



COMMISSIONERS OF THE SINKING FUND

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# SINKING FUND

## Semi-Annual Report

FOR THE PERIOD:  
**JANUARY 1, 2018 - JUNE 30, 2018**

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**UNAUDITED**  
AUGUST 14, 2018

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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 12, 2015*

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

*Term beginning January 12, 2015*

**John Kasich**  
**Governor**  
*Member*

*Term beginning January 12, 2015*

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

*Term beginning January 12, 2015*

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

*Term beginning January 12, 2015*

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

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

614.466.6903  
614.752.6916 (FAX)

August 14, 2018

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, 2018, using the cash basis of accounting. All information presented herein is unaudited.

Brief summaries on the status of the State's general obligation bonds, debt service requirements, and funding sources, as of June 30, 2018, and the changes in debt principal, including issuances and maturities, interest and accreted principal paid, and net interest rate swap receipts realized and net interest rate swap payments made, for the period, January 1, 2018 through June 30, 2018, immediately follow this letter. The report also presents more detailed descriptions and financial information on the ten types of outstanding general obligation bonds and their associated debt service funds. The Commission did not convene any meetings during this reporting period.

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

Respectfully Submitted,

Dave Yost, Auditor of State  
President

Jon Husted, Secretary of State  
Secretary

Josh Mandel, Treasurer of State  
Member

John Kasich, Governor of State  
Member

Mike DeWine, Attorney General of State  
Member

**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of June 30, 2018 (Dollars in 000s)

	<b>COAL RESEARCH AND DEVELOPMENT BONDS Article VIII, Section 15, of Ohio Constitution 11/5/1985</b>	<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS Article VIII, Section 2(n), of Ohio Constitution 11/2/1999</b>	<b>CONSERVATION PROJECTS BONDS Article VIII, Sections 2(o) and 2(q), of Ohio Constitution 11/07/2000, 11/04/2008</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized .....	\$ 260,000	\$ 5,545,000	\$ 700,000
Bonds Issued (A) .....	246,000	5,070,000	500,000
Bonds Authorized, but not Issued .....	14,000	475,000	200,000
Bonds Matured .....	176,995	2,032,070	223,985
Outstanding Bonded Debt (B) .....	39,005	2,855,940	272,175
Total Interest Cost to Maturity .....	58,005	2,658,490	187,643
Interest Paid through 6/30/18.....	50,452	1,728,425	115,338
Remaining Interest through Maturity .....	7,554	930,066	72,305
Original Discount on Capital Appreciation Bonds.....	-	-	-
Accreted Principal Paid through 6/30/18.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	6	16	6
Final Maturity Date .....	2/1/2028 General Revenue Fund Appropriation	6/15/2038 General Revenue Fund Appropriation & Net Lottery Proceeds	3/1/2032 General Revenue Fund Appropriation

	<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS Article VIII, Section 2(n), of Ohio Constitution 11/2/1999</b>	<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS Article VIII, Section 2(m), of Ohio Constitution 11/7/1995</b>	<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS Article VIII, Section 2(l), of Ohio Constitution 11/2/1993</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized (D) .....	\$ 4,445,000	\$ 3,683,000	\$ 492,000
Bonds Issued (A) .....	3,830,000	3,125,830	453,000
Bonds Authorized, but not Issued .....	615,000	557,170	39,000
Bonds Matured .....	1,391,520	2,180,405	312,180
Outstanding Bonded Debt (B) .....	2,344,925	939,350	140,955
Total Interest Cost to Maturity (C) .....	2,155,660	982,207	170,082
Interest Paid through 6/30/18.....	1,256,869	706,205	127,761
Remaining Interest through Maturity (C) .....	898,791	276,002	42,321
Original Discount on Capital Appreciation Bonds .....	-	-	-
Accreted Principal Paid through 6/30/18.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	14	379	2
Final Maturity Date .....	2/1/2038 General Revenue Fund Appropriation	5/1/2033 Highway Use Tax, Gasoline Tax & Registration Fees	4/1/2033 General Revenue Fund Appropriation
Funding Source(s) .....			

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

Note: Some totals may not foot due to rounding.

(continued)



**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
As of June 30, 2018 (Dollars in 000s)  
(Continued)

	<b>PERSIAN GULF, AFGHANISTAN &amp; IRAQ CONFLICTS COMPENSATION BONDS Article VIII, Section 2(r), of Ohio Constitution 11/3/2009</b>	<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS Article VIII, Sections 2(p) and 2(s), of Ohio Constitution 05/04/2010 05/06/2014</b>	<b>JOB READY SITE DEVELOPMENT BONDS Article VIII, Section 2(p), of Ohio Constitution 05/04/2010</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>			
Bonds Authorized .....	\$ 200,000	\$ 4,425,000	\$ 150,000
Bonds Issued (A) .....	83,910	3,924,986	150,000
Bonds Authorized, but not Issued (E).....	-	500,014	-
Bonds Matured .....	51,480	2,088,597	103,505
Outstanding Bonded Debt (B) .....	32,430	1,774,130	46,495
Total Interest Cost to Maturity .....	21,576	1,936,946	31,840
Interest Paid through 6/30/18.....	15,095	1,333,881	28,182
Remaining Interest through Maturity .....	6,482	603,065	3,659
Original Discount on Capital Appreciation Bonds.....	-	269,198	-
Accreted Principal Paid through 6/30/18.....	-	-	-
Remaining Discount through Maturity .....	-	-	-
Cash Balance in Bond Service Fund .....	-	40	2
Final Maturity Date .....	10/1/2026	9/1/2037	11/1/2022
	General Revenue Fund Appropriation	General Revenue Fund Appropriation	General Revenue Fund Appropriation

	<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECT BONDS Article VIII, Section 2(p), of Ohio Constitution 05/04/2010</b>
<b>Legal Authority &amp; Date of Voter Authorization</b>	
Bonds Authorized .....	\$ 1,200,000
Bonds Issued (A) .....	851,000
Bonds Authorized, but not Issued .....	349,000
Bonds Matured .....	457,030
Outstanding Bonded Debt.....	393,460
Total Interest Cost to Maturity .....	162,497
Interest Paid through 6/30/18	124,172
Remaining Interest through Maturity .....	38,325
Original Discount on Capital Appreciation Bonds.....	-
Accreted Principal Paid through 6/30/18.....	-
Remaining Discount through Maturity .....	-
Cash Balance in Bond Service Fund .....	13
Final Maturity Date .....	11/1/2027
Funding Source(s) .....	General Revenue Fund Appropriation

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

Note: Some totals may not foot due to rounding.

(continued)

**STATE OF OHIO**  
**SCHEDULE OF GENERAL OBLIGATION BONDS**  
**As of June 30, 2018 (Dollars in 000s)**  
**(Continued)**

Notes:

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

- (A) The "Bonds Issued" balance includes bonds that have been refunded, but excludes refunding bonds (i.e. bonds issued solely to refund prior bonds). Also, not more than
- \$220 million in Highway Capital Improvements Bonds may be issued in any year, plus the principal amount of highway obligations that in any prior fiscal years could have been but were not issued within the \$220 million
  - \$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 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.
  - \$1,200 million in Third Frontier Research and Development Projects Bonds may be issued. Since Fiscal Year 2012 ended, no more than \$175 million in any fiscal year thereafter, plus in each case the principal amount of obligations that in any prior fiscal year could have been but were not issued.
  - \$15 million in Third Frontier Job Ready Site Development Bonds may be issued in any fiscal year following Fiscal Year 2008, plus in each case the principal amount of obligations that in any prior fiscal year could have been but were not issued.
- (B) The "Outstanding Bonded Debt" balance excludes bonds refunded, but includes refunding bonds in cases when issued. Also, not more than
- \$1.2 billion in Highway Capital Improvements Bonds may be outstanding at any time.
  - \$100 million in Coal Research and Development Bonds may be outstanding at any time.
  - \$200 million in Natural Resources Capital Facilities Bonds may be outstanding at any time.
  - \$400 million in Conservation Projects Bonds may be outstanding at any time.
- (C) The "Total Interest Cost to Maturity" and "Remaining Interest through Maturity" balances for the Common Schools Capital Facilities Bonds and the Public Infrastructure Capital Improvements Bonds include estimates for interest payable on variable rate bonds.
- (D) The amounts of general obligation bonds authorized for Common Schools Facilities and for Higher Education Facilities were reduced by \$800 million and \$950 million, respectively, by HB562 enacted by the General Assembly in spring 2008. The proceeds generated by the Buckeye Tobacco Settlement Financing Authority transaction were used to fund such purposes in lieu of bonded debt until the proceeds from the Settlement, specified for the School Building Assistance Fund and the Higher Education Improvement Fund, were expended. As of June 30, 2012, all such payments from the Authority to the School Building Assistance Fund were made.
- (E) On December 31, 2013, the State's authority to issue additional bonds under Section 2(r) of Article VIII of the Constitution expired.

**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, 2018 (Dollars in 000s)**

<i>Outstanding General Obligation Bond Principal as of Jan 1, 2018:</i>		
Coal Research and Development Projects Bonds .....	\$ 30,445	
Common Schools Capital Facilities Bonds .....	2,616,860	
Conservation Projects Bonds .....	231,410	
Higher Education Capital Facilities Bonds .....	2,076,385	
Highway Capital Improvements Bonds .....	1,013,085	
Natural Resources Capital Facilities Bonds .....	113,420	
Public Infrastructure Capital Improvements Bonds .....	1,821,760	
Job Ready Site Development Bonds.....	51,065	
Third Frontier Research & Development Projects Bonds .....	423,195	
Veteran's Compensation Bonds.....	35,970	
	<u>8,413,595</u>	
<i>General Obligation Bonds Issued - Jan 1 through Jun 30, 2018:</i>		
		<u>Date of Issue</u>
Coal Research and Development Series O.....	12,000	January 23, 2018
Conservation Projects Series 2018A.....	50,000	January 23, 2018
Natural Resources Capital Facilities Bonds Series W.....	35,000	January 23, 2018
Higher Education Capital Facilities Bonds Series 2018A.....	300,000	March 20, 2018
Common Schools Series 2018A.....	300,000	June 19, 2018
<i>Total Issuances.....</i>	<u>697,000</u>	
<i>General Obligation Bonds Refunded - Jan 1 through July 31, 2018:</i>		
		<u>Date of Refunding</u>
<i>Total Refunded Principal.....</i>	<u>-</u>	
<i>General Obligation Bonds Matured - Jan 1 through Jun 30, 2018:</i>		
Coal Research and Development Projects Bonds .....	3,440	
Common Schools Capital Facilities Bonds .....	60,920	
Conservation Projects Bonds .....	9,235	
Higher Education Capital Facilities Bonds .....	31,460	
Highway Capital Improvements Bonds .....	73,735	
Natural Resources Capital Facilities Bonds .....	7,465	
Public Infrastructure Capital Improvements Bonds .....	47,630	
Job Ready Site Development Bonds.....	4,570	
Third Frontier Research & Development Projects Bonds .....	29,735	
Veteran's Compensation Bonds.....	3,540	
<i>Total Maturities.....</i>	<u>271,730</u>	
<i>Outstanding General Obligation Bond Principal as of June 30, 2018:</i>		
Coal Research and Development Projects Bonds .....	39,005	
Common Schools Capital Facilities Bonds .....	2,855,940	
Conservation Projects Bonds .....	272,175	
Higher Education Capital Facilities Bonds .....	2,344,925	
Highway Capital Improvements Bonds .....	939,350	
Natural Resources Capital Facilities Bonds .....	140,955	
Public Infrastructure Capital Improvements Bonds .....	1,774,130	
Job Ready Site Development Bonds.....	46,495	
Third Frontier Research & Development Projects Bonds .....	393,460	
Veteran's Compensation Bonds.....	32,430	
	<u>\$ 8,838,865</u>	
<i>Interest &amp; Accreted Principal Paid, Jan 1 through June 30, 2018:</i>		
	<u>Interest</u>	<u>Accreted Principal</u>
Coal Research and Development Projects Bonds .....	\$ 635	\$ -
Common Schools Capital Facilities Bonds .....	56,103	
Conservation Projects Bonds .....	5,042	
Higher Education Capital Facilities Bonds .....	46,219	
Highway Capital Improvements Bonds .....	25,355	
Natural Resources Capital Facilities Bonds .....	2,349	
Public Infrastructure Capital Improvements Bonds .....	36,699	
Job Ready Site Development Bonds.....	971	
Third Frontier Research & Development Projects Bonds .....	6,247	
Veteran's Compensation Bonds.....	776	
<i>Total Interest and Accreted Principal Paid.....</i>	<u>\$ 180,396</u>	<u>\$ -</u>
<i>Interest Rate Swap Agreements-Net Receipts &amp; Payments,</i>		
<i>January 1 through June 30, 2018:</i>		
	<u>Net Swap Receipts</u>	<u>Net Swap Payments</u>
Common Schools Capital Facilities Bonds .....	\$ -	\$ 2,741
Public Infrastructure Capital Improvements Bonds .....	-	1,194
<i>Total Net Receipts and Payments.....</i>	<u>\$ -</u>	<u>\$ 3,935</u>

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

**STATE OF OHIO**  
**SCHEDULE OF BOND SERVICE REQUIREMENTS FOR NEXT SIX MONTHS**  
As of June 30, 2018 (Dollars in 000s)

	<b>COAL RESEARCH AND DEVELOPMENT BONDS</b>			<b>COMMON SCHOOLS CAPITAL FACILITIES BONDS</b>		
	Principal	Interest	Total	Principal	Interest (A)	Total
Period from July 1, 2018 to December 31, 2018.....	\$ 1,625	\$ 861	\$ 2,486	\$ 198,600	\$ 67,278	\$ 265,878
	<b>CONSERVATION PROJECT BONDS</b>			<b>HIGHER EDUCATION CAPITAL FACILITIES BONDS</b>		
	Principal	Interest	Total	Principal	Interest	Total
Period from July 1, 2018 to December 31, 2018.....	\$ 18,760	\$ 5,994	\$ 24,754	\$ 143,905	\$ 54,858	\$ 198,763
	<b>HIGHWAY CAPITAL IMPROVEMENTS BONDS</b>			<b>NATURAL RESOURCES CAPITAL FACILITIES BONDS</b>		
	Principal	Interest	Total	Principal	Interest	Total
Period from July 1, 2018 to December 31, 2018.....	\$ 13,630	\$ 22,554	\$ 36,184	\$ 3,685	\$ 3,573	\$ 7,258
	<b>PERSIAN GULF, AFGHANISTAN, IRAQ CONFLICTS BONDS</b>			<b>PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS</b>		
	Principal	Interest	Total	Principal	Interest (A)	Total
Period from July 1, 2018 to December 31, 2018.....	\$ -	\$ 712	\$ 712	\$ 100,660	\$ 38,933	\$ 139,593
	<b>JOB READY SITE DEVELOPMENT BONDS</b>			<b>THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS</b>		
	Principal	Interest	Total	Principal	Interest	Total
Period from July 1, 2018 to December 31, 2018.....	\$ 9,245	\$ 880	\$ 10,125	\$ 52,985	\$ 5,787	\$ 58,772

Notes:

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

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

## COAL RESEARCH AND DEVELOPMENT BONDS

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

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

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

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

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

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

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

**General Obligation Bonds Issued During Prior Six Months**

**\$12,000,000**

State of Ohio  
Coal General Obligation Bonds  
Series O

Dated: 01/23/2018

Date	Principal	Interest	Debt Service
8/1/2018		294,089.44	294,089.44
2/1/2019	940,000	281,575.00	1,221,575.00
8/1/2019		258,075.00	258,075.00
2/1/2020	1,015,000	258,075.00	1,273,075.00
8/1/2020		232,700.00	232,700.00
2/1/2021	1,070,000	232,700.00	1,302,700.00
8/1/2021		205,950.00	205,950.00
2/1/2022	1,120,000	205,950.00	1,325,950.00
8/1/2022		183,550.00	183,550.00
2/1/2023	1,165,000	183,550.00	1,348,550.00
8/1/2023		154,425.00	154,425.00
2/1/2024	1,225,000	154,425.00	1,379,425.00
8/1/2024		129,925.00	129,925.00
2/1/2025	1,275,000	129,925.00	1,404,925.00
8/1/2025		98,050.00	98,050.00
2/1/2026	1,340,000	98,050.00	1,438,050.00
8/1/2026		71,250.00	71,250.00
2/1/2027	1,390,000	71,250.00	1,461,250.00
8/1/2027		36,500.00	36,500.00
2/1/2028	1,460,000	36,500.00	1,496,500.00
<b>Total:</b>	<b>\$12,000,000.00</b>	<b>\$3,316,514.44</b>	<b>\$15,316,514.44</b>

Average Life	5.905 Years
Average Coupon	4.680596%

Net Interest Cost (NIC)	2.180016%
True Interest Cost (TIC)	1.981732%
Bond Yield for Arbitrage Purposes	1.957149%
All Inclusive Cost (AIC)	2.068084%

**STATE OF OHIO**  
**COAL RESEARCH AND DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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		<b>January 1, 2018 THROUGH June 30, 2018</b>
<b>CASH BALANCE, JANUARY 1, 2018.....</b>	<b>\$</b>	<b>1</b>
 <b>CASH INFLOWS:</b>		
Transfers from the General Revenue Fund.....		4,075
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Royalties from Research and Development Grants.....		-
Interest Earnings.....		5
Unused Administrative Fees.....		-
<b>TOTAL CASH INFLOWS.....</b>		<b>4,080</b>
 <b>CASH OUTFLOWS:</b>		
Principal Paid.....		3,440
Interest Paid.....		635
Bond Sale and Miscellaneous Expenses.....		-
<b>TOTAL CASH OUTFLOWS.....</b>		<b>4,075</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$</b>	<b>6</b>

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

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Note:

In addition to the June 30, 2018 cash balance reported above for the Coal Research & Development Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Coal Research & Development Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## COMMON SCHOOLS CAPITAL FACILITIES BONDS

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

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

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

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

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

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

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



**General Obligation Bonds Issued During Prior Six Months**

**\$300,000,000**

State of Ohio  
Common Schools General Obligation Bonds  
Series 2018A

Dated: 06/19/2018

Date	Principal	Interest	Debt Service
12/15/2018		7,333,333.33	7,333,333.33
6/15/2019	9,225,000	7,500,000.00	16,725,000.00
12/15/2019		7,269,375.00	7,269,375.00
6/15/2020	9,520,000	7,269,375.00	16,789,375.00
12/15/2020		7,031,375.00	7,031,375.00
6/15/2021	10,000,000	7,031,375.00	17,031,375.00
12/15/2021		6,781,375.00	6,781,375.00
6/15/2022	10,495,000	6,781,375.00	17,276,375.00
12/15/2022		6,519,000.00	6,519,000.00
6/15/2023	11,020,000	6,519,000.00	17,539,000.00
12/15/2023		6,243,500.00	6,243,500.00
6/15/2024	11,575,000	6,243,500.00	17,818,500.00
12/15/2024		5,954,125.00	5,954,125.00
6/15/2025	12,150,000	5,954,125.00	18,104,125.00
12/15/2025		5,650,375.00	5,650,375.00
6/15/2026	12,760,000	5,650,375.00	18,410,375.00
12/15/2026		5,331,375.00	5,331,375.00
6/15/2027	13,400,000	5,331,375.00	18,731,375.00
12/15/2027		4,996,375.00	4,996,375.00
6/15/2028	14,065,000	4,996,375.00	19,061,375.00
12/15/2028		4,644,750.00	4,644,750.00
6/15/2029	14,770,000	4,644,750.00	19,414,750.00
12/15/2029		4,275,500.00	4,275,500.00
6/15/2030	15,510,000	4,275,500.00	19,785,500.00
12/15/2030		3,887,750.00	3,887,750.00
6/15/2031	16,285,000	3,887,750.00	20,172,750.00
12/15/2031		3,480,625.00	3,480,625.00
6/15/2032	17,100,000	3,480,625.00	20,580,625.00
12/15/2032		3,053,125.00	3,053,125.00
6/15/2033	17,955,000	3,053,125.00	21,008,125.00
12/15/2033		2,604,250.00	2,604,250.00
6/15/2034	18,850,000	2,604,250.00	21,454,250.00
12/15/2034		2,133,000.00	2,133,000.00
6/15/2035	19,795,000	2,133,000.00	21,928,000.00
12/15/2035		1,638,125.00	1,638,125.00
6/15/2036	20,785,000	1,638,125.00	22,423,125.00
12/15/2036		1,118,500.00	1,118,500.00
6/15/2037	21,825,000	1,118,500.00	22,943,500.00
12/15/2037		572,875.00	572,875.00
6/15/2038	22,915,000	572,875.00	23,487,875.00
<b>Total:</b>	<b>\$300,000,000.00</b>	<b>\$181,204,083.33</b>	<b>\$481,204,083.33</b>
Average Life			12.080 Years
Average Coupon			5.000000%
Net Interest Cost (NIC)			3.899104%
True Interest Cost (TIC)			3.579716%
Bond Yield for Arbitrage Purposes			2.621156%
All Inclusive Cost (AIC)			3.590092%

**STATE OF OHIO**  
**COMMON SCHOOLS CAPITAL FACILITIES BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	<b>January 1, 2018 THROUGH June 30, 2018</b>
	<u>                    </u>
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$                    -</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	119,799
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Net Receipts from Swap Agreements.....	-
Interest Earnings.....	36
Swap and Variable Rate Overestimate Payments.....	-
	<u>                    </u>
<b>TOTAL CASH INFLOWS.....</b>	<b>119,835</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	60,920
Interest Paid.....	56,127
Net Payments under Swap Agreements.....	2,772
Bond Sale and Miscellaneous Expenses.....	-
	<u>                    </u>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>119,819</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$                    16</b>

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

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Note:

In addition to the June 30, 2018 cash balance reported above for the Common Schools Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Common Schools Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$434 in cash on hand in a custodial fund with the Treasurer of State's office.

## CONSERVATION PROJECTS BONDS

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

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

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

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

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

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

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

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

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

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

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

**General Obligation Bonds Issued During Prior Six Months**

**\$50,000,000**

State of Ohio

Conservation General Obligation Bonds

Series 2018A

Dated: 01/23/2018

Date	Principal	Interest	Debt Service
9/1/2018		1,134,538.61	1,134,538.61
3/1/2019	2,790,000	936,775.00	3,726,775.00
9/1/2019		908,875.00	908,875.00
3/1/2020	3,040,000	908,875.00	3,948,875.00
9/1/2020		878,475.00	878,475.00
3/1/2021	3,100,000	878,475.00	3,978,475.00
9/1/2021		847,475.00	847,475.00
3/1/2022	3,160,000	847,475.00	4,007,475.00
9/1/2022		815,875.00	815,875.00
3/1/2023	3,225,000	815,875.00	4,040,875.00
9/1/2023		783,625.00	783,625.00
3/1/2024	3,290,000	783,625.00	4,073,625.00
9/1/2024		750,725.00	750,725.00
3/1/2025	3,355,000	750,725.00	4,105,725.00
9/1/2025		683,625.00	683,625.00
3/1/2026	3,475,000	683,625.00	4,158,625.00
9/1/2026		614,125.00	614,125.00
3/1/2027	3,610,000	614,125.00	4,224,125.00
9/1/2027		523,875.00	523,875.00
3/1/2028	3,795,000	523,875.00	4,318,875.00
9/1/2028		429,000.00	429,000.00
3/1/2029	3,980,000	429,000.00	4,409,000.00
9/1/2029		329,500.00	329,500.00
3/1/2030	4,180,000	329,500.00	4,509,500.00
9/1/2030		225,000.00	225,000.00
3/1/2031	4,390,000	225,000.00	4,615,000.00
9/1/2031		115,250.00	115,250.00
3/1/2032	4,610,000	115,250.00	4,725,250.00
<b>Total:</b>	<b>\$50,000,000.00</b>	<b>\$17,882,163.61</b>	<b>\$67,882,163.61</b>

Average Life	8.185 Years
Average Coupon	4.369734%

Net Interest Cost (NIC)	3.165291%
True Interest Cost (TIC)	2.924334%
Bond Yield for Arbitrage Purposes	1.957149%
All Inclusive Cost (AIC)	2.948810%

**STATE OF OHIO**  
**CONSERVATION PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	<b>January 1, 2018 THROUGH June 30, 2018</b>
<b>CASH BALANCE, Jan 1, 2018</b> .....	<b>\$ 3</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	11,294
Bond Proceeds.....	2,980
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	6
Unused Administrative Fees.....	-
<b>TOTAL CASH INFLOWS</b> .....	<b>14,280</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	9,235
Interest Paid.....	5,042
Bond Sale and Miscellaneous Expenses.....	-
<b>TOTAL CASH OUTFLOWS</b> .....	<b>14,277</b>
<b>CASH BALANCE, June 30, 2018</b> .....	<b>\$ 6</b>

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

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Note:

In addition to the June 30, 2018 cash balance reported above for the Conservation Projects Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Conservation Projects Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$5 in cash on hand in a custodial fund with the Treasurer of State's office.

## HIGHER EDUCATION CAPITAL FACILITIES BONDS

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On November 2, 199, voters approved Section 2(n) of Article VIII of the Ohio Constitution, authorizing the issuance of Higher Education Capital Facilities Bonds. The vote was: Yes—1,285,277; No—828,426.

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

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

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

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

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

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

**General Obligation Bonds Issued During Prior Six Months**

**\$300,000,000**

State of Ohio  
Higher Education General Obligation Bonds  
Series 2018A

Dated: 03/20/2018

Date	Principal	Interest	Debt Service
8/1/2018		5,458,333.33	5,458,333.33
2/1/2019	10,960,000	7,500,000.00	18,460,000.00
8/1/2019		7,226,000.00	7,226,000.00
2/1/2020	9,465,000	7,226,000.00	16,691,000.00
8/1/2020		6,989,375.00	6,989,375.00
2/1/2021	9,940,000	6,989,375.00	16,929,375.00
8/1/2021		6,740,875.00	6,740,875.00
2/1/2022	10,435,000	6,740,875.00	17,175,875.00
8/1/2022		6,480,000.00	6,480,000.00
2/1/2023	10,955,000	6,480,000.00	17,435,000.00
8/1/2023		6,206,125.00	6,206,125.00
2/1/2024	11,505,000	6,206,125.00	17,711,125.00
8/1/2024		5,918,500.00	5,918,500.00
2/1/2025	12,080,000	5,918,500.00	17,998,500.00
8/1/2025		5,616,500.00	5,616,500.00
2/1/2026	12,685,000	5,616,500.00	18,301,500.00
8/1/2026		5,299,375.00	5,299,375.00
2/1/2027	13,320,000	5,299,375.00	18,619,375.00
8/1/2027		4,966,375.00	4,966,375.00
2/1/2028	13,985,000	4,966,375.00	18,951,375.00
8/1/2028		4,616,750.00	4,616,750.00
2/1/2029	14,685,000	4,616,750.00	19,301,750.00
8/1/2029		4,249,625.00	4,249,625.00
2/1/2030	15,415,000	4,249,625.00	19,664,625.00
8/1/2030		3,864,250.00	3,864,250.00
2/1/2031	16,185,000	3,864,250.00	20,049,250.00
8/1/2031		3,459,625.00	3,459,625.00
2/1/2032	16,995,000	3,459,625.00	20,454,625.00
8/1/2032		3,034,750.00	3,034,750.00
2/1/2033	17,845,000	3,034,750.00	20,879,750.00
8/1/2033		2,588,625.00	2,588,625.00
2/1/2034	18,740,000	2,588,625.00	21,328,625.00
8/1/2034		2,120,125.00	2,120,125.00
2/1/2035	19,675,000	2,120,125.00	21,795,125.00
8/1/2035		1,628,250.00	1,628,250.00
2/1/2036	20,660,000	1,628,250.00	22,288,250.00
8/1/2036		1,111,750.00	1,111,750.00
2/1/2037	21,695,000	1,111,750.00	22,806,750.00
8/1/2037		569,375.00	569,375.00
2/1/2038	22,775,000	569,375.00	23,344,375.00
<b>Total:</b>	<b>\$300,000,000.00</b>	<b>\$178,330,833.33</b>	<b>\$478,330,833.33</b>
Average Life			11.889 Years
Average Coupon			5.000000%
Net Interest Cost (NIC)			3.786950%
True Interest Cost (TIC)			3.451258%
Bond Yield for Arbitrage Purposes			2.651080%
All Inclusive Cost (AIC)			3.461011%

**STATE OF OHIO  
HIGHER EDUCATION CAPITAL FACILITIES BOND SERVICE FUND  
Cash Flow Statement  
For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	<b>January 1, 2018 THROUGH June 30, 2018</b>
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$ -</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	77,654
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	38
Unused Administrative Fees.....	-
<b>TOTAL CASH INFLOWS.....</b>	<b>77,692</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	31,460
Interest Paid.....	46,218
Bond Sale and Miscellaneous Expenses.....	-
<b>TOTAL CASH OUTFLOWS.....</b>	<b>77,678</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$ 14</b>

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

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

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**Note:**

In addition to the June 30, 2018 cash balance reported above for the Higher Education Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Higher Education Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$13 in cash on hand in a custodial fund with the Treasurer of State's office.



## HIGHWAY CAPITAL IMPROVEMENTS BONDS

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

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

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

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

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

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

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

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

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

**STATE OF OHIO**  
**HIGHWAY CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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		January 1, 2018 THROUGH June 30, 2018
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$</b>	<b>61,910</b>
<b>CASH INFLOWS:</b>		
Transfers from Highway Operating Fund.....		37,056
Bond Proceeds.....		-
Accrued Interest on Bonds Sold.....		-
Interest Earnings.....		501
Unused Administrative Fees.....		-
<b>TOTAL CASH INFLOWS.....</b>		<b>37,557</b>
<b>CASH OUTFLOWS:</b>		
Principal Paid.....		73,735
Interest Paid.....		25,352
Bond Sale and Miscellaneous Expenses.....		-
<b>TOTAL CASH OUTFLOWS.....</b>		<b>99,087</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$</b>	<b>380</b>

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

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

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Note:

In addition to the June 30, 2018, cash balance reported above for the Highway Capital Improvement Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Highway Capital Improvement Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$83 in cash on hand in a custodial fund with the Treasurer of State's office.

## NATURAL RESOURCES CAPITAL FACILITIES BONDS

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

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

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

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

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

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

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

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

## General Obligation Bonds Issued During Prior Six Months

**\$35,000,000**

### Natural Resources General Obligation Bonds Series W

Dated: 01/23/2018

Date	Principal	Interest	Debt Service
10/1/2018		1,126,195.56	1,126,195.56
4/1/2019	910,000	817,400.00	1,727,400.00
10/1/2019		794,650.00	794,650.00
4/1/2020	1,755,000	794,650.00	2,549,650.00
10/1/2020		750,775.00	750,775.00
4/1/2021	1,825,000	750,775.00	2,575,775.00
10/1/2021		732,525.00	732,525.00
4/1/2022	1,915,000	732,525.00	2,647,525.00
10/1/2022		684,650.00	684,650.00
4/1/2023	2,015,000	684,650.00	2,699,650.00
10/1/2023		664,500.00	664,500.00
4/1/2024	2,115,000	664,500.00	2,779,500.00
10/1/2024		611,625.00	611,625.00
4/1/2025	2,220,000	611,625.00	2,831,625.00
10/1/2025		556,125.00	556,125.00
4/1/2026	2,330,000	556,125.00	2,886,125.00
10/1/2026		497,875.00	497,875.00
4/1/2027	2,445,000	497,875.00	2,942,875.00
10/1/2027		436,750.00	436,750.00
4/1/2028	2,570,000	436,750.00	3,006,750.00
10/1/2028		372,500.00	372,500.00
4/1/2029	2,695,000	372,500.00	3,067,500.00
10/1/2029		305,125.00	305,125.00
4/1/2030	2,830,000	305,125.00	3,135,125.00
10/1/2030		234,375.00	234,375.00
4/1/2031	2,975,000	234,375.00	3,209,375.00
10/1/2031		160,000.00	160,000.00
4/1/2032	3,120,000	160,000.00	3,280,000.00
10/1/2032		82,000.00	82,000.00
4/1/2033	3,280,000	82,000.00	3,362,000.00
<b>Total:</b>	<b>\$35,000,000.00</b>	<b>\$15,710,545.56</b>	<b>\$50,710,545.56</b>
Average Life			9.256 Years
Average Coupon			4.849291%
Net Interest Cost (NIC)			3.141268%
True Interest Cost (TIC)			2.834015%
Bond Yield for Arbitrage Purposes			1.957149%
All Inclusive Cost (AIC)			2.860413%

**STATE OF OHIO**  
**NATURAL RESOURCES PROJECTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	<b>January 1, 2018 THROUGH June 30, 2018</b>
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$ 5</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	9,809
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	2
Unused Administrative Fees.....	-
<b>TOTAL CASH INFLOWS.....</b>	<b>9,811</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	7,465
Interest Paid.....	2,349
Bond Sale and Miscellaneous Expenses.....	-
<b>TOTAL CASH OUTFLOWS.....</b>	<b>9,814</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$ 2</b>

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

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Note:

In addition to the June 30, 2018 cash balance reported above for the Natural Resources Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Natural Resources Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$10 in cash on hand in a custodial fund with the Treasurer of State's office.

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

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

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

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

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

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

STATE OF OHIO  
 PERSIAN GULF, AFGHANISTAN, IRAQ COMPENSATION BOND SERVICE FUND  
 Cash Flow Statement  
 For the Six Months Ended June 30, 2018 (Dollars in 000s)

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	January 1, 2018 THROUGH June 30, 2018
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$ -</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	4,316
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	-
Unused Administrative Fees.....	-
	<b>4,316</b>
<b>TOTAL CASH INFLOWS.....</b>	<b>4,316</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	3,540
Interest Paid.....	776
Bond Sale and Miscellaneous Expenses.....	-
	<b>4,316</b>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>4,316</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$ -</b>

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

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In addition to the June 30 2018, cash balance reported above for the Persian Gulf, Afghanistan, Iraq Compensation Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Persian Gulf, Afghanistan, Iraq Compensation Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$1 in cash on hand in a custodial fund with the Treasurer of State's office.

## PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BONDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

**STATE OF OHIO**  
**STATE CAPITAL IMPROVEMENTS BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	<u>January 1, 2018 THROUGH June 30, 2018</u>
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$ 12,113</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	73,337
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Net Receipts from Swap Agreements.....	-
Interest Earnings.....	69
Other.....	-
<b>TOTAL CASH INFLOWS.....</b>	<b>73,406</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	47,630
Interest Paid.....	36,697
Payments to Bondholders for Accreted Principal on Capital Appreciation Bonds.....	-
Net Payments under Swap Agreements.....	1,152
Bond Sale and Miscellaneous Expenses.....	-
<b>TOTAL CASH OUTFLOWS.....</b>	<b>85,479</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>\$ 40</b>

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

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**Note:**

In addition to the June 30, 2018 cash balance reported above for the State Capital Improvements Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the State Capital Improvements Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$26 in cash on hand in a custodial fund with the Treasurer of State's office.

## **JOB READY SITE DEVELOPMENT BONDS**

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

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

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

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

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

**STATE OF OHIO**  
**JOB READY SITE DEVELOPMENT BOND SERVICE FUND**  
**Cash Flow Statement**  
**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	January 1, 2018 THROUGH June 30, 2018
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$ -</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	5,169
Bond Proceeds.....	369
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	5
Unused Administrative Fees.....	-
	<b>5,543</b>
<b>TOTAL CASH INFLOWS.....</b>	<b>5,543</b>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	4,570
Interest Paid.....	971
Bond Sale and Miscellaneous Expenses.....	-
	<b>5,541</b>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>5,541</b>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>2</b>

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

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

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**Note:**

In addition to the June 30, 2018 cash balance reported above for the Job Ready Site Development Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Job Ready Site Development Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$3 in cash on hand in a custodial fund with the Treasurer of State's office.

## THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS BONDS

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

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

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

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

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

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

**For the Six Months Ended June 30, 2018 (Dollars in 000s)**

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	<b>January 1, 2018 THROUGH June 30, 2018</b>
	<hr/>
<b>CASH BALANCE, Jan 1, 2018.....</b>	<b>\$ -</b>
<b>CASH INFLOWS:</b>	
Transfers from the General Revenue Fund.....	35,965
Bond Proceeds.....	-
Accrued Interest on Bonds Sold.....	-
Interest Earnings.....	28
Unused Administrative Fees.....	-
	<hr/>
<b>TOTAL CASH INFLOWS.....</b>	<b>35,993</b>
	<hr/>
<b>CASH OUTFLOWS:</b>	
Principal Paid.....	29,735
Interest Paid.....	6,245
Bond Sale and Miscellaneous Expenses.....	-
	<hr/>
<b>TOTAL CASH OUTFLOWS.....</b>	<b>35,980</b>
	<hr/>
<b>CASH BALANCE, June 30, 2018.....</b>	<b>13</b>
	<hr/> <hr/>

*All dollar amounts represented have been rounded to the nearest thousand.  
Interest earnings rounded down to ensure accurate final cash balance.*

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**Note:**

In addition to the June 30, 2018 cash balance reported above for the Third Frontier R&D Bond Service Fund, the Sinking Fund Commission maintains a custodial account with the Treasurer of State's office for allowable expenses related to costs of issuance and other debt related administrative costs. Any monies in the custodial account for these purposes that remain unused are then deposited into the Third Frontier R&D Bond Service Fund for future debt service payments. As of June 30, 2018, for this program the Sinking Fund Commission had \$0 in cash on hand in a custodial fund with the Treasurer of State's office.

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**PREPARED BY THE SINKING FUND COMMISSION**

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30 EAST BROAD STREET  
9TH FLOOR  
COLUMBUS, OHIO 43215