

State of Ohio



Office of Budget and Management

Municipal Securities Disclosure  
Policy and Procedures

**March 2020**

# OBM Municipal Securities Disclosure Policy and Procedures

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## I. Introduction

### a. Purpose

This Municipal Securities Disclosure Policy and Procedures (this Policy) provides a framework and establishes procedures for the State of Ohio's compliance with primary and continuing disclosure requirements under federal securities laws for bonds, notes, and other obligations (collectively, Obligations) issued by the State and backed by State revenue or issued by third parties with a backup pledge of or other financial recourse to the State (collectively, State Recourse Obligations). The Office of Budget and Management (OBM), in consultation with the Treasurer of State developed this Policy to aid the State through issuers of obligations backed directly by State Revenue (the Ohio Public Facilities Commission and the Treasurer of State collectively, the State Issuers) in meeting its disclosure responsibilities under Securities and Exchange Commission (SEC) regulations and associated contractual undertakings relating to disclosure. This Policy is also intended to serve as an orientation and training guide for State officials.

### b. Goals and Benefits

Formalizing current State disclosure practices via written policy and procedures is an effort to further two key goals: i) compliance with applicable federal law and regulations; and ii) timely and cost-effective funding of the State's long-term capital needs. Specifically, the benefits of timely and complete disclosure include:

- Providing transparency and enhancing credibility with investors, financial analysts and the general bond market;
- Ensuring access to public debt markets;
- Protecting and enhancing the State's credit rating; and
- Fostering liquidity for State securities.

## II. Legal Context

### a. Overview

State and local governments subject themselves to the requirements of federal securities laws when they issue municipal debt via the public bond market (i.e., debt obligations issued by state and local governments are commonly referred to as 'municipal' debt). The framework of the current system of securities regulation was put in place by the Securities Act of 1933 (the 33 Act) and the Securities and Exchange Act of 1934 (the 34 Act, and together with the 33 Act, the Securities Acts), which include broad anti-fraud provisions (requiring sellers to tell investors the whole truth) and created the SEC. State and local government issuers are specifically subject to the anti-fraud provisions of Section 17(a) of the 33 Act, Section 10(b) of the 34 Act, and SEC Rule 10b-5 (issued under Section 10(a) of the 34 Act). SEC regulations and enforcement activities regarding disclosure practices (both primary and secondary market) have evolved in favor of ongoing or "continuing disclosure".

### b. SEC Regulations

Rule 15c2-12 (the Rule) prohibits underwriters from offering bonds unless the issuer provides an official statement (effective 1989) and contractually promises to provide specified disclosures prescribed in the Rule (effective 1994), including annual financial information, audited financial statements (when and if available), and event notices.<sup>1</sup> To facilitate

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<sup>1</sup> When Congress created the Municipal Securities Rulemaking Board (MSRB) in 1975, it included provisions known as the 'Tower Amendment' that prohibited the Federal Government from requiring municipal issuers to register or report securities to the SEC or MSRB, but allowed such reporting to be required of broker/dealers. SEC Rule 15c2-12, while



compliance with the Rule, each State Issuer must enter into a continuing disclosure agreement with the original purchaser/underwriter in connection with each new issuance of obligations, thereby contractually promising to provide the market with these disclosures.

Simultaneous with the 1994 amendment to the Rule, the SEC issued an interpretive release repeating its basic assertion of issuer liability under Rule 10b-5 that “disclosure documents used by municipal issuers, such as official statements, are subject to the prohibition against false or misleading statements of material facts, including the omission of material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading.”

An omitted fact is material if there is a substantial likelihood that the omitted fact would have assumed actual significance in the deliberations of a reasonable investor. There must be substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having materially altered the “total mix” of information made available. The focus of materiality is on the importance of the information to investors making investment decisions. Examples of information that might be material include: issuer financial statements, unfunded liabilities, anticipated loss of significant revenue sources, and anticipated or pending litigation in which there is a potential adverse judgment that could materially affect the issuer’s financial position or operations. The identification and disclosure of material information will vary over time, from issuer to issuer, and with the nature of the municipal debt at issue.

### c. State Officials’ Liability

The requirements imposed by SEC regulations can create risks for State officials who oversee the disclosure process. While the prudent selection and use of experts can minimize liability and provide certain safeguards, OBM and the State Issuers have a level of responsibility for accurate and complete disclosure that cannot be completely delegated. Having a good understanding of the principals of disclosure will enhance State decision-making under different facts and circumstances. OBM commits to use best practices, uniform procedures, and attorneys, consultants or other experts, as necessary, to ensure primary and secondary disclosure is completed timely in full compliance with SEC regulations.

## III. SEC Disclosure Requirements

### a. Primary Offering Disclosure

Each time a State Issuer publicly issues Obligations backed by State revenue, the issuer is responsible for preparing the official statement either in its preliminary form prior to sale or its final form after sale (hereinafter “official statement”). These official statements consist of two basic parts:

**Part I.** Transaction-specific description of the Obligations being issued and the offering, prepared at the time of the transaction, and commonly referred to as the ‘front-half’ of the official statement.

**Part II.** “Information Concerning the State of Ohio” included as Appendix A in each official statement. Appendix A provides current and historic information on the State budget and finances, State debt, key economic and demographic information, retirement system funding and financial positions, and other information deemed necessary to comply with SEC disclosure requirements. Appendix A is commonly referred to as the ‘back-half’ of the official statement.

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directly applicable only to broker/dealers, effectively requires municipal issuers to prepare and deliver official statements and to meet continuing disclosure requirements.



The preliminary and final official statement are intended to provide requisite disclosure to the original purchasers of the Obligations. See Exhibit A for the organization of an official statement.

### **b. Continuing Disclosure**

Continuing disclosure information is intended to reflect the financial or operating condition of an issuer as it changes over time, as well as specific events occurring after issuance, that can have an impact on both the ability to pay amounts owed and the market value of the Obligation if bought or sold prior to maturity. Each publicly-issued State Recourse Obligation has its own continuing disclosure requirements, and not all types of continuing disclosure will apply to each.

For each new issuance, SEC Rule 15c2-12(b)(5)(i) requires a written agreement between the issuer and the original purchaser/underwriter for the benefit of holders of municipal securities, to provide the following to the Municipal Securities Rulemaking Board (MSRB) in an electronic format as prescribed by the MSRB:

- Annual financial information for the obligated person for whom financial information or operating data is presented in the final official statement (Annual Information);
- Audited financial statements (when and if available) for each obligated person covered by (b)(5)(i)(A) of the Rule;
- Notice of the occurrence of any of the following material events, within the meaning of the Rule, within 10 business days of the occurrence of the event:
  - principal and interest payment delinquencies
  - non-payment related defaults, if material
  - unscheduled draws on any debt service reserves, or on credit enhancements reflecting financial difficulties
  - substitution of credit or liquidity providers (credit enhancement facility providers), or their failure to perform
  - adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds
  - modifications to rights of registered owners or beneficial owners, if material
  - bond calls, if material, and tender offers
  - defeasances
  - release, substitution, or sale of property securing repayment, if material
  - bankruptcy, insolvency, receivership or similar event of the obligated person
  - consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
  - appointment of a successor or additional trustee or the change of name of a trustee, if material
  - rating changes
  - the failure to provide the Annual Information within the specified time
  - any change in the accounting principles applied in the preparation of the annual financial statements or in the fiscal year



- incurrence of a financial obligation of the obligated person, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material
- default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

*Note:* At this time, any financial obligation that is less than 1% of State revenues (excluding federal revenues) is not considered to be material for purposes of this Policy.

The foregoing list of required disclosures is subject to change in the event of additional amendments to the Rule and corresponding additions to future continuing disclosure agreements.

Supplementing the material events in the Rule listed above, the State also agrees in its continuing disclosure undertakings to provide to timely notice of any failure of the General Assembly to appropriate moneys for the purpose of paying costs to be incurred by the State in performing the continuing disclosure agreement for the applicable fiscal period (biennium), and termination of the continuing disclosure agreement.

### **c. Voluntary Disclosure**

Although the Rule prescribes certain annual information and event-based disclosures that must be filed, issuers may determine that additional information would be of interest to investors. To this end, State Issuers may choose to voluntarily disclose other information to the MSRB that goes beyond the requirements of the Rule. This information may include, but is not limited to, items such as monthly financial reports, updates on issues that could affect the State's budgetary, financial, or economic position, annual/biennial budgets, and changes in rating outlooks.

## **IV. State Disclosure Compliance**

### **a. New Issue Official Statements**

For each public offering of Obligations, the State Issuer must prepare or have prepared an official statement. The State Issuer, along with its legal counsel and financial adviser, reviews and discusses necessary disclosure information in drafting the official statement. At transaction closing, the State Issuer provides a certification stating that the information contained in the official statement, including Appendix A, both as of its date and the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. The State Issuer also includes in such certification a statement that, to the best of its knowledge, there has been no material adverse change (other than in the ordinary course of the operations of the State) in the financial condition of the State from that set forth in or contemplated by the official statement.

In connection with each issue of State Obligations, the State Issuer should retain legal counsel for assistance and advice regarding the State Issuer's disclosure responsibilities with respect to the official statement. This legal counsel may be the Bond Counsel for the issue or it may be separately engaged Disclosure Counsel.



## **Appendix A – Information Concerning the State of Ohio**

OBM is responsible for maintaining “Information Concerning the State of Ohio” that is included as Appendix A in each official statement for State Recourse Obligations. OBM continually updates Appendix A and provides a copy to each State Issuer and other issuers of State Recourse Obligations for use in their official statements. Each issuer is required to review and confirm that the information in Appendix A is sufficient and appropriate under SEC disclosure requirements for that issuer’s particular issuance.

The OBM Director also certifies that the information contained within Appendix A as of the date of the preliminary and final official statements and as of the date of closing, does not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

OBM, in consultation with Disclosure Counsel, has developed and adheres to the following best practices in its review, updating and maintenance of Appendix A:

- Utilize media reports and direct discussions with State and retirement system officials to identify potential disclosure items.
- Emphasize clear and concise disclosure.
- Make recommendations for improving the disclosure process and regularly solicit and consider recommendations made by others.
- Do not view the process of updating the State’s disclosure as a mechanical insertion of more current numbers. All parties involved in the disclosure process are asked to consider the need for additions and revisions in both its content and form.
- Regularly communicate with those State departments and agencies that serve as a source of the information contained in Appendix A to ensure timely updates. This includes communicating with the Office of the Attorney General for any updates to existing descriptions of threatened or pending litigation as well as requesting information on any new pending or threatened litigation that should be described.
- Provide any other reports or information which would aid in causing disclosures to be materially accurate and not misleading.

### **b. Continuing Disclosure**

Pursuant to ORC 126.11(E), OBM is responsible for accuracy of continuing disclosure requirements and coordinates ongoing compliance with the disclosure requirements for State Issuers, including the provision of required Annual Information, annual financial statements (when and if available) and material event notices. OBM also coordinates disclosure for obligations with financial recourse to State revenue issued by other State agencies and authorities

OBM consults with its Disclosure Counsel regularly and as needed to discuss possible disclosure events and ensure timely compliance with material event disclosure requirements.

### **c. Training**

OBM’s Debt Management section will provide and/or participate in continuing education/training regarding municipal securities disclosure compliance and related best practices at least once each fiscal biennium.

### **d. State Disclosure Agent – Digital Assurance Certification**

OBM has engaged Digital Assurance Certification (DAC) to serve as the State’s primary disclosure dissemination agent. In this role, DAC files and disseminates the State’s continuing



disclosure information, material event notices, and voluntary notices to the MSRB's Electronic Municipal Market Access (EMMA) system as required by the Rule and the State's continuing disclosure agreements. The DAC website also serves as an investor relations portal, providing investors the ability to research State information both on the DAC website and through links to the State's investor relations portal located on the OBM website.

## V. OBM Disclosure Process

OBM prepares and submits required annual disclosure for all State Recourse Obligations (see Exhibit B for current list of State Recourse Obligations). The annual disclosure requirements consist of Annual Information and certain audited financial statements (when and if available), as required by continuing disclosure agreements entered into by the State pursuant to the Rule.

### a. Annual Information

The Annual Information is submitted not later than 90 days following the end of each State fiscal year (June 30), in two separate filings as follows:

- i. State Disclosure – includes general obligations, lease-rental obligations, and certain other obligations including certificates of participation and bonds issued pursuant to public-private agreements entered into by State agencies. Filing materials include: (1) Appendix A updated for the annual period and (2) certain financial and operating data, each updated for the year and in the form originally presented in the applicable official statements.
- ii. Major New State Infrastructure Project Revenue Bonds (“GARVEE”) – includes obligations backed by Title 23 federal highway moneys. Filing materials include the information in the official statement section regarding federal Title 23 highway moneys and debt service requirements.

The sections of Appendix A included in (i) above include: Fiscal Matters, State Debt, State Employees and Collective Bargaining, Retirement Systems, and Tax Levels and Tax Bases.

**Retirement System Information.** OBM is responsible to fully and timely disclose material financial and other information on the State's five public retirement systems. To ensure this obligation is fulfilled, OBM, in connection with the filing of its Annual Information, obtains from each retirement system a certification confirming that the pension and other information included in the annual filing: (i) fairly and accurately presents the most recently available information on the financial condition of the retirement system, and (ii) does not omit material information concerning that financial condition.

### b. Audited Financial Statements

The State's financial statements are incorporated in the State's Comprehensive Annual Financial Report (CAFR) and are filed annually immediately upon their availability.

OBM's step-by-step procedures/timelines for preparation and submission of Annual Information and audited financial statements is provided as Exhibit C.

### c. Buckeye Tobacco Settlement Financing Authority (BTSFA) Bonds

OBM also is responsible for filing the BTSFA Bonds Annual Information and audited financial statements. The Annual Information consists of key revenue, debt, and operating data in a format set forth in the offering circular and is submitted on a calendar year basis by the end of January each year. The BTSFA financial statements are prepared at the end of each fiscal



year (ending June 30) and are provided immediately upon the completion and release of the audited financial statements (generally within 4 months of the end of each fiscal year).

#### **d. Material Event Disclosure**

OBM, with assistance from DAC and Disclosure Counsel, monitors material events (referenced in Section III,b. that meet the defined threshold) and files timely notices. The Rule requires that material event notices be filed within 10 business days of the occurrence of the event.

Common material event notices include rating changes (including for bond insurance providers), defeasances, refundings, and mandatory sinking fund redemptions. Less common material event notices include unscheduled draws on debt service reserves.

Exhibit D details the step-by-step procedures and timelines followed in preparing and submitting the State's material event disclosure filings.

#### **e. Voluntary Disclosure**

OBM prepares and files voluntary disclosure notices when, in the opinion of OBM in consultation with Disclosure Counsel and the State Issuers, that information could be deemed relevant to investors in State Obligations.

Types of voluntary filings may include OBM's monthly financial report, notice of change in credit outlooks, corrections and supplements, general rating agency reviews and projected unscheduled draws on debt service reserves.

Exhibit E details the step-by-step procedures and timelines followed in preparing and submitting the State's voluntary disclosure filings.

### **VI. Periodic Review of Policy and Procedures**

This Policy and corresponding procedures shall be reviewed and updated periodically as new requirements are identified or improvements are made. Copies of any revised policy and procedures will be distributed to the State Issuers and posted on the OBM website as soon as possible after any revisions are made.



Exhibit A

## ORGANIZATION OF A STATE OFFICIAL STATEMENT

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**Exhibit B**

**ANNUAL DISCLOSURE REQUIREMENTS**

Issuer	Bond Purpose	Filing Requirements	Due Date	Date		Base Cusips		Other Requirements
				Completed	Inactive	Active		
<b>State G.O. and Lease-Appropriation (GRF)</b>								
Ohio Public Facilities Commission	General Obligation (Higher Education, Common Schools, Coal Development, Site Development, Third Frontier, Conservation, Natural Resources, Veterans)	Appendix A	90 Days			677517	677518, 677519, 677520, 677521, 677522	None
		CAFR	When Available					
Treasurer of State	GRF Lease Appropriation (Higher Education, Mental Health, Parks & Rec, Cultural Facilities, Adult Corrections, Youth Services, Administrative Services)	Appendix A	90 Days			677518, 677519, 677597, 677553	677521, 677587, 677520, 67760A, 67755A, 67755C, 67755L, 677524, 67759H, 67757A, 67755L	None
		Pledged Mental Health (MHAS and DODD) Patient Support Receipts, Pledged Parks & Recreation Receipts	90 Days					
		CAFR	When Available					
Treasurer of State	General Obligation (Highway)	Appendix A	90 Days			677518, 677519	677520, 677521	None
		History of Highway User Receipts and Debt Service Coverage section	90 Days					
		CAFR	When Available					
<b>Lease-Appropriation (Non-GRF)</b>								
Treasurer of State	Non-GRF Lease Appropriation (Public Safety, DOT)	Appendix A	90 Days			677553, 67755A	67755C, 67759H, 67759X	None
		History of Highway User Receipts section	90 Days					
		CAFR	When Available					
<b>Portsmouth Bypass Project: Private Activity Bonds (PABs)</b>								
Treasurer of State	Portsmouth Bypass Project: Private Activity Bonds	Appendix A	90 Days				67759Y	None
		State Highway and Federal Highway Appropriations to the Contracting Authority	90 Days					
		CAFR	When Available					
<b>Major New State Infrastructure Project (GARVEE)</b>								
Treasurer of State	Major New State Project (GARVEE)	'DEBT SERVICE REQUIREMENTS' table	90 Days			67759R	677581	None
		Tables regarding Title 23 moneys under 'SOURCES OF FUNDS FOR PAYMENT OF BONDS'	90 Days					
		CAFR	When Available					
<b>Buckeye Tobacco Settlement Financing Authority</b>								
Buckeye Tobacco Settlement Financing Authority	Buckeye Tobacco Series 2007	BTSFA Audited Financial Statements (Unaudited if not available)	When Available				118217	None
		Update of the operating data under column titled 'Total Annual Payments to Trustee' in the table captioned 'Projection of Annual Payment Portion of Pledged Tobacco Receipts to be Received by the Trustee' under 'SUMMARY OF BOND STRUCTURING ASSUMPTIONS AND AMORTIZATION – Bond Structuring Methodology'	January 31					
		Update of actual debt service coverage ratio for preceding fiscal year determined in substantially the manner described in 'SUMMARY OF BOND STRUCTURING ASSUMPTION AND AMORTIZATION – Estimated Senior Bonds Debt Service Coverage'	January 31					
<b>Other Obligations/Certificates of Participation</b>								
Various	Certificates of Participation (Rickenbacker 1997 EPA Lazarus, Youngstown, OAKS, STARS, MARCS, EDCS, TMS)	Appendix A	90 Days			67755M	67755E, 67755N, 677905	None
		CAFR	When Available					
RiverSouth Authority	RiverSouth Authority -- Lazarus Redevelopment Bonds	Appendix A	December 31				769318	Columbus Downtown Development Corp required to file, upon availability, audited financial statements of the CDDC
		CAFR	When Available					
Columbus-Franklin County Finance Authority	Ohio Capital Fund Financing	Annual financial information and operating data of the type presented under the caption 'TAXES, TAX CREDITS AND STATE PAYMENTS'	90 Days				199098	Ohio Capital Fund LLC must file annual financial information and operating data under caption "THE BORROWER" and current information contained in APPENDIX C - "Selected Financial Information of the Borrower for Fiscal Years 2006 through 2009." 90 days from end of June 30 fiscal year
		Appendix A	90 Days					
		CAFR	When Available					



Exhibit C

## Annual Disclosure Compliance Procedures

Insert Fiscal Year:		Target Date	Completion Date
Update	1. Create new FY folder under Disclosure and create 5 subdirectory folders for State, GARVEE, Derivative, Material Event Notices, and Voluntary Notices and copy prior year's final documents into the appropriate FY folders.	7/27	
	2. Review and update the documents for new fiscal year.	7/27	
	a. Update disclosure for Parks and Recreation, Mental Health, Highway, OVCA, Portsmouth Bypass PABs, and GARVEE bonds using the most recent final official statement, if relevant.	7/27	
	i. Update all dates for correct fiscal year.		
	ii. Delete the oldest fiscal year when adding new fiscal year to tables.		
	iii. Update names of any new Directors for the various agencies.		
	iv. Analyze current Operating & Capital Budget Bills for new appropriations.		
	Update the cover letters to reflect the 2 Annual Disclosure filings.	8/1	
	b. i. Update Schedule A – Bond Issuance Summary. (Add debt for new fiscal year from Bond Sale History and run DBC (Report – Series – Outstanding Status report) as of September 28th of the current fiscal year and delete any series no longer outstanding).		
	ii. Use the Master CUSIP spreadsheet in Disclosure folder to determine if any 6-digit base CUSIPs are no longer outstanding or if any new ones need to be added. (Use DBC to go through all the series listed on the updated Schedule A to see if any of the base CUSIPs have dropped off. This can be found on the main page after double clicking a bond series).		
	Update Appendix A.	8/6	
	c. i. Use current Appendix A from the SharePoint drive and update as of September 28th of the current FY. (Fiscal Matters, State Debt, State Employees and Collective Bargaining, Retirement Systems, and Tax Levels and Tax Bases are the sections from Appendix A that are released in the Annual Disclosure).		
	ii. Have a second person review cover letters and documents.	8/10	
	3. Review and update Retirement System Certification Letters.	8/15	
	a. Start with prior year's letter as a template and update contacts, as appropriate, with new Executive Directors and/or Finance Directors.		
	b. Certification letters address that (i) the information in Appendix A fairly and accurately represents the financial condition of the retirement system, and (ii) does not omit material information concerning that financial condition.		
	c. Obtain OBM Director's approval and signature on letters.		



	d. Send official statement sections to OBM's Retirement System contacts for further review and update.	8/15	
Send	4. Send an email to agency contacts (located in phone directory) requesting completion by end of August.		
	a. E-mail and hard copy of letters sent to Executive Directors and cc Finance Director for each of the five State Retirement Systems.	8/31	
	5. Request signed certifications on Retirement System's letterhead no later than five business days before September 28 <sup>th</sup> .		
	a. Receive and review returned sections of official statements from agencies.	8/31	
Review	6. If more information is needed, send out to appropriate contacts.		
	a. Send the two cover letters, official statement sections, and Appendix A to OBM Disclosure Counsel for review.	9/4	
	7. After initial review and update of two cover letters (State and GARVEE), send to DAC.	9/20	
DAC	8. Request DAC set-up two coversheets and send back to OBM.		
	a. Review the coversheets. (Confirm each bond sale on coversheet matches Schedule A on each cover letter and confirm the 6-digit CUSIPs are correct)		
	b. Reconcile any errors with DAC.		
	c. Receive back Disclosure Counsel's comments.	9/21	
Receive	9. Review agency and retirement system comments and correct as necessary. This may require going back to contacts to gather more information.		
	a. Receive back the Retirement System Certifications.	9/24	
	10. Based on those certification, correct any discrepancies in the State Employees and Collective Bargaining, and Retirement System sections of Appendix A.	9/24	
	a. Follow-up with those retirement systems who have not responded.		
	b. Have a second person review State Employees and Retirement System sections of Appendix A.	9/24	
	11. Obtain OBM Director's review and signature of the two annual disclosure filings.	9/24	
Prepare	12. Create two separate PDFs (State and GARVEE) including cover letters and annual information. Save in the S: drive under Disclosure.	9/25	
	a. State Filing (State cover letter, Appendix A, official statement sections for Parks and Recreation, Mental Health, Highway, OVCA and Portsmouth Bypass PABs).		
	b. GARVEE Filing (GARVEE cover letter and GARVEE official statement section).		
	c. Send final two PDFs to DAC and review cover sheets one last time.	9/25	
	13. Approve release of materials by DAC.	9/25	
Release and Save	14. Check EMMA website to confirm the 2 annual disclosure documents have been filed. Remember to spot check various CUSIPs.	9/25	
	15. Print off the DAC cover sheet, Submission ID receipt, and Filing Certificate receipt (all found on DAC website) for file.	9/25	
	16. Save hard copy for the two annual disclosure filings along with the DAC cover sheet, Submission ID receipt, and Filing Certificate receipt.	9/25	
	17. Notify the individuals copied on each cover letter via email that the annual disclosure has been filed.	9/26	



## Exhibit D

## Material Event Disclosure Compliance Procedures

		Target Date	Completion Date
DAC	1. Material event is identified.		
	2. Request DAC create a cover sheet.	Day 1	Same Day
	3. Review the cover sheet.	Day 1	Same Day
	i. Confirm the affected bond issues (GRF, GARVEE, Tobacco) are correct using DBC Debt Manager and confirm CUSIPs using the master CUSIP list.		
	ii. Confirm the correct material event description box is checked-off.		
Release and Send	4. If correct, instruct DAC release notice.	Day 1	Same Day
	i. If incorrect, send corrections to DAC and request to review an updated cover letter.		
	5. Check EMMA website to confirm material event notice has been filed.	Day 1	Same Day
	6. Print confirmation and cover sheet located on DAC website.	Day 1	Same Day
	7. Add material event notice to material event notices index on the S: Drive under Disclosure.	Day 1	Day 2
	8. Scan material event notice along with DAC cover sheet, Submission ID receipt, and Filing Certificate receipt (all found on DAC website), and save in material event folder located on the shared S: Drive. Add material event index number prior to saving. Also save hard copy of materials.	Day 2	Same Day
	9. Notify OBM Debt Management section via email that the process is complete.	Day 2	Same Day



Exhibit E

## Voluntary Disclosure Compliance Procedures

		Target Date	Completion Date
DAC	1. Voluntary event is identified.		
	2. Request DAC create a cover sheet.	Day 1	Same Day
	3. Review the cover sheet.	Day 1	Same Day
	i. Confirm the affected bond issues (GRF, GARVEE, Tobacco) are correct using DBC Debt Manager and confirm CUSIPs using the master CUSIP list.		
	ii. Confirm the correct type of notice is checked-off (voluntary notice).		
Release and Send	4. If correct, instruct DAC release notice.	Day 1	Same Day
	i. If incorrect, send corrections to DAC and request to review an updated cover letter.		
	5. Check EMMA website to confirm voluntary notice has been filed.	Day 1	Same Day
	6. Print confirmation and cover sheet located on DAC website.	Day 1	Same Day
	7. Add voluntary notice to material event notices index on the S: Drive under Disclosure.	Day 1	Day 2
	8. Scan material event notice along with DAC cover sheet, Submission ID receipt, and Filing Certificate receipt (all found on DAC website), and save in material event folder located on the shared S: Drive. Add material event index number prior to saving. Also save hard copy of materials.	Day 2	Same Day
	9. Notify OBM Debt Management section via email that the process is complete.	Day 2	Same Day

