

# COMMISSIONERS OF THE SINKING FUND SEMI-ANNUAL REPORT

FOR THE PERIOD JANUARY 1, 2014 THROUGH JUNE 30, 2014



**UNAUDITED**  
AUGUST 14, 2014



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# **State of Ohio**

## **Commissioners of the Sinking Fund**

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**Dave Yost**  
**Auditor of State**

*President*

*Term beginning January 10, 2011*

**Jon Husted**  
**Secretary of State**

*Secretary*

*Term beginning January 10, 2011*

**John Kasich**  
**Governor**

*Member*

*Term beginning January 10, 2011*

**Josh Mandel**  
**Treasurer of State**

*Member*

*Term beginning January 10, 2011*

**Mike DeWine**  
**Attorney General**

*Member*

*Term beginning January 10, 2011*

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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

614.466.7753  
614.752.8461 (FAX)

August 14, 2014

The Honorable John Kasich, 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 June 30, 2014, 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 June 30, 2014, 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, January 1, 2014 through June 30, 2014, 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, as well as historical information on past general obligation bond issues which have been retired. 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) 466-7753.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Dave Yost".

Dave Yost, Auditor of State  
President

A handwritten signature in blue ink that reads "Jon Husted".

Jon Husted, Secretary of State  
Secretary

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

Josh Mandel, Treasurer of State  
Member

A handwritten signature in blue ink that reads "John Kasich".

John Kasich, Governor of State  
Member

A handwritten signature in blue ink that reads "Mike DeWine".

Mike DeWine, Attorney General of State  
Member

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**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of June 30, 2014

	<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS</b> Article VIII, Section 2(m), of Ohio Constitution 11/7/1995	<b>COAL RESEARCH AND DEVELOPMENT BONDS</b> Article VIII, Section 15, of Ohio Constitution 11/5/1985	<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS</b> Article VIII, Section 2(l), of Ohio Constitution 11/2/1993
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized .....	\$ 3,115,000,000	\$ 251,000,000	\$ 443,000,000
Bonds Issued (A) .....	2,693,410,000	210,000,000	348,000,000
Bonds Authorized, but not Issued .....	421,590,000	41,000,000	95,000,000
Bonds Matured .....	1,832,385,000	159,960,000	234,240,000
Outstanding Bonded Debt (B) .....	861,635,000	20,040,000	115,820,000
Total Interest Cost to Maturity .....	813,484,285	48,218,638	125,966,376
Interest Paid through 06/30/14.....	552,178,682	45,856,332	104,354,094
Remaining Interest through Maturity .....	261,305,603	2,362,306	21,612,282
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 06/30/14.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	100,074	58	229
Final Maturity Date .....	5/1/2029	2/1/2022	4/1/2027
Funding Source(s) .....	Highway Use Tax, Gasoline Tax & International Registration Plan Fees	General Revenue Fund Appropriation	General Revenue Fund Appropriation

	<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS</b> Article VIII, Section 2(n), of Ohio Constitution 11/2/1999	<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS</b> Article VIII, Section 2(n), of Ohio Constitution 11/2/1999	<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS</b> Article VIII, Section 2(p)(s), of Ohio Constitution 05/06/2014
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized (D) .....	\$ 4,770,000,000	\$ 3,535,000,000	\$ 3,750,000,000
Bonds Issued (A) .....	4,170,000,000	2,910,000,000	3,299,986,136
Bonds Authorized, but not Issued .....	600,000,000	625,000,000	450,013,864
Bonds Matured .....	1,101,585,000	767,020,000	1,488,035,273
Outstanding Bonded Debt (B) .....	2,929,625,000	2,071,935,000	1,785,451,998
Total Interest Cost to Maturity (C) .....	2,184,541,150	1,633,733,219	1,678,279,365
Interest Paid through 06/30/14.....	1,246,430,139	872,308,871	1,046,225,291
Remaining Interest through Maturity (C) .....	938,111,011	761,424,348	632,054,074
Original Discount on Capital Appreciation Bonds .....	-	-	269,197,729
Accreted Principal Paid through 06/30/14.....	-	-	262,289,727
Remaining Discount through Maturity .....	-	-	6,908,002
Cash Balance in Bond Service Fund .....	8,879	10,023,330	9,306
Final Maturity Date .....	6/15/2033	5/1/2034	3/1/2034
Funding Source(s) .....	General Revenue Fund Appropriation & Net Lottery Proceeds	General Revenue Fund Appropriation	General Revenue Fund Appropriation

(continued)

**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of June 30, 2014  
(Continued)

	<b>CONSERVATION PROJECTS BONDS Article VIII, Sections 2(o)(q), of Ohio Constitution 11/07/2000, 11/04/2008</b>	<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS Article VIII, Section 2(p), of Ohio Constitution 05/04/2010</b>	<b>THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS Article VIII, Section 2(p), of Ohio Constitution 05/04/2010</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized .....	\$ 500,000,000	\$ 1,200,000,000	\$ 150,000,000
Bonds Issued (A) .....	350,000,000	661,000,000	150,000,000
Bonds Authorized, but not Issued .....	150,000,000	539,000,000	-
Bonds Matured .....	120,185,000	186,485,000	45,205,000
Outstanding Bonded Debt (B) .....	228,655,000	474,515,000	104,795,000
Total Interest Cost to Maturity .....	133,298,987	139,099,470	31,840,406
Interest Paid through 06/30/14.....	75,866,099	69,572,190	16,690,641
Remaining Interest through Maturity .....	57,432,888	69,527,280	15,149,765
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 06/30/14.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	4,649	4,279	222,119
Final Maturity Date .....	3/1/2028	11/1/2023	11/1/2022
Funding Source(s) .....	General Revenue Fund Appropriation	General Revenue Fund Appropriation	General Revenue Fund Appropriation

	<b>PERSIAN GULF, AFGHANISTAN &amp; IRAQ CONFLICTS COMPENSATION BONDS Article VIII, Section 2(r), of Ohio Constitution 11/3/2009</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>	
Bonds Authorized .....	\$ 200,000,000
Bonds Issued (A) .....	83,910,000
Bonds Authorized, but not Issued .....	116,090,000
Bonds Matured .....	10,525,000
Outstanding Bonded Debt.....	73,385,000
Total Interest Cost to Maturity .....	21,576,314
Interest Paid through 06/30/14.....	7,379,016
Remaining Interest through Maturity .....	14,197,297
Original Discount on Capital Appreciation Bonds.....	-
Accreted Principal Paid through 06/30/14.....	-
Remaining Discount through Maturity .....	-
Cash Balance in Bond Service Fund .....	0
Final Maturity Date .....	10/1/2026
Funding Source(s) .....	General Revenue Fund Appropriation

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**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
**As of June 30, 2014**  
**(Continued)**

Notes:

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- (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, 2005). The amendment, effective immediately, increases 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.
  - \$450 million in Third Frontier Research and Development Projects Bonds may be issued for the period including 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 in each case the principal amount of obligations that in any prior fiscal year could have been but were not issued.
  - \$30 million in Third Frontier Job Ready Site Development Bonds may be issued in each of the first three fiscal years beginning with Fiscal Year 2006, and not more than \$15 million in subsequent fiscal years, 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.

**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 June 30, 2014**

<i>Outstanding General Obligation Bond Principal, January 1, 2014:</i>		
Highway Capital Improvements Bonds .....	\$ 710,430,000	
Coal Research and Development Projects Bonds .....	21,130,000	
Natural Resources Capital Facilities Bonds .....	120,745,000	
Common Schools Capital Facilities Bonds .....	3,023,845,000	
Higher Education Capital Facilities Bonds .....	1,827,045,000	
Public Infrastructure Capital Improvements Bonds .....	1,684,056,998	
Conservation Projects Bonds .....	235,380,000	
Third Frontier Research & Development Projects Bonds .....	495,830,000	
Third Frontier Job Ready Site Development Bonds.....	111,990,000	
Veteran's Compensation Bonds.....	76,575,000	
<i>Total Outstanding, January 1, 2014.....</i>	<u>8,307,026,998</u>	
<i>General Obligation Bonds Issued - January 1 through June 30, 2014:</i>		
Public Infrastructure Capital Improvement Bonds, Series 2014A.....	150,000,000	<u>Date of Issue</u>
Higher Education Capital Facilities Bonds, Series 2014A.....	300,000,000	January 22, 2014
Common Schools Capital Facilities Bonds, Series 2014A.....	162,415,000	March 21, 2014
Higher Education Capital Facilities Bonds, Series 2014B.....	116,290,000	May 29, 2014
Public Infrastructure Capital Improvement Bonds, Series 2014B.....	59,870,000	May 29, 2014
Highway Capital Improvement Bonds, Series R.....	249,005,000	June 11, 2014
<i>Total Issuances.....</i>	<u>1,037,580,000</u>	
<i>General Obligation Bonds Refunded - January 1 through June 30, 2014:</i>		
Common Schools Capital Facilities Bonds.....	176,900,000	<u>Date Refunded</u>
Higher Education Capital Facilities Bonds.....	127,510,000	May 29, 2014
Public Infrastructure Capital Improvement Bonds.....	64,910,000	May 29, 2014
<i>Total Refunded.....</i>	<u>369,320,000</u>	
<i>General Obligation Bonds Matured - January 1 through June 30, 2014:</i>		
Coal Research and Development Bonds:		<u>Date of Maturity</u>
Series I.....	1,090,000	February 1, 2014
	<u>1,090,000</u>	
Common Schools Capital Facilities Bonds:		
Series 2004B.....	9,150,000	March 15, 2014
Series 2005A.....	4,625,000	March 15, 2014
Series 2005B.....	4,625,000	March 15, 2014
Series 2012B.....	9,370,000	March 15, 2014
Series 2004A.....	9,525,000	June 15, 2014
Series 2005C.....	8,950,000	June 15, 2014
Series 2006B.....	4,455,000	June 15, 2014
Series 2006C.....	4,455,000	June 15, 2014
Series 2007A.....	11,430,000	June 15, 2014
Series 2013B.....	13,150,000	June 15, 2014
	<u>79,735,000</u>	
Conservation Projects Bonds:		
Series 2004A.....	3,355,000	March 1, 2014
Series 2009B.....	3,370,000	March 1, 2014
	<u>6,725,000</u>	
Higher Education Capital Facilities Bonds.....		
Series 2004B.....	6,810,000	February 1, 2014
Series 2005A.....	6,550,000	February 1, 2014
Series 2012A.....	9,785,000	February 1, 2014
Series 2004A.....	6,900,000	May 1, 2014
Series 2005B.....	6,565,000	May 1, 2014
Series 2006A.....	6,320,000	May 1, 2014
Series 2013B.....	960,000	May 1, 2014
	<u>43,890,000</u>	
Highway Capital Improvement Bonds.....		
Series I.....	14,000,000	May 1, 2014
Series J.....	20,000,000	May 1, 2014
Series K.....	19,000,000	May 1, 2014
Series L.....	14,000,000	May 1, 2014
Series N.....	10,935,000	May 1, 2014
Series P.....	15,915,000	May 1, 2014
Series Q.....	3,950,000	May 1, 2014
	<u>97,800,000</u>	
Public Infrastructure Capital Improvements Bonds .....		
Series 1998B.....	7,700,000	February 1, 2014
Series 2002A.....	6,700,000	February 1, 2014
Series 2003D.....	8,495,000	February 1, 2014
Series 2004A.....	390,000	February 1, 2014
Series 2012A.....	4,260,000	February 1, 2014
Series 2013A.....	5,415,000	February 1, 2014
Series 2004D.....	5,515,000	March 1, 2014
Series 2006A.....	5,090,000	August 1, 2013
	<u>43,565,000</u>	
Natural Resources Capital Facilities Bonds.....		
Series K.....	1,690,000	April 1, 2014
Series N.....	2,045,000	April 1, 2014
Series Q.....	1,190,000	April 1, 2014
	<u>4,925,000</u>	
Third Frontier Job Ready Site Development Bonds:		
Series 2006A.....	3,200,000	May 1, 2014
Series 2011A.....	3,995,000	May 1, 2014
	<u>7,195,000</u>	
Third Frontier Research & Development Projects Bonds .....		
Series 2007A.....	3,265,000	May 1, 2014
Series 2008A.....	3,940,000	May 1, 2014
Series 2011A.....	5,180,000	May 1, 2014
Series 2013A.....	8,930,000	May 1, 2014
	<u>21,315,000</u>	
Veteran's Compensation Bonds .....		
Series 2010.....	3,190,000	April 1, 2014
	<u>3,190,000</u>	
<i>Total Maturities.....</i>	<u>309,430,000</u>	

(continued)

**STATE OF OHIO**  
**SCHEDULE OF CHANGES IN GENERAL OBLIGATION DEBT PRINCIPAL, INTEREST**  
**AND ACCRETED PRINCIPAL PAID AND NET INTEREST RATE SWAP TRANSACTIONS**  
**As of June 30, 2014**  
**(Continued)**

*Outstanding General Obligation Bond Principal, June 30, 2014:*

Highway Capital Improvements Bonds .....	861,635,000
Coal Research and Development Projects Bonds .....	20,040,000
Natural Resources Capital Facilities Bonds .....	115,820,000
Common Schools Capital Facilities Bonds .....	2,929,625,000
Higher Education Capital Facilities Bonds .....	2,071,935,000
Public Infrastructure Capital Improvements Bonds .....	1,785,451,998
Conservation Projects Bonds .....	228,655,000
Third Frontier Research & Development Projects Bonds .....	474,515,000
Third Frontier Job Ready Site Development Bonds.....	104,795,000
Veteran's Compensation Bonds.....	73,385,000
<i>Total Outstanding, June 30, 2014.....</i>	<u><u>\$ 8,665,856,998</u></u>

*Interest & Accreted Principal Paid, January 1 through June 30, 2014:*

	Interest	Accreted Principal
Highway Capital Improvements Bonds .....	\$ 15,471,030	\$ -
Coal Research and Development Projects Bonds .....	328,093	-
Natural Resources Capital Facilities Bonds .....	2,320,324	-
Common Schools Capital Facilities Bonds .....	64,523,910	-
Higher Education Capital Facilities Bonds .....	43,476,732	-
Public Infrastructure Capital Improvements Bonds .....	32,993,619	-
Conservation Projects Bonds .....	4,650,002	-
Third Frontier Research & Development Projects Bonds .....	8,406,414	-
Third Frontier Job Ready Site Development Bonds.....	1,933,682	-
Veteran's Compensation Bonds.....	1,077,988	-
<i>Total Interest and Accreted Principal Paid.....</i>	<u><u>\$ 175,181,795</u></u>	<u><u>\$ -</u></u>

*Interest Rate Swap Agreements-Net Receipts & Payments,  
January 1 through June 30, 2014:*

	Net Swap Receipts	Net Swap Payments
Common Schools Capital Facilities Bonds .....	\$ -	\$ 5,311,028
Public Infrastructure Capital Improvements Bonds .....	-	2,335,369
<i>Total Net Receipts and Payments.....</i>	<u><u>\$ -</u></u>	<u><u>\$ 7,646,398</u></u>

**STATE OF OHIO  
GENERAL OBLIGATION BOND RATINGS**

Ratings only reflect the views of the particular rating organization. An explanation of a specific rating agency's view on the meaning and significance of its assigned ratings may be obtained from the respective rating agency. No representation or guarantee exists that the current ratings assigned to general obligation bonds will continue for any specific amount of time, or that a rating will not be lowered or withdrawn by a rating agency, if in its judgment, circumstances so warrant.

Ratings Assigned to General Obligations			
Purpose	Bond Rating Agencies		
	Fitch Ratings	Moody's Investors Service	Standard & Poor's Ratings Services
Highway Capital Improvements .....	AA+	Aa1	AAA
Coal Research and Development .....	AA+	Aa1	AA+
Natural Resources Capital Facilities .....	AA+	Aa1	AA+
Common Schools Capital Facilities .....	AA+	Aa1	AA+
Higher Education Capital Facilities .....	AA+	Aa1	AA+
Public Infrastructure Capital Improvements .....	AA+	Aa1	AA+
Conservation Projects .....	AA+	Aa1	AA+
Third Frontier R & D Projects.....	AA+	Aa1	AA+
Job Ready Site Development .....	AA+	Aa1	AA+
Veteran's Compensation .....	AA+	Aa1	AA+

Source: Ohio Office of Budget and Management

**STATE OF OHIO  
GENERAL OBLIGATION BOND SALES**

Details on bond sales that closed during the six-month period that ended June 30, 2014 are as follows:

General Obligation Bond Sales							
Issue	Date of Issue	Par Amount	Premium/ (Discount)	Capitalized Interest to Bond Service Fund	Underwriter's Discount	Cost of Issuance	Net Proceeds Delivered to Project Fund
Infrastructure Improvement Bonds: Series 2014A.....	01/22/14	\$ 150,000,000	\$ 14,991,754	\$ (10,759,995)	\$ (202,500)	\$ (217,500)	\$ 153,811,759
Higher Education Facilities Bonds: Series 2014A.....	3/21/14	300,000,000	36,412,849	(15,557,944)	(499,775)	(318,650)	\$ 320,036,480
Common Schools Facilities Bonds: Refunding Bond, Series 2014A.....	5/29/14	162,415,000	31,972,553	-	(396,114)	(205,481)	\$ 193,785,958
Higher Education Facilities Bonds: Refunding Bond, Series 2014B.....	5/29/14	116,290,000	23,266,105	-	(197,856)	(150,800)	\$ 139,207,449
Infrastructure Improvement Bonds: Refunding Bond, Series 2014B.....	5/29/14	59,870,000	11,668,405	-	(125,200)	(85,702)	\$ 71,327,503
Highway Capital Improvements Bonds Series R.....	6/11/14	249,005,000	42,448,656	-	(1,123,338)	(330,318)	\$ 290,000,000

**STATE OF OHIO**  
**SCHEDULE OF OUTSTANDING GENERAL OBLIGATION BOND PRINCIPAL BALANCES**  
**THROUGH FINAL SCHEDULED MATURITY**  
**As of June 30, 2014**

As of	Highway Capital Improvements		Coal Research and Development		Natural Resources		Common Schools Capital Facilities		Higher Education Capital Facilities		Public Infrastructure Capital Improvements		Conservation Projects		Third Frontier Research & Development Projects		Third Frontier Job Ready Site Development		Persian Gulf, Afghanistan, Iraq Conflicts		Total Outstanding	
06/30/14	\$	861,635,000	\$	20,040,000	\$	115,820,000	\$	2,929,625,000	\$	2,071,935,000	\$	1,785,451,998	\$	228,655,000	\$	474,515,000	\$	104,795,000	\$	73,385,000	\$	8,665,856,998
06/30/15		758,550,000		17,810,000		96,980,000		2,719,815,000		1,915,745,000		1,642,583,600		204,840,000		413,430,000		89,435,000		66,420,000		7,925,608,600
06/30/16		672,865,000		14,020,000		80,180,000		2,491,080,000		1,771,500,000		1,496,260,000		180,155,000		350,395,000		73,200,000		59,395,000		7,189,050,000
06/30/17		602,550,000		11,325,000		64,630,000		2,264,090,000		1,623,505,000		1,353,695,000		154,525,000		285,540,000		60,055,000		37,970,000		6,457,885,000
06/30/18		544,015,000		8,545,000		48,500,000		2,038,535,000		1,477,750,000		1,218,095,000		132,530,000		222,720,000		46,495,000		32,430,000		5,769,615,000
06/30/19		484,000,000		5,685,000		40,990,000		1,796,210,000		1,320,175,000		1,094,665,000		109,395,000		162,940,000		32,500,000		28,765,000		5,075,325,000
06/30/20		422,635,000		2,720,000		33,215,000		1,543,970,000		1,154,755,000		976,415,000		89,530,000		109,535,000		18,065,000		24,955,000		4,375,795,000
06/30/21		359,490,000		1,380,000		27,235,000		1,289,110,000		979,025,000		862,150,000		73,890,000		64,385,000		8,825,000		20,490,000		3,685,980,000
06/30/22		295,205,000		-		21,040,000		1,038,625,000		815,060,000		751,020,000		57,560,000		33,455,000		4,500,000		15,960,000		3,032,425,000
06/30/23		229,370,000		-		14,615,000		810,960,000		673,590,000		643,485,000		40,500,000		11,140,000		-		11,645,000		2,435,305,000
06/30/24		161,935,000		-		7,945,000		636,915,000		562,385,000		548,680,000		27,385,000		-		-		7,130,000		1,952,375,000
06/30/25		107,435,000		-		3,915,000		492,280,000		466,605,000		457,680,000		18,480,000		-		-		2,400,000		1,548,795,000
06/30/26		77,820,000		-		1,995,000		383,765,000		393,935,000		375,415,000		9,160,000		-		-		1,400,000		1,243,490,000
06/30/27		47,550,000		-		-		315,295,000		329,235,000		305,330,000		4,670,000		-		-		-		1,002,080,000
06/30/28		16,600,000		-		-		262,035,000		273,280,000		231,975,000		-		-		-		-		783,890,000
06/30/29		-		-		-		206,255,000		214,435,000		164,905,000		-		-		-		-		585,595,000
06/30/30		-		-		-		147,845,000		152,540,000		114,360,000		-		-		-		-		414,745,000
06/30/31		-		-		-		86,670,000		87,435,000		61,575,000		-		-		-		-		235,680,000
06/30/32		-		-		-		22,605,000		44,310,000		32,620,000		-		-		-		-		99,535,000
06/30/33		-		-		-		-		22,695,000		11,380,000		-		-		-		-		34,075,000
06/30/34		-		-		-		-		-		-		-		-		-		-		-

**STATE OF OHIO**  
**SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS**  
**As of June 30, 2014**

FY Ending June 30,	HIGHWAY CAPITAL IMPROVEMENTS BONDS			COAL RESEARCH AND DEVELOPMENT BONDS		
	Principal	Interest	Total	Principal	Interest	Total
2015.....	\$ 103,085,000	\$ 37,120,176	\$ 140,205,176	\$ 2,230,000	\$ 610,588	\$ 2,840,588
2016.....	85,685,000	34,154,302	119,839,302	3,790,000	517,344	4,307,344
2017.....	70,315,000	30,794,703	101,109,703	2,695,000	413,250	3,108,250
2018.....	58,535,000	27,772,480	86,307,480	2,780,000	331,650	3,111,650
2019.....	60,015,000	25,417,333	85,432,333	2,860,000	247,575	3,107,575
2020-2024.....	322,065,000	85,604,889	407,669,889	5,685,000	241,900	5,926,900
2025-2029.....	161,935,000	20,441,720	182,376,720	-	-	-
2030-2034.....	-	-	-	-	-	-
2035.....	-	-	-	-	-	-
Total.....	861,635,000	261,305,603	1,122,940,603	20,040,000	2,362,306	22,402,306
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	-	-	-
	\$ 861,635,000	\$ 261,305,603	\$ 1,122,940,603	\$ 20,040,000	\$ 2,362,306	\$ 22,402,306

  

FY Ending June 30,	NATURAL RESOURCES CAPITAL FACILITIES BONDS			COMMON SCHOOLS CAPITAL FACILITIES BONDS		
	Principal	Interest	Total	Principal	Interest (A)	Total
2015.....	\$ 18,840,000	\$ 4,225,449	\$ 23,065,449	\$ 209,810,000	\$ 132,463,648	\$ 342,273,648
2016.....	16,800,000	3,630,324	20,430,324	228,735,000	123,630,101	352,365,101
2017.....	15,550,000	3,049,899	18,599,899	226,990,000	112,313,776	339,303,776
2018.....	16,130,000	2,441,638	18,571,638	225,555,000	101,448,476	327,003,476
2019.....	7,510,000	1,972,600	9,482,600	242,325,000	90,088,064	332,413,064
2020-2024.....	33,045,000	5,763,422	38,808,422	1,159,295,000	274,745,494	1,434,040,494
2025-2029.....	7,945,000	528,950	8,473,950	430,660,000	85,215,551	515,875,551
2030-2034.....	-	-	-	206,255,000	18,205,900	224,460,900
2035.....	-	-	-	-	-	-
Total.....	115,820,000	21,612,282	137,432,282	2,929,625,000	938,111,011	3,867,736,011
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	-	-	-
	\$ 115,820,000	\$ 21,612,282	\$ 137,432,282	\$ 2,929,625,000	\$ 938,111,011	\$ 3,867,736,011

  

FY Ending June 30,	HIGHER EDUCATION CAPITAL FACILITIES BONDS			PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS		
	Principal	Interest	Total	Principal	Interest (A)	Total
2015.....	\$ 156,190,000	\$ 95,499,088	\$ 251,689,088	\$ 148,025,000	\$ 77,425,895	\$ 225,450,895
2016.....	144,245,000	89,160,155	233,405,155	148,075,000	71,835,225	219,910,225
2017.....	147,995,000	82,228,774	230,223,774	142,565,000	66,251,441	208,816,441
2018.....	145,755,000	75,631,086	221,386,086	135,600,000	60,839,497	196,439,497
2019.....	157,575,000	68,617,296	226,192,296	123,430,000	55,512,703	178,942,703
2020-2024.....	757,790,000	227,800,510	985,590,510	545,985,000	197,740,486	743,725,486
2025-2029.....	347,950,000	97,793,169	445,743,169	383,775,000	85,801,634	469,576,634
2030-2034.....	214,435,000	24,694,269	239,129,269	164,905,000	16,647,193	181,552,193
2035.....	-	-	-	-	-	-
Total.....	2,071,935,000	761,424,348	2,833,359,348	1,792,360,000	632,054,074	2,424,414,074
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-	(6,908,002)	-	(6,908,002)
	\$ 2,071,935,000	\$ 761,424,348	\$ 2,833,359,348	\$ 1,785,451,998	\$ 632,054,074	\$ 2,417,506,072

(continued)

**STATE OF OHIO**  
**SCHEDULE OF FUTURE BOND SERVICE REQUIREMENTS**  
As of June 30, 2014  
(Continued)

**CONSERVATION PROJECT  
BONDS**

FY Ending June 30,	Principal	Interest	Total
2015.....	\$ 23,815,000	\$ 9,776,811	\$ 33,591,811
2016.....	24,685,000	8,860,774	33,545,774
2017.....	25,630,000	7,811,486	33,441,486
2018.....	21,995,000	6,774,518	28,769,518
2019.....	23,135,000	5,758,447	28,893,447
2020-2024.....	82,010,000	16,159,377	98,169,377
2025-2029.....	27,385,000	2,291,475	29,676,475
20230-2034.....	-	-	-
2035.....	-	-	-
Total.....	228,655,000	57,432,888	286,087,888
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	<u>\$ 228,655,000</u>	<u>\$ 57,432,888</u>	<u>\$ 286,087,888</u>

**THIRD FRONTIER RESEARCH AND  
DEVELOPMENT PROJECTS BONDS**

FY Ending June 30,	Principal	Interest	Total
2015.....	\$ 61,085,000	\$ 15,325,034	\$ 76,410,034
2016.....	63,035,000	13,551,502	76,586,502
2017.....	64,855,000	11,655,201	76,510,201
2018.....	62,820,000	9,481,068	72,301,068
2019.....	59,780,000	7,272,684	67,052,684
2020-2024.....	162,940,000	12,241,791	175,181,791
2025-2029.....	-	-	-
20230-2034.....	-	-	-
2035.....	-	-	-
Total.....	474,515,000	69,527,280	544,042,280
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	<u>\$ 474,515,000</u>	<u>\$ 69,527,280</u>	<u>\$ 544,042,280</u>

**THIRD FRONTIER JOB READY  
SITE DEVELOPMENT BONDS**

FY Ending June 30,	Principal	Interest	Total
2015.....	\$ 15,360,000	\$ 3,667,536	\$ 19,027,536
2016.....	16,235,000	3,144,832	19,379,832
2017.....	13,145,000	2,586,709	15,731,709
2018.....	13,560,000	2,092,127	15,652,127
2019.....	13,995,000	1,591,170	15,586,170
2020-2024.....	32,500,000	2,067,392	34,567,392
2025-2029.....	-	-	-
20230-2034.....	-	-	-
2035.....	-	-	-
Total.....	104,795,000	15,149,765	119,944,765
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	<u>\$ 104,795,000</u>	<u>\$ 15,149,765</u>	<u>\$ 119,944,765</u>

**PERSIAN GULF, AFGHANISTAN, IRAQ CONFLICTS  
BONDS**

FY Ending June 30,	Principal	Interest	Total
2015.....	\$ 6,965,000	\$ 2,166,861	\$ 9,131,861
2016.....	7,025,000	2,056,536	9,081,536
2017.....	21,425,000	1,916,203	23,341,203
2018.....	5,540,000	1,575,892	7,115,892
2019.....	3,665,000	1,423,274	5,088,274
2020-2024.....	21,635,000	4,624,635	26,259,635
2025-2029.....	7,130,000	433,896	7,563,896
20230-2034.....	-	-	-
2035.....	-	-	-
Total.....	73,385,000	14,197,297	87,582,297
Original Discount Applicable to Outstanding Capital Appreciation Bonds.....	-	-	-
	<u>\$ 73,385,000</u>	<u>\$ 14,197,297</u>	<u>\$ 87,582,297</u>

Notes:

(A) Estimates for future interest payments on Common Schools and Public Infrastructure bonds include, for the variable rate bonds with an active interest rate swap attached, a constant interest rate of 4.00 percent through maturity. For those without an active interest rate swap attached, the estimates include 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.

**STATE OF OHIO**  
**SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES**  
**As of June 30, 2014**

<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS</b>			<b>COAL RESEARCH AND DEVELOPMENT BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization	Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 73	124th	\$ 1,092,500,000	Senate Bill 206	119th	\$ 50,000,000
House Bill 73	124th	257,500,000	House Bill 298	119th	50,000,000
House Bill 87	125th	420,000,000	House Bill 152	120th	50,000,000
House Bill 68	126th	360,000,000	House Bill 66	126th	15,000,000
House Bill 67	127th	290,000,000	House Bill 554	127th	66,000,000
House Bill 2	128th	352,000,000	House Bill 482	129th	15,000,000
House Bill 114	129th	123,000,000	House Bill 497	130th	5,000,000
House Bill 51	129th	220,000,000			
Total Authorizations, as of June 30, 2014.....			Total Authorizations, as of June 30, 2014.....		
<u>\$ 3,115,000,000</u>			<u>\$ 251,000,000</u>		

<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 675	124th	\$ 272,000,000
House Bill 675	124th	15,000,000
House Bill 16	126th	14,000,000
House Bill 530	126th	5,000,000
House Bill 699	126th	16,000,000
House Bill 562	127th	28,000,000
House Bill 482	129th	23,000,000
House Bill 51	129th	30,000,000
House Bill 497	130th	40,000,000
Total Authorizations, as of June 30, 2014.....		
<u>\$ 443,000,000</u>		

<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to House Bill 16	125th	\$ 2,505,000,000
House Bill 16	126th	530,000,000
House Bill 530	126th	580,000,000
House Bill 699	126th	530,000,000
House Bill 562 (A)	127th	(800,000,000)
House Bill 462	128th	525,000,000
House Bill 482	129th	400,000,000
House Bill 497	130th	500,000,000
Total Authorizations, as of June 30, 2014.....		
<u>\$ 4,770,000,000</u>		

<b>8/14/2014</b>		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to Senate Bill 189	125th	\$ 1,798,000,000
Senate Bill 189	125th	53,000,000
House Bill 16	126th	476,000,000
House Bill 530	126th	54,000,000
House Bill 699	126th	576,000,000
House Bill 562 (B)	127th	(344,000,000)
House Bill 487	129th	415,000,000
House Bill 497	130th	507,000,000
Total Authorizations, as of June 30, 2014.....		
<u>\$ 3,535,000,000</u>		

<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization (D)
All Acts Prior to House Bill 699	126th	\$ 2,400,000,000
House Bill 699	126th	120,000,000
House Bill 496	127th	120,000,000
House Bill 554	127th	120,000,000
House Bill 562	127th	120,000,000
House Bill 462	127th	120,000,000
House Bill 114	129th	150,000,000
House Bill 482	129th	300,000,000
House Bill 497	130th	300,000,000
Total Authorizations, as of June 30, 2014.....		
<u>\$ 3,750,000,000</u>		

(continued)

**STATE OF OHIO**  
**SCHEDULE OF LEGISLATIVE AUTHORIZATION CHANGES**  
**As of June 30, 2014**  
**(Continued)**

<b>CONSERVATION PROJECTS BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization
All Acts Prior to		
House Bill 16	126th	\$ 100,000,000
House Bill 16	126th	50,000,000
House Bill 530	126th	50,000,000
House Bill 562	127th	40,000,000
House Bill 2 (C)	128th	(40,000,000)
House Bill 2	128th	100,000,000
House Bills 482, 487	129th	48,000,000
House Bill 59	130th	(48,000,000)
House Bill 59	130th	100,000,000
House Bill 497	130th	100,000,000
Total Authorizations, as of June 30, 2014.....		<u>\$ 500,000,000</u>

<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization
Senate Bill 236	126th	\$ 200,000,000
House Bill 119	127th	150,000,000
House Bill 1	128th	100,000,000
House Bill 153	129th	400,000,000
House Bill 59	129th	350,000,000
Total Authorizations, as of June 30, 2014.....		<u>\$ 1,200,000,000</u>

<b>THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization
Senate Bill 236	126th	\$ 30,000,000
House Bill 530	126th	30,000,000
House Bill 699	126th	30,000,000
House Bill 562	127th	30,000,000
Senate Bill 181	128th	30,000,000
Total Authorizations, as of June 30, 2014.....		<u>\$ 150,000,000</u>

<b>VETERANS COMPENSATION BONDS</b>		
Legislation	General Assembly Session	Amount of Authorization
House Bill 462	128th	\$ 200,000,000
Total Authorizations, as of June 30, 2014.....		<u>\$ 200,000,000</u>

- (A) The amounts of general obligation bonds authorized for Common Schools Facilities were reduced by \$800 million as a result of proceeds generated by the Buckeye Tobacco Settlement Financing Authority transaction, which were used to fund such purposes in lieu of bonded debt until the proceeds from the tobacco settlement specified for the School Building Assistance Fund, were expended. As of June 30, 2012, all such payments from the Authority to the School Building Assistance Fund were made.
- (B) The net reduction of \$344 million to the general obligation bonds authorized for Higher Education Facilities was the result of a reduction of \$950 million in proceeds generated by the Buckeye Tobacco Settlement Financing Authority transaction, which were used to fund such purposes in lieu of bonded debt until the proceeds specified for the Higher Education Improvement Fund, were expended, and an increase of \$606 million in additional obligations authorized. As of June 30, 2011, all such payments from the Authority to the Higher Education Improvement Fund have been made. [Refer to: Am. Sub. HB 562, Sec. 518.03, and Am. Sub. HB 562, Sec. 233.60.30]
- (C) HB2, passed in 2009, replaced the \$40 million authorized in HB562, passed in 2008, with a new \$100 million authorization (effective 01/01/10).
- (D) On May 6, 2014, the voters of Ohio passed an amendment to the Constitution which authorized an additional \$1.875 billion of general obligation debt for Public Infrastructure as a ten-year extension of the existing local government infrastructure program authorized in 2005, with an increase in the annual issuance amount from \$150 million to \$175 million in the first five fiscal years and \$200 million in each fiscal year thereafter. As of June 30, 2014, the General Assembly has not acted on the increased authorization, thus it is not included in this total.

## HIGHWAY CAPITAL IMPROVEMENTS BONDS

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Section 2(m) of Article VIII, Ohio Constitution, as approved by voters on November 7, 1995, authorizes 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 contracted.

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

Section 2(m) of Article VIII, 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, 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, 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, Ohio Revised Code, to pay costs charged to that fund as estimated by the Director of the Department of Transportation. [See page 11 of this report for a list of authorizing legislation.]

**STATE OF OHIO**  
**SCHEDULE OF HIGHWAY CAPITAL IMPROVEMENTS BONDS**  
As of June 30, 2014

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)(B)	Original Principal (C)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 11/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity
A	09/15/96	05/01/97	05/01/06	4.842500%	\$ 50,000,000	\$ 50,000,000	\$ -	\$ -	\$ -	\$ 12,415,563	\$ 12,415,563	\$ -
B	06/15/97	05/01/98	05/01/07	4.660900%	125,000,000	125,000,000	-	-	-	31,440,243	31,440,243	-
C	07/01/98	05/01/99	05/01/08	4.372800%	200,000,000	200,000,000	-	-	-	51,016,667	51,016,667	-
D	06/01/99	05/01/00	05/01/09	4.434600%	200,000,000	200,000,000	-	-	-	46,895,833	46,895,833	-
E	04/01/00	05/01/01	05/01/10	5.047500%	225,000,000	225,000,000	-	-	-	67,877,344	67,877,344	-
F	02/01/01	05/01/02	05/01/11	4.086700%	200,000,000	200,000,000	-	-	-	57,171,324	57,171,324	-
G	12/04/02	05/01/04	05/01/13	4.127135%	135,000,000	135,000,000	-	-	-	38,185,816	38,185,816	-
H	03/04/04	05/01/05	05/01/14	2.923425%	160,000,000	128,000,000	32,000,000	-	-	36,602,977	36,602,977	-
I	05/18/05	05/01/06	05/01/15	3.468757%	140,000,000	126,000,000	-	14,000,000	-	36,241,844	35,559,594	682,250
J	03/08/06	05/01/07	05/01/15	3.731373%	180,000,000	160,000,000	-	20,000,000	-	40,516,925	39,573,862	943,063
K	04/11/07	05/01/08	05/01/17	3.840436%	190,000,000	133,000,000	-	57,000,000	-	49,452,649	43,954,749	5,497,900
L	05/01/08	05/01/09	05/01/18	3.357968%	140,000,000	84,000,000	-	56,000,000	-	31,322,863	25,334,413	5,988,450
M	04/27/10	05/01/18	05/01/25	3.108697%	170,000,000	-	-	170,000,000	-	95,273,204	31,648,417	63,624,787
N	10/20/10	05/01/12	05/01/14	1.210800%	29,825,000	29,825,000	-	-	-	2,344,165	2,344,165	-
O	10/20/10	05/01/15	05/01/24	2.306029%	145,175,000	-	-	145,175,000	-	44,273,751	16,640,573	27,633,178
P	10/20/10	05/01/11	05/01/14	1.285114%	32,610,000	32,610,000	-	-	-	4,399,253	4,399,253	-
Q	10/24/12	05/01/14	05/01/28	2.382651%	154,405,000	3,950,000	-	150,455,000	-	72,014,564	11,117,889	60,896,675
R	06/11/14	05/15/15	05/01/29	2.489965%	249,005,000	-	-	249,005,000	-	96,039,300	-	96,039,300
<b>TOTAL</b>					\$ 2,726,020,000	\$ 1,832,385,000	\$ 32,000,000	\$ 861,635,000	\$ -	\$ 813,484,285	\$ 552,178,682	\$ 261,305,603

Note:

- (A) Interest rates for the Series A through Series E bonds reflect the net interest cost.
- (B) Interest rates for the Series F through Series R bonds reflect the true interest cost.
- (C) The following tables provide details on refunded Highway Capital Improvements Bonds:

Refunded Bonds	Refunding Bonds	
	Series P	Maturities Refunded
Series H	Total	2013-2014
	\$ 32,000,000	
	\$ 32,000,000	

Refunding Bonds		Change in Principal Outstanding
Original Principal	Series P	
\$ 32,610,000	\$ 610,000	
Total	\$ 32,610,000	\$ 610,000

**STATE OF OHIO**  
**HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION SEPTEMBER 1996</b>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ 69,145,954</b>	
<b>CASH INFLOWS:</b>		
Transfers from Other State Funds.....	44,087,131	\$ 2,294,869,417
Bond Proceeds.....	-	59,754,709
Accrued Interest on Bonds Sold.....	-	2,076,322
Interest Earnings.....	135,641	29,443,851
Unused Administrative Fees.....	2,379	29,529
<b>TOTAL CASH INFLOWS.....</b>	<b>44,225,150</b>	<b>2,386,173,827</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	97,800,000	1,832,385,000
Interest Paid.....	15,471,030	552,178,682
Bond Sale and Miscellaneous Expenses.....	-	1,510,071
<b>TOTAL CASH OUTFLOWS.....</b>	<b>113,271,030</b>	<b>2,386,073,753</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 100,074</b>	<b>\$ 100,074</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$327,475 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$188,635 in administrative fees, \$138,808 in cost of issuance, and \$34 in interest.

## COAL RESEARCH AND DEVELOPMENT BONDS

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Section 15 of Article VIII, Ohio Constitution, as approved by voters on November 5, 1985, authorizes 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.

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 Section 15 of Article VIII, Ohio Constitution.

Funds to retire the bonds are paid when due, through a transfer by the Treasurer of State, of the amount certified by the Ohio Coal Development Office, from the State's General Revenue Fund to the Coal Research and Development Bond Service Fund, a fund created under Section 151.07, Ohio Revised Code.

Section 15 of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of HB750, in 1986, which enacted Sections 1555.01 et seq., 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. [See page 11 of this report for a list of authorizing legislation.]

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 these 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. This fund created under Section 1555.15, Ohio Revised Code, to pay program costs designated by the Director of the Ohio Coal Development Office.

**STATE OF OHIO**  
**SCHEDULE OF COAL RESEARCH AND DEVELOPMENT BONDS**  
As of June 30, 2014

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)(B)	Original Principal	Principal Defeased	Principal Matured through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 08/01/14	Total Interest to Maturity	Interest Defeased	Interest Paid through 06/30/14	Remaining Interest through Maturity					
														Principal Maturity Date				
A	08/15/86	02/01/87	08/01/96	6.175000%	\$ 50,000,000	\$ -	\$ 50,000,000	-	\$ -	17,608,443	\$ -	17,608,443	\$ -					
B	01/15/92	08/01/93	08/01/02	5.020500%	15,000,000	-	15,000,000	-	-	4,878,368	-	4,878,368	-					
C	06/15/93	02/01/94	02/01/03	4.635100%	15,000,000	-	15,000,000	-	-	3,867,563	-	3,867,563	-					
D	09/15/95	02/01/96	02/01/05	4.541300%	15,000,000	-	15,000,000	-	-	3,617,898	-	3,617,898	-					
E	04/01/00	02/01/01	02/01/10	5.024900%	12,000,000	-	12,000,000	-	-	3,358,622	-	3,358,622	-					
F	08/01/01	08/01/02	08/01/11	4.033000%	15,000,000	-	15,000,000	-	-	3,808,725	-	3,808,725	-					
G	05/01/02	08/01/03	08/01/12	3.995000%	15,000,000	-	15,000,000	-	-	3,504,175	-	3,504,175	-					
H	04/01/04	02/01/05	02/01/12	2.388489%	13,000,000	-	13,000,000	-	-	1,390,750	-	1,390,750	-					
I	09/20/07	08/01/08	08/01/15	3.970027%	8,000,000	-	5,705,000	2,295,000	1,120,000	1,567,660	-	1,468,953	98,707					
J	09/04/09	08/01/11	08/01/19	2.875187%	10,000,000	-	2,100,000	7,900,000	-	2,064,582	-	1,197,432	867,150					
K(C)	09/04/09	08/01/13	08/01/14	2.118821%	30,000,000	30,000,000	-	-	-	498,044	4,788,050	498,044	-					
L	01/24/12	02/01/13	02/01/22	1.690451%	12,000,000	-	2,155,000	9,845,000	-	2,053,808	-	657,359	1,396,449					
<b>TOTAL</b>										<b>\$ 210,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 159,960,000</b>	<b>\$ 20,040,000</b>	<b>\$ 1,120,000</b>	<b>\$ 48,218,638</b>	<b>\$ 4,788,050</b>	<b>\$ 45,856,332</b>	<b>\$ 2,362,306</b>

Notes:

- (A) Interest rates for the Series A through Series E bonds reflect the net interest cost.
- (B) Interest rates for the Series F through Series L bonds reflect the true interest cost.
- (C) The project to be financed by the proceeds of Coal Research & Development Bonds, Series K, was abandoned. As a result, on April 23, 2010 the bonds were legally defeased using unspent project fund proceeds, net premium, and accrued interest generated.

**STATE OF OHIO**  
**COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION AUGUST 1986</b>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	1,413,094	\$ 204,957,783
Bond Proceeds.....	-	3,058,762
Accrued Interest on Bonds Sold.....	-	224,984
Royalties from Research and Development Grants.....	5,000	170,587
Interest Earnings.....	57	188,552
Unused Administrative Fees.....	-	3,325
<b>TOTAL CASH INFLOWS.....</b>	<b>1,418,151</b>	<b>208,603,993</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	1,090,000	159,960,000
Interest Paid.....	328,093	45,856,332
Bond Sale and Miscellaneous Expenses.....	-	2,787,603
<b>TOTAL CASH OUTFLOWS.....</b>	<b>1,418,093</b>	<b>208,603,935</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 58</b>	<b>\$ 58</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$3,250 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$3,250 in administrative fees and \$0.08 in interest.

## NATURAL RESOURCES CAPITAL FACILITIES BONDS

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Section 2(l) of Article VIII, Ohio Constitution, as approved by voters on November 2, 1993, authorizes 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 contracted.

Funds to retire the bonds issued are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Natural Resources Projects Bond Service Fund, as created under Section 151.05, 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 the bonds when due. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified.

The General Assembly initially implemented Section 2(l) of Article VIII, Ohio Constitution, with the adoption of HB790, in 1994, which enacted Sections 1557.01 et seq., 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, 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, Ohio Revised Code, to pay costs to service these bonds, as estimated by the Director of the Department of Natural Resources. [See page 11 of this report for a list of authorizing legislation.]

**STATE OF OHIO**  
**SCHEDULE OF NATURAL RESOURCES CAPITAL FACILITIES BONDS**  
As of June 30, 2014

<b>CURRENT INTEREST BONDS</b>												
Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate (A)(B)	Original Principal (C)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 10/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity
A	10/01/94	10/01/95	10/01/04	5.581100%	\$ 20,000,000	\$ 11,600,000	\$ 8,400,000	\$ -	\$ -	\$ 7,140,100	\$ 7,140,100	\$ -
B	06/01/95	10/01/95	10/01/05	4.477700%	30,000,000	30,000,000	-	-	-	7,543,983	7,543,983	-
C	06/15/97	04/01/98	04/01/07	4.905800%	50,000,000	29,100,000	20,900,000	-	-	14,180,411	14,180,411	-
D	06/01/99	04/01/00	04/01/09	4.767000%	30,000,000	17,500,000	12,500,000	-	-	7,128,417	7,128,417	-
E	06/01/00	04/01/01	04/01/10	5.218600%	30,000,000	17,360,000	12,640,000	-	-	7,500,231	7,500,231	-
F	08/01/01	04/01/02	04/01/16	4.446200%	20,000,000	11,970,000	8,030,000	-	-	5,467,643	5,467,643	-
G	03/15/02	10/01/03	10/01/17	4.490541%	30,000,000	16,035,000	13,965,000	-	-	8,233,813	8,233,813	-
H	08/15/02	10/01/03	10/01/10	2.992400%	17,640,000	17,640,000	-	-	-	3,490,840	3,490,840	-
I	06/17/03	04/01/05	04/01/18	3.224392%	30,000,000	15,150,000	14,850,000	-	-	7,771,799	7,771,799	-
J	09/28/04	04/01/05	10/01/14	3.294974%	47,425,000	31,490,000	11,035,000	4,900,000	4,900,000	12,306,193	12,220,443	85,750
K	03/01/05	04/01/06	04/01/20	3.573021%	25,000,000	11,920,000	13,080,000	-	-	5,417,073	5,417,073	-
L	06/21/07	10/01/08	10/01/17	4.189727%	30,000,000	13,590,000	2,840,000	13,570,000	3,195,000	8,105,532	6,794,482	1,311,050
M	10/06/09	10/01/13	10/01/15	2.053395%	5,285,000	1,700,000	-	3,585,000	1,770,000	637,980	538,605	99,375
N	12/16/09	04/01/11	04/01/16	1.885791%	9,835,000	4,530,000	1,000,000	4,305,000	-	1,504,185	1,254,960	249,225
O	12/16/09	04/01/17	04/01/24	3.110777%	20,165,000	-	-	20,165,000	-	10,331,180	3,994,248	6,336,932
P	07/28/11	10/01/14	10/01/24	2.459656%	35,195,000	-	-	35,195,000	4,015,000	8,169,053	2,986,803	5,172,250
Q	06/05/12	04/01/13	04/01/27	2.507417%	23,000,000	2,495,000	-	20,505,000	-	8,220,238	1,604,838	6,615,400
R	06/22/12	10/01/13	10/01/19	1.267063%	15,755,000	2,160,000	-	13,595,000	1,605,000	2,817,705	1,075,405	1,742,300
<b>TOTAL</b>					\$ 469,300,000	\$ 234,240,000	\$ 119,240,000	\$ 115,820,000	\$ 15,485,000	\$ 125,966,376	\$ 104,354,094	\$ 21,612,282

Notes:

(A) Interest rates for the Series A through Series D bonds reflect the net interest cost.

(B) Interest rates for the Series E through Series R bonds reflect the true interest cost.

**STATE OF OHIO**  
**SCHEDULE OF NATURAL RESOURCES CAPITAL FACILITIES BONDS**  
As of June 30, 2014  
(Continued)

Notes:

(C) The following table provides details on refunded Natural Resources Capital Facilities Bonds:

Refunded Bonds	Refunding Bonds						Total	Refunded Maturities
	Series H	Series J	Series M	Series P	Series R			
Series A	\$ 8,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	8,400,000	2005-2009
Series C	3,800,000	17,100,000	-	-	-	-	20,900,000	2008-2012
Series D	2,300,000	10,200,000	-	-	-	-	12,500,000	2010-2014
Series E	2,280,000	10,380,000	-	-	-	-	12,640,000	2011-2015
Series F	-	2,990,000	5,040,000	-	-	-	8,030,000	2012-2016
Series G	-	4,470,000	-	9,495,000	-	-	13,965,000	2011; 2013-2017
Series I	-	-	-	9,750,000	5,100,000.00	-	14,850,000	2012; 2014-2018
Series J	-	-	-	11,035,000	-	-	11,035,000	2011
Series K	-	-	-	1,585,000	11,495,000.00	-	13,080,000	2012; 2015-2020
Series L	-	-	-	2,840,000	-	-	2,840,000	2011
Series N	-	-	-	1,000,000	-	-	1,000,000	2012
	\$ 16,760,000	\$ 45,140,000	\$ 5,040,000	\$ 35,705,000	\$ 16,595,000	\$ -	\$ 119,240,000	

Refunding Bonds		Change in
Original Principal	Principal Outstanding	
Series H	\$ 17,640,000	\$ 880,000
Series J	47,425,000	2,285,000
Series M	5,285,000	245,000
Series P	35,195,000	(510,000)
Series R	15,755,000	(840,000)
8/14/2014		
Total	\$ 121,300,000	\$ 2,060,000

**STATE OF OHIO**  
**NATURAL RESOURCES PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION OCTOBER 1994</b>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ 242</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	7,245,082	\$ 335,864,898
Bond Proceeds.....	-	2,727,376
Accrued Interest on Bonds Sold.....	-	418,719
Interest Earnings.....	229	62,673
Unused Administrative Fees.....	-	3,325
<b>TOTAL CASH INFLOWS.....</b>	<b>7,245,311</b>	<b>339,076,991</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	4,925,000	234,240,000
Interest Paid.....	2,320,324	104,354,094
Bond Sale and Miscellaneous Expenses.....	-	482,668
<b>TOTAL CASH OUTFLOWS.....</b>	<b>7,245,324</b>	<b>339,076,762</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 229</b>	<b>\$ 229</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$263 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$263 in administrative fees and \$0.01 in interest.

## COMMON SCHOOLS CAPITAL FACILITIES BONDS

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

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 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 to pay was issued.

Section 2(n) of Article VIII, 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, 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. [See page 11 of this report for a list of authorizing legislation.]

Funds to pay debt service and financing costs on the bonds are provided by a transfer 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, Ohio Revised Code. Certification is made to the Director of the Office of Budget and Management as to the amount of moneys required, and the sources of that money, so as to meet all debt service and financing costs in full.

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
**As of June 30, 2014**

<b>CURRENT INTEREST BONDS</b>													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)(B)	Original Principal (H)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 09/15/14	Principal Maturing on 12/15/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity
1999A	12/15/99	06/15/00	06/15/08	5.391500%	\$ 140,000,000	\$ 72,735,000	\$ 67,265,000	\$ -	\$ -	\$ -	\$ 35,878,400	\$ 35,878,400	\$ -
2001A	01/15/01	06/15/01	06/15/10	4.525042%	200,000,000	61,295,000	138,705,000	-	-	-	48,818,642	48,818,642	-
2001B	08/15/01	09/15/02	09/15/10	4.694010%	200,000,000	70,355,000	129,645,000	-	-	-	72,919,814	72,919,814	-
2002A	03/15/02	09/15/02	09/15/10	4.796900%	200,000,000	54,310,000	145,690,000	-	-	-	71,848,953	71,848,953	-
2002B	08/15/02	09/15/03	09/15/22	4.158600%	200,000,000	55,445,000	144,555,000	-	-	-	62,469,252	62,469,252	-
2003A	02/20/03	03/15/04	03/15/23	4.252500%	250,000,000	70,180,000	179,820,000	-	-	-	84,378,964	84,378,964	-
2003B	08/07/03	06/15/05	06/15/23	4.335406%	200,000,000	39,240,000	160,760,000	-	-	-	65,321,232	65,321,232	-
2003C	12/15/03	03/15/05	03/15/19	3.951181%	133,000,000	45,195,000	87,805,000	-	-	-	36,771,191	36,771,191	-
2003E	01/23/04	09/15/09	09/15/13	3.238003%	58,235,000	46,615,000	11,620,000	-	-	-	22,257,961	22,257,961	-
2004A	04/13/04	06/15/05	06/15/24	4.044168%	200,000,000	49,880,000	150,120,000	-	-	-	63,127,577	63,127,577	-
2004B	09/28/04	03/15/05	03/15/24	4.159380%	200,000,000	55,435,000	144,565,000	-	-	-	60,525,277	60,525,277	-
2004C	09/28/04	09/15/10	09/15/14	3.432907%	18,880,000	9,385,000	-	9,495,000	9,495,000	-	7,528,911	7,291,536	237,375
2005C	08/23/05	06/15/06	06/15/25	4.186357%	200,000,000	61,620,000	129,010,000	-	10,215,000	-	56,275,879	55,844,504	431,375
2005D	08/23/05	09/15/14	09/15/19	3.923384%	71,900,000	-	-	71,900,000	-	-	46,426,814	33,854,914	12,571,900
2006A	02/01/06	09/15/06	09/15/25	4.093234%	200,000,000	38,390,000	142,875,000	-	10,215,000	-	60,546,034	59,600,659	945,375
2006D	10/11/06	09/15/07	09/15/26	4.110377%	250,000,000	39,765,000	125,430,000	-	9,195,000	-	72,942,596	72,942,596	26,499,383
2007A	03/08/07	06/15/08	06/15/26	4.146711%	250,000,000	31,470,000	158,380,000	-	10,965,000	-	85,611,469	65,186,969	20,424,500
2008A	01/27/09	09/15/11	09/15/18	2.572041%	91,170,000	23,200,000	9,000,000	58,970,000	10,920,000	-	24,116,203	17,046,853	7,069,350
2009B	05/29/09	09/15/12	09/15/20	2.816364%	102,970,000	28,385,000	-	74,585,000	11,860,000	-	34,038,936	21,451,911	12,587,025
2009C	10/06/09	09/15/13	09/15/20	2.559692%	240,830,000	30,410,000	-	210,720,000	40,905,000	-	80,036,850	51,184,325	28,852,525
2010A	01/21/10	09/15/13	09/15/21	3.086346%	131,170,000	10,410,000	-	120,760,000	5,395,000	-	52,719,338	26,293,328	26,426,000
2010B	01/27/10	09/15/15	09/15/15	1.985665%	53,685,000	8,565,000	-	45,120,000	23,210,000	-	12,520,184	10,339,134	2,181,050
2010C	02/01/10	09/15/15	09/15/22	2.642997%	129,340,000	-	-	129,340,000	-	-	55,894,998	21,370,636	34,524,362
2011A	07/28/11	09/15/14	09/15/24	2.769828%	211,530,000	-	-	211,530,000	7,735,000	-	86,513,172	27,618,597	58,894,575
2011B	09/30/11	09/15/12	09/15/31	3.19570%	300,000,000	20,885,000	-	279,115,000	10,895,000	-	163,490,082	32,901,420	130,588,662
2011C	11/30/11	09/15/20	09/15/22	2.797193%	63,000,000	-	-	63,000,000	-	-	29,125,790	6,778,925	22,346,925
2012A	01/24/12	09/15/16	09/15/23	1.877352%	117,420,000	-	-	117,420,000	-	-	46,756,115	12,386,115	34,370,000
2012B	06/05/12	03/15/13	03/15/32	3.030865%	280,000,000	20,965,000	-	259,035,000	-	-	140,849,028	21,638,778	119,210,250
2012C	06/22/12	09/15/16	09/15/23	1.823406%	139,135,000	-	-	139,135,000	-	-	50,391,917	12,039,042	38,352,875
2013A	03/15/13	09/15/17	09/15/25	1.814773%	194,775,000	-	-	194,775,000	-	-	80,846,625	9,738,750	71,107,875
2013B	09/26/13	06/15/14	06/15/33	3.728435%	300,000,000	13,150,000	-	286,850,000	-	-	154,113,561	9,257,042	144,856,519
2014A	05/29/14	09/15/18	09/15/23	1.969512%	162,415,000	-	-	162,415,000	-	-	56,192,110	-	56,192,110
<b>TOTAL</b>					\$ 5,489,455,000	\$ 956,985,000	\$ 1,925,245,000	\$ 2,607,225,000	\$ 150,790,000	\$ -	\$ 2,047,753,258	\$ 1,199,083,247	\$ 848,670,011

<b>VARIABLE RATE BONDS</b>													
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 09/15/14	Principal Maturing on 12/15/14	Total Estimated Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity
2003D	12/15/03	03/15/20	03/15/24	(C)	\$ 67,000,000	\$ -	\$ -	\$ 67,000,000	\$ -	\$ -	\$ 30,366,167	\$ 8,763,567	\$ 21,602,600
2005A	04/01/05	03/15/06	03/15/25	(D)	100,000,000	39,075,000	-	60,925,000	-	-	26,455,453	11,056,053	15,399,400
2005B	04/01/05	03/15/06	03/15/25	(E)	100,000,000	39,075,000	-	60,925,000	-	-	26,274,712	10,875,312	15,399,400
2006B	06/15/06	06/15/07	06/15/26	(F)	100,000,000	33,225,000	-	66,775,000	-	-	26,777,567	8,257,767	18,519,800
2006C	06/15/06	06/15/07	06/15/26	(G)	100,000,000	33,225,000	-	66,775,000	-	-	26,913,993	8,394,193	18,519,800
<b>TOTAL</b>					\$ 467,000,000	\$ 144,600,000	\$ -	\$ 322,400,000	\$ -	\$ -	\$ 136,787,892	\$ 47,346,892	\$ 89,441,000
<b>GRAND TOTAL</b>					\$ 5,956,455,000	\$ 1,101,585,000	\$ 1,925,245,000	\$ 2,929,625,000	\$ 150,790,000	\$ -	\$ 2,184,541,150	\$ 1,246,430,139	\$ 938,111,011

(continued)

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
As of June 30, 2014  
(Continued)

Notes:

(A) The interest rate for the Series 1999A bonds reflects the net interest cost.

(B) The interest rates for the Series 2001A through 2014A bonds reflect the true interest cost.

Ohio Revised Code Section 151.01 permits the State to enter into interest rate swap agreements as part of its debt management. The following table reflects the terms, payments and receipts for each swap. The interest rate paid to bondholders is reset weekly until maturity.

Series	Agreement Type	Effective Date	Termination Date	State Receives	State Pays	Net Interest Received	Net Interest Paid	Final Maturity	Estimated Variable Interest Rate Basis	
										Swaps
(C) 2003D	Floating-to-Fixed	9/15/2007*	3/15/2024	65% of 1-month LIBOR + 25 basis-points	3.414%	\$ 1,186,871	\$ 12,241,355	3/15/2024	4.000%*	
				* 12/15/03 to 9/14/07, Fixed-to-Floating, State Received 2.665%, State Paid SIFMA					* 2.45% prior to 9/14/2007	
(D) 2005A	Floating-to-Fixed	1/15/2008*	3/15/2010**	65% of 1-month LIBOR + 20 basis-points	3.750%	-	14,610,954	3/15/2025	4.000%	
				* 4/1/05 to 3/15/07 State Received SIFMA, State Paid 4.081% 3/16/07 to 1/14/08 State Received 62% of 10-year LIBOR (CMS), State Paid 3.75%						
				** 3/16/10 to 3/15/25 State Receives 62% of 10-year LIBOR (CMS), State Pays 3.75%						
				***3/15/11 to 9/15/14 State Receives 65% of 1-month LIBOR (CMS) + 20 basis points, State Pays 3.75%						
(E) 2005B	Floating-to-Fixed	1/15/2008*	3/15/2010**	65% of 1-month LIBOR + 20 basis-points	3.750%	-	14,611,064	3/15/2025	4.000%	
				* 4/1/05 to 3/15/07 State Received SIFMA, State Paid 4.081% 3/16/07 to 1/14/08 State Received 62% of 10-year LIBOR (CMS), State Paid 3.75%						
				** 3/16/10 to 3/15/25 State Receives 62% of 10-year LIBOR (CMS), State Pays 3.75%						
				***3/15/11 to 9/15/14 State Receives 65% of 1-month LIBOR (CMS) + 20 basis points, State Pays 3.75%						
(F) 2006B	Floating-to-Fixed	6/15/2006	6/15/2026	65% of 1-month LIBOR + 25 basis-points	3.202%	820,366	13,220,401	6/15/2026	4.000%	
(G) 2006C	Floating-to-Fixed	6/15/2006	6/15/2026	65% of 1-month LIBOR + 25 basis-points	3.202%	820,366	13,220,401	6/15/2026	4.000%	
						<b>Total</b>	<b>\$ 2,827,603</b>	<b>\$ 67,904,176</b>		

(continued)

**STATE OF OHIO**  
**SCHEDULE OF COMMON SCHOOLS CAPITAL FACILITIES BONDS**  
As of June 30, 2014  
(Continued)

Refunded Bonds	Refunding Bonds														Total	Refunded Maturities		
	2009E	2004C	2005D	2009A	2009B	2009C	2010A	2010B	2010C	2011A	2011C	2012A	2012C	2013A			2014A	
1999A	\$ 57,550,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	67,265,000	2009-2014
2001A	-	9,615,000	79,425,000	31,700,000	8,790,000	-	9,195,000	-	-	-	-	-	-	-	-	-	136,705,000	2009-2020
2001B	-	-	-	58,100,000	8,310,000	29,955,000	8,730,000	15,380,000	-	9,185,000	-	-	-	-	-	-	123,645,000	2009-2011, 2014-2021
2002A	-	-	-	-	8,330,000	77,865,000	8,645,000	27,925,000	15,380,000	22,925,000	-	-	-	-	-	-	145,690,000	2009-2011, 2013-2022
2002B	-	-	-	-	8,415,000	-	8,705,000	8,487,000	8,487,000	22,730,000	-	-	-	-	-	-	144,555,000	2009-2011, 2013-2022
2003A	-	-	-	-	10,570,000	12,120,000	10,910,000	13,110,000	19,830,000	56,680,000	34,740,000	29,090,000	-	-	-	-	179,820,000	2009-2012, 2014-2023
2003B	-	-	-	-	7,975,000	20,305,000	17,055,000	65,000	11,340,000	46,415,000	32,545,000	26,060,000	-	-	-	-	160,760,000	2009-2012, 2014-2023
2003C	-	-	-	-	7,775,000	18,305,000	8,125,000	-	11,090,000	8,505,000	-	34,005,000	-	-	-	-	87,605,000	2010-2012, 2014-2019
2003E	-	-	-	-	-	-	-	-	11,620,000	-	-	-	-	-	-	-	11,620,000	2011
2004A	-	9,735,000	-	-	8,320,000	10,115,000	17,200,000	-	8,935,000	-	95,815,000	-	-	-	-	-	150,120,000	2009-2012, 2015-2024
2004B	-	-	-	-	-	19,695,000	15,430,000	-	8,300,000	-	42,620,000	-	-	-	-	-	144,565,000	2010-2012, 2015-2024
2005C	-	-	-	-	7,430,000	20,090,000	-	-	-	-	-	42,620,000	-	-	-	-	129,010,000	2009-2016-2025
2006A	-	-	-	-	7,760,000	-	-	-	-	8,285,000	-	-	101,490,000	-	-	-	111,815,000	2009-2011, 2016-2025
2006D	-	-	-	-	9,170,000	12,275,000	8,015,000	-	-	9,840,000	-	-	-	118,815,000	-	-	142,875,000	2009-2011, 2017-2023
2007A	-	-	-	-	9,400,000	26,230,000	9,485,000	-	-	10,570,000	-	-	-	-	84,650,000.00	-	125,430,000	2009-2011, 2017-2023
2009A	-	-	-	-	-	-	19,930,000	-	-	-	-	-	-	-	92,250,000.00	-	168,380,000	2009-2012, 2017-2024
	\$ 57,550,000	\$ 16,350,000	\$ 79,425,000	\$ 89,800,000	\$ 111,955,000	\$ 246,955,000	\$ 141,425,000	\$ 141,335,000	\$ 221,990,000	\$ 67,295,000	\$ 131,775,000	\$ 154,335,000	\$ 220,305,000	\$ 176,900,000	\$ 1,925,245,000		\$ 1,925,245,000	

Notes:  
(H) The following table provides details on refunded Common Schools Capital Facilities Bonds:

Refunding Bonds	Change in Principal	
	Original Principal	Outstanding
8/14/2014	\$ 59,235,000	\$ 685,000
Series 2004C	18,880,000	(470,000)
Series 2005D	71,900,000	(7,525,000)
Series 2009A	91,170,000	1,370,000
Series 2009B	102,970,000	(8,985,000)
Series 2009C	240,830,000	(6,125,000)
Series 2010A	131,170,000	(10,255,000)
Series 2010B	53,685,000	(1,175,000)
Series 2010C	129,340,000	(11,995,000)
Series 2011A	211,530,000	(20,460,000)
Series 2011C	63,000,000	(4,285,000)
Series 2012A	117,420,000	(14,355,000)
Series 2012C	139,135,000	(15,200,000)
Series 2013A	194,775,000	(25,530,000)
Series 2014A	162,415,000	(14,485,000)
<b>Total</b>	<b>\$ 1,786,455,000</b>	<b>\$ (138,790,000)</b>

**STATE OF OHIO**  
**COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

	JANUARY 1, 2014 THROUGH JUNE 30, 2014	CUMULATIVE SINCE INCEPTION DECEMBER 1999
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ 9,181,883</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	140,375,046	\$ 2,248,451,030
Bond Proceeds.....	384	158,217,626
Accrued Interest on Bonds Sold.....	-	1,501,660
Net Receipts from Swap Agreements.....	-	2,827,603
Interest Earnings.....	21,504	947,137
Other.....	-	6,699,295
<b>TOTAL CASH INFLOWS.....</b>	<b>140,396,934</b>	<b>2,418,644,351</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	79,735,000	1,101,585,000
Interest Paid.....	64,523,910	1,246,430,139
Net Payments under Swap Agreements.....	5,311,028	67,904,175
Bond Sale and Miscellaneous Expenses.....	-	2,716,158
<b>TOTAL CASH OUTFLOWS.....</b>	<b>149,569,938</b>	<b>2,418,635,472</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 8,879</b>	<b>\$ 8,879</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$206,487 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$1,486 in administrative fees, \$205,001 in bond proceeds held for costs of issuance, and \$0.03 in interest.

## HIGHER EDUCATION CAPITAL FACILITIES BONDS

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Section 2(n) of Article VIII, Ohio Constitution, as approved by voters on November 2, 1999, authorizes 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 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, 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, 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. [See page 11 of this report for a list of authorizing legislation.]

Funds to pay debt service and financing costs on the bonds issued under this section are provided by a transfer from the State's General Revenue Fund to the Higher Education Capital Facilities Bond Service Fund, as created under Section 151.04, 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 the bonds when due.

**STATE OF OHIO**  
**SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS**  
**As of June 30, 2014**

<b>CURRENT INTEREST BONDS</b>													
Series	Issue Date	First Payment Date	Final Maturity Date	Interest Rate (A)(B)	Original Principal (C)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal as of 06/30/14	Principal Maturing on 08/01/14	Principal Maturing on 11/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity
2000A	02/01/00	02/01/01	02/01/09	5.358900%	\$ 150,000,000	\$ 83,700,000	\$ 66,300,000	\$ -	\$ -	\$ -	\$ 50,473,850	\$ 50,473,850	\$ -
2000B	11/01/00	05/01/01	05/01/15	5.080412%	150,000,000	84,285,000	65,715,000	-	-	-	29,695,901	29,695,901	-
2001A	04/01/01	02/01/02	02/01/21	4.834394%	150,000,000	43,930,000	106,070,000	-	-	-	43,460,402	43,460,402	-
2001B	10/01/01	11/01/02	11/01/21	4.461928%	175,000,000	45,735,000	129,265,000	-	-	-	56,879,649	56,879,649	-
2002A	05/01/02	08/01/03	08/01/22	4.791842%	150,000,000	37,690,000	112,310,000	-	-	-	52,433,888	52,433,888	-
2002B	11/14/02	11/01/03	11/01/22	4.491587%	175,000,000	48,095,000	126,905,000	-	-	-	60,725,674	60,725,674	-
2002C	06/05/03	11/01/10	11/01/14	3.647795%	54,975,000	42,790,000	12,185,000	-	-	12,185,000	29,944,521	29,944,521	335,088
2003A	06/05/03	05/01/05	05/01/23	3.944978%	150,000,000	37,495,000	112,505,000	-	-	-	48,449,973	48,449,973	-
2004A	04/01/04	05/01/05	05/01/24	3.768500%	150,000,000	46,730,000	103,270,000	-	-	-	41,555,411	41,555,411	-
2004B	09/23/04	02/01/05	02/01/24	4.200994%	150,000,000	42,490,000	107,510,000	-	-	-	44,317,506	44,317,506	-
2005A	03/24/05	02/01/06	02/01/25	4.251639%	150,000,000	35,130,000	107,925,000	-	-	-	43,281,329	43,281,329	-
2005B	09/29/05	05/01/06	05/01/25	4.134991%	150,000,000	36,105,000	99,775,000	-	-	-	42,690,658	42,690,658	349,000
2005C	09/29/05	08/01/11	08/01/16	3.652568%	49,485,000	15,630,000	7,285,000	6,945,000	8,420,000	-	20,420,977	18,363,227	1,065,000
2006A	04/27/06	05/01/07	05/01/26	4.416007%	150,000,000	29,820,000	95,655,000	-	-	-	52,942,029	46,157,248	7,526,950
2006B	12/19/06	11/01/07	11/01/26	4.151716%	150,000,000	21,545,000	86,060,000	-	-	-	61,160,248	46,157,248	15,003,000
2009A	01/27/09	08/01/10	08/01/19	2.649431%	86,905,000	30,185,000	11,205,000	45,515,000	12,990,000	-	23,078,323	16,274,698	6,803,625
2009B	05/29/09	08/01/12	08/01/20	2.909604%	262,430,000	6,385,000	-	42,360,000	6,670,000	-	18,056,165	10,884,415	7,170,750
2009C	10/06/09	02/01/10	08/01/20	2.641389%	88,945,000	33,995,000	-	228,435,000	40,000,000	-	83,904,075	49,478,750	34,425,325
2010A	01/21/10	08/01/13	08/01/15	3.163981%	95,240,000	24,360,000	-	88,945,000	3,260,000	-	36,933,218	17,439,843	19,493,375
2010B	01/21/10	08/01/14	08/01/22	2.532471%	98,560,000	6,295,000	-	24,360,000	8,585,000	-	6,258,306	4,865,556	1,392,750
2010C	10/08/10	08/01/15	08/01/22	2.532471%	98,560,000	-	-	98,560,000	-	-	38,637,971	15,483,027	23,154,944
2010E	12/03/10	08/01/12	08/01/12	1.624634%	4,535,000	-	-	-	-	-	106,142	-	-
2010F	07/28/11	08/01/13	08/01/30	3.135460%	295,465,000	11,750,000	-	283,715,000	11,975,000	-	174,695,893	40,644,232	134,051,661
2011A	11/30/11	08/01/14	08/01/24	2.947775%	127,765,000	-	-	127,765,000	5,295,000	-	55,856,194	15,891,044	39,965,150
2011B	04/03/12	08/01/16	08/01/22	2.791151%	28,765,000	-	-	28,765,000	-	-	13,004,489	2,907,489	10,097,000
2012A	04/03/12	02/01/13	02/01/32	3.470985%	300,000,000	21,745,000	-	278,255,000	-	-	171,105,575	25,367,871	145,737,700
2012B	04/03/12	08/01/16	08/01/23	2.250150%	102,615,000	-	-	102,615,000	-	-	37,966,996	9,377,871	28,589,125
2012C	06/22/12	08/01/17	08/01/24	2.220986%	103,650,000	-	-	103,650,000	-	-	47,572,188	8,335,188	39,237,000
2013A	03/15/13	08/01/17	08/01/24	1.795711%	66,915,000	-	-	66,915,000	-	-	27,232,700	2,936,825	24,295,875
2013B	05/02/13	05/01/14	05/01/23	1.672976%	10,000,000	960,000	-	9,040,000	-	-	1,141,838	201,588	940,250
2014A	03/21/14	05/01/15	05/01/34	3.571603%	300,000,000	-	-	300,000,000	-	-	176,888,744	-	176,888,744
2014B	05/29/14	08/01/18	08/01/24	2.068859%	116,290,000	-	-	116,290,000	-	-	42,863,386	-	42,863,386
<b>TOTAL</b>					\$ 4,176,710,000	\$ 767,020,000	\$ 1,337,755,000	\$ 2,071,935,000	\$ 97,185,000	\$ 18,510,000	\$ 1,633,733,219	\$ 872,308,871	\$ 761,424,348

Notes:

(A) The interest rate for the Series 2000A bonds reflects the net interest cost.

(B) The interest rates for the Series 2000B through 2014B bonds reflect the true interest cost.

**STATE OF OHIO**  
**SCHEDULE OF HIGHER EDUCATION CAPITAL FACILITIES BONDS**  
As of June 30, 2014  
(Continued)

Notes:

(C) The following table provides details on refunded Higher Education Capital Facilities Bonds:

Refunded Bonds	Refunding Bonds														Total	Refunded Maturities	
	2002C	2005C	2009A	2009B	2009C	2010A	2010B	2010C	2011A	2011B	2012B	2012C	2013A	2014B			
2000A	\$ -	\$ -	\$ 56,600,000	\$ 9,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	66,300,000	2010-2015
2000B	56,200,000	-	-	-	-	9,815,000	-	-	-	-	-	-	-	-	-	65,715,000	2010-2015
2001A	-	49,810,000	31,305,000	6,565,000	11,495,000	6,885,000	-	-	-	-	-	-	-	-	-	106,070,000	2010-2021
2001B	-	-	-	7,530,000	92,700,000	7,835,000	-	13,040,000	8,160,000	-	-	-	-	-	-	129,265,000	2009-2021
2002A	-	-	-	5,965,000	70,505,000	6,265,000	-	22,995,000	6,560,000	-	-	-	-	-	-	112,310,000	2009-2011; 2013-2022
2002B	-	-	-	7,465,000	8,515,000	7,700,000	8,830,000	50,020,000	44,375,000	-	-	-	-	-	-	126,905,000	2008-2011; 2013-2022
2003A	-	-	-	-	15,210,000	11,035,000	8,235,000	17,155,000	26,595,000	30,945,000	3,330,000	-	-	-	-	112,505,000	2010-2012; 2014-2023
2004A	-	-	-	-	14,490,000	12,520,000	-	-	6,505,000	-	32,210,000	37,545,000	-	-	-	103,270,000	2010-2012; 2015-2024
2004B	-	-	-	5,615,000	6,995,000	5,895,000	7,550,000	-	6,180,000	-	75,275,000	-	-	-	-	107,510,000	2010-2012; 2015-2024
2005A	-	-	-	5,540,000	14,730,000	5,710,000	-	-	5,970,000	-	-	75,975,000	-	-	-	107,925,000	2010-2012; 2016-2025
2005B	-	-	-	-	7,595,000	11,435,000	-	-	5,995,000	-	-	-	74,750,000.00	-	-	99,775,000	2010-2012; 2017-2025
2005C	-	-	-	-	-	-	-	-	7,285,000	-	-	-	-	-	-	7,285,000	2011
2006A	-	-	-	-	14,725,000	10,755,000	-	-	5,705,000	-	-	-	-	64,470,000	-	95,655,000	2010-2012; 2017-2023
2006B	-	-	-	4,990,000	7,335,000	5,220,000	-	-	5,475,000	-	-	-	-	63,040,000	-	86,060,000	2009-2011; 2017-2024
2009A	-	-	-	-	-	-	-	-	11,205,000	-	-	-	-	-	-	11,205,000	2011
<b>Total</b>	<b>\$ 56,200,000</b>	<b>\$ 49,810,000</b>	<b>\$ 87,905,000</b>	<b>\$ 53,370,000</b>	<b>\$ 264,295,000</b>	<b>\$ 100,780,000</b>	<b>\$ 24,615,000</b>	<b>\$ 103,210,000</b>	<b>\$ 140,030,000</b>	<b>\$ 30,945,000</b>	<b>\$ 110,815,000</b>	<b>\$ 113,520,000</b>	<b>\$ 74,750,000</b>	<b>\$ 127,510,000</b>	<b>\$ 1,337,755,000</b>		

Refunding Bonds	Original Principal	Change in Principal Outstanding
Series 2002C	\$ 54,975,000	\$ (1,225,000)
87/4/2014	49,495,000	(315,000)
Series 2009A	86,905,000	(1,000,000)
Series 2009B	48,745,000	(4,625,000)
Series 2009C	262,430,000	(1,865,000)
Series 2010A	95,240,000	(5,540,000)
Series 2010B	24,360,000	(255,000)
Series 2010C	98,560,000	(4,650,000)
Series 2011A	127,765,000	(12,265,000)
Series 2011B	28,765,000	(2,180,000)
Series 2012B	102,615,000	(8,200,000)
Series 2012C	103,650,000	(9,870,000)
Series 2013A	66,915,000	(7,835,000)
Series 2014B	116,290,000	(11,220,000)
<b>Total</b>	<b>\$ 1,266,710,000</b>	<b>\$ (71,045,000)</b>

**STATE OF OHIO  
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND  
Cash Flow Statement  
For the Six Months Ended June 30, 2014**

	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION FEBRUARY 2000</b>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	81,807,630	\$ 1,539,303,179
Bond Proceeds.....	15,564,230	108,338,101
Accrued Interest on Bonds Sold.....	-	1,626,556
Interest Earnings.....	18,202	625,336
Unused Administrative Fees.....	-	12,302
<b>TOTAL CASH INFLOWS.....</b>	<b>97,390,062</b>	<b>1,649,905,474</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	43,890,000	767,020,000
Interest Paid.....	43,476,732	872,308,871
Bond Sale and Miscellaneous Expenses.....	-	553,273
<b>TOTAL CASH OUTFLOWS.....</b>	<b>87,366,732</b>	<b>1,639,882,144</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 10,023,330</b>	<b>\$ 10,023,330</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$150,457 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$150,457 in cost of issuance.

## PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS

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Section 2(k) of Article VIII, Ohio Constitution, as approved by voters on November 03, 1987, originally authorized 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 corporation, counties, townships, and other governmental entities as designated by law. Capital improvements include, without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

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 pursuant to this section did not exceed \$1.2 billion. Of the authorized amount, the Treasurer of State issued bonds totaling \$1,199,986,136.

On November 07, 1995, voters approved Section 2(m), Article VIII, Ohio Constitution, which authorized the issuance of additional Public Infrastructure Capital Improvements Bonds only after the State had exhausted its authority to issue bonds under Section 2(k). The vote was: Yes—1,404,834; No—865,698.

These additional bond issues finance or assist in the financing of the costs of public infrastructure capital improvements of municipal corporations, counties, townships, and other governmental entities as designated by law. The capital improvements are 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 can be issued under this additional authority (Section 2(m)). If bonds are issued under this section to retire or refund obligations previously issued under this section, 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. [See page 11 of this report for a list of authorizing legislation.]

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 contracted.

Section 2(k) of Article VIII, Ohio Constitution, was initially implemented by the General Assembly with the adoption of HB704, in 1988. This enacted Chapter 164, 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.

The 123rd General Assembly passed HB640 in May 2000, which enacted Sections 151.01 and 151.08, 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, 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, Ohio Constitution, which authorized 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 may be issued in each of the first five fiscal years, and

not more than \$150 million in principal amount may 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) aggregate principal amount of Public Infrastructure obligations have been issued pursuant to Section 2(m) of Article VIII, Ohio Constitution.

On May 06, 2014, voters approved Section 2(s), Article VIII, Ohio Constitution, which authorized 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 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) principal amount of state general obligations may be issued under this section 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) of Article VIII, Ohio Constitution, have been issued.

As of June 30, 2014, the General Assembly has not acted upon the additional \$1.875 billion authorized by Section 2(s) of Article VIII, Ohio Constitution.

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of June 30, 2014**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)/(B)	Original Principal (I)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 08/01/14	Principal Maturing on 09/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity						
1988	12/01/88	09/01/89	09/01/92	7.180000%	\$ 120,000,000	\$ 21,335,000	\$ 98,665,000	\$ -	\$ -	\$ -	\$ 28,937,008	\$ -	\$ -						
1989	12/01/89	09/01/90	09/01/09	6.587000%	70,000,000	70,000,000	-	-	-	-	36,638,629	-	-						
1991	12/01/91	08/01/92	08/01/01	6.293500%	79,975,000	62,250,000	17,725,000	-	-	-	22,636,876	-	-						
1992	12/01/92	08/01/93	08/01/12	7.115200%	91,720,000	74,315,000	17,405,000	-	-	-	42,485,717	-	-						
1992R	12/01/92	09/01/93	09/01/03	7.001500%	90,855,000	90,855,000	-	-	-	-	26,267,079	-	-						
1993	11/01/93	08/01/94	08/01/03	5.164000%	94,575,000	41,215,000	53,360,000	-	-	-	35,911,961	-	-						
1994	02/01/94	08/01/94	08/01/10	5.164000%	120,000,000	51,455,000	68,545,000	-	-	-	48,901,280	-	-						
1995	01/01/95	08/01/95	08/01/05	5.060900%	98,505,000	52,030,000	46,475,000	-	-	-	26,946,049	-	-						
1996	01/01/96	08/01/96	08/01/05	5.060900%	108,835,000	48,025,000	60,810,000	-	-	-	34,567,050	-	-						
1997	01/01/97	08/01/97	08/01/14	5.230700%	120,000,000	53,530,000	57,965,000	8,505,000	8,505,000	-	48,612,643	-	227,509						
1997R	01/01/98	02/01/98	02/01/08	4.920400%	44,400,000	7,505,000	36,895,000	-	-	-	21,195,328	-	-						
1998A	01/01/98	08/01/98	08/01/08	4.667000%	120,000,000	49,965,000	70,035,000	-	-	-	37,659,221	-	-						
1998B	08/01/98	02/01/99	02/01/14	4.905500%	120,000,000	60,850,000	59,150,000	-	-	-	37,910,656	-	-						
1998R	08/01/98	08/01/99	08/01/07	4.531700%	10,850,000	10,850,000	-	-	-	-	3,439,525	-	-						
1999	09/15/99	02/01/00	02/01/09	5.439600%	120,000,000	40,115,000	79,885,000	-	-	-	28,580,924	-	-						
2000	10/15/00	02/01/01	02/01/09	5.302600%	120,000,000	42,310,000	77,690,000	-	-	-	19,239,095	-	-						
2001A	11/15/01	08/01/01	08/01/13	4.151390%	56,100,000	39,500,000	16,600,000	-	-	-	19,427,058	-	-						
2002A	08/15/02	02/01/13	02/01/20	4.358400%	59,920,000	11,885,000	-	48,035,000	-	-	46,675,147	-	9,666,119						
2002B	11/01/02	03/01/04	03/01/21	4.519800%	120,000,000	29,415,000	90,585,000	-	-	-	17,349,839	-	-						
2003A	02/01/03	08/01/03	08/01/15	3.304292%	233,585,000	159,865,000	61,865,000	11,855,000	5,775,000	-	72,909,538	-	630,394						
2003C	02/26/03	08/01/04	08/01/08	3.286600%	11,630,000	11,630,000	-	-	-	-	2,046,618	-	-						
2003F	12/04/03	02/01/05	02/01/23	4.161714%	120,000,000	35,960,000	84,040,000	-	-	-	28,772,724	-	144,000						
2004C	10/05/04	08/01/09	08/01/14	3.398539%	39,530,000	21,570,000	12,620,000	5,760,000	5,760,000	-	13,467,122	-	-						
2004D	12/01/04	03/01/05	03/01/24	4.229361%	120,000,000	32,370,000	87,630,000	-	-	-	34,890,278	-	-						
2005A	12/01/05	09/01/06	09/01/25	4.404645%	120,000,000	21,865,000	92,835,000	5,300,000	-	5,300,000	34,779,380	-	132,500						
2006A	11/16/06	03/01/07	03/01/26	4.311452%	120,000,000	25,175,000	76,970,000	17,855,000	-	-	36,652,228	-	4,934,400						
2007A	09/20/07	09/01/08	09/01/28	4.588577%	120,000,000	16,440,000	20,270,000	83,290,000	-	-	67,727,557	-	33,609,463						
2008A	01/27/09	08/01/10	08/01/14	1.911637%	49,995,000	30,490,000	14,280,000	5,225,000	-	-	147,166,485	-	88,647,584						
2009A	05/29/09	08/01/12	08/01/20	2.906323%	81,990,000	10,930,000	14,280,000	5,225,000	5,225,000	-	4,941,260	-	71,844						
2010A	01/21/10	08/01/13	08/01/21	3.171281%	51,290,000	3,345,000	-	71,060,000	11,265,000	-	28,247,418	-	10,886,519						
2010B	03/05/10	09/01/22	09/01/30	3.434840%	120,000,000	-	-	47,945,000	1,735,000	-	14,546,009	-	8,111,122						
2010C	03/05/10	09/01/13	09/01/17	2.081149%	54,400,000	1,720,000	-	120,000,000	-	11,930,000	104,500,286	-	79,768,928						
2010D	10/08/10	08/01/13	08/01/20	2.225988%	14,950,000	225,000	-	52,680,000	125,000	-	13,046,583	-	3,970,413						
2011A	07/28/11	08/01/14	09/01/30	4.394203%	120,000,000	4,235,000	-	14,725,000	-	-	3,345,869	-	1,848,750						
2011B	02/17/11	08/01/14	09/01/24	2.901011%	114,285,000	-	-	114,285,000	-	-	47,061,432	-	56,271,775						
2011C	11/30/11	08/01/17	08/01/22	2.820472%	18,320,000	-	-	18,320,000	-	-	18,097,221	-	33,281,025						
2012A	03/01/12	02/01/13	02/01/32	2.907571%	120,000,000	8,775,000	-	111,225,000	-	-	7,550,489	-	5,912,287						
2012B	04/03/12	09/01/16	09/01/21	2.106616%	40,150,000	-	-	40,150,000	-	-	9,439,054	-	48,498,800						
2012C	06/22/12	09/01/22	09/01/23	2.391467%	15,505,000	-	-	15,505,000	-	-	3,836,556	-	10,329,500						
2013A	01/18/13	02/01/14	02/01/33	2.756012%	150,000,000	5,415,000	-	144,585,000	-	-	66,324,160	-	6,986,875						
2013B	02/06/13	08/01/16	08/01/25	1.779911%	66,385,000	-	-	66,385,000	-	-	5,401,610	-	60,922,550						
2014A	01/22/14	03/01/15	03/01/34	3.745863%	150,000,000	-	-	150,000,000	-	-	27,871,524	-	24,598,375						
2014B	05/29/14	09/01/18	09/01/24	1.984260%	59,870,000	-	-	59,870,000	-	-	3,273,149	-	88,173,245						
<b>TOTAL</b>											\$ 4,117,620,000	\$ 1,264,395,000	\$ 1,326,040,000	\$ 1,527,185,000	\$ 45,315,000	\$ 35,745,000	\$ 1,603,236,801	\$ 1,004,920,068	\$ 598,316,733

(continued)

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
**As of June 30, 2014**  
(Continued)

<b>CAPITAL APPRECIATION BONDS</b>														
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (H)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal as of 06/30/14	Principal Maturing on 08/01/14	Principal Maturing on 09/01/14	Total Discount	Accrued Principal Paid through 06/30/14	Remaining Interest through Maturity	
1989	12/01/89	09/01/95	09/01/09	6.5870%	\$ 49,999,936	\$ 49,999,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,370,064	\$ -	
1991	12/01/91	08/01/99	08/01/11	6.2935%	40,020,445	40,020,445	-	-	-	-	-	56,229,555	-	
1992	12/01/92	08/01/00	08/01/12	7.1152%	28,275,727	28,275,727	-	-	-	-	-	36,194,273	-	
1992R	12/01/92	09/01/99	09/01/00	7.0015%	7,800,739	7,800,739	-	-	-	-	-	13,509,261	-	
1993	11/01/93	08/01/95	08/01/13	5.1640%	25,420,844	25,420,844	-	-	-	-	-	24,829,156	-	
1995	01/01/95	08/01/02	08/01/14	6.1297%	21,484,889	20,084,087	-	1,410,801	1,410,801	-	-	23,085,913	\$ 3,454,198	
1996	01/01/96	08/01/04	08/01/15	5.0609%	11,164,295	9,223,099	-	1,941,196	997,596	-	-	11,860,705	\$ 8,396,901	
1997R	01/01/98	08/01/03	08/01/08	4.9204%	5,860,670	5,860,670	-	-	-	-	-	10,064,330	\$ -	
1998R	08/01/98	08/01/08	08/01/08	4.7780%	1,784,986	1,784,986	-	-	-	-	-	2,400,014	\$ -	
2003C	02/26/03	08/01/11	08/01/12	3.2866%	6,241,829	2,032,134	4,209,695	-	-	-	-	7,352,866	\$ -	
2003E	03/20/03	08/01/04	08/01/12	3.2076%	2,718,755	2,718,755	-	-	-	-	-	13,976,245	\$ -	
2004B	03/03/04	02/01/10	02/01/11	3.6007%	308,851	308,851	-	-	-	-	-	7,881,149	\$ -	
<b>TOTAL</b>					\$ 201,091,966	\$ 193,530,273	\$ 4,209,695	\$ 3,351,998	\$ 2,408,397	\$ -	\$ -	\$ 269,197,729	\$ 262,289,727	\$ 6,908,002

<b>VARIABLE RATE BONDS</b>														
Series	Issue Date	Date of First Principal Payment	Final Maturity Date	Interest Rate	Original Principal	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal as of 06/30/14	Principal Maturing on 08/01/14	Principal Maturing on 09/01/14	Total Estimated Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity	
2001B	11/29/01	08/01/14	08/01/21	(D)	\$ 63,900,000	\$ -	\$ -	\$ 63,900,000	\$ 6,800,000	\$ -	\$ -	\$ 10,214,714	\$ 10,802,237	
2003B	02/26/03	08/01/09	08/01/17	(E)	104,315,000	14,170,000	-	90,145,000	17,305,000	-	-	15,046,983	\$ 5,453,690	
2003D	03/20/03	02/01/11	02/01/19	(F)	58,085,000	11,380,000	-	46,705,000	-	-	12,634,870	8,351,710	\$ 4,283,160	
2004A	03/03/04	02/01/05	02/01/23	(G)	58,725,000	4,560,000	-	54,165,000	-	-	20,890,070	7,691,816	\$ 13,198,254	
<b>TOTAL</b>					\$ 285,025,000	\$ 30,110,000	\$ -	\$ 254,915,000	\$ 24,105,000	\$ -	\$ -	\$ 75,042,564	\$ 41,305,223	\$ 33,737,341
<b>GRAND TOTAL</b>					\$ 4,603,736,966	\$ 1,488,035,273	\$ 1,330,249,695	\$ 1,785,451,998	\$ 71,828,397	\$ 35,745,000	\$ 1,947,477,094	\$ 1,308,515,018	\$ 638,962,076	

(continued)

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
As of June 30, 2014  
(Continued)

Notes:

- (A) The interest rates for the Series 1988, 1989, 1992, and 1992R bonds reflect the net interest cost.
- (B) The interest rates for the Series 1995, 1998R through 2000, 2002A through 2003C, and 2004C through 2014B bonds reflect the true interest cost.
- Ohio Revised Code Section 151.01 permits the State to enter into interest rate swap agreements as part of its debt management. The following table reflects the terms, payments and receipts for each swap. The interest rate paid to bondholders is reset weekly until maturity.

Series	Agreement Type	Effective Date	Termination Date	State Receives	State Pays	Net Interest Received	Net Interest Paid	Final Maturity	Estimated Variable Interest Rate Basis
(C) 2003F*	Fixed-to-Floating	12/14/2003	2/1/2010	2.540%	SIFMA	\$ 642,913	\$ 387,591	-	-
(D) 2001B	Floating-to-Fixed	11/29/2001	8/1/2021	SIFMA	4.630%	-	25,396,849	8/1/2021	4.000%
(E) 2003B*	Floating-to-Fixed	2/26/2003	8/1/2008	Matched Rate	2.960%	1,195,544	4,676,335	8/1/2017	3.000%*
(F) 2003D*	Floating-to-Fixed	3/20/2003	2/1/2010	Matched Rate	3.035%	578,579	4,657,835	2/1/2019	3.000%*
(G) 2004A	Floating-to-Fixed	3/3/2004	2/1/2023	LIBOR <sup>^</sup>	3.510%	63,837	11,379,622	2/1/2023	4.000%
(H) Multiple	Fixed-to-Floating	4/5/2002	7/1/2002*	4.26%	SIFMA	1,244,598	-	-	-
		7/5/2002	9/24/2002*	4.27%	SIFMA	4,194,598	-	-	-
		12/4/2002	9/24/2002*	4.21%	SIFMA	3,715,000	-	-	-
<p><sup>^</sup> Terms: 63% of one-month LIBOR+25 basis-points, if the weighted average rate is below 5.00% or 68% of the average one-month LIBOR-USD fixed rate, if the weighted average rate is 5.00% or above.</p> <p>* The Treasurer of State exercised the option to terminate these swaps prior to their effective date which resulted in a net payment to the State of \$9,154,196.</p>									
Total						\$ 11,635,069	\$ 46,498,232		

(continued)

**STATE OF OHIO**  
**SCHEDULE OF PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS**  
 As of June 30, 2014

(Continued)

Notes:  
 (1) The following table provides details on refunded Public Infrastructure Capital Improvements Bonds.

Refunded Bonds	Refunding Bonds																Total	Refunded Maturities				
	1992R	1997R	1998R	2002A	2003A	2008B & 2008C	2003D & 2003E	2004A & 2004B	2009A	2009B	2010A	2010C	2010D	2011B	2011C	2012B			2012C	2013B	2014B	
1988	\$ 88,665,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,665,000	1992-2003
1991	-	17,725,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,725,000	2002-2011
1992	-	-	12,635,000	-	4,770,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,405,000	2004-2008
1993	-	-	-	53,360,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,360,000	2004-2011
1994	-	-	-	60,165,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,165,000	2004-2011
1995	-	-	-	32,540,000	-	-	-	-	-	7,355,000	-	-	-	-	-	-	-	-	-	-	39,895,000	2005-2013
1996	-	-	-	-	60,810,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,810,000	2006-2015
1997	-	-	-	-	6,270,000	-	-	-	6,585,000	-	-	-	-	-	-	-	-	-	-	-	12,855,000	2003, 2008-2012;
1997R	-	-	-	-	38,190,000	-	-	-	29,540,000	7,355,000	-	-	-	-	-	-	-	-	-	-	75,085,000	2015-2016
1988A	-	-	-	-	6,250,000	-	-	-	20,630,000	-	-	-	-	-	-	-	-	-	-	-	26,880,000	2005, 2009-2017
1988B	-	-	-	-	5,750,000	-	-	-	12,550,000	-	-	-	-	-	-	-	-	-	-	-	18,300,000	2015-2018
1999	-	-	-	-	40,850,000	-	-	-	660,000	5,945,000	-	-	-	-	-	-	-	-	-	-	47,455,000	2004, 2010-2018
2000	-	-	-	-	12,475,000	-	60,805,000	-	520,000	5,270,000	-	-	-	-	-	-	-	-	-	-	79,895,000	2004, 2010-2021
2001A	-	-	-	60,450,000	-	-	-	-	5,270,000	5,600,000	-	-	-	-	-	-	-	-	-	-	71,320,000	2010-2021
2002B	-	-	-	-	11,450,000	-	-	-	5,270,000	5,095,000	-	-	1,010,000	-	-	-	-	-	-	-	16,800,000	2009-2011
2002B	-	-	-	-	-	-	-	-	4,665,000	4,855,000	-	-	-	-	-	-	-	-	-	-	9,520,000	2010-2023
2003A	-	-	-	-	-	-	-	-	52,115,000	26,405,000	-	-	-	-	-	-	-	-	-	-	78,520,000	2010-2011
2003C	-	-	-	-	-	-	-	-	-	-	-	-	-	4,269,695	-	-	-	-	-	-	4,269,695	2011-2012, 2014-
2003F	-	-	-	-	-	-	-	-	9,070,000	-	-	-	13,175,000	22,740,000	19,000,000	-	-	-	-	-	84,040,000	2023
2004C	-	-	-	-	-	-	-	-	-	12,620,000	-	-	-	-	-	-	-	-	-	-	12,620,000	2009
2004D	-	-	-	-	-	-	-	-	-	4,665,000	-	11,890,000	-	5,070,000	-	43,540,000	17,565,000	-	-	-	87,630,000	2024
2005A	-	-	-	-	-	-	-	-	-	4,275,000	-	4,340,000	-	-	-	-	-	73,955,000	-	1,225,000	82,635,000	2025
2006A	-	-	-	-	-	-	-	-	-	4,350,000	-	4,525,000	-	-	-	-	-	-	-	51,600,000	2025	
2007A	-	-	-	-	-	-	-	-	-	-	-	11,790,000	-	-	-	-	-	-	-	-	76,970,000	2025
2008A	-	-	-	-	-	-	-	-	-	-	-	-	-	4,705,000	-	-	-	-	-	-	20,270,000	2019
2009A	-	-	-	-	-	-	-	-	-	7,640,000	-	-	-	4,185,000	-	-	-	-	-	-	23,000,000	2009-2011
														14,293,030							14,293,030	2011
	\$ 88,665,000	\$ 50,265,000	\$ 12,635,000	\$ 60,450,000	\$ 235,680,000	\$ 122,195,000	\$ 60,805,000	\$ 59,035,000	\$ 40,125,000	\$ 88,460,000	\$ 49,550,000	\$ 54,710,000	\$ 14,185,000	\$ 114,349,695	\$ 18,000,000	\$ 43,540,000	\$ 17,565,000	\$ 73,955,000	\$ 64,910,000	\$ 1,330,249,695		

Refunding Bonds	Original Principal	Change in Principal Outstanding
Series 1992R	\$ 88,665,739	\$ (6,261)
Series 1997R	50,260,670	(4,330)
Series 1998R	12,634,986	(14)
Series 2002A	59,920,000	(630,000)
Series 2003A	233,585,000	(2,095,000)
Series 2003D & 2003E	60,805,000	(1,145)
Series 2004A & 2004B	60,803,755	(1,245)
Series 2004C	59,033,851	(1,149)
Series 2004D	38,530,000	(995,000)
Series 2008A	49,995,000	(175,000)
Series 2008B	29,540,000	(6,720,000)
Series 2009A	51,290,000	1,740,000
Series 2010C	54,400,000	(310,000)
Series 2010D	14,950,000	765,000
Series 2011B	114,295,000	(64,695)
Series 2011C	18,320,000	(680,000)
Series 2012C	15,505,000	(3,000)
Series 2013B	66,395,000	(7,570,000)
Series 2014B	59,870,000	(5,040,000)
<b>Total</b>	<b>\$ 1,303,750,830</b>	<b>\$ (26,488,865)</b>

**STATE OF OHIO**  
**STATE CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

	JANUARY 1, 2014 THROUGH JUNE 30, 2014	CUMULATIVE SINCE INCEPTION DECEMBER 1988
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ 1,224</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	68,133,534	\$ 2,769,427,286
Bond Proceeds.....	10,765,256	58,960,766
Accrued Interest on Bonds Sold.....	-	4,931,221
Net Receipts from Swap Agreements.....	-	11,635,069
Interest Earnings.....	4,045	1,218,421
Other.....	271	44,414
<b>TOTAL CASH INFLOWS.....</b>	<b>78,903,106</b>	<b>2,846,217,177</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	43,565,000	1,488,035,273
Interest Paid.....	32,993,619	1,046,225,291
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	-	262,289,727
Net Payments under Swap Agreements.....	2,335,369	46,498,232
Bond Sale and Miscellaneous Expenses.....	1,036	3,159,348
<b>TOTAL CASH OUTFLOWS.....</b>	<b>78,895,024</b>	<b>2,846,207,871</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 9,306</b>	<b>\$ 9,306</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$326,010 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$240,478 in administrative fees, \$85,526 in bond proceeds held for cost of issuance, and \$6 in interest.

## CONSERVATION PROJECTS BONDS

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

Section 2(q) of Article VIII, Ohio Constitution, approved by voters on November 4, 2008, authorized 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. This 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 to pay was issued.

Section 2(o) of Article VIII, 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, Ohio Revised Code. This bill also enacted Section 151.09, Sections 164.20 - 164.27, and Sections 1519.05 - 1519.06, 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, 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.

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Conservation Projects Bond Service Fund, as created under Section 151.09, 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 the bonds when due. Upon consultation with the Director, the Commissioners of the Sinking Fund transfer the amount so certified to the bond service fund.

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, Ohio Revised Code; the Clean Ohio Agricultural Easement Fund, created in Section 901.21, Ohio Revised Code; and the Clean Ohio Trail Fund, created in Section 1519.05, Ohio Revised Code.

In June 2013, the Ohio General Assembly enacted HB59 which repealed & replaced debt authorization sections of HB482 and HB487 (enacted in June 2012) for Clean Ohio Trail Fund, Clean Ohio Conservation, and Clean Ohio Agriculture Easement. This resulted in an overall increase to the appropriations of \$100 million. [See page 12 of this report for a list of authorizing legislation.]

**STATE OF OHIO**  
**SCHEDULE OF CONSERVATION PROJECTS BONDS**  
As of June 30, 2014

**CURRENT INTEREST BONDS**

Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal (B)	Principal Matured through 06/30/14	Principal Refunded through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 09/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity
2002A	01/15/02	09/01/02	09/01/16	4.293230%	\$ 50,000,000	\$ 29,665,000	\$ 20,335,000	\$ -	\$ -	\$ 14,163,208	\$ 14,163,208	\$ -
2004A	01/27/04	03/01/05	03/01/19	3.527564%	50,000,000	30,530,000	19,470,000	-	-	12,591,799	12,591,799	-
2005A	11/07/05	03/01/07	03/01/20	4.210600%	50,000,000	20,990,000	29,010,000	-	-	10,959,327	10,959,327	-
2007A	06/21/07	09/01/08	09/01/22	4.423055%	50,000,000	16,155,000	7,575,000	26,270,000	3,160,000	17,978,618	11,939,637	6,038,981
2009A	10/06/09	09/01/12	09/01/19	2.396999%	34,040,000	10,170,000	-	23,870,000	7,540,000	9,151,783	6,286,758	2,865,025
2009B	12/16/09	03/01/11	03/01/16	1.871804%	16,765,000	9,660,000	-	7,105,000	-	2,462,931	2,051,581	411,350
2009C	12/16/09	03/01/17	03/01/24	3.108376%	33,235,000	-	-	33,235,000	-	16,901,105	6,455,473	10,445,632
2010A	10/08/10	09/01/14	09/01/19	2.078132%	26,120,000	-	-	26,120,000	3,925,000	5,897,520	3,002,295	2,895,225
2011A	02/17/11	09/01/13	09/01/25	3.845246%	50,000,000	3,015,000	-	46,985,000	3,125,000	21,039,314	6,545,489	14,493,825
2012A	06/22/12	09/01/15	09/01/18	1.133356%	15,070,000	-	-	15,070,000	-	3,582,171	1,274,671	2,307,500
2013A	11/26/13	03/01/15	03/01/28	3.034270%	50,000,000	-	-	50,000,000	-	18,571,211	595,861	17,975,350
<b>TOTAL</b>					\$ 425,230,000	\$ 120,185,000	\$ 76,390,000	\$ 228,655,000	\$ 17,750,000	\$ 133,298,987	\$ 75,866,099	\$ 57,432,888

Notes:

(A) The interest rate reflects the true interest cost.

(B) The following table provides information on refunded Conservation Projects Bonds:

	Series 2009A		Series 2010A		Series 2012A		Refunding Bonds		
	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Principal Refunded	Maturities Refunded	Original Principal	Change in Principal Outstanding	
Series 2002A	\$ 20,335,000	2012-2016	\$ -	-	\$ -	-	Series 2009A	\$ 34,040,000	\$ (755,000)
Series 2004A	3,315,000	2015	-	-	16,155,000	2015-2019	Series 2010A	26,120,000	680,000
Series 2005A	3,570,000	2014	25,440,000	2015-2020	-	-	Series 2012A	\$ 15,070,000	\$ (1,085,000)
Series 2007A	7,575,000	2018-2019	-	-	-	-			
	\$ 34,795,000		\$ 25,440,000		\$ 16,155,000		<b>Total</b>	\$ 75,230,000	\$ (1,160,000)

**STATE OF OHIO**  
**CONSERVATION PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

	JANUARY 1, 2014 THROUGH JUNE 30, 2014	CUMULATIVE SINCE INCEPTION JANUARY 2002
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ 2,854,378</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	8,519,636	\$ 185,044,790
Bond Proceeds.....	3,010	11,043,049
Accrued Interest on Bonds Sold.....	-	93,497
Interest Earnings.....	2,627	88,258
Unused Administrative Fees.....	-	3,325
<b>TOTAL CASH INFLOWS.....</b>	<b>8,525,273</b>	<b>196,272,919</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	6,725,000	120,185,000
Interest Paid.....	4,650,002	75,866,099
Bond Sale and Miscellaneous Expenses.....	-	217,171
<b>TOTAL CASH OUTFLOWS.....</b>	<b>11,375,002</b>	<b>196,268,270</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 4,649</b>	<b>\$ 4,649</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$50 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$50 in administrative fees.

### THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS

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On November 8, 2005, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State, under Section 2(p) of Article VIII, Ohio Constitution, to issue up to \$2 billion in general obligation bonds to improve local government infrastructure, support research and development applicable to high-tech business, and enhance business site development. The vote was: Yes—1,512,669; No—1,282,571.

On May 4, 2010, Ohio voters approved State Issue 1, a constitutional amendment to Section 2(p) of Article VIII, Ohio Constitution, to continue funding for research and development purposes by authorizing the state to issue \$700 million of general obligation bonds to renew and continue programs for research and development in support of Ohio industry, commerce and business. 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, 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.

Third Frontier Research and Development Projects Bonds can be issued to no more than \$450 million for the period including state fiscal years 2006 through 2011, no more than \$225 million in fiscal year 2012 and no more than \$175 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). [See page 12 of this report for a list of authorizing legislation.]

Funds to pay debt service and financing costs on the bonds 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, 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 the bonds when due.

**STATE OF OHIO**  
**SCHEDULE OF THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS**  
As of June 30, 2014

<b>CURRENT INTEREST BONDS</b>												
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 11/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity	
2006A	08/24/06	05/01/07	05/01/13	3.923211%	\$ 50,000,000	\$ 50,000,000	\$ -	\$ -	\$ 7,828,405	\$ 7,828,405	\$ -	
2007A	06/05/07	05/01/08	05/01/17	5.423135%	30,720,000	19,845,000	10,875,000	-	9,558,185	8,353,545	1,204,640	
2008A	08/19/08	05/01/09	05/01/18	5.179492%	39,980,000	22,085,000	17,895,000	-	11,171,481	8,702,528	2,468,953	
2009A	03/05/09	11/01/10	11/01/18	2.763459%	60,000,000	23,690,000	36,310,000	6,525,000	15,473,695	10,955,369	4,518,326	
2009B	11/03/09	11/01/10	11/01/19	2.867055%	75,000,000	22,865,000	52,135,000	7,800,000	19,006,772	11,825,184	7,181,588	
2010A	10/29/10	11/01/12	11/01/14	0.928166%	22,995,000	14,945,000	8,050,000	8,050,000	3,493,888	3,292,638	201,250	
2010B	10/29/10	11/01/15	11/01/20	1.978913%	52,005,000	-	52,005,000	-	11,643,572	5,160,572	6,483,000	
2011A	06/16/11	05/01/13	05/01/21	3.165314%	50,000,000	10,320,000	39,680,000	-	9,428,204	3,793,459	5,634,745	
2012A	01/24/12	11/01/12	11/01/21	1.613829%	80,000,000	13,805,000	66,195,000	7,445,000	15,861,230	5,365,905	10,495,325	
2013A	05/02/13	05/01/14	05/01/23	1.558233%	100,300,000	8,930,000	91,370,000	-	19,595,377	2,970,127	16,625,250	
2013B	09/26/13	11/01/14	11/01/23	2.771062%	100,000,000	-	100,000,000	9,355,000	16,038,661	1,324,458	14,714,203	
<b>TOTAL</b>					\$ 661,000,000	\$ 186,485,000	\$ 474,515,000	\$ 39,175,000	\$ 139,099,470	\$ 69,572,190	\$ 69,527,280	

(A) The interest rate reflects the true interest cost.

**STATE OF OHIO**  
**THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

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	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION AUGUST 2006</b>
	<u>                    </u>	<u>                    </u>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	29,718,589	\$ 238,107,809
Bond Proceeds.....	128	17,947,701
Interest Earnings.....	6,976	61,544
Unused Administrative Fees.....	-	3,495
	<u>29,725,693</u>	<u>256,120,549</u>
<b>TOTAL CASH INFLOWS.....</b>	<b>29,725,693</b>	<b>256,120,549</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	21,315,000	186,485,000
Interest Paid.....	8,406,414	69,572,190
Bond Sale and Miscellaneous Expenses.....	-	59,080
	<u>29,721,414</u>	<u>256,116,270</u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>29,721,414</b>	<b>256,116,270</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 4,279</b>	<b>4,279</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$1,750 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$1,750 in administrative fees and \$0.05 in interest.

## THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS

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On November 8, 2005, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State, under Section 2(p) of Article VIII, Ohio Constitution, to issue up to \$2 billion in general obligation bonds to improve local government infrastructure, support research and development applicable to high-tech business, and enhance business site development. The vote was: Yes—1,512,669; No—1,282,571.

The State is authorized to issue Third Frontier 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 Third Frontier 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). [See page 12 of this report for a list of authorizing legislation.]

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Third Frontier Job Ready Site Development Bond Service Fund, as created under Section 151.11. The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay the bonds when due.

**STATE OF OHIO**  
**SCHEDULE OF THIRD FRONTIER JOB READY SITE DEVELOPMENT BONDS**  
As of June 30, 2014

<b>CURRENT INTEREST BONDS</b>												
Series	Issue Date	First Principal Payment Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 11/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity	
2006A	12/05/06	05/01/07	05/01/16	3.684839%	\$ 30,000,000	\$ 23,220,000	\$ 6,780,000	\$ -	\$ 5,724,035	\$ 5,357,420	\$ 366,615	
2009A	11/17/09	11/01/10	11/01/14	1.821835%	18,885,000	14,070,000	4,815,000	4,815,000	2,425,938	2,329,638	96,300	
2009B	11/17/09	11/01/15	11/01/19	2.743288%	26,115,000	-	26,115,000	-	8,573,273	4,669,960	3,903,313	
2011A	06/16/11	05/01/13	05/01/21	2.255190%	40,000,000	7,915,000	32,085,000	-	8,725,847	3,839,722	4,886,125	
2013A	11/26/13	11/01/14	11/01/22	1.915424%	35,000,000	-	35,000,000	3,100,000	6,391,314	493,901	5,897,413	
				TOTAL	\$ 150,000,000	\$ 45,205,000	\$ 104,795,000	\$ 7,915,000	\$ 31,840,406	\$ 16,690,641	\$ 15,149,765	

(A) The interest rate reflects the true interest cost.

**STATE OF OHIO**  
**THIRD FRONTIER JOB READY SITE DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

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	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION DECEMBER 2006</b>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ 2,152,588</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	7,191,851	\$ 56,542,505
Bond Proceeds.....	2,107	5,593,446
Interest Earnings.....	4,254	11,221
Unused Administrative Fees.....	-	4,330
<b>TOTAL CASH INFLOWS.....</b>	<b>7,198,212</b>	<b>62,151,502</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	7,195,000	45,205,000
Interest Paid.....	1,933,681	16,690,641
Bond Sale and Miscellaneous Expenses.....	-	33,742
<b>TOTAL CASH OUTFLOWS.....</b>	<b>9,128,681</b>	<b>61,929,383</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ 222,119</b>	<b>\$ 222,119</b>

Note:

In addition to the June 30, 2014 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. At the time of this report, for this program the Sinking Fund Commission had \$3,056 in cash on hand in a custodial fund with the Treasurer of State's office. This custodial fund balance represents \$3,056 in administrative fees, \$0.08 in interest.

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

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On November 3, 2009, Ohio voters approved State Issue 1, a constitutional amendment that authorizes the State, under Section 2(r) of Article VIII, of the Ohio Constitution, to issue up to \$200 million in general obligation bonds to 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 vote was: Yes – 2,227,521; No – 876,520.

Upon request of the Department of Veterans Services, the Ohio Public Facilities Commission shall issue and sell bonds or other obligations to provide all or part of the funds as may be required to pay compensation to veterans of the Persian Gulf, Afghanistan, and Iraq conflicts as established under Section 2(r) of Article VIII of the Ohio Constitution.

Persian Gulf, Afghanistan, and Iraq Conflicts Compensation 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. Except for obligations issued under this section to retire or refund obligations previously issued, no obligations shall be issued later than December 31, 2013.

For the payment of compensation to Ohio veterans of these conflicts, the constitutional amendment limits Veteran's Compensation Bond issuances to \$200 million. [See page 12 of this report for a list of authorizing legislation.]

Funds to retire the bonds are paid when due, as to principal and interest, by a transfer from the State's General Revenue Fund to the Persian Gulf, Afghanistan, and Iraq Conflicts Compensation Fund. The Commissioners of the Sinking Fund certify to the Director of the Office of Budget and Management the amount necessary to pay bonds when due.

**STATE OF OHIO**  
**SCHEDULE OF VETERAN'S COMPENSATION BONDS**  
As of June 30, 2014

<b>CURRENT INTEREST BONDS</b>												
Series	Issue Date	Final Maturity Date	Interest Rate (A)	Original Principal	Principal Matured through 06/30/14	Outstanding Principal, as of 06/30/14	Principal Maturing on 10/01/14	Total Interest to Maturity	Interest Paid through 06/30/14	Remaining Interest through Maturity		
2010	08/12/10	04/01/12	4.142874%	\$ 50,000,000	\$ 7,330,000	\$ 42,670,000	\$ -	\$ 18,533,301	\$ 6,596,661	\$ 11,936,639		
2011	08/23/11	10/01/12	2.654915%	\$ 15,910,000	3,195,000	\$ 12,715,000	2,715,000	\$ 2,413,518	\$ 726,740	\$ 1,686,778		
2013	12/19/13	04/01/15	1.121900%	\$ 18,000,000	-	\$ 18,000,000	-	\$ 629,496	\$ 55,615	\$ 573,880		
TOTAL				\$ 83,910,000	\$ 10,525,000	\$ 73,385,000	\$ 2,715,000	\$ 21,576,314	\$ 7,379,016	\$ 14,197,297		

(A) The interest rate reflects the true interest cost.

**STATE OF OHIO**  
**PERSIAN GULF, AFGHANISTAN, IRAQ COMPENSATION BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2014**

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	<b>JANUARY 1, 2014 THROUGH JUNE 30, 2014</b>	<b>CUMULATIVE SINCE INCEPTION AUGUST 2010</b>
<b>CASH BALANCE, JANUARY 1, 2014.....</b>	<b>\$ -</b>	
<b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....	4,264,697	\$ 17,884,510
Bond Proceeds.....	3,291	21,427
Interest Earnings.....	-	23
Unused Administrative Fees.....	-	-
<b>TOTAL CASH INFLOWS.....</b>	<b>4,267,988</b>	<b>17,905,960</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....	3,190,000	10,525,000
Interest Paid.....	1,077,988	7,379,016
Bond Sale and Miscellaneous Expenses.....	-	1,944
<b>TOTAL CASH OUTFLOWS.....</b>	<b>4,267,988</b>	<b>17,905,960</b>
<b>CASH BALANCE, JUNE 30, 2014.....</b>	<b>\$ -</b>	<b>\$ -</b>

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## AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

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On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law. Section 1531 of Title I of Division B of ARRA added Section 54AA to the Internal Revenue Code, authorizing state and local governments, at their option, to issue two general types of Build America Bonds. To date, general obligation bonds have been issued utilizing the following ARRA program:

### **BUILD AMERICA BONDS – DIRECT PAYMENT (BABS)**

ARRA sets forth provisions pertaining to the issuance of municipal bonds, including the addition of Sections 54AA and 6431 to the Internal Revenue Code of 1986 (the Code). These sections permit state or local governments to obtain certain tax advantages when issuing certain taxable obligations referred to as Build America Bonds (BABS). This new category of taxable governmental bonds provides a federal subsidy for a portion of the borrowing cost. This program only applies to bonds issued between of February 17, 2009 and January 1, 2011.

The Treasurer of State will apply to receive payments directly from the United States Department of the Treasury equal to thirty-five percent (35%) of the corresponding taxable interest payable. Applications for payment will be filed between 45 and 90 days prior to the interest payment due date. Payments will be made contemporaneously with each applicable interest payment date and will be received and deposited to the state's General Revenue Fund by the Treasurer of State. Direct payments received from the United States Treasury are not pledged as security for payment of debt service.

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, refund payments to certain state and local government filers claiming refundable credits under Section 6431 of the Internal Revenue Code applicable to certain qualified bonds are subject to sequestration. State of Ohio General Obligation Build America Bond subsidy payments were affected by the sequestrations enacted March 01, 2013 through September 30, 2013 at a reduction of 8.7%. As of October 01, 2013 the sequestration reduction rate was reduced to 7.2%. The sequestration reduction rate will be applied unless and until a law is enacted that cancels or otherwise impacts the sequester, at which time the sequestration reduction rate is subject to change. The amounts listed in the Expected Payment columns of the Schedule of American Recovery and Reinvestment Act Bonds are the original amounts expected.

**STATE OF OHIO**  
**SCHEDULE OF AMERICAN RECOVERY AND REINVESTMENT ACT BONDS**  
As of June 30, 2014

**BUILD AMERICA BONDS - DIRECT PAYMENTS\***

Name	Series	Issue Date	First Payment Date	Final Payment Date	Original Principal	Original Interest	Total Payments Expected	Payments Received Through 06/30/14	Remaining Payments Expected As of 06/30/14	Expected Payment 08/01/14	Expected Payment 09/01/14	Expected Payment 10/01/14	Expected Payment 11/01/14	Total Expected Payments Through 12/31/14
Conservation Projects (A)(B)	2009C	12/16/09	03/01/10	03/01/24	\$ 33,235,000	\$ 16,901,105	\$ 5,915,387	\$ 2,216,733	\$ 3,655,971	\$ -	\$ 268,445	\$ -	\$ -	\$ 268,445
Higher Education (A)(B)	2010E	12/03/10	08/01/11	08/01/30	295,465,000	174,695,893	61,143,563	13,869,275	46,918,081	2,222,120	-	-	-	2,222,120
Highway Capital Improvements (B)	M	04/27/10	11/01/10	05/01/25	170,000,000	95,273,204	33,345,621	10,762,136	22,268,675	-	-	-	1,380,783	1,380,783
Highway Capital Improvements (B)	O	10/20/10	11/01/11	05/01/24	145,175,000	44,273,751	15,495,813	5,636,145	9,671,613	-	-	-	824,828	824,828
Natural Resources Projects (A)(B)	O	12/16/09	04/01/10	04/01/24	20,165,000	10,331,179	3,615,913	1,372,090	2,217,926	-	-	162,872	-	162,872
Public Infrastructure Capital Improvements (A)(B)	2010B	03/05/10	09/01/10	09/01/30	120,000,000	104,500,286	36,575,100	8,483,459	27,919,125	-	1,085,011	-	-	1,085,011
Third Frontier Job Ready Site Development (B)	2009B	11/17/09	05/01/10	11/01/19	26,115,000	8,573,273	3,000,645	1,592,667	1,366,159	-	-	-	183,421	183,421
Third Frontier Research & Development (B)	2010B	10/29/10	11/01/11	11/01/20	52,005,000	11,643,572	4,075,250	1,747,465	2,269,050	-	-	-	257,620	257,620
<b>TOTAL</b>					<b>\$ 862,160,000</b>	<b>\$ 466,192,263</b>	<b>\$ 163,167,292</b>	<b>\$ 45,679,969</b>	<b>\$ 116,286,600</b>	<b>\$ 2,222,120</b>	<b>\$ 1,353,456</b>	<b>\$ 162,872</b>	<b>\$ 2,646,651</b>	<b>\$ 6,385,100</b>

**Notes:**

\*Direct Payments applied for after March 1, 2013 were subjected to the federal government's automatic sequestration. The figures in the Payments Received Through 12/31/13 column reflect those reductions  
(A) Payments resulted in an 8.7% reduction in amounts received from the IRS prior to October 1, 2013  
(B) Payments resulted in a 7.2% reduction from the IRS after October 1, 2013.

**STATE OF OHIO**  
**SCHEDULE OF EXPECTED PAYMENTS -**  
**ASSOCIATED WITH THE AMERICAN RECOVERY AND REINVESTMENT ACT THROUGH FINAL MATURITY**  
**As of June 30, 2014**

**BUILD AMERICA BONDS - DIRECT PAYMENTS**

Remaining Payments Expected As of	Highway Capital Improvements	Coal Research and Development	Natural Resources Projects	Common Schools Capital Facilities	Higher Education Capital Facilities	Public Infrastructure		Conservation Projects	Third Frontier		Total Payments
						Improvements	Capital		Research & Development Projects	Job Ready Site Development	
06/30/15	\$ 4,411,221	\$ -	\$ 325,744	\$ -	\$ 4,398,619	\$ 2,170,022	\$ 536,891	\$ 515,239	\$ 366,842	\$ 12,724,579	
06/30/16	4,331,032	-	325,744	-	4,298,780	2,170,022	536,891	486,172	338,969	12,487,610	
06/30/17	4,088,972	-	325,744	-	4,178,873	2,170,022	536,891	423,931	277,535	12,001,968	
06/30/18	3,964,461	-	294,950	-	4,037,411	2,170,022	486,174	351,458	208,190	11,512,665	
06/30/19	3,733,094	-	259,228	-	3,872,919	2,170,022	427,275	266,405	130,413	10,859,355	
06/30/20	3,257,542	-	221,593	-	3,688,344	2,170,022	365,307	168,085	44,211	9,915,103	
06/30/21	2,756,335	-	181,564	-	3,488,909	2,170,022	299,400	57,760	-	8,953,989	
06/30/22	2,225,511	-	139,511	-	3,272,023	2,170,022	230,001	-	-	8,037,067	
06/30/23	1,663,071	-	95,218	-	3,034,824	2,075,791	157,023	-	-	7,025,927	
06/30/24	1,067,798	-	48,629	-	2,773,953	1,881,222	80,120	-	-	5,851,722	
06/30/25	441,252	-	-	-	2,488,660	1,674,078	-	-	-	4,603,989	
06/30/26	-	-	-	-	2,170,393	1,454,690	-	-	-	3,625,082	
06/30/27	-	-	-	-	1,821,161	1,220,142	-	-	-	3,041,303	
06/30/28	-	-	-	-	1,452,763	969,481	-	-	-	2,422,244	
06/30/29	-	-	-	-	1,064,183	706,251	-	-	-	1,770,434	
06/30/30	-	-	-	-	654,314	431,577	-	-	-	1,085,891	
06/30/31	-	-	-	-	221,953	145,719	-	-	-	367,672	
06/30/32	-	-	-	-	-	-	-	-	-	-	
06/30/33	-	-	-	-	-	-	-	-	-	-	
06/30/34	-	-	-	-	-	-	-	-	-	-	

## OVERVIEW OF RETIRED GENERAL OBLIGATION BOND ISSUES

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This section of the semi-annual report provides historical information on the State of Ohio's general obligation bonds issued and retired in past years.

### HIGHWAY OBLIGATIONS

Section 2(i) of Article VIII, Ohio Constitution, as approved by voters on November 5, 1968, authorized the issuance of Highway Obligations Bonds. The vote was: Yes—1,732,512; No—1,550,959.

Highway Obligations Bonds financed construction, reconstruction or improvements for the state highway system. The bonds also provided funds for highway-related land acquisition, highway transportation research and development, and matching funds for joint projects with other governmental units. Section 5528.4, Ohio Revised Code, required that 50 percent of the first \$500 million paid into the Highway Obligations Construction Fund was to be used for urban extensions of state highways and highways within or leading to municipal corporations.

Not more than \$100 million in Highway Obligations Bonds could be issued in any calendar year, and not more than \$500 million in principal was to be outstanding at any one time. Also, Highway Obligations Bonds could not be outstanding for more than 30 years.

On November 7, 1995, voters approved Section 2(m) of Article VIII, Ohio Constitution, authorizing the issuance of Highway Capital Improvements Bonds. Section 2(m) specifically provided that, after December 31, 1996, no additional Highway Obligations Bonds could be issued for any highway purposes under Section 2(i) of Article VIII, Ohio Constitution, except to refund highway obligations issued under Section 2(i) that were outstanding on that date.

The State issued all of the \$1.745 billion in Highway Obligations that had been authorized to be issued pursuant to Section 2(i) of Article VIII of the Ohio Constitution, and the bonds were fully retired by May 16, 2005.

### DEVELOPMENT BONDS

Section 2(h) of Article VIII, Ohio Constitution, as approved by voters on May 4, 1965, authorized the issuance of Development Bonds. The vote was: Yes—715,642; No—548,557.

The bonds financed the following: construction of buildings at state-assisted colleges and universities,

including land purchases; development costs of state lands for water impoundment, flood control, parks and recreational uses, or conservation of natural resources; development of state parks and recreational facilities, including construction, reconstruction and improvement of roads and highways; assistance to local governments for the costs of construction and extension of water and sewage lines and mains and the acquisition, construction, reconstruction, improvement, and equipping of water pipelines, stream flow improvements, airports, and historical or educational facilities.

The State issued all \$290 million in Development Bonds that had been authorized by Section 2(h) of Article VIII of the Ohio Constitution. The final maturity for the bonds was August 15, 1995.

### PUBLIC IMPROVEMENTS BONDS

Section 2(i) of Article VIII, Ohio Constitution, as approved by voters on November 5, 1968, authorized the issuance of Public Improvements Bonds. The vote was: Yes—1,732,512; No—1,550,959.

Public Improvements Bonds financed the costs of water pollution control and abatement projects and various construction projects at state facilities.

The State issued all \$257 million in Public Improvements Bonds that had been authorized by Section 2(i) of Article VIII of the Ohio Constitution, and the bonds were fully retired by June 15, 1995.

### HIGHWAY IMPROVEMENT BONDS

Section 2(g) of Article VIII, Ohio Constitution, as approved by voters on May 5, 1964, authorized the issuance of the issuance of Highway Improvement Bonds. The vote was: Yes—1,011,817; No—538,684.

Highway Improvement Bonds financed the acquisition of rights-of-way, and the construction and reconstruction of highways on the state highway system, and urban extensions thereof.

Fees, excises, or license taxes levied by the State of Ohio, relating to registration, operation, or use of vehicles on public highways, and gasoline excise and highway use taxes funded the debt.

The State issued all \$500 million in Highway Improvement Bonds authorized by Section 2(g) of Article VIII of the Ohio Constitution. The final maturity date for the bonds was October 15, 1989.

## **IMPROVEMENT BONDS**

Section 2(f) of Article VIII, Ohio Constitution, as approved by voters on November 5, 1963, authorized the issuance of Improvement Bonds. The vote was: Yes— Yes—1,397,971; No—922,687.

Improvement Bonds financed land acquisition and building construction projects for community colleges, municipal universities, and university branches and for state functions, activities, offices, and institutions. The bonds also provided funding for the construction of classroom facilities, for the public schools leased or sold by the State to public school districts unable to provide adequate facilities without assistance from the State and assistance in the development of the State by the acquisition of lands for water impoundment sites, park and recreational uses and conservation of natural resources.

Borrowing was limited to \$100 million per calendar year, and the bonds could not be outstanding for more than 30 years.

Cigarette tax was the primary revenue source that funded the debt service on the bonds.

The State issued all of the \$250 million in Improvement Bonds that it had been authorized to issue, and the bonds were fully retired by April 15, 1975.

## **CAPITAL IMPROVEMENTS CONSTRUCTION BONDS**

Section 2(e) of Article VIII, Ohio Constitution, as approved by voters on November 8, 1955, authorized the issuance of \$150 million in Capital Improvements Construction Bonds. The vote was: Yes— 1,154,976; No—909,303.

The bonds financed the costs of acquiring, constructing, reconstructing and otherwise improving and equipping buildings and structures, excluding highways, and for the purpose of acquiring sites for such buildings and structures, for the State's penal, correctional, mental and welfare institutions; for the state-supported universities and colleges, for classroom facilities leased or sold by the State to public school districts unable within limitations provided by law to provide adequate facilities without assistance from the State; and for state offices.

Borrowing was limited to \$30 million per calendar year. All Capital Improvements Construction Bonds matured within 20 years from the date of issuance. No more than \$75 million could be spent for state-supported universities and colleges, public

school classroom facilities and state offices. No more than \$75 million could be spent for penal, correctional, mental and welfare institutions of the State. The State deposited the proceeds from the sale of the bonds in the Capital Improvements Construction Fund.

Cigarette tax was the primary source of revenue used to fund the debt, which was initially deposited in the Improvements Bond Retirement Fund for subsequent transfer to the Capital Improvement Bond Retirement Fund. This was the fund that serviced the costs of the Capital Improvements Construction Bonds.

The State issued all of the \$150 million in Capital Improvements Bonds that it was authorized to issued. Final maturity for the bonds was June 15, 1977.

## **MAJOR THOROUGHFARE CONSTRUCTION BONDS**

Section 2(c) of Article VIII, Ohio Constitution, as approved by voters on November 3, 1953, authorized the issuance of \$500 million in Major Thoroughfare Construction Bonds. The vote was: Yes—1,035,869; No— 676,496.

The bonds financed the costs of rights-of-way acquisition and construction and reconstruction of highways on the state highway system. The borrowing was limited to \$125 million per calendar year. The State deposited the proceeds from the sale of these bonds into the Major Thoroughfare Construction Fund.

Fees, excises, or license taxes levied by the State of Ohio, relating to registration, operation, or use of vehicles on public highways, and gasoline excise taxes funded the debt.

The State issued all of the \$500 million in bonds that it had been authorized to be issued. Final maturity for the bonds was September 15, 1972.

## **VIETNAM CONFLICT COMPENSATION BONDS**

Section 2(j) of Article VIII, Ohio Constitution, as approved by voters on November 6, 1973, authorized the issuance of \$300 million in Vietnam Conflict Compensation Bonds. The vote was: Yes— 1,650,120; No— 647,629.

The bonds financed compensation to those Ohioans who served in the military during the Vietnam Conflict. Compensation provided was in cash, or, if elected, in educational assistance.

The State only issued \$185 million of the \$300 million in Vietnam Conflict Compensation Bonds that it was authorized to issue, and the bonds were fully retired by October 15, 1989.

#### **KOREAN CONFLICT COMPENSATION BONDS**

Section 2(d) of Article VIII, Ohio Constitution, as approved by voters on November 6, 1956, authorized the issuance of Korean Conflict Compensation Bonds. The vote was: Yes—2,202,510; No—889,245.

The bonds financed the payment of bonuses to persons serving in the U.S. Armed Forces between June 25, 1950 and July 19, 1953. To qualify, a recipient had to be an Ohio resident for not less than one year immediately preceding entry into the Armed Forces, and had to have been separated from the Armed Forces under honorable conditions or remain in the service.

Compensation was set at \$10 for each month of active domestic service and \$15 for each month of active foreign service with, the total amount of compensation to be paid to any one person not to exceed \$400. Payments were made to eligible recipients before January 1, 1959.

Of the \$90 million in bonds authorized to be sold, only \$60 million in bonds were sold by May 1, 1957. Funds to retire this debt were provided by a yearly 2/10 mill state levy on all taxable property on the general tax lists of all counties in the State of Ohio.

#### **WORLD WAR II COMPENSATION BONDS**

Section 2(b) of Article VIII, Ohio Constitution, as approved by voters on November 4, 1947, authorized the issuance of World War II Compensation Bonds. The vote was: Yes—1,497,804; No—478,701.

The Commissioners of the Sinking Fund were authorized to issue and sell a maximum of \$300 million of the bonds to finance the payment of compensation to eligible State citizens that served in the U.S. Armed Forces during World War II, or to eligible survivors.

Of the \$300 million in bonds authorized to be issued, the State issued only \$212.5 million in bonds.

**STATE OF OHIO**  
**SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES**  
**Summary of Balances and Cumulative Cash Flow Statement**  
**As of June 30, 2014**

BALANCES, As of June 30, 2014:	HIGHWAY		PUBLIC		HIGHWAY		CAPITAL	
	OBLIGATIONS	DEVELOPMENT	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENTS	IMPROVEMENT	IMPROVEMENT
Cash on Deposit with Bond-Paying Agents.....	\$ 169,997	\$ 224,315	\$ 90,528	\$ 55,288	\$ 130,255	\$ 678		
Matured Bonds Outstanding.....	\$ 115,000	\$ 125,000	\$ 55,000	\$ 40,000	\$ 105,000	\$ -		
Matured Interest Coupons Outstanding.....	53,747	98,873	35,528	15,288	25,255	678		
Working Fund Balance.....	1,250	442	-	-	-	-		
<b>TOTAL.....</b>	<b>\$ 169,997</b>	<b>\$ 224,315</b>	<b>\$ 90,528</b>	<b>\$ 55,288</b>	<b>\$ 130,255</b>	<b>\$ 678</b>		

**CUMULATIVE SINCE INCEPTION:**

	DECEMBER 1969	OCTOBER 1967	FEBRUARY 1970	MAY 1965	JULY 1964	NOVEMBER 1955
<b>CASH INFLOWS:</b>						
Gasoline and Other Highway Taxes and Fees.....	\$ 2,165,259,713	\$ -	\$ -	\$ 619,248,216	\$ -	\$ -
Cigarette Taxes.....	-	-	-	-	365,571,441	110,429,425
State Property Tax Levy.....	-	-	-	-	-	-
State Appropriations.....	-	-	-	-	-	-
Interest Earnings.....	211,252,401	4,050,476	2,057,362	36,315,072	148,061,427	3,088,157
Accrued Interest on Bonds Sold.....	5,754,196	372,468	304,977	305,519	87,539	-
Transfers from the General Revenue Fund.....	-	505,670,464	404,276,812	250,000	10,431,302	-
Transfers from Other State Funds.....	-	-	-	513,140	223,353	60,511,782
Other Cash Receipts.....	-	250,000	200,000	250,000	277,607	200,780
<b>TOTAL CASH INFLOWS.....</b>	<b>2,382,266,310</b>	<b>510,343,408</b>	<b>406,839,151</b>	<b>656,881,947</b>	<b>524,652,669</b>	<b>174,230,144</b>

**CASH OUTFLOWS:**

Principal Paid.....	1,744,885,000	289,875,000	258,945,000	499,960,000	249,895,000	150,000,000
Interest Paid.....	633,077,064	219,041,232	146,867,998	152,814,581	211,203,970	23,690,950
Bond Sale and Miscellaneous Expenses.....	3,260,016	1,070,536	582,606	540,692	559,773	315,163
Transfers from the General Revenue Fund.....	874,233	132,325	153,019	-	2,101,889	-
Transfers to Other State Funds.....	-	-	-	3,511,386	60,561,782	223,353
Other Cash Payments.....	-	-	200,000	-	200,000	-
<b>TOTAL CASH OUTFLOWS.....</b>	<b>2,382,096,313</b>	<b>510,119,093</b>	<b>406,748,623</b>	<b>656,826,659</b>	<b>524,522,414</b>	<b>174,229,466</b>
<b>CASH BALANCE, June 30, 2014.....</b>	<b>\$ 169,997</b>	<b>\$ 224,315</b>	<b>\$ 90,528</b>	<b>\$ 55,288</b>	<b>\$ 130,255</b>	<b>\$ 678</b>

(continued)

**STATE OF OHIO**  
**SCHEDULE OF DEBT SERVICE FUNDS OF RETIRED GENERAL OBLIGATION BOND ISSUES**  
**Summary of Balances and Cumulative Cash Flow Statement**  
**As of June 30, 2014**  
**(Continued)**

BALANCES, As of June 30, 2014:	STATE HIGHWAY (Major Thoroughfare)				VIETNAM CONFLICT COMPENSATION	KOREAN CONFLICT COMPENSATION	WORLD WAR II COMPENSATION	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Cash on Deposit with Bond-Paying Agents.....	7,701	28,354	435	240				707,791
Matured Bonds Outstanding.....	5,000	15,000	-	-				460,000
Matured Interest Coupons Outstanding.....	2,701	10,194	435	190				242,889
Working Fund Balance.....	-	3,160	-	50				4,902
<b>TOTAL.....</b>	<b>7,701</b>	<b>28,354</b>	<b>435</b>	<b>240</b>				<b>707,791</b>

**CUMULATIVE SINCE INCEPTION:**

	OCTOBER 1954	MAY 1974	MAY 1957	MAY 1947
<b>CASH INFLOWS:</b>				
Gasoline and Other Highway Taxes and Fees.....	583,203,680	-	-	-
Cigarette Taxes.....	-	-	-	-
State Property Tax Levy.....	-	-	74,050,765	50,088,901
State Appropriations.....	-	-	-	200,000,000
Interest Earnings.....	19,660,055	1,183,471	7,471,684	3,225,690
Accrued Interest on Bonds Sold.....	-	365,708	65,000	7,255,407
Transfers from the General Revenue Fund.....	750,000	203,281,431	-	-
Transfers from Other State Funds.....	5,194,544	76,307,074	400,000	98,438
Other Cash Receipts.....	567,073	246,840	1,311,896	-
<b>TOTAL CASH INFLOWS.....</b>	<b>609,375,352</b>	<b>281,384,524</b>	<b>83,299,345</b>	<b>253,413,029</b>
<b>CASH OUTFLOWS:</b>				
Principal Paid.....	499,995,000	184,985,000	60,000,000	212,500,000
Interest Paid.....	108,470,175	95,746,648	15,846,015	33,991,795
Bond Sale and Miscellaneous Expenses.....	389,336	65,073	-	-
Transfers to the General Revenue Fund.....	-	559,449	-	6,430,861
Transfers to Other State Funds.....	513,140	-	7,197,705	-
Other Cash Payments.....	-	-	255,190	490,133
<b>TOTAL CASH OUTFLOWS.....</b>	<b>609,367,651</b>	<b>281,356,170</b>	<b>83,298,910</b>	<b>253,412,789</b>
<b>CASH BALANCE, June 30, 2014.....</b>	<b>7,701</b>	<b>28,354</b>	<b>435</b>	<b>240</b>

## GLOSSARY

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American Recovery & Reinvestment Act (ARRA)	The American Recovery and Reinvestment Act of 2009 created several new types of tax-exempt bonds and tax credit bonds under the Internal Revenue Code. A number of programs created new tax incentives whereby certain taxable governmental issuers may elect (in lieu of issuing tax-exempt bonds) to receive a direct refundable credit payment from the Federal government equal to a percentage of the interest payments on these bonds.
Bond Proceeds	For purposes of this report, Bond Proceeds can include bond premiums to be applied to future debt service payments, proceeds from which bond issuance costs can be paid, and unspent proceeds also to be applied to future debt service payments in cases where actual bond issuance costs were less than originally estimated at the closing of a bond deal.
Build America Bonds - Direct Payment (BABS)	A program under the ARRA of 2009, which provides a Federal subsidy through a refundable tax credit paid to state or local governmental issuers by the U.S. Treasury Department and the Internal Revenue Service in an amount equal to thirty-five percent (35%) of the total coupon interest payable to investors of these taxable bonds.
General Revenue Fund (GRF)	The GRF is the primary operating fund of the state. This fund receives the unrestricted revenues of the State, primarily from such sources as the personal income tax, sales and use tax, corporate franchise tax, and public utilities excise tax.
Interest	The fee charged a borrower for the use of borrowed money, usually expressed as an annual percentage of the principal.
Interest Rate Swap	An exchange of interest payments on a specific principal amount, as agreed under a counterparty agreement. An interest rate swap usually involves two parties, but can involve more. Often, an interest rate swap is an exchange of a fixed amount per payment period for a payment that is not fixed (the floating side of the swap would usually be linked to another interest rate, often the London Inter-Bank Offer Rate, also known as the LIBOR rate or the Securities Industry and Financial Markets Association rate, also known as the SIFMA index). In an interest rate swap, the principal amount is never exchanged with a counterparty; rather, it is just a notional principal amount. Also, on a payment date, usually only the difference (i.e., the net) between the two payments is turned over to the party that is entitled to it, as opposed to exchanging the full interest amounts.
LIBOR	London Inter-Bank Offered Rate.
Matched Rate	The State receives the exact rate paid on its associated variable rate bonds.
Maturity Date	The date when payment of a debt comes due.
Net Interest Cost (NIC)	Under the NIC method, the total dollar amount of interest payable over the life of the bonds are adjusted by the amount of premium or discount. This method does not take into account the time value of money. Rates within this report using the NIC method are noted.
Principal	The amount borrowed or the part of the amount borrowed which remains unpaid, distinguished from interest or profit.
Series	A group of bonds issued at the same time, but with different maturity dates and stated interest rates.

(continued)

**GLOSSARY**  
**(Continued)**

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True Interest Cost (TIC)	Under the TIC method, interest cost is defined as the rate, compounded semiannually, necessary to discount the amounts payable on principal and interest maturity dates to the purchase price of the bonds. This method does take into consideration the time value of money. All rates within this report are reflected using the TIC method unless otherwise noted.
SIFMA	Securities Industry and Financial Markets Association.

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**PREPARED BY THE SINKING FUND COMMISSION**

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