2,293,250.00
9/1/2030	8,275,000	2,293,250.00	10,568,250.00
3/1/2031		2,086,375.00	2,086,375.00
9/1/2031	8,700,000	2,086,375.00	10,786,375.00
3/1/2032		1,868,875.00	1,868,875.00
9/1/2032	9,145,000	1,868,875.00	11,013,875.00
3/1/2033		1,640,250.00	1,640,250.00
9/1/2033	9,615,000	1,640,250.00	11,255,250.00
3/1/2034		1,399,875.00	1,399,875.00
9/1/2034	10,110,000	1,399,875.00	11,509,875.00
3/1/2035		1,147,125.00	1,147,125.00
9/1/2035	10,625,000	1,147,125.00	11,772,125.00
3/1/2036		881,500.00	881,500.00
9/1/2036	11,170,000	881,500.00	12,051,500.00
3/1/2037		602,250.00	602,250.00
9/1/2037	11,745,000	602,250.00	12,347,250.00
3/1/2038		308,625.00	308,625.00
9/1/2038	12,345,000	308,625.00	12,653,625.00
<b>Total:</b>	<b>\$160,000,000.00</b>	<b>\$95,641,555.56</b>	<b>\$255,641,555.56</b>

Average Life	11.955 Years
Average Coupon	5.000000%

Net Interest Cost (NIC)	3.789364%
True Interest Cost (TIC)	3.454147%
Bond Yield for Arbitrage Purposes	2.979670%
All Inclusive Cost (AIC)	3.470633%

**STATE OF OHIO**  
**PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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	<b>July 1, 2018 THROUGH December 31, 2018</b>
	<b>\$ 40</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>40</b>
 <b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	139,896
Bond Proceeds.....	7,886
Accrued Interest on Bonds Sold.....	-
Net Receipts from Swap Agreements.....	-
Interest Earnings.....	80
Other.....	-
	<b>147,862</b>
<b>TOTAL CASH INFLOWS.....</b>	<b>147,862</b>
 <b>CASH OUTFLOWS:</b>	
Principal Paid.....	100,660
Interest Paid.....	38,244
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	-
Net Payments under Swap Agreements.....	942
Bond Sale and Miscellaneous Expenses.....	90
	<b>139,936</b>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>139,936</b>
 <b>CASH BALANCE, December 31, 2018.....</b>	 <b>\$ 7,966</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

*Interest earnings rounded down to ensure accurate final cash balance.*

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Note:

In addition to the December 31, 2018 cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the State Capital Improvements Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$66 in cash on hand in a custodial fund with the Treasurer of State's office.



## JOB READY SITE DEVELOPMENT BONDS

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On November 8, 2005, voters approved Section 2(p) of Article VIII of the Ohio Constitution, authorizing the issuance of Job Ready Site Development Project Bonds. The vote was: Yes—1,512,669; No—1,282,571.

Proceeds of Job Ready Site Development Project Bond finance local government infrastructure, support research and development applicable to high-tech business, and enhance business site development.

The State is authorized to issue Job Ready Site Development Project Bonds for the development of sites and facilities (Job Ready Sites) in Ohio for and in support of industry, commerce, distribution, and research and development.

The constitutional amendment limits Job Ready Site Development Bond issuances to \$150 million, with no more than \$30 million in each of the first three fiscal years and no more than \$15 million in any other fiscal year (plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued).

As of July 1, 2018, additional obligations cannot be issued under this section except those issued to retire or refund obligations previously issued.

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified from the State's General Revenue fund to the Job Ready Site Development Bond Service Fund, as created under Section 151.11 of the Ohio Revised Code.

**STATE OF OHIO**  
**JOB READY SITE DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

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	<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$ 2</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	10,125
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	-
Unused Administrative Fees.....	-
<b>TOTAL CASH INFLOWS.....</b>	<b>10,125</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	9,245
Interest Paid.....	877
Bond Sale and Miscellaneous Expenses.....	5
<b>TOTAL CASH OUTFLOWS.....</b>	<b>10,127</b>
<b>CASH BALANCE, December 31, 2018.....</b>	<b>-</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

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Note:

In addition to the December 31, 2018 cash balance reported above for the Job Ready Site Development Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Job Ready Site Development Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS

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On November 8, 2005, voters approved Section 2(p) of Article VIII of the Ohio Constitution, authorizing the issuance of Third Frontier Research and Development Projects Bonds. The vote was: Yes—1,512,669; No—1,282,571.

On May 4, 2010, voters approved Section 2(p) of Article VIII of the Ohio Constitution, authorizing additional issuance of Third Frontier Research and Development Project Bonds. The vote was: Yes-1,050,265; No-650,988.

The State is authorized to issue the Third Frontier Research and Development Projects Bonds to provide financial assistance for research and development in support of Ohio industry, commerce, and business, including research and product innovation, development, and commercialization as provided for by law, but excluding purposes provided for in Section 15 of Article VIII of the Ohio Constitution. The amendment also authorizes state-supported and state-assisted institutions of higher education to issue obligations to pay costs of research and development purposes.

The State was able to issue up to \$450 million in Third Frontier Research and Development Projects Bonds for the period including state fiscal years 2006 through 2011, no more than \$225 million in fiscal year 2012 and no more than \$175 million in any fiscal year thereafter (plus the principal amount of those obligations that in any prior fiscal year could have been but were not issued).

The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay debt service on the bonds. Upon consultation with the Director, the Commissioners of the Sinking Fund issued under this section are provided by a transfer from the State's General Revenue Fund to the Third Frontier R&D Bond Service Fund, as created under Section 151.10 of the Ohio Revised Code.

**STATE OF OHIO**  
**THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**

**For the Six Months Ended December 31, 2018 (Dollars in 000s)**

		<b>July 1, 2018 THROUGH December 31, 2018</b>
<b>CASH BALANCE, July 1, 2018.....</b>	<b>\$</b>	<b>13</b>
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		58,764
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Interest Earnings.....		-
Unused Administrative Fees.....		-
<b>TOTAL CASH INFLOWS.....</b>		<b>58,764</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....		52,985
Interest Paid.....		5,787
Bond Sale and Miscellaneous Expenses.....		5
<b>TOTAL CASH OUTFLOWS.....</b>		<b>58,777</b>
<b>CASH BALANCE, December 31, 2018.....</b>		<b>-</b>

*All dollar amounts represented have been rounded to the nearest thousand.*

**Note:**

In addition to the December 31, 2018 cash balance reported above for the Third Frontier R&D Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Third Frontier R&D Bond Service Fund for future debt service payments. As of December 31, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

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**PREPARED BY THE SINKING FUND COMMISSION**

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