

Mace, Jennie C.

From: EMMANotifications@msrb.org
Sent: Monday, March 26, 2018 3:25 PM
To: Mace, Jennie C.
Subject: Published Submission Confirmation

Your Continuing Disclosure Submission has been published.

SubmissionId: ES875027

Disclosure Type: FINANCIAL/OPERATING FILING Annual Financial Information and Operating Data (Rule 15c2-12): Annual Information Filing for Fiscal Year 2017 for the year ended 06/30/2017

Document Name: Financial Operating Filing dated 03/26/2018
oledo CSD, Ohio AIF for the year ended 6-30-17.pdf posted 03/26/2018 3:21:02 PM

The following issuers are associated with this continuing disclosure submission:

CUSIP6	State	Issuer Name
889294	OH	TOLEDO OHIO CITY SCH DIST

The following 93 Securities have been published with this continuing disclosure submission:

Security: CUSIP - 889294MR2, Maturity Date - 12/01/2009
Security: CUSIP - 889294MS0, Maturity Date - 12/01/2010
Security: CUSIP - 889294MT8, Maturity Date - 12/01/2011
Security: CUSIP - 889294MU5, Maturity Date - 12/01/2012
Security: CUSIP - 889294MV3, Maturity Date - 12/01/2013
Security: CUSIP - 889294MW1, Maturity Date - 12/01/2014
Security: CUSIP - 889294MX9, Maturity Date - 12/01/2015
Security: CUSIP - 889294MY7, Maturity Date - 12/01/2016
Security: CUSIP - 889294MZ4, Maturity Date - 12/01/2017
Security: CUSIP - 889294NB6, Maturity Date - 12/01/2019
Security: CUSIP - 889294NC4, Maturity Date - 12/01/2020
Security: CUSIP - 889294ND2, Maturity Date - 12/01/2021
Security: CUSIP - 889294NE0, Maturity Date - 12/01/2022
Security: CUSIP - 889294NF7, Maturity Date - 12/01/2023
Security: CUSIP - 889294NG5, Maturity Date - 12/01/2024
Security: CUSIP - 889294NH3, Maturity Date - 12/01/2025
Security: CUSIP - 889294NJ9, Maturity Date - 12/01/2026
Security: CUSIP - 889294NK6, Maturity Date - 12/01/2027
Security: CUSIP - 889294NL4, Maturity Date - 12/01/2028
Security: CUSIP - 889294NM2, Maturity Date - 12/01/2035
Security: CUSIP - 889294NP5, Maturity Date - 12/01/2012
Security: CUSIP - 889294NQ3, Maturity Date - 12/01/2013

Security: CUSIP - 889294NR1, Maturity Date - 12/01/2014
Security: CUSIP - 889294NS9, Maturity Date - 12/01/2015
Security: CUSIP - 889294NT7, Maturity Date - 12/01/2016
Security: CUSIP - 889294NU4, Maturity Date - 12/01/2017
Security: CUSIP - 889294NV2, Maturity Date - 12/01/2018
Security: CUSIP - 889294NW0, Maturity Date - 12/01/2019
Security: CUSIP - 889294NX8, Maturity Date - 12/01/2020
Security: CUSIP - 889294NY6, Maturity Date - 12/01/2021
Security: CUSIP - 889294NZ3, Maturity Date - 12/01/2022
Security: CUSIP - 889294PA6, Maturity Date - 12/01/2023
Security: CUSIP - 889294PB4, Maturity Date - 12/01/2024
Security: CUSIP - 889294PC2, Maturity Date - 12/01/2025
Security: CUSIP - 889294PD0, Maturity Date - 12/01/2017
Security: CUSIP - 889294PE8, Maturity Date - 12/01/2019
Security: CUSIP - 889294PF5, Maturity Date - 12/01/2023
Security: CUSIP - 889294PG3, Maturity Date - 12/01/2013
Security: CUSIP - 889294PH1, Maturity Date - 12/01/2014
Security: CUSIP - 889294PJ7, Maturity Date - 12/01/2015
Security: CUSIP - 889294PK4, Maturity Date - 12/01/2016
Security: CUSIP - 889294PL2, Maturity Date - 12/01/2017
Security: CUSIP - 889294PM0, Maturity Date - 12/01/2018
Security: CUSIP - 889294PN8, Maturity Date - 12/01/2019
Security: CUSIP - 889294PP3, Maturity Date - 12/01/2020
Security: CUSIP - 889294PQ1, Maturity Date - 12/01/2021
Security: CUSIP - 889294PR9, Maturity Date - 12/01/2022
Security: CUSIP - 889294PS7, Maturity Date - 12/01/2023
Security: CUSIP - 889294PT5, Maturity Date - 12/01/2024
Security: CUSIP - 889294PU2, Maturity Date - 12/01/2025
Security: CUSIP - 889294PV0, Maturity Date - 12/01/2026
Security: CUSIP - 889294PW8, Maturity Date - 12/01/2027
Security: CUSIP - 889294PX6, Maturity Date - 12/01/2028
Security: CUSIP - 889294PY4, Maturity Date - 12/01/2029
Security: CUSIP - 889294PZ1, Maturity Date - 12/01/2030
Security: CUSIP - 889294QA5, Maturity Date - 12/01/2031
Security: CUSIP - 889294QB3, Maturity Date - 12/01/2032
Security: CUSIP - 889294QC1, Maturity Date - 12/01/2015
Security: CUSIP - 889294QD9, Maturity Date - 12/01/2016
Security: CUSIP - 889294QE7, Maturity Date - 12/01/2017
Security: CUSIP - 889294QF4, Maturity Date - 12/01/2018
Security: CUSIP - 889294QG2, Maturity Date - 12/01/2019
Security: CUSIP - 889294QH0, Maturity Date - 12/01/2020
Security: CUSIP - 889294QJ6, Maturity Date - 12/01/2021
Security: CUSIP - 889294QK3, Maturity Date - 12/01/2022
Security: CUSIP - 889294QL1, Maturity Date - 12/01/2023
Security: CUSIP - 889294QM9, Maturity Date - 12/01/2024
Security: CUSIP - 889294QN7, Maturity Date - 12/01/2025
Security: CUSIP - 889294QP2, Maturity Date - 12/01/2026
Security: CUSIP - 889294QQ0, Maturity Date - 12/01/2027
Security: CUSIP - 889294QR8, Maturity Date - 12/01/2028
Security: CUSIP - 889294QS6, Maturity Date - 12/01/2029
Security: CUSIP - 889294QT4, Maturity Date - 12/01/2030
Security: CUSIP - 889294QU1, Maturity Date - 12/01/2031

Security: CUSIP - 889294QV9, Maturity Date - 12/01/2032
Security: CUSIP - 889294QW7, Maturity Date - 12/01/2014
Security: CUSIP - 889294QX5, Maturity Date - 12/01/2019
Security: CUSIP - 889294QY3, Maturity Date - 12/01/2020
Security: CUSIP - 889294QZ0, Maturity Date - 12/01/2021
Security: CUSIP - 889294RA4, Maturity Date - 12/01/2022
Security: CUSIP - 889294RB2, Maturity Date - 12/01/2023
Security: CUSIP - 889294RC0, Maturity Date - 12/01/2024
Security: CUSIP - 889294RD8, Maturity Date - 12/01/2025
Security: CUSIP - 889294RE6, Maturity Date - 12/01/2026
Security: CUSIP - 889294RF3, Maturity Date - 12/01/2027
Security: CUSIP - 889294RG1, Maturity Date - 12/01/2028
Security: CUSIP - 889294RH9, Maturity Date - 12/01/2029
Security: CUSIP - 889294RJ5, Maturity Date - 12/01/2030
Security: CUSIP - 889294RK2, Maturity Date - 12/01/2031
Security: CUSIP - 889294RL0, Maturity Date - 12/01/2032
Security: CUSIP - 889294RM8, Maturity Date - 12/01/2033
Security: CUSIP - 889294RN6, Maturity Date - 12/01/2034
Security: CUSIP - 889294RP1, Maturity Date - 12/01/2035

Please follow the link to view this submission:

<https://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=ES875027>

Please follow the link to make changes to this submission:

<http://dataport.emma.msrb.org/AboutDataport.aspx>

PLEASE DO NOT REPLY. This is a system-generated e-mail. If you need assistance please contact the MSRB at 202-838-1330 or you may obtain more information at www.msrb.org.

TOLEDO CITY SCHOOL DISTRICT, OHIO
ANNUAL INFORMATION FILING FOR
FISCAL YEAR 2017

The following provides, in accordance with the continuing disclosure agreements (the Continuing Disclosure Agreements) entered into by the Toledo City School District, Ohio (the School District or District), annual financial information and operating data for the School District's fiscal year ended June 30, 2017 (Fiscal Year 2017), of the type included in the respective final official statements for its primary offerings and issuances of:

\$31,999,995.20 School Facilities Improvement Bonds, Series 2009, dated as of March 24, 2009. Final Maturity December 1, 2018 (2019 through 2028 and 2035 refunded by the Series 2015 Refunding Bonds).

\$52,555,000.00 School Facilities Improvement Refunding Bonds, Series 2012, dated as of January 19, 2012. Final Maturity December 1, 2025.

\$34,265,000 School Facilities Improvement Refunding Bonds, Series 2012B, dated November 6, 2012. Final Maturity December 1, 2032.

\$32,335,000 School Facilities Improvement Refunding Bonds, Series 2014, dated May 21, 2014. Final Maturity December 1, 2032.

\$21,920,000 School Facilities Improvement Refunding Bonds, Series 2015, dated December 23, 2015 (the Series 2015 Refunding Bonds). Final Maturity December 1, 2035.

The applicable CUSIP number is 889294.

The Annual Information Filing constitutes only the annual financial information and operating data agreed to be provided under the Continuing Disclosure Agreements entered into at the time of the primary offerings referenced above. No representation is made as to the materiality or completeness of that information. Other relevant information for Fiscal Year 2017 may exist, and matters may have occurred or become known during or since that period, which an investor would consider to be important when making an investment decision. Further, no representation is made that the Annual Information Filing is indicative of financial or operating results of the School District since the end of Fiscal Year 2017 or future financial or operating results. Finally, the inclusion of certain information pertaining to post-Fiscal Year 2017 events, if any, is provided solely for convenience, and is not intended to suggest that other such information not so included is any less material or important to an investor.

Dated: March 26, 2018

TOLEDO CITY SCHOOL DISTRICT, OHIO

School District Contact:

Ryan S. Stechschulte
Treasurer, Board of Education
Toledo City School District
Educational Campus
1609 North Summit Street
Toledo, Ohio 43604
Telephone: (419) 671-0350
Email: rstechsc@tps.org

TABLE OF CONTENTS

Cover Page.....	1
Table of Contents.....	2
Introductory Statement.....	3
Financial Reports and Audits.....	4
General Operating Funds.....	5
Ad Valorem Property Taxes.....	5
Assessed Valuation.....	5
Tax Rates.....	7
Collections.....	11
Delinquencies.....	12
State School Funding System.....	12
Casino Tax Revenues.....	14
School District Debt and Other Long-Term Obligations.....	15
Security for General Obligation Debt; Bonds and BANs.....	15
Statutory Direct Debt Limitations.....	16
Indirect Debt and Unvoted Property Tax Limitations.....	18
Debt Outstanding.....	19
Bond Retirement Fund.....	20
Special Obligation Debt.....	20
Lease Purchase Obligations.....	21
Other Long-Term Financial Obligations.....	21
Retirement Expenses.....	21
Certain Information Concerning Compensated Absences.....	22
Subsequent Events.....	23
Debt Tables (as of June 30, 2017)	
A: Principal Amounts of Outstanding General Obligation (GO) Debt; Leeway for Additional Debt within Direct Debt Limitations.....	DT-1
B: Various School District and Overlapping GO Debt Allocations.....	DT-2
C: Debt Charges Requirements on Outstanding School District GO Debt.....	DT-3
D: Outstanding GO Bonds.....	DT-4
Appendix A: Historical Cash Basis Revenues and Expenditures-General Operating Funds-Fiscal Years 2013 through 2017	
Appendix B: Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2017	

INTRODUCTORY STATEMENT

The Toledo City School District, Ohio (the School District) entered into the Continuing Disclosure Agreements pursuant to SEC Rule 15c2-12 (the Rule) in connection with the primary offerings and issuances by the School District of the bond issues identified on the cover page (collectively, the Bonds). The Continuing Disclosure Agreements require the School District to provide annually financial information and operating data for its immediately preceding Fiscal Year of the type included in the final official statements for those offerings (collectively, the Official Statements). This Annual Information Filing provides such financial information and operating data for the School District's Fiscal Year ended June 30, 2017.

All financial and other information in this Annual Information Filing has been provided by the School District from its records, except for information expressly attributed to other sources. More complete information regarding laws, reports and documents referenced in this Annual Information Filing may be obtained by reviewing those laws, reports and documents. Subject to limited exceptions, records of the School District are available for public inspection and copies may be obtained at cost upon request. Questions regarding information contained in this Annual Information Filing and requests for copies of documents should be directed to the Treasurer of the Board of Education of the School District at the address shown on the cover.

The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or otherwise be predictive of future experience. The information and expressions of opinion herein are subject to change without notice. The delivery of this Annual Information Filing shall not, under any circumstances, give rise to any implication that the affairs of the School District have not changed since the date of this Annual Information Filing.

As used in this Annual Information Filing:

- **“Board”** means the Board of Education of the School District.
- **“City”** means the City of Toledo.
- **“County”** means Lucas County.
- **“County Auditor”** means the Auditor of the County.
- **“Debt charges”** means the principal (including any mandatory sinking fund deposits and mandatory redemption payments) of and interest and any redemption premium payable on the obligations referred to as those payments come due and are payable; debt charges may also be referred to as “debt service.”
- **“Fiscal Year”** means the 12-month period ending June 30, and reference to a particular Fiscal Year (such as “Fiscal Year 2017”) means the Fiscal Year ending on June 30 in that year.
- **“Revised Code”** means the Ohio Revised Code.
- **“State”** or **“Ohio”** means the State of Ohio.
- **“State Budget Act”** means Amended Substitute House Bill No. 49, passed by the Ohio General Assembly and signed by the Governor on June 30, 2017, providing

State appropriations for its 2018-2019 biennium (beginning July 1, 2017 through June 30, 2019) and enacting other statutory provisions.

- **“Townships”** means Harding and Spencer Townships in the County.
- **“Village”** means the Village of Ottawa Hills, Ohio.

FINANCIAL REPORTS AND AUDITS

The School District maintains its accounts, appropriations and other fiscal records in accordance with the procedures established and prescribed by the Ohio Auditor of State (the State Auditor). The State Auditor is charged by law with the responsibility of inspecting and supervising the accounts and records of each taxing subdivision and most public agencies and institutions.

School District receipts and expenditures are compiled on a cash basis, pursuant to accounting procedures prescribed by the State Auditor that are generally applicable to all Ohio school districts. The records of these cash receipts and expenditures are converted annually for reporting purposes to a modified accrual basis of accounting for governmental funds and an accrual basis for proprietary funds. These accounting procedures conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Those principles, among other things, provide for a modified accrual basis of accounting for the general fund, all special revenue funds and the debt service (bond retirement) fund and for a full accrual basis of accounting for all other funds, and for the preparation for each fund of balance sheets, statements of revenues and expenditures and statements showing changes in fund balances.

The School District has issued a Comprehensive Annual Financial Report (CAFR), including General Purpose or Basic Financial Statements, as applicable, for each of the Fiscal Years from 1989 through 2017. The CAFRs through Fiscal Year 2016 have been awarded the Government Finance Officers Association’s Certificate of Achievement for Excellence in Financial Reporting, which is awarded to those governmental reporting agencies that comply with the GFOA reporting standards. The District has also been awarded the Association of School Business Officials International Certificate of Excellence in Financial Reporting for its CAFRs for Fiscal Years 1995 through 2016. The School District has submitted its CAFR for Fiscal Year 2017 to the GFOA and ASBO for consideration for such certificates.

Audits are made by the State Auditor, or by CPAs at the direction of that officer, pursuant to Ohio law and under certain federal program requirements. Generally, no other independent examination or audit of the District’s financial records is made.

The School District’s audited basic financial statements for Fiscal Year 2017 (the Fiscal Year 2017 Financial Statements) were filed with the Municipal Securities Rulemaking Board (MSRB) in an electronic format prescribed by the MSRB using the MSRB’s Electronic Municipal Market Access (EMMA) platform on February 27, 2018. Those audited financial statements are hereby incorporated by reference and made a part of this Annual Information Filing. They may be accessed using the following link:

<https://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?s ubmissionId=ES863914>

Annual financial reports are prepared by the School District and are filed as required by law with the State Auditor after the close of each Fiscal Year.

See **Appendix A** for an unaudited comparative cash-basis summary of general operating fund activity for the last five Fiscal Years. That summary has been prepared by the School District in comparative form from statements prepared by the Treasurer. Cash basis summaries of the School District’s governmental funds receipts and expenditures for the Fiscal Year 2017 are set forth in **Appendix B**.

GENERAL OPERATING FUNDS

The General Fund is the School District’s main operating fund, from which most expenditures are paid and into which most revenues are deposited. The General Fund receives money from many sources, but primarily from ad valorem property taxes levied by the Board and education aid distributions from the State under the State School Funding System. For details concerning general operating fund revenues, expenditures and beginning and year-end balances in Fiscal Year 2017 and other recent Fiscal Years, see **Ad Valorem Property Taxes, State School Funding System, Appendices A and B** and the Fiscal Year 2017 Financial Statements.

For information concerning other School District funds’ beginning and year-end balances and revenues and expenditures in Fiscal Year 2017, see **Bond Retirement Fund, Appendix B** and the Fiscal Year 2017 Financial Statements.

AD VALOREM PROPERTY TAXES

Assessed Valuation

The following table shows the recent assessed valuations of property subject to ad valorem taxes levied by the Board.

Collection Year	Real(a)	Public Utility(b)	Total Assessed Valuation
2013(c)	\$2,188,402,530	\$122,237,470	\$2,310,640,000
2014	2,164,563,940	135,774,730	2,300,338,670
2015	2,142,644,850	145,063,600	2,287,708,450
2016(d)	2,105,181,470	150,900,110	2,256,081,580
2017	2,098,746,190	169,527,780	2,268,273,970

- (a) Other than real property of railroads. The real property of public utilities, other than railroads, is assessed by the County Auditor. Real property of railroads is assessed, together with tangible personal property of all public utilities, by the State Tax Commissioner.
- (b) Tangible personal property of all public utilities and real property of railroads; see footnote (a).
- (c) Reflects sexennial reappraisal.
- (d) Reflects triennial adjustment

Source: County Auditor and Ohio Department of Taxation.

Taxes collected on “Real” in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. “Public Utility” (real and tangible personal) taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year.

Pursuant to statutory requirements for sexennial reappraisals, in 2012 the County Auditor adjusted the true value of taxable real property to reflect then current fair market values. Those adjustments were first reflected in the 2012 duplicate (collection year 2013) and in the ad valorem taxes distributed to the School District in 2013. The County Auditor is required to adjust

(but without individual appraisal of properties except in the sexennial reappraisal), and has adjusted, taxable real property value triennially to reflect true values. The last such triennial adjustment was made in 2015 and that adjustment was first reflected in the 2015 duplicate (collection year 2016) and in ad valorem taxes distributed to the School District beginning in 2016.

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the State Tax Commissioner. An exception is that real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value. Real property devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its assessed value.

As a result of a phase-out of taxation of tangible personal property used in general business (excluding certain public utility property) and tangible personal property used by telephone, telegraph or interexchange telecommunications companies, and a reduction of the percentages of true value of electric utility production equipment and natural gas utility property assessed for taxation, eligible school districts have received reimbursement payments from the State to account for the loss of property tax revenue. Under legislation passed by the State General Assembly in 2015, such reimbursements have been combined and are to be distributed by the State in November and May of each Fiscal Year. According to information provided by the Ohio Department of Education, the School District received \$1,437,201.22 of such reimbursements in Fiscal Year 2017, with \$783,236.63 allocable to its emergency levy and \$653,964.59 allocable to levies for payment of debt service.

As indicated herein, the General Assembly has from time to time exercised its power to revise the laws applicable to the determination of assessed valuation of taxable property and the amount of receipts to be produced by ad valorem taxes levied on that property, and may continue to make similar revisions.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation classifies real property as between residential and agricultural property and all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These tax credits apply only to certain voted levies on real property, and they do not apply to unvoted levies or to voted levies to provide a specified dollar amount or to pay debt charges on general obligation debt. These credits are discussed further following **Tax Table A**.

The City and the County have granted enterprise zone and other tax abatements from time to time as an incentive for development and investment in the City and the School District. Under their abatement and tax increment financing programs, the City and the County exempt the incremental increase in the value of certain property from ad valorem property taxes in whole or in part for varying periods of time. In 1995, the School District, the City and the Washington Local School District (which also overlaps a portion of the City) entered into an agreement pursuant to which the School District is to receive contributions in lieu of taxes from taxpayers granted tax abatements. As of June 30, 2017, there were 26 active abatements with respect to approximately \$81,965,350 of real property in the School District. Two of the abatements, for \$73,348,660 in value, were made pursuant to an agreement requiring the taxpayer to make payments in lieu of taxes to the City in connection with a tax increment financing. The last of those abatements will expire in 2036. The remaining 24 active abatements, aggregating approximately \$8,616,690 for real property, were generally made pursuant to agreements that require the taxpayer to make contributions in lieu of tax payments to the School District. The last of those abatements is to expire in 2029. The following table shows the amounts of those contributions received by the School District in recent Fiscal Years:

Fiscal Year	Payments
2013	\$472,271
2014	470,182
2015	504,636
2016	510,214
2017	487,450

Since the inception of the revenue sharing program, the District has received \$16,076,438 in contributions in lieu of tax payments.

Tax Rates

All references to tax rates under this caption are in terms of stated rates in mills per \$1.00 of assessed valuation.

The following are the rates at which the School District and overlapping taxing subdivisions have in recent years levied ad valorem property taxes in the portions of the School District in the City and the Townships.

TAX TABLE A-1
Overlapping Tax Rates
For the portion of the School District in the City of Toledo

Collection Year	School District	City	County and Others(a)	Total
2013	67.40	4.40	23.17	94.97
2014	67.40	4.40	25.02	96.82
2015	73.10	4.40	25.17	102.67
2016	73.10	4.40	25.17	102.67
2017	73.58	4.40	25.47	103.45

TAX TABLE A-2
Overlapping Tax Rates
For the portion of the School District in Harding Township

Collection Year	School District	Township	County and Others(b)	Total
2013	67.40	5.05	20.67	93.12
2014	67.40	5.05	22.52	94.97
2015	73.10	5.05	22.67	100.82
2016	73.10	5.05	22.67	100.82
2017	73.58	5.05	22.97	101.60

TAX TABLE A-3
Overlapping Tax Rates
For the portion of the School District in Spencer Township

Collection Year	School District	Township	County and Others	Total
2013	67.40	8.00	23.17(a)	98.57
2014	67.40	8.00	22.52(b)	97.92
2015	73.10	8.00	22.67(b)	103.77
2016	73.10	8.00	22.67(b)	103.77
2017	73.58	4.50	22.97(b)	101.05

- (a) Includes levies for the County, the Toledo Lucas County Public Library District, the Metropolitan Park District of the Toledo Area and the Toledo Area Regional Transit Authority.
- (b) Includes levies for the County, the Toledo Lucas County Public Library District and the Metropolitan Park District of the Toledo Area.

Source: County Auditor.

Statutory procedures limit, by the application of tax credits, the amount realized by each taxing subdivision from real property taxation to the amount realized from those taxes in the preceding year plus both:

- the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year; and
- amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year.

The tax credit provisions do not apply to amounts realized (i) from taxes levied at whatever rate required to produce a specified amount (such as the emergency tax levy described below) or an amount to pay debt charges on voted general obligation securities, or (ii) from taxes levied inside the ten-mill limitation, or (iii) from school district levies for operating purposes once a “twenty-mill floor” has been reached. To calculate the limited amount to be realized, a reduction factor is applied to the stated rates of the levies subject to these tax credits. A resulting “effective tax rate” reflects the aggregate of those reductions, and is the rate based on which real property taxes are in fact collected. As an example, the total overlapping tax rate for the 2017 tax collection year of 103.45 mills within the School District (within the City of Toledo) was reduced by reduction factors of 0.242103 for residential/agricultural property and 0.070744 for all other real property, which resulted in “effective tax rates” of 78.404503 mills for residential and agricultural property and 96.131548 mills for all other real property. See **Tax Table A-1**.

Residential and agricultural real property tax amounts paid by taxpayers generally have been further reduced by an additional 10% (12.5% in the case of owner-occupied residential property); however, legislation passed by the State’s General Assembly in 2013 eliminated such reductions for additional and replacement levies approved at elections after September 29, 2013, and for other taxes (or increases in taxes) not levied for tax year 2013. See **Collections** for a discussion of reimbursements by the State to taxing subdivisions for these reductions and related changes made by that State legislation.

The following are the rates at which the School District levied property taxes for the general categories of purposes for the years shown, both inside and outside the ten-mill limitation.

**TAX TABLE B
School District Tax Rates**

Unvoted (Inside the Ten-Mill Limitation)

Collection Year	Total, All Operating
2013	3.60
2014	3.60
2015	3.60
2016	3.60
2017	3.60

Voted

Collection Year	Operating	Debt Retirement	Classroom Facilities Maintenance	Permanent Improvements	Total
2013	58.10	5.20	0.50	0.00	63.80
2014	58.10	5.20	0.50	0.00	63.80
2015	62.40	5.10	0.50	1.50	69.50
2016	62.40	5.10	0.50	1.50	69.50
2017	62.68	5.30	0.50	1.50	69.98

The voted levies for “Debt Retirement” continue for the life of the bonds authorized by the voters, in annual amounts sufficient to pay debt charges on those bonds as they come due. The voted levy for “Classroom Facilities Maintenance” is a 23-year levy approved in 2002 that will run through tax year 2024 (collection year 2025).

The total District operating millage of 66.28 mills for collection year 2017 included voted levies aggregating 44.80 mills all approved by the District electorate for a continuing period of time and not requiring a renewal vote, a 6.50-mill voted current expense levy approved for five years (through collection year 2018), a 4.30-mill voted current expense levy approved as a part of a combination levy for current expenses and permanent improvements for five years (through collection year 2019) and 7.08 mills from the \$15,700,000 emergency levy discussed below. The balance of 3.60 mills constituted the District’s mandated share of the unvoted 10 mills.

See the discussion of the ten-mill limitation, and the priority of claim on that millage for debt charges on unvoted general obligation debt, under **Indirect Debt and Unvoted Property Tax Limitations**.

The following table presents certain information concerning the School District’s voted property tax levies (other than the emergency levy) for current operating purposes, each of which, except as otherwise noted, is levied for a continuing period of time.

Voter Authorized	Millage Rate		Last Collection Year
	Levied for Collection Year 2017		
	Res./Agr.	All Other	
25.90	8.924104	18.705031	Continuing
5.80	3.505560	5.793747	Continuing
5.20	3.145126	5.194394	Continuing
2.50	1.708317	2.497305	Continuing
5.40	3.691828	5.400000	Continuing
6.50	5.836207	6.500000	2018(a)
4.30(b)	4.300000	4.300000	2019

(a) See **Subsequent Events**.

(b) This is the portion of a combined five-year current expense and permanent improvement levy approved by the voters in November 2014 that is for current operating expenses. See the discussion of that levy below.

Each levy approved for a continuing period is subject to reduction through a statutory procedure requiring both (i) a petition signed by 10% of the electors of the School District voting in the last general election (to be filed at least 60 days before the general election in any year) stating the amount of the proposed reduction, and (ii) the approval of the reduction by a majority vote at the general election, with the reduction to commence at the expiration of the then-current year. No such petition has ever been filed with respect to a School District levy.

For collection year 2017, the School District had an effective tax rate on residential and agricultural property of 34.711142 mills (including 31.111142 for voted levies and the 3.60-mill mandated share of the unvoted 10 mills) for current operating expenses. State law establishes a “20-mill floor” for a school district’s levy for current operating expenses (excluding for this purpose emergency tax levies and other “fixed dollar” levies for operating purposes). If the School District were to reach that floor, the effect of the reduction mechanism discussed above would be negated, and the School District would receive the proceeds of 20 mills of property tax levied against all property subject to ad valorem property taxes without reduction. The effect of reaching that floor would be that the School District would receive increases in property tax receipts for operating purposes more nearly commensurate with increases in its assessed valuation. There can be no assurance whether or when the School District will reach that floor.

For collection years 2016 and 2017, the School District had a \$15,700,000 emergency levy, the proceeds of which were utilized for current operating expenses. That levy was first approved by the voters in 1998 and renewed at an election in 2004 for a period of five years and at an election in 2008 for a period of ten years (through collection year 2019).

For collection years 2016 and 2017, the School District also had a 5.8-mill ad valorem property tax levy that was approved by District voters at an election in 2014 for a period of five years (through collection year 2019). The 5.8-mills approved consisted of 4.3 mills for current operating expenses and 1.5 mills for general permanent improvements. That levy generates approximately \$13,341,964 each year (\$9,891,456 for current operating expenses and \$3,450,508 for permanent improvements).

Collections

Tax Table C sets forth the amounts billed and collected for School District ad valorem taxes on real and public utility property for the tax collection years shown.

TAX TABLE C
Real and Public Utility Property Tax
Current and Delinquent Collections
(In Thousands of Dollars)

Tax Year	Collection Year	Dollars of Current Amount		Percent of Current Levy Collected	Dollars of Delinquent Amounts Collected	Total Dollars Collected	Total Collections as a Percentage of Current Levy
		Billed	Collected				
2011	Real and Public Utility	2012	113,232 95,804	84.6	8,510	104,314	92.1
2012	Real and Public Utility	2013	113,232 96,711	85.4	9,845	106,555	94.1
2013	Real and Public Utility	2014	113,280 97,016	85.6	8,878	105,894	93.5
2014	Real and Public Utility	2015	125,983 110,534	87.7	11,807	121,149	96.2
2015	Real and Public Utility	2016	124,829 113,100	90.6	9,237	122,336	98.0

Source: County Auditor.

Included in the “Dollars of Current Amount Billed” and “Dollars of Current Amount Collected” figures above are payments made from State revenue sources under two Statewide real property tax relief programs – the Homestead Exemption and the Property Tax Rollback Exemption. Homestead Exemptions have been available for (i) persons 65 years of age or older, (ii) persons who are totally or permanently disabled and (iii) surviving spouses of persons who were totally or permanently disabled or 65 years of age or older, and had applied and qualified for a reduction of property taxes in the year of death, so long as the surviving spouses were not younger than 59 or older than 65 years of age on the date of their deceased spouses’ deaths. The Homestead Exemption exempts \$25,000 of the homestead’s market value from taxation, thereby reducing the property owner’s ad valorem property tax liability. The Property Tax Rollback Exemption applies to all non-business properties, and reduces each property owner’s ad valorem property tax liability by either 12.5% (for owner-occupied non-business properties) or 10% (for non-owner non-business occupied properties). Payments to taxing subdivisions have been made in amounts approximately equal to the Homestead and Property Tax Rollback Exemptions granted. This State assistance reflected in the School District’s tax collections for 2016 was \$5,125,976 for the elderly/disabled homestead payment and \$7,215,997 for the rollback payment.

Legislation passed by the State's General Assembly made the Homestead Exemption subject to means testing beginning January 1, 2014, and eliminated the Property Tax Rollback Exemption and related reimbursements with respect to new or replacement tax levies approved at elections after its effective date and for other taxes (or increases in taxes) not levied for tax year 2013. See **Tax Rates**.

Real property taxes are payable in two installments, the first usually by February and the second in July.

Delinquencies

Of the 99,416 nonexempt parcels in the School District for collection year 2016, the number of delinquent parcels was 32,920, against 799 of which foreclosure proceedings were commenced by County officials.

There was no one taxpayer that accounted for more than 5% of any of the billed taxes or accumulated delinquencies, shown in the table above for tax collection year 2016.

STATE SCHOOL FUNDING SYSTEM

The State's General Assembly has historically provided financial assistance to city, exempted village, local and municipal school districts as a part of its undertaking to secure a thorough and efficient system of common schools throughout the State as required by the Ohio Constitution. The levels of that financial assistance (State Education Aid) and methods used in allocating it among the school districts have been established and frequently modified in the State's biennial budget and other legislation passed by the General Assembly from time to time.

The State Budget Act provides for State Education Aid in estimated amounts of \$7.93 billion and \$8.05 billion in Fiscal Years 2018 and 2019, respectively, and allocates that State Education Aid in accordance with a core foundation funding formula and additional types of categorical funding. Under the core foundation funding formula, the State Department of Education (the Department) is to calculate and pay to city, exempted village, local and municipal school districts a base amount of State Education Aid (known as an Opportunity Grant) determined by multiplying a "formula amount" of spending per pupil by (i) the school district's "average daily membership" (ADM), generally based on the number of its full-time equivalent students as reported to the Department three times annually, and (ii) an index (the State Share Index) dependent on factors such as a school district's tax valuation and income/wealth indicators. In general, the State Share Index will result in the State assuming a larger percentage of the formula amount for school districts with less tax valuation or lower median income residents. For Fiscal Year 2018, the formula amount was \$6,010 and for Fiscal Year 2019 the formula amount is \$6,020.

In addition to the Opportunity Grant described above, under the core foundation funding formula school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on tax valuation and income factors, (ii) supplemental targeted assistance based on a school district's agricultural property percentage, (iii) a specific amount based on six categories of disabilities for special education and related services, (iv) kindergarten through third grade literacy funds, (v) supplemental funding based on the relative proportion of a school district's students identified as economically disadvantaged, (vi) a specific amount for each of three English proficiency categories, (vii) gifted identification funds, (viii) gifted unit funding, (ix) a specific amount for each of five career-technical categories, (x) career-technical education associated services funds, (xi) performance bonuses based on a school district's four-year graduation rate and third-grade reading proficiency achievement and (xii) capacity aid for school districts with property tax yields per mill below the State median.

As with Opportunity Grant funds, special education, kindergarten through third grade literacy, limited English proficiency, career-technical education funds and performance bonuses are subject to the State Share Index. Certain other categories of funding, including pupil transportation funding, are funded in whole or in part by the State outside of the core funding formula.

Notwithstanding the amount of State Education Aid a school district would receive under the new funding formula, its funding increases for core funding (other than performance bonuses and career-technical education additional funding) and including capacity aid and transportation supplement (targeting low-density districts) are capped at not more than 3.0% of the previous Fiscal Year's State Education Aid for Fiscal Years 2018 and 2019, but the cap is gradually increased to 5.5% in Fiscal Year 2018 and 6.0% in Fiscal Year 2019 for a school district experiencing at least a 3% enrollment increase from Fiscal Year 2014 to Fiscal Year 2016. A "cap offset payment" is provided to eligible districts in an amount that is the lesser of the cap reduction or the school district's net decrease in formula aid and reimbursement for general business tangible personal property tax revenue loss relating to fixed rate levies.

All school districts are guaranteed to receive at least the amount of State Education Aid in Fiscal Years 2018 and 2019 as they received in Fiscal Year 2017. However, the base is reduced for districts with a 5% or higher decline in total enrollment between Fiscal Year 2014 and Fiscal Year 2016. The reduction is capped at 5% for districts with a total enrollment decrease of 10% or higher. A separate guarantee exists for career-technical education additional funding.

There can be no assurance concerning future funding levels or systems or formulae for allocation of State Education Aid. Funding has also been subject to adjustment during a biennium. As indicated above, the General Assembly has the power to modify the system of State school funding and has often exercised that authority. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

The following tables present certain information concerning State Education Aid payments made to the School District and to others with respect to students resident in the School District under the various State funding systems and formulae in place for the Fiscal Years indicated, shown as "Unrestricted Grants-in-Aid" and "Restricted Grants-in Aid" in **Appendix A**.

Fiscal Year	Unrestricted and Restricted Grants-in-Aid (Total)(a)	Such State Aid as a % of General Fund Total Revenues and Other Financing Sources(b)	Such State Aid as a % of General Fund Total Expenditures and Other Financing Uses(c)
2013	\$203,336,613(d)	65.99%	66.74%
2014	217,711,427	67.93	72.45
2015	225,582,570	64.96	67.87
2016	248,557,720	67.58	68.43
2017	260,675,025	67.09	71.01

Fiscal Year	Unrestricted and Restricted Grants-in-Aid (Total)(a)	Portion Transferred to Community Schools	Portion Transferred under a Voucher Program	Portion Transferred to Other Districts Under Open Enrollment Programs	Portion Paid to the District for Use in Operating Its Schools
2013	\$203,336,613(d)	\$71,042,444	\$ 9,319,805	\$ 966,113	\$122,008,252
2014	217,711,427	73,908,853	9,274,559	1,320,794	133,207,221
2015	225,582,570	76,187,214	10,095,364	1,214,796	138,085,195
2016	248,557,720	74,746,008	10,989,817	1,395,703	161,426,192
2017	260,675,025	76,056,464	11,689,159	2,389,509	170,539,893

- (a) Amounts shown as “Unrestricted and Restricted Grants-in Aid” include both amounts received by the School District for use in the operation of its schools and amounts that are transferred by the State directly to community schools, to other school districts under open enrollment programs and to others under student voucher programs.
- (b) See **Appendix A** for further information regarding other revenues and other financing sources for the General Fund and other operating funds in these Fiscal Years.
- (c) “General Fund Total Expenditures and Other Financing Uses” include amounts transferred by the State directly to community schools, to other school districts under open enrollment programs and to others under student voucher programs, which are included in amounts shown as “Purchased Services” in **Appendix A**, as well as amounts expended or used by the School District in the operation of its schools. See **Appendix A** for further information regarding General Fund Total Expenditures and Other Financing Uses in these Fiscal Years.
- (d) Includes amounts shown as “Restricted Federal Grants-in-Aid – SFSF”, representing one-time State Fiscal Stabilization Funds (SFSF) and the Education Jobs Fund program provided by the federal government through the State and certain Medicaid reimbursements from federal sources. See **Appendix A**.

See **Appendix A** for further information regarding other revenue sources for the General Fund and other operating funds. See **Retirement Expenses** for discussion of deduction by the State from State Education Aid to pay the School District’s retirement system contributions.

Casino Tax Revenues

In Fiscal Year 2013, the School District began receiving revenues from a tax on casino revenues imposed by the State pursuant to a vote of the electors of the State authorizing the constitutional amendment permitting four casinos to be constructed and operated in the City and the cities of Cincinnati, Cleveland and Columbus. The first two casinos in the State opened in the City and the City of Cleveland in May 2012, followed by a third casino opened in Columbus in October 2012, and the final casino in Cincinnati in March 2013.

Thirty-four percent of the revenues from that tax are allocated to school districts in the State under a formula related to the number of pupils. The School District’s shares of the proceeds of that tax, established by the constitutional amendment, were as follows in recent Fiscal Years:

Fiscal Year	Amount
2013	\$ 462,618
2014	1,110,826
2015	1,080,019
2016	1,083,975
2017	1,083,251

SCHOOL DISTRICT DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for general obligation debt, applicable debt and ad valorem property tax limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the School District, as of June 30, 2017.

As used in the discussions that follow, the term “BANs” refers to notes issued in anticipation of the issuance of general obligation bonds.

The School District is not, and to the knowledge of current School District officials has not ever been, in default in the payment of debt service on any of the bonds or notes on which the School District is obligor.

Security for General Obligation Debt; Bonds and BANs

The following describes the security for the School District’s general obligation debt.

Voted Bonds. The basic security for voted School District general obligation bonds is the authorization by the electors for the Board to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes, without limitation as to rate or amount, on all real and tangible personal property subject to ad valorem taxation by the Board. These taxes are outside of the ten-mill limitation and are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on the voted bonds (subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities).

As of June 30, 2017, the School District had \$128,604,995 of voted general obligation bonds outstanding. All references to the School District’s outstanding debt in this Annual Information Filing exclude accretions to the value of any Capital Appreciation Bonds.

Unvoted Bonds. The basic security for the limited amount of School District unvoted general obligation bonds (see **Statutory Direct Debt Limitations**) is the Board’s ability to levy, and its levy pursuant to constitutional and statutory requirements of, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Board, within the ten-mill limitation described below. These taxes are to be sufficient in amount to pay (to the extent not paid from other sources) as they come due the debt charges on unvoted general obligation bonds. The law provides that the levy necessary for debt charges has priority over any levy for other purposes within that tax limitation; that priority may be subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities. See the discussion under **Indirect Debt and Unvoted Property Tax Limitations** of the ten-mill limitation, and the priority of claim on it for

debt charges on unvoted general obligation debt of the School District and all overlapping taxing subdivisions.

As of June 30, 2017, the School District had no unvoted general obligation bonds outstanding.

BANs. BANs may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the BANs, or available funds of the School District, or a combination of these sources. While BANs are outstanding, Ohio law requires the levy of ad valorem property taxes in an amount not less than what would have been levied if bonds had been issued without the prior issuance of the BANs. That levy need not actually be collected if payment in fact is to be provided from other sources, such as the proceeds of the bonds anticipated or of renewal BANs. BANs, including renewal BANs, may be issued and outstanding from time to time up to a maximum period of 240 months from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated. Portions of the principal amount of BANs outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, those principal maturities that would have been required if the bonds had been issued at the expiration of the initial five-year period.

As of June 30, 2017, the School District had no outstanding BANs.

Statutory Direct Debt Limitations

The Revised Code provides two debt limitations on general obligation debt that are directly based on tax (assessed) valuation, applicable to all school districts, including the School District.

- The net principal amount of both voted and unvoted debt of the School District, excluding “exempt debt” (discussed below), may not exceed 9% of the total tax (assessed) valuation of all property in the School District as listed and assessed for taxation). As of June 30, 2017, all of the School District’s outstanding general obligation debt was subject to this limitation.
- The net principal amount of unvoted debt of the School District, excluding exempt debt, may not exceed 1% of that valuation, as discussed below. As of June 30, 2017, none of the School District’s outstanding general obligation debt was subject to this limitation.

These two limitations, which are referred to as the “direct debt limitations,” may be amended from time to time by the General Assembly.

The School District’s ability to incur unvoted debt (whether or not exempt from the direct debt limitations) is also restricted by the indirect debt limitation discussed under **Indirect Debt and Unvoted Property Tax Limitations**.

As stated above, the Revised Code provides as a general limitation that the net principal amount of general obligation debt of a school district incurred without a vote of the electors may not exceed 1% of the school district’s total tax valuation. A further general limitation, from which certain energy conservation and exempt debt (discussed below) may be excluded, is 1/10th of 1% of its total tax valuation. School districts may issue unvoted general obligation debt and other debt under certain circumstances for energy conservation programs, which general obligation debt may not exceed 9/10ths of 1% of the school district’s tax valuation. As of June 30, 2017, the School District had no unvoted debt subject to the 1%, the 1/10th of 1% or the 9/10ths of 1% limitations. Debt charges on any unvoted debt, unless paid from other sources, must be paid from the millage

levied within the ten-mill limitation, resulting in a reduction in money available for operating expenses.

Certain debt that the School District may issue is exempt from the 9%, 1/10th of 1%, 9/10ths of 1% and 1% direct debt limitations (exempt debt). Exempt debt includes, without limitation, current tax revenue anticipation notes, tax anticipation notes, securities issued to pay final judgments or court-approved settlements, securities issued to acquire school buses and other equipment used in transporting pupils, securities evidencing State solvency assistance loans, certain securities issued to acquire computers and related hardware and certain unvoted securities issued a school district's share of the basic project cost necessary to participate in a cooperative project with the Ohio Facilities Construction Commission (the Commission) under Chapter 3318 of the Revised Code that are secured by a pledge of proceeds of a school district income tax or a voted property tax levy. In addition, under divisions of (D)(2) and (I) of Section 133.06 of the Revised Code, voted general obligation debt issued as "approved special needs district" debt and debt issued solely to raise (i) a school district's share of the basic project cost necessary to participate in a cooperative project with the Commission under Chapter 3318 of the Revised Code, (ii) the cost of items designated by that Commission as required locally funded initiatives in connection with such a project, (iii) the cost of other related locally funded initiatives in an amount that does not exceed 50% of the district's portion of the basic project cost, and (iv) the cost of acquiring sites for such a project, is exempt from the 9% direct debt limitation to the extent that it, together with other debt outstanding at the time of its issuance, exceeds that limitation. As of June 30, 2017, the School District had no such exempt debt outstanding.

BANs issued in anticipation of exempt bonds also are exempt debt.

The School District may incur debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority. The School District did not have any such debt outstanding as of June 30, 2017, or at any time during Fiscal Year 2017.

In the calculation of debt subject to the direct debt limitations, the amount in a school district's bond retirement fund allocable to the principal amount of nonexempt debt is deducted from gross nonexempt debt. Without consideration of amounts in the Bond Retirement Fund, and based on outstanding debt and the then current tax (assessed) valuation, the School District's voted and unvoted nonexempt debt capacities as of June 30, 2017, were:

Limitation(a)	Nonexempt Debt Outstanding	Additional Debt Capacity Within Limitation
9% = \$204,144,657	\$ 128,604,995	\$75,539,662
.1% = \$ 2,268,273	\$ 0	\$ 2,268,273
.9% = \$ 20,414,465	\$ 0	\$20,414,465
1% = \$ 22,682,739	\$ 0	\$22,682,739

(a) The School District's then current tax (assessed) valuation for purposes of determining its direct debt limitations was \$2,268,273,970.

This is further detailed in **Debt Table A**.

Indirect Debt and Unvoted Property Tax Limitations

Voted general obligation debt may be issued by the School District if authorized by vote of the electors. Ad valorem taxes, without limitation as to amount or rate, to pay debt charges on voted bonds are authorized by the electors at the same time they authorize the issuance of the bonds.

General obligation debt also may be issued by the School District without a vote of the electors, but subject to the 1% and 1/10th and 9/10ths of 1% limitations discussed above unless it is exempt debt. This unvoted debt may not be issued unless the ad valorem property tax for the payment of debt charges on those bonds (or the bonds in anticipation of which BANs are issued), and all outstanding unvoted general obligation bonds (including bonds in anticipation of which BANs are issued) of the combination of overlapping taxing subdivisions including the School District resulting in the highest tax required for such debt charges, in any year is 10 mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of what is commonly referred to as the "ten-mill limitation," is imposed by a combination of provisions of the Ohio Constitution and the Revised Code.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. This 10 mills (or portions thereof) is allocated pursuant to a statutory formula among certain overlapping taxing subdivisions in the County, including the School District. For collection years 2016 and 2017, the portion of the ten mills (sometimes referred to as the "inside millage") levied by the combinations of the School District and taxing subdivisions overlapping portions of the School District was as follows:

School District	County	City	Village of Ottawa Hills	Township of Harding	Township of Spencer	Total
3.60	2.00	0.00				5.60
3.60	2.00		4.10			9.70
3.60	2.00			3.30		8.90
3.60	2.00				2.50	8.10

That allocation has remained constant for at least the last five years. The City has a 4.45-mill Charter tax rate for current operating expenses and has not levied a tax within the ten-mill limitation in many years, though it is authorized to levy within the ten-mill limitation for debt service.

Because the School District is restricted in the amount of unvoted debt it can issue, the major impact of the indirect debt limitation generally results from the ability of overlapping political subdivisions to issue unvoted general obligation debt in amounts that require unvoted taxes for the payment of debt charges on that debt to be levied at a rate in excess of the rates within the ten-mill limitation allocated by statutory formula to the subdivisions. The result of a subdivision having to draw on millage to pay debt charges in an amount exceeding its allocated rate within the ten-mill limitation would be to reduce the millage within the ten-mill limitation available to the overlapping subdivisions, including the inside millage then levied by the Board for operating purposes. To the best knowledge of current School District officials, no such reduction in School District inside millage has occurred since the ten-mill limitation has been in effect.

Present Ohio law requires the inside millage allocated to a taxing subdivision to be used first for the payment of debt charges on its unvoted general obligation debt, unless provision has been made for that payment from other sources, with the balance usable for other purposes. To the extent this inside millage is required for debt charges of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Because the inside millage that may actually be required to pay debt charges on a subdivision's unvoted general obligation debt may exceed the formula allocation of that millage to the subdivision, the excess reduces the amount of inside millage available to overlapping subdivisions. A law applicable to all Ohio cities and villages, however, requires that any lawfully available receipts from a municipal income tax or from voted property tax levies be allocated to pay debt charges on the municipality's unvoted debt before the formula allocations of the inside millage to overlapping subdivisions can be preempted and used for that purpose.

In the case of BANs issued in anticipation of unvoted general obligation bonds, the highest estimate of annual debt charges for the anticipated bonds is used to calculate the millage required.

As of June 30, 2017, the total millage theoretically required by the City and the County (the overlapping taxing subdivisions that had outstanding unvoted general obligation debt) for debt charges on their outstanding unvoted general obligation debt was estimated to be 7.2534 mills for 2018, the year of the highest potential debt charges. There thus remained 2.7466 mills within the ten-mill limitation that had yet to be allocated to debt charges and that were available to the School District and overlapping subdivisions in connection with the issuance of additional unvoted general obligation debt.

Debt Outstanding

The Debt Tables attached provide information concerning the School District's outstanding debt represented by bonds and notes, School District and overlapping subdivisions general obligation debt allocations, projected debt charges on the School District general obligation debt and the School District's outstanding general obligation bonds, all as of June 30, 2017. See **Debt Tables**.

The following shows the principal amounts of School District general obligation debt (all voted) outstanding as of June 30 in the indicated years.

Year	Total
2013	\$152,564,995
2014	143,854,995
2015	139,284,995
2016	134,029,995
2017	128,604,995

Bond Retirement Fund

The School District's Bond Retirement Fund is the fund from which it pays debt charges on its general obligation debt and into which money required to be applied to those payments is deposited. The following table is an unaudited cash basis summary of Bond Retirement Fund receipts and disbursements (excluding proceeds of renewal or refunding obligations) for Fiscal Year 2017 and other recent Fiscal Years.

Fiscal Year	Receipts	Disbursements	June 30 Balance
2013	\$11,497,753	\$12,153,328	\$3,034,169
2014	11,784,952	11,839,863	2,979,258
2015	12,140,198	11,427,889	3,691,567
2016	11,844,826	12,232,129	3,304,264
2017	12,247,244	11,066,861	4,484,647

Special Obligation Debt

As discussed below, the School District may incur special obligation debt that is payable solely from certain anticipated tax revenues or other revenues and not secured by a pledge of the School District's full faith and credit or general taxing power. Special obligation debt is not subject to either the statutory direct debt limitations or to the indirect debt and property tax limitations.

Permanent Improvement Tax Anticipation Notes

The School District may issue notes in anticipation of tax revenues to pay costs of permanent improvements. These notes (TANs) are payable solely from the proceeds of the property tax revenues anticipated. As of June 30, 2017, the School District had no such special obligation debt outstanding.

Cash Flow Financings

The School District may incur special obligation debt for operating purposes, such as current tax revenue anticipation notes or tax anticipation notes, only under certain limited statutory authority. The School District did not have any such debt outstanding as of June 30, 2017, or at any time during Fiscal Year 2017.

Lease-Purchase Obligations

The Revised Code provides that school districts may enter into “lease-purchase agreements” to finance certain permanent improvements, such as land acquisition, office equipment, motor vehicles and facilities and improvements to facilities for school district purposes. The payments under the lease-purchase agreements include principal and interest components and are subject to the availability and annual appropriation of funds for that purpose by the Board. The lease-purchase agreements do not constitute debt and are thus not subject to either the direct or indirect debt limitations. The School District did not have any such lease-purchase obligations outstanding as of June 30, 2017.

Other Long-Term Financial Obligations

The School District has the following other long-term obligations outstanding:

- Retirement obligations and net pension liability described under **Retirement Expenses** and in the Notes to the Fiscal Year 2017 Financial Statements.
- Compensated absences obligations identified in Notes to the Fiscal Year 2017 Financial Statements and under **Certain Information Concerning Compensated Absences**.

As of June 30, 2017, the School District has no long-term financial obligations other than those described herein.

Retirement Expenses

Present and retired employees of the School District are covered under two statewide public employee retirement (including disability retirement) systems. The State Teachers Retirement System (STRS) covers all teachers, principals, supervisors and administrators who are required to hold a certificate issued by the State Department of Education. Other eligible full-time employees are covered by the School Employees Retirement System (SERS).

STRS and SERS are two of five statewide public employee retirement systems created by and operating pursuant to Ohio law, all of which currently have unfunded actuarial accrued liabilities. The General Assembly has the power to amend the format of those systems and to revise rates and methods of contributions to be made by public employers and their employees and eligibility criteria, benefits or benefit levels for employee members. On September 12, 2012, the General Assembly passed five separate pension reform bills intended to assist each of the five retirement systems in addressing its unfunded actuarial accrued liabilities. Those bills applicable to STRS and SERS became effective on January 7, 2013.

The law applicable to STRS has provided for (i) no change in the School District’s contribution rate with respect to its employees’ earnable salaries and (ii) increases in the STRS employees’ contribution rate from 10% to 14% in annual increments of 1% that became effective in July in each of the years from 2013 through 2016. Among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits have been increased, the calculation of an employee’s final average salary on which pension benefits are based has been revised to include the five highest years (rather than the three highest years), STRS pension benefits are being calculated on a lower, fixed formula and provisions with respect to future annual cost-of-living adjustments have been changed to reduce those adjustments to 2% (from 3%). The STRS board has also been provided with authority to make future adjustments to the member contribution rate, retirement age and service requirements, and cost-of-living adjustments as the need or opportunity arises, and

depending on the funding progress. Under current law, STRS has a maximum 30-year period to amortize its unfunded accrued pension liability. According to STRS's most recent Actuarial Valuation and Review (dated as of July 1, 2016), STRS's actuarial consultant projected that the period required to fully amortize STRS's actuarial unfunded accrued liability is 26.6 years.

The law applicable to SERS has provided for no change to the School District's or SERS employees' contribution rates, future cost-of-living adjustments or the calculation of an employee's final average salary on which pension benefits (the average of the three highest years). However, among other changes and with certain transition provisions for current employees, the minimum age and service requirements for eligibility for retirement and disability benefits were increased and provisions for disability benefits and service credit purchases were revised.

In Fiscal Year 2017, employees covered by STRS contributed at a statutory rate of 14% of earnable compensation. Employees covered by SERS have contributed and continue to contribute at a statutory rate of 10% of earnable compensation. As the employer, the School District's statutory contribution rate for all of those employees has been and continues to be 14% of the same base. These employee and employer contribution rates are the maximums permitted under current State law.

In Fiscal Year 2017, the School District "picked-up" and paid the employee contributions of the Superintendent to STRS and the Treasurer to SERS.

As of Fiscal Year 2017, the School District had the net pension liability reported and explained in the Notes to the Fiscal Year 2017 Financial Statements.

For further information on STRS and SERS and their pension plans, see the Notes to the Fiscal Year 2017 Financial Statements. Financial and other information for STRS and SERS can also be found on the respective website for each retirement system including its Comprehensive Annual Financial Report.

Federal law requires School District employees hired after March 31, 1986 to participate in the federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the wage base. Otherwise, District employees who are covered by a State retirement system are not currently covered under the federal Social Security Act. STRS and SERS are not subject to the funding and vesting requirements of the federal Employee Retirement Income Security Act of 1974.

Certain Information Concerning Compensated Absences

The School District has a three-year deferral on severance payouts. The School District has implemented the provisions of Section C60 of the 2004 GASB Codification. Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the School District will compensate its employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable to receive payment in the future and other salary related payments. The amount is based on accumulated sick leave and the employee's wage rates at year-end, taking into consideration any limits specified in the School District's severance policy or collective bargaining agreements. For governmental funds, that portion of unpaid compensated absences that has matured and is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, the current portion of "Compensated Absences Payable" is recorded within the "Due within one year"

account and the long-term portion of the liability is recorded within the “Due in more than one year” account. See the Notes to the Fiscal Year 2017 Financial Statements.

SUBSEQUENT EVENTS

Tax Levy Election

At an election on November 7, 2017, the Board submitted to the electors of the School District the question of renewing its existing 6.5-mill ad valorem property tax levy for current operating expenses for five years (through collection year 2023). That issue was approved by a vote of 26,666 to 11,788.

DEBT TABLE A

**Principal Amounts of Outstanding General Obligation (GO) Debt;
Leeway for Additional Debt within Direct Debt Limitations(a)
(as of June 30, 2017)**

A.	Total debt:			\$128,604,995
B.	Exempt debt:			\$ 0
C.	Total nonexempt debt [A minus B]:			\$128,604,995
D.	Unvoted debt limitations:	1% of tax (assessed) valuation	1/10th of 1% of tax (assessed) valuation	9/10ths of 1% of tax (assessed) valuation
		\$22,682,739	\$2,268,273	\$20,414,465
E.	Total nonexempt limited tax bonds and notes outstanding:			
	Bonds	\$0	\$0	\$0
	Notes	\$0	\$0	\$0
F.	Debt leeway within unvoted debt limitations [D minus E]:	\$22,682,739*	\$2,268,273*	\$20,414,465*
G.	9% of tax (assessed) valuation (voted and unvoted debt limitation):			\$204,144,657
H.	Total nonexempt bonds and notes outstanding:			
	Bonds		\$128,604,995	
	Notes		\$0	\$128,604,995
I.	Debt leeway within 9% debt limitation [G minus H]:			\$ 75,539,662*

* Debt leeway in this table determined without considering money in the Bond Retirement Fund.

(a) The School District's then current tax (assessed) valuation for purposes of determining its direct debt limitations was \$2,268,273,970. See **School District Debt and Other Long-Term Obligations – Statutory Direct Debt Limitations**.

DEBT TABLE B

**Various School District and Overlapping
GO Debt Allocations (Principal Amounts)
(as of June 30, 2017)**

	Amount	Per Capita(a)	% of School District's Current Assessed Valuation(b)
School District Nonexempt GO Debt	\$128,604,995	\$ 574.27	5.67%
Total School District GO Debt (exempt and nonexempt)	128,604,995	574.27	5.67
Highest Total Overlapping GO Debt(c)	267,673,973	1,195.27	11.80

(a) Based on 2016 (estimated for School District) population of 223,944.

(b) The School District's assessed valuation as of June 30, 2017, was \$2,268,273,970.

(c) Includes, in addition to "Total School District GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of June 30, 2017) resulting in the calculation of highest total overlapping debt based on percent of tax (assessed) valuation of territory of the subdivisions located within the School District (% figures are resulting percent of total debt of subdivisions allocated to the School District in this manner), as follows:

\$ 34,142,604 County (31.36%); and
104,926,374 City (70.72%).

Sources of tax (assessed) valuation and confirmation of GO debt figures for overlapping subdivisions: OMAC* and County Auditor.*

* Ohio Municipal Advisory Council (OMAC) compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guaranty its accuracy. OMAC has not reviewed this Annual Information Filing to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

DEBT TABLE C

Debt Charges Requirements on Outstanding School District GO Debt (as of June 30, 2017)

Year	Total (all to be paid from unlimited ad valorem property taxes)
2017(a)	\$ 8,579,656.25
2018	11,494,312.51
2019	11,593,312.51
2020	11,601,412.51
2021	11,608,612.51
2022	11,616,562.51
2023	11,629,237.51
2024	11,350,137.51
2025	11,359,606.26
2026	11,420,856.26
2027	11,422,606.26
2028	11,038,856.26
2029	11,070,756.26
2030	11,108,056.26
2031	10,805,443.76
2032	10,846,193.76
2033	1,920,943.76
2034	1,926,693.76
2035	1,927,943.76

(a) Does not include interest payments made on or prior to June 30, 2017.

DEBT TABLE D

Outstanding GO Bonds (as of June 30, 2017)

The following debt is reflected in **Debt Tables A, B and C.**

Issue	Date of Issuance	Final Maturity	Original Principal Amount	Outstanding Principal Amount
School Facilities Improvement Bonds, Series 2009	March 24, 2009	2018	\$31,999,995	\$ 684,995
School Facilities Improvement Refunding Bonds, Series 2012	January 19, 2012	2025	52,555,000	43,420,000
School Facilities Improvement Refunding Bonds, Series 2012B	November 6, 2012	2032	34,265,000	31,780,000
School Facilities Improvement Refunding Bonds, Series 2014	May 21, 2014	2032	32,335,000	30,800,000
School Facilities Improvement Refunding Bonds, Series 2015	December 22, 2015	2035	21,920,000	21,920,000
TOTAL				\$128,604,995

APPENDIX A

Historical Revenues and Expenditures General Operating Funds^(a) Fiscal Years 2013 through 2017

The figures in the table below have been taken from the School District's Five-Year Forecasts as reported to the State as required by Section 5705.391 of the Revised Code (the most recent of which was last updated in October 2017).

	2013	2014	2015	2016	2017
Revenue:					
General Property Tax (b)	\$ 82,891,397	\$ 82,159,180	\$ 90,744,683	\$ 93,919,510	\$86,435,614(d)
Tangible Personal Property Tax(c)	2,034	586	59,504	46	10,611,856(d)
Unrestricted Grants-in-Aid	199,137,478	199,399,178	210,041,218	225,670,812	235,070,940
Restricted Grants-in-Aid	3,303,253	16,266,638(e)	14,789,765	12,791,948	25,604,085(f)
Restricted Grants-in-Aid –Medicaid	895,882	2,045,611	751,587	10,094,960(g)	901,564
Property Tax Allocation	11,046,368	11,227,308	11,374,782	11,490,573	11,457,539
All Other Operating Revenues	9,313,475	8,225,933	9,162,025	7,508,956	10,434,298
Total Revenues	\$306,589,888	\$319,324,434	\$336,923,565	\$361,476,804	\$379,614,332
Other Financing Sources:					
Operating Transfers – In	\$ 0	\$ 0	\$ 6,621,906	\$ 0	\$ 0
Advances – In	1,537,756	1,167,003	3,713,710	6,311,174	8,919,571
All Other Financing Sources	0	0	0	0	35,572
Total Other Financing Sources	1,537,756	1,167,003	10,335,616	6,311,174	8,955,143
Total Revenues and Other Financing Sources	\$308,127,644	\$320,491,437	\$347,259,181	\$367,787,978	\$388,569,475
Expenditures:					
Personal Services	\$131,209,682	\$130,391,552	\$138,219,089	\$150,356,613	\$164,153,927(h)
Employees' Retirement/Insurance Benefits	57,713,940	48,643,599	61,856,103	73,792,479	74,503,189
Purchased Services (i)	102,042,795	105,108,627	108,636,004	112,746,275	114,403,914
Supplies and Materials	7,518,492	8,164,904	5,836,715	7,329,929	7,335,670
Capital Outlay	923,827	842,525	1,358,988	1,186,685	1,867,442
Principal-All	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Other Objects	3,289,956	3,343,962	3,183,108	8,522,699	3,755,221
Total Expenditures	\$302,698,692	\$296,495,169	\$319,090,007	\$353,934,680	\$366,019,363
Other Financing Uses:					
Operating Transfers – Out	\$ 769,728	\$ 289,743	\$ 368,284	\$318,424	\$283,708
Advances – Out	1,189,437	3,699,306	6,278,050	2,350,815	807,000
All Other Financing Uses	0	0	6,621,906	6,621,906	0
Total Other Financing Uses	1,959,165	3,989,049	13,268,240	9,291,145	1,090,708
Total Expenditures and Other Financing Uses	\$304,657,857	\$300,484,218	\$332,358,247	\$363,225,825	\$367,110,071
Excess of Rev & Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 3,469,786	\$ 20,007,219	\$ 14,900,934	\$ 4,562,153	\$ 21,459,404

Cash Balance July 1	\$ 15,481,880	\$ 18,951,666	\$ 38,958,885	\$ 53,859,819	\$ 58,421,972
Cash Balance June 30	\$ 18,951,666	\$ 38,958,885	\$ 53,859,819	\$ 58,421,972	\$ 79,881,376
Outstanding Encumbrances	7,876,159	8,780,382	\$ 10,022,832	\$ 6,537,471	\$ 7,885,412
Budget Reserve	0	0	\$ 6,621,906	\$ 6,621,906	\$ 6,621,906
Unencumbered					
Cash Balance – June 30	\$ 11,075,507	\$ 30,178,503	\$ 37,215,081	\$ 45,262,595	\$ 65,374,058

- (a) The District's General Fund has been its only general operating fund since Fiscal Year 2013. The District's General Operating Funds in Fiscal Years 2010, 2011 and 2012 included the General Fund, the SFSF Fund and the Education Jobs Fund. Numbers may not foot due to rounding.
- (b) Amounts include revenues from ad valorem property taxes on real and public utility property.
- (c) Taxation of tangible personal property used in general businesses and telecommunications property has been phased out. See **Ad Valorem Property Taxes – Assessed Valuation**.
- (d) Decrease in General Property Tax revenue and increase in Tangible Personal Property Tax revenue is principally due to the School District accounting for public utility property tax revenue separately from real property tax revenue.
- (e) Increase is due to the School District's receipt of \$13,718,003.85 of funds related to economic disadvantage and \$2,418,633.89 for career-technical education associated services under changes to the State school funding formula provided for in State legislation. See **State School Funding System**.
- (f) Increase is due to the School District changing EMIS coding for a large portion of low-income students which resulted in a significant increase in the School District's Economic Disadvantaged funding.
- (g) Increase reflects receipts from prior Medicaid claims made as early as 2009.
- (h) Increase is due to new collective bargaining agreements for the three collective bargaining unions which amounted to a three percent wage increase.
- (i) Amounts shown as expenditures for Purchased Services include, among other amounts, those transferred by the State directly to community schools, to other school districts under open enrollment programs and to others under student voucher programs. See **State School Funding System**.

APPENDIX B

**Financial Report (Cash Basis All-Funds Summary) for
Fiscal Year 2017**

Fund	Beginning Balance	Receipts	Expenditures	Ending Balance
Governmental Funds				
General Fund	\$ 58,421,972	\$388,569,475	\$367,110,071	\$ 79,881,376
Special Revenue Funds	18,832,389	60,074,982	64,963,325	13,944,046
Debt Service Funds	3,304,264	12,247,244	11,066,861	4,484,647
Capital Projects Funds	32,518,472	7,163,472	7,856,614	31,825,329
Expendable Trust Funds	1,270,152	33,100	60,946	1,242,306
Proprietary Funds				
Internal Service Funds	22,453,710	52,288,913	47,844,558	26,898,065
Non-Expendable Trust Funds	730,889	4,066	4,262	730,693
Trust and Agency Funds	1,568,305	1,289,318	580,019	2,277,604
Total	\$139,100,152	\$521,670,570	\$499,486,656	\$161,284,066