

# OMAC MuniNews

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News & Views About the Ohio Municipal Finance Industry

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## Filing with DisclosureUSA

By *Kenneth W. Gurney, OMAC Director*



In September 2004, DisclosureUSA was created as an alternative for issuers of tax-exempt securities to file their secondary market disclosure with the multiple Nationally

Recognized Municipal Security Information Repositories (NRMSIRS) and the State Information Depository (SID). Filings with DisclosureUSA, aka the Central Post Office (“CPO”) are simultaneously sent to the NRMSIRS and the SID.

Earlier this year, Digital Assurance Certification, LLC (DAC) filed a lawsuit charging that the CPO infringed upon a patent issued to DAC. Initially this lawsuit was scheduled to be heard in September 2008; but in June a settlement was reached by the two parties. However, as part of this settlement, the CPO agreed to some changes that it must make to their current filing procedures, which affect issuers and/or OMAC. Five of these are as follows:

1. Issuers no longer will be able to view their disclosure filings more than 30 days after they are filed. However Ohio issuers, if the filing is made electronically, may view their filings at the OMAC SID website, [www.ohiosid.com](http://www.ohiosid.com).
2. Issuers will no longer be able to create the cover sheets used in conjunction with their annual disclosure filings. This should not present any problems as the information contained on the cover sheet is also included in the transmission of the filing from the CPO to the appropriate depositories.
3. Issuers no longer will receive an email alerting them to their filing deadline. Again, for Ohio issuers this should not cause any concern as OMAC has been sending such ‘reminder’ letters since our designation as Ohio’s SID in 1997.
4. Issuers will no longer receive a return email receipt indicating their filing has been received;

although the CPO website can continue to list all daily filings. At this time we are unsure if we will be able to send receipts for filings we receive made through the CPO.

5. OMAC will no longer receive daily, a file containing a list of the issuers making filings that day, including the size of the file or files that were transmitted. While problems in the past as to our receipt of filings have been minimal, unfortunately, there will be no guarantee that what is filed with the CPO has been received by the NRMSIRS or OMAC.

While these changes should be considered when making a filing, OMAC, at this time, sees no discernible reasons to discontinue filing with the CPO if already doing so, or opening an account to file using the CPO if not already doing so.

### Things to Watch For

Since becoming the SID for the State of Ohio, we have found areas of concern regarding filings that issuers should be made aware of. These include:

1. Some of the earlier continuing disclosure agreements specified a date for the filing of the audited financial statements. Because rarely are the audited statements available within nine

## MuniNews Update

**Due to favorable response we will continue to print the MuniNews. If you would like an electronic version please visit our website [www.ohiomac.com](http://www.ohiomac.com) where you can download it.**

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months of the end of a subdivision's fiscal year, be sure to review any earlier agreements to make sure you do not have to file the audited statements on a date before you believe they will be available. If you are required to file the audited statements and they are not yet available, file your unaudited statements followed by the audited statements when you receive them.

2. If you publish a Comprehensive Annual Financial Report, (CAFR), this report usually contains both the annual financial information and operating data and your audited financial statements, so this document will suffice in meeting your secondary market disclosure requirements. However, because the CAFR meets all the filing requirements many issuers delay making any filings until the CAFR is available. They are forgetting that there is a specific date for the filing of annual information and operating data, and by waiting they fail to comply with their continuing disclosure agreement. The annual financial information still must be filed by the previously agreed upon date.
3. Additionally, you may have different dates for the filing of the annual information if you have issued securities with different sources of payment; the most common being one date for general obligation issues and another for mortgage revenue issues.
4. Further, we have found that the date for filing

the annual information in continuing disclosure agreements for earlier issuances of debt may differ from the date specified in the agreement for later issuances; usually where the more recent issue specifies a date later in the year than the earlier issue. However, unless the original continuing disclosure agreement has been changed, we believe the earlier date takes preference. Review earlier agreements to determine if a conflict exists; then determine the required filing date that is correct. Your bond council should be able to assist you in this matter.

5. Another problem is the practice of providing, to the NRMSIRS and the SID a link to your municipality's homepage and annual financial report. Most individuals involved with secondary market disclosure agree that the SEC Rule does not permit municipal issuers, or their agents, to file electronic links, instead of actual secondary market disclosure documents.

What should you do if you miss the filing deadline?

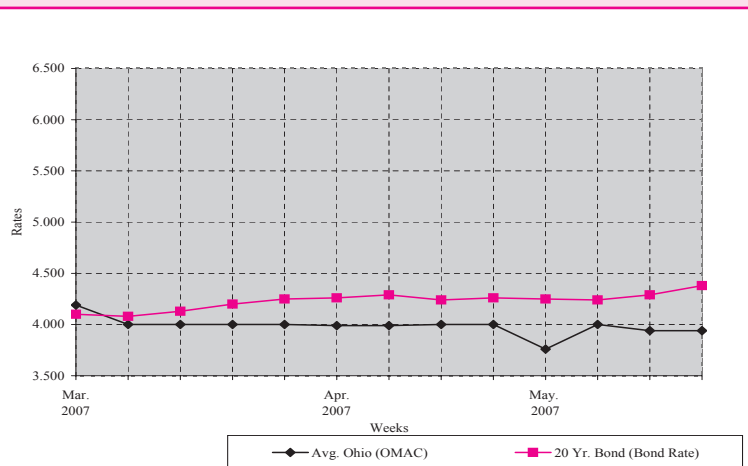
Any failure to file the required documents by the agreed upon date, for whatever reason, requires the issuer to file with each NRMSIR or the MSRB and the SID a notice of such failure. Neither OMAC nor the SEC can give you an extension as to the date of your required filing. You must file a notice of failure to file if the required information will not be filed on time.

## MARKET UPDATE

### GENERAL OBLIGATION

#### Note and Bond Interest Rates for March through May

The following graph compares Ohio short-term note rates with the Bond Buyer's 20 year bond index. The short-term rates represent actual rates reported to OMAC by Ohio purchasers and reported on OMAC's weekly calendar.



Voters approved 62% of Ohio’s school district levies in the May 8, 2007 primary election. Of the one hundred twenty-four (124) school district tax levies on the ballot, seventy-seven (77) were approved while forty-seven (47) were defeated.

Of the thirty-two (32) bond issues on the ballot, school districts represented the majority with twenty-six (26) followed by county & townships with two (2) and municipalities with one (1). Of these, nineteen were considered large - \$10,000,000 or greater, seven (7) were considered intermediate - \$5,000,000 to \$9,999,999 and six (5) were considered small – less than \$5,000,000. Voters approved eight (8) or \$194,720,000 while rejecting twenty-four (24) or \$385,741,916.

The following tables show the results of the bond issues and school tax levies submitted at the May 8, 2007 primary election. The results were compiled with the assistance of the County Boards of Election, and the office of the Secretary of State.

*The following table compares this years result with those of the past four years:*

**TABLE I**

YEAR	VOLUME SUBMITTED	VOLUME APPROVED	PCT. APP.	NUMBER SUBMITTED	NUMBER APPROVED	PCT. APP.
2007	\$ 580,461,916	\$ 194,720,000	66.5%	32	8	25.0%
2006	\$ 474,646,554	\$ 262,126,554	55.2	27	11	40.7
2005	\$ 693,244,108	\$ 239,636,798	34.6	29	9	31.0
2004	\$ 758,432,684	\$ 449,029,170	59.2	34	18	52.9
2003	\$ 1,442,047,058	\$ 754,312,000	52.3	41	12	29.3

*The second table shows by issue size, the volume and number of each submitted, and the volume and number of each approved (including ratio approved).*

**TABLE II**

Issue Size*	-----SUBMITTED-----			-----APPROVED-----			
	Volume	No.		Volume	% Vol.	No.	% No.
Large	\$ 515,820,542	19		\$ 185,720,000	36.0%	7	36.8%
Intermediate	52,851,364	7		9,000,000	17.0	1	14.3
Small	\$ 11,790,010	6		0	0.0	0	0
<b>TOTAL</b>	<b>\$ 580,461,916</b>	<b>32</b>		<b>\$ 194,720,000</b>	<b>33.5%</b>	<b>8</b>	<b>25.0%</b>

\*Large - \$10,000,000 or greater; Intermediate - \$5,000,000 to \$9,999,999; Small - less \$5,000,000



*The third table show by subdivision classification, the volume and number of issues approved:*

**TABLE III**

	-----VOLUME-----			-----NUMBER-----		
	Submitted	Approved	% App.	Submitted	Approved	% App.
County	\$ 10,500,000	\$ 0	0.0%	2	0	0.0%
Municipality	16,100,000	0	0.0	1	0	0.0
Township	2,375,000	0	0.0	2	0	0.0
School District	539,486,916	194,720,000	36.1	26	8	30.8
Miscellaneous	12,000,000	0	0.0	1	0	0.0
<b>TOTAL</b>	<b>\$ 580,461,916</b>	<b>\$ 194,720,000</b>	<b>33.5%</b>	<b>32</b>	<b>8</b>	<b>25.0%</b>

*The fourth table shows further breakdown of the volume and number of issues approved for school districts.*

**TABLE IV**

	-----VOLUME-----			-----NUMBER-----		
	Submitted	Approved	% App.	Submitted	Approved	% App.
City S/D	\$ 147,120,000	\$ 147,120,000	100.0%	6	6	100.0%
Local S/D	350,416,916	47,600,000	13.6	19	2	10.5
Jt. Voc. S/D	41,950,000	0	0.0	1	0	0.0
<b>TOTAL</b>	<b>\$ 539,486,916</b>	<b>\$ 194,720,000</b>	<b>36.1%</b>	<b>26</b>	<b>8</b>	<b>30.8%</b>

## SCHOOL DISTRICT TAX LEVIES

*The first table shows the total new millage levies submitted (number and volume), and also the results thereof.*

**TABLE I**

Type	--SUBMITTED--		-----APPROVED-----				-----DEFEATED-----			
	No.	Millage	No.	Pct.	Millage	Pct.	No.	Pct.	Millage	Pct.
Curr Exp & Perm Impr**	1	5.10	0	0.0	0.00	0.0	1	100.0	5.10	100.0
Current Expense*	12	72.60	2	16.7	12.40	17.1	10	83.3	60.20	82.9
Emergency	18	129.83	6	33.3	45.90	35.4	12	66.7	83.93	64.6
Permanent Improvement	17	18.55	5	29.4	4.95	26.7	11	64.7	12.60	67.9
<b>TOTAL</b>	<b>48</b>	<b>226.08</b>	<b>13</b>	<b>27.1</b>	<b>63.25</b>	<b>28.0</b>	<b>34</b>	<b>70.8</b>	<b>161.83</b>	<b>71.6</b>

\*Includes Current Operating

\*\*Millage and percent for these issues are calculated with the individual Current Expense and Permanent Improvement categories.



*The second table shows the total renewal millage levies submitted (number and volume), and also the results thereof.*

**TABLE II**

Type	--SUBMITTED--		-----APPROVED-----				-----DEFEATED-----			
	No.	Millage	No.	Pct.	Millage	Pct.	No.	Pct.	Millage	Pct.
Curr Exp & Perm Impr**	1	0.00	1	100.0	0.0	0.0	0	0.0	0.0	0.
Current Expense *	18	101.96	13	72.2	68.26	66.9	4	22.2	26.70	26.2
Emergency	34	167.83	31	91.2	149.91	89.3	3	8.8	17.92	10.7
Permanent Impr	23	33.85	18	78.3	28.10	83.0	5	21.7	5.75	17.0
<b>TOTAL</b>	<b>76</b>	<b>303.64</b>	<b>63</b>	<b>82.9</b>	<b>246.27</b>	<b>81.1</b>	<b>12</b>	<b>15.8</b>	<b>50.37</b>	<b>16.6</b>

\* Includes Current Operating  
 \*\* Millage and percent for these issues are calculated with the individual Current Expense and Permanent Improvement categories.

*The third table gives a three year comparison (Primary Elections) by levy type, the total new millage submitted and approved, with the ratio approved.*

**TABLE III**

	-----2003-----			-----2002-----			-----2001-----		
	Subm.	App.	% App.	Subm.	App.	% App.	Subm.	App.	% App.
Current Expense*	72.60	12.40	17.1	159.90	78.45	49.1	202.34	108.29	53.5
Permanent Improvement	18.55	4.95	26.7	21.35	10.90	51.1	27.47	6.24	22.7
Curr Exp & Perm Impr**	5.10	0.00	0.0	0.00	0.00	0.0	0.00	0.00	0.0
Emergency	129.83	45.90	35.4	240.22	81.99	34.1	315.05	70.31	22.3
<b>TOTAL</b>	<b>226.08</b>	<b>63.25</b>	<b>28.0</b>	<b>421.47</b>	<b>171.34</b>	<b>246.0</b>	<b>544.86</b>	<b>184.84</b>	<b>33.9</b>

\* Includes Current Operating  
 \*\* Millage and percent for these issues are calculated with the individual Current Expense and Permanent Improvement categories.





**Ohio Municipal Advisory Council**  
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## CALENDAR

### *Calendar of Issuer Conferences & Outings for 2007*

NAME	EVENT	DATE	LOCATION
CAAO	Winter Conference	November 14 - 16	Embassy Suites - Dublin, Ohio
CCAO	Winter Conference Annual Golf Outing	Dec. 2 - 7 August 1	Hyatt Regency – Columbus, Ohio Oakhaven Golf Club – Delaware, Ohio
CTAO	Fall Meeting	November 13 – 15	Marriott Northwest at Tuttle Crossings – Dublin, Ohio
GFOA	Annual Golf Outing Annual Fall Conference	July - 16 September 11 - 13	Riviera Golf Club – Dublin, Ohio Hilton Easton Town Center – Columbus, Ohio
MFOA(OML)	Annual Conference Northeast Ohio Golf Outing North-Central Ohio Golf Outing	October 3 - 5 August 1 August 22	Hyatt Regency Hotel - Cincinnati, Ohio Sleepy Hollow Golf Course – Brecksville, Ohio Woussicket Golf Course – Sandusky, Ohio
NACO	National Conference	July 13 - 17	Greater Richmond Convention Center – Richmond, Virginia
OAPT	Annual Conference National Conference	October 3 – 5 August 11 - 15	Salt Fork State Park – Cambridge, Ohio Town & Country Resort – San Diego, California
OSBA	Capital Conference	November 11 - 14	Hyatt Regency - Columbus Convention Center
SIFMA (BMA)	Annual Meeting	November - 7 - 9	Boca Raton Resort & Club – Boca Raton, Florida

CAAO – County Auditor’s Association of Ohio – (614) 228-2226  
 CCAO – County Commissioners Association of Ohio – (614) 221-5627  
 CTAO – County Treasures Association of Ohio – (614) 233-6818  
 GFOA – Government Finance Officers Association – (614) 221-1900  
 MFOA – Municipal Finance Officers Association of Ohio – (614) 221-4349  
 NACO – National Association of Counties – (614) 221-5627  
 OAPT – Ohio Association of Public Treasurers – (216) 443-7814

OASBO – Ohio Association of School Business Officials – (614) 431-9116  
 OMCA – Ohio Municipal Clerks Association – (614) 221-4349  
 OPFOTP – Ohio Public Finance Officers Training Program – (330) 672-7148  
 OSBA – Ohio School Boards Association – (614) 540-4000  
 SIFMA (formerly BMA) – Securities Industry & Financial Market Association – (212) 608- 1500

If you would like your event highlighted, contact Chris Scott at 1-800-969-6622, or by email at [Chris@ohiomac.com](mailto:Chris@ohiomac.com)