

## Mace, Jennie C.

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**TOLEDO CITY SCHOOL DISTRICT, OHIO**  
**ANNUAL INFORMATION FILING FOR**  
**FISCAL YEAR 2014**

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), annual financial information and operating data for the School District's fiscal year ended June 30, 2014 (Fiscal Year 2014), 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, 2035.

**\$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.

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 2014 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 2014 or future financial or operating results. Finally, the inclusion of certain information pertaining to post-Fiscal Year 2014 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, 2015**

**TOLEDO CITY SCHOOL DISTRICT, OHIO**

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## 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, 2014.

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.

The School District's audited basic financial statements for Fiscal Year 2014 (the Fiscal Year 2014 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 10, 2015. Those Fiscal Year 2014 2014 Financial Statements are hereby incorporated by reference and made a part of this Annual Information Filing. They may be accessed by using the following link:

<http://emma.msrb.org/ContinuingDisclosureView/ContinuingDisclosureDetails.aspx?submissionId=EA573766>

As used in this Annual Information Filing:

- **“Board”** means the Board of Education of the School District.
- **“City”** means the City of Toledo, Ohio.
- **“County”** means Lucas County, Ohio.
- **“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 2014”) 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. 59, passed by the Ohio General Assembly and signed by the Governor on June 30, 2013, providing State appropriations for its 2014-2015 biennium (the period from July 1, 2013 through June 30, 2015) and enacting other statutory provisions.
- **“Townships”** means Harding and Spencer Townships in the County.
- **“Village”** means the Village of Ottawa Hills, Ohio.

### **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 2014 and other recent Fiscal Years, see **Ad Valorem Property Taxes, State School Funding System, Appendices A and B** and the Fiscal Year 2014 Audited Financial Statements.

For information concerning other School District funds’ beginning and year-end balances and revenue and expenditures in Fiscal Year 2014, see **Bond Retirement Fund, Appendix B** and the Fiscal Year 2014 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.

<b>Collection Year</b>	<b>Real(a)</b>	<b>Tangible Personal(b)(c)(d)</b>	<b>Public Utility(d)</b>	<b>Total Assessed Valuation</b>
2010(e)	\$2,667,356,800	\$7,407,485	\$101,945,040	\$2,776,709,325
2011	2,622,616,460	6,038,400	107,158,390	2,735,813,250
2012	2,576,598,300	0	111,178,780	2,687,777,080
2013(f)	2,188,402,530	0	122,237,470	2,310,640,000
2014	2,164,563,940	0	135,774,730	2,300,338,670

- (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) Other than public utility.
- (c) The State reduced the valuation of (i) tangible personal property of general businesses and railroads in increments beginning in 2006 to zero in 2009 and (ii) tangible personal property of telecommunications companies in increments beginning in 2007 to zero in 2011; see the discussion of those reductions and related State makeup payments below.
- (d) Tangible personal property of all public utilities and real property of railroads; see footnotes (a), (b) and (c).
- (e) Reflects triennial adjustment.
- (f) Reflects sexennial reappraisal.

Source: County Auditor.

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. Taxes collected on “Tangible Personal” in one calendar year were levied in the same calendar year on assessed values during and at the close of the taxpayer’s most recent fiscal year that ended on or before December 31 of the preceding calendar year, and at the tax rates determined in the 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 2009 and that adjustment was first reflected in the 2009 duplicate (collection year 2010) and in ad valorem taxes distributed to the School District beginning in 2010.

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.

The taxation of all tangible personal property used in general businesses (excluding certain public utility tangible personal property) was phased out over tax years 2006 to 2009. Previously, machinery and equipment and furniture and fixtures were generally taxed at 25% of true value, and inventory was taxed at 23%. The taxation of all tangible personal property used by telephone, telegraph or interexchange telecommunications companies (“telecommunications property”) was phased out over tax years 2007 to 2011. Previously, telecommunications property was taxed at 25% or 46% of true value (depending on the type of equipment and when it was placed into service).

To compensate for tax revenue losses as the tangible personal property taxes were phased out, the State in 2006 commenced making distributions to taxing subdivisions (such as the



School District) from revenue generated by the State's commercial activity tax. In 2011, the State revised the initial thresholds for school districts to qualify for those distributions, reducing or eliminating the amount of that reimbursement related to "current expense levies" and "non-current expense levies" in Fiscal Year 2012, with a further reduction or elimination in Fiscal Year 2013 and thereafter. Reimbursements for taxes levied for debt charges within the ten-mill limitation ("unvoted debt levies") are to continue through Fiscal Year 2017 at the same amount as received in Fiscal Year 2010; thereafter no such reimbursement will be made. Reimbursements for tax losses relating to levies for voted debt charges are generally to continue at 100% until the debt is retired, subject to a ½-mill threshold adjustment (for all fixed-sum levies). That adjustment basically requires real property tax payers to absorb up to ½ mill of increased property taxes (in order to continue to generate a fixed dollar amount) due to the phaseout of tangible personal property taxes. The State is to provide any necessary reimbursement above that amount. The State's reimbursement payment to the School District for Fiscal Year 2014 was \$1,510,555.

Public utility tangible personal property (with some exceptions) is currently assessed (depending on the type of property) from 25% to 88% of true value. Effective for collection year 2002, the assessed valuation of electric utility production equipment was reduced from 100% and natural gas utility property from 88% of true value, both to 25% of true value. While eligible school districts have received, and are to continue to receive, reimbursement payments from the State to offset portions of such reductions, the School District did not in Fiscal Year 2014, and does not now, qualify to receive such payments.

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, 2014, there were 22 active abatements with respect to approximately \$82,636,640 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 20 active abatements, aggregating approximately \$9,287,980 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 2030. The following table shows the amounts of those contributions received by the School District in recent Fiscal Years:

<b>Fiscal Year</b>	<b>Payments</b>
2010	\$377,054
2011	385,105
2012	560,140
2013	472,271
2014	470,182

Since the inception of the revenue sharing program, the School District has received \$14,919,970 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**

<b>Collection Year</b>	<b>School District</b>	<b>City</b>	<b>County and Others(a)</b>	<b>Total</b>
2010	67.70	4.40	20.67	92.77
2011	65.70	4.40	20.67	90.77
2012	65.90	4.40	20.67	90.97
2013	67.40	4.40	23.17	94.97
2014	67.40	4.40	25.02	96.82

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

<b>Collection Year</b>	<b>School District</b>	<b>Township</b>	<b>County and Others(b)</b>	<b>Total</b>
2010	67.70	4.80	18.17	90.67
2011	65.70	3.30	18.17	87.17
2012	65.90	5.05	18.17	89.12
2013	67.40	5.05	20.67	93.12
2014	67.40	5.05	22.52	94.97

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

<b>Collection Year</b>	<b>School District</b>	<b>Township</b>	<b>County and Others(a)</b>	<b>Total</b>
2010	67.70	8.00	20.67	96.37
2011	65.70	8.00	20.67	94.37
2012	65.90	8.00	20.67	94.57
2013	67.40	8.00	23.17	98.57
2014	67.40	8.00	22.52	97.92

- (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 obligations, 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 2014 tax collection year of 96.82 mills within the School District (within the City of Toledo) was reduced by reduction factors of 0.260341 for residential/agricultural property and 0.081813 for all other real property, which resulted in “effective tax rates” of 71.613760 mills for residential and agricultural property and 88.898901 mills for all other real property. See **Tax Table A**.

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, the State Budget Act eliminated such reductions for additional and replacement levies approved at elections after its effective date 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 the State Budget Act.

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
2010	3.60
2011	3.60
2012	3.60
2013	3.60
2014	3.60

**Voted**

Collection Year	Operating	Debt Retirement	Classroom Facilities Maintenance	Permanent Improvements	Total
2010	57.00	4.10	0.50	2.50	64.10
2011	57.60	4.00	0.50	0.00	62.10
2012	57.60	4.20	0.50	0.00	62.30
2013	58.10	5.20	0.50	0.00	63.80
2014	58.10	5.20	0.50	0.00	63.80

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 levies for “Classroom Facilities Maintenance” is a 23-year levy approved in 2002 that will run through tax year 2024 (collection year 2025).

The total School District operating millage of 61.70 mills for collection year 2014 included voted levies aggregating 44.80 mills all approved by the School 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) and 6.80 mills from the \$15,700,000 emergency levy discussed below. The balance of 3.60 mills constituted the School 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, was levied for a continuing period of time.

Voter Authorized	Millage Rate Levied for Collection Year 2014		Last Collection Year
	Res./Agr.	All Other	
25.90	8.768678	18.358412	Continuing
5.80	3.444521	5.686407	Continuing
5.20	3.090355	5.098137	Continuing
2.50	1.678568	2.451030	Continuing
5.40	3.627542	5.400000	Continuing
6.50	5.734586	6.500000	2018

Each operating 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 years 2013 and 2014, the School District also 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 year 2014, the School District had an effective tax rate on residential and agricultural property of 29.94425 mills (including 26.34425 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.

## Collections

**Tax Table C** sets forth the amounts billed and collected for School District ad valorem taxes for recent tax collection years.

**TAX TABLE C**  
**Real, Tangible Personal 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					
2007	Real and Public Utility	2008	\$119,439	\$104,266	87.3%	\$7,005	\$111,271	93.2%
	Tangible Personal	2008	5,693	5,128	90.1	1,444	6,572	115.4
2008	Real and Public Utility	2009	117,717	101,692	86.6	7,754	109,446	93.0
	Tangible Personal	2009	991	991	100.0	2,277	3,268	329.8
2009	Real and Public Utility	2010	117,731	99,431	86.4	8,214	107,646	91.4
	Tangible Personal	2010	409	409	100.0	1,299	1,709	417.6
2010	Real and Public Utility	2011	113,750	98,171	86.3	9,032	107,203	94.2
	Tangible Personal	2011	0	0	--	107	107	--
2011	Real and Public Utility	2012	113,232	95,804	84.6	8,510	104,314	92.1
	Tangible Personal	2012	0	0	--	36	36	--
2012	Real and Public Utility	2013	113,232	96,711	85.4	9,845	106,555	94.1
	Tangible Personal	2013	0	0	--	2	2	--

Source: County Auditor.

Included in the “Dollars of Current Amount Billed” and “Dollard 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 2013 was \$4,689,132 for the elderly/disabled homestead payment and \$7,344,522 for the rollback payment.

The State Budget Act 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 102,467 nonexempt parcels in the School District for collection year 2013, the number of delinquent parcels was 15,866, against 600 of which foreclosure proceedings were commenced by County officials.

There is no one taxpayer that accounts for more than 5% of any of the billed taxes or accumulated delinquencies, shown in the table above for tax collection year 2013.

## **STATE SCHOOL FUNDING SYSTEM**

The State Budget Act repealed the funding system for city, exempted village and local school districts enacted as part of the previous State biennial budget act. The previous system of funding utilized a temporary formula for the 2011-2013 biennium (the Temporary Formula), allocating State funding to school districts based on a wealth-adjusted portion of their State education aid for Fiscal Year 2011. During the 2009-2011 biennium, the funding system was known as the "Evidence Based Model" and provided for an "adequacy amount" of State education aid calculated as the sum of a number of delineated factors calculated based on a school district's number of "organizational units." The Evidence Based Model had, in turn, replaced the formula in effect for the 2007-2009 biennium, known as the "Foundation Program," which utilized a per pupil "formula amount" to compute base-cost funding and some categorical funding.

Under the funding formula established in the State Budget Act, the State Department of Education (the Department) computes and pays to each city, exempted village, and local school district, an annual "Opportunity Grant" determined by multiplying a specified base amount per pupil by (i) the school district's "average daily membership" (ADM), generally a full-time equivalent number of students to be certified biannually by each school district to the Department, and (ii) an index (the State Share Index) dependent on factors such as a school district's tax valuation and wealth indicators. In general, the State Share Index will be higher for school districts with lower tax valuation or lower median income residents, resulting in relatively higher State education aid per ADM unit for such school districts. For Fiscal Year 2014, the base amount was \$5,745 and for Fiscal Year 2015 the base amount is \$5,800.

In addition to such Opportunity Grants, 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) targeted assistance based on a percentage of a school district's agricultural property, (iii) a specific amount based on six categories of disabilities for special education and related services, (iv) kindergarten through third grade literacy funds, (v) funds related to economic disadvantage, (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, and (x) career-technical education associated services funds. As with Opportunity Grant funds, special education, kindergarten through third grade literacy, limited English proficiency and career-technical funds 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 funding formulas described above, funding increases for core funding and pupil transportation funding were capped at not more than 6.25% of the previous year's applicable State aid for Fiscal Year 2014 and are capped at not more than 10.5% of the previous year's applicable State aid for

Fiscal Year 2015. All school districts were guaranteed to receive in Fiscal Years 2014 and 2015 at least the amount of State aid as they received in Fiscal Year 2013.

There can be no assurance concerning future funding levels for or the details of State funding for school districts. As indicated above, the General Assembly has the power to amend the system of State school funding. As has been the case with the Temporary Formula, the Evidence Based Model and the Foundation Program, funding has also been subject to adjustment during a biennium. 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 table presents certain information concerning State funding for the School District under the various funding models in place for the Fiscal Years indicated, shown as “Unrestricted Grants-in-Aid” and “Restricted Grants-in Aid” in **Appendix A**.

<b>Fiscal Year</b>	<b>Unrestricted and Restricted Grants-in-Aid (Total)</b>	<b>Such State Aid as a % of General Operating Funds Total Revenues and Other Financing Sources(a)</b>	<b>Such State Aid as a % of General Operating Funds Total Expenditures and Other Financing Uses(a)</b>
2010	\$197,775,880(b)	58.12%	55.98%
2011	189,516,868(b)	54.96	54.15
2012	201,093,413(b)	58.92	60.87
2013	202,440,731(b)	65.70	66.45
2014	215,251,022(b)	67.11	71.61

(a) See **Appendix A** for details regarding revenues and expenditures.

(b) Excludes amounts shown as “Restricted Federal Grants-in-Aid – SFSF”, representing one-time State Fiscal Stabilization Funds (SFSF) provided by the federal government through the State. 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.

## **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 bond and note indebtedness and certain other long-term financial obligations of the School District.

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, 2014, the School District had \$143,854,995 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 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, 2014, the School District had no unvoted general obligation bonds outstanding.

**BANs.** 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, 2014, 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, 2014, all of the School District's 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, 2014, 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**.

The tax valuation used for the calculation of the School District's direct debt limitations in collection year 2014 was \$2,300,338,670.

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, in general, 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, 2014, 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, 2014, the School District had no 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, 2014, or at any time during Fiscal Year 2014.

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, 2014 were:

<b>Limitation(a)</b>	<b>Nonexempt Debt Outstanding</b>	<b>Additional Debt Capacity Within Limitation</b>
9% = \$207,030,480	\$ 143,854,995	\$ 63,175,485
.1% = \$ 2,300,338	\$ 0	\$ 2,300,338
.9% = \$ 20,703,048	\$ 0	\$ 20,703,048
1% = \$ 23,003,386	\$ 0	\$ 23,003,386

(a) The School District's then current tax (assessed) valuation for purposes of determining its direct debt limitations was \$2,300,338,670.

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 2013 and 2014, 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:

<b>School District</b>	<b>County</b>	<b>City</b>	<b>Village of Ottawa Hills</b>	<b>Township of Harding</b>	<b>Township of Spencer</b>	<b>Total</b>
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, 2014, the total millage theoretically required by the City and the County (the overlapping taxing subdivisions that had issued unvoted general obligation debt) for debt charges on their outstanding unvoted general obligation debt was estimated to be 7.4653 mills for Fiscal Year 2015, the year of the highest potential debt charges. There thus remained 2.5347 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, 2014. 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
2010	\$170,554,995
2011	166,294,995
2012	160,069,995
2013	152,564,995
2014	143,854,995

## Bond Anticipation Notes

As of June 30, 2014, none of the debt of the School District was in the form of 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.

## Cash Flow Financings

The School District receives its tax revenues relatively unevenly throughout the year and incurs a disproportionately large share of its total annual expenses during the months in which classes are in session. Because of decreases in the cash balances in its General Operating Funds in Fiscal Years 2010 and 2011, the School District issued notes in anticipation of the receipt of tax revenues to provide liquidity and avoid the cash deficiencies that could otherwise have resulted. In Fiscal Year 2011, the School District issued these notes in the aggregate principal amount of \$15,000,000. The notes, purchased at private sale by a banking institution, were retired at their maturity on June 14, 2011. The School District issued \$20,000,000 of such notes on July 1, 2011. Those notes were sold at private sale to the same banking institution that purchased the notes issued in 2011 and were retired at their maturity on June 14, 2012. The School District did not undertake a cash flow borrowing at any time in Fiscal Year 2013 or Fiscal Year 2014, and has not undertaken, and does not anticipate the need to undertake, an additional cash flow borrowing in Fiscal Year 2015.

## Bond Retirement Fund

The Bond Retirement Fund is the fund from which the School District 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 2014 and other recent Fiscal Years.

<b>Fiscal Year</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>June 30 Balance</b>
2010	\$10,203,260	\$16,196,854	\$4,751,008
2011(a)	27,527,733	27,685,999	4,592,741
2012(b)	31,259,246	32,162,243	3,689,744
2013	11,497,753	12,153,328	3,034,169
2014	11,784,952	11,839,863	2,979,258

- (a) Fiscal Year 2011 Receipts and Disbursements include \$15,205,037.50 received and disbursed to pay debt charges on the School District's \$15,000,000 of Current Tax Revenue Notes, Series 2010-11. See **Cash Flow Financings**. See also footnote (a) to **Appendix A**.
- (b) Fiscal Year 2012 Receipts and Disbursements include \$20,166,085 transferred in from the General Fund of which \$20,163,230 was disbursed to pay principal of and interest on the School District's \$20,000,000 of Current Tax Revenue Notes, Series 2011-12. See **Cash Flow Financings**. See also footnote (a) to **Appendix B**.

### **Long-Term Financial Obligations Other Than Bonds and Notes**

As of June 30, 2014, the School District had no long-term debt obligations other than the Bonds, the retirement obligations and accrued, compensated absences and salary-related payments for vacation and sick leave and pension obligations payable as described under **Retirement Expenses** and in the Notes in the Fiscal Year 2014 Financial Statements.

### **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.

Under the law now applicable to STRS, there is to be (i) no change in the School District's contribution rate with respect to its employees' earnable salaries and (ii) an increase in the STRS employees' contribution rate from 10% to 14% in annual increments of 1% the first two of which took effect on July 1, 2013 and July 1, 2014, respectively. Among other changes and with certain transition provisions for current employees, under that law 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 two percent (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. For the most recent

reporting period (through June, 2014), STRS's actuarial consultant projected that the period required to fully amortize STRS actuarial unfunded accrued liability was 29.5 years.

Under the law now applicable to SERS, no change was made 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 have been increased and provisions for disability benefits and service credit purchases have been revised.

Through June 30, 2013, employees covered by STRS contributed at a statutory rate of 10% of earnable compensation. However, under the law that became effective on January 7, 2013, as described above, in Fiscal Year 2014 employees covered by STRS contributed at a statutory rate of 11.0% of earnable compensation and in Fiscal Year 2015 employees covered by STRS are contributing at a statutory rate of 12.0% of earnable compensation. Employees covered by SERS have contributed and continue to contribute at a statutory rate of 10.0% 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 have been and continue to be the maximums permitted under current State law.

In Fiscal Year 2014, the School District "picked-up" and paid the employee contributions of the Superintendent to STRS and the Treasurer to SERS.

For further information on STRS and SERS and their pension plans, see the Notes to the Fiscal Year 2014 Financial Statements. Financial and other information for STRS and SERS can also be found on the respective web site for each retirement system including its Comprehensive Annual Financial Report.

The School District's current employer contributions to STRS and SERS have been treated as current expenses and included in the School District's operating expenditures. These contributions are deducted by the State from each monthly State education aid payment.

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, School 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.

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 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.

## **SUBSEQUENT EVENT**

### **Tax Levy Election**

The Board submitted to its electors at an election on November 4, 2014, and the voters approved, the question of an additional 5.8-mill ad valorem property tax levy for 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. Based on the current tax valuation of the School District and the information provided by the County Auditor’s office, the levy is estimated to generate \$13,341,964 each year (\$9,891,456 for current operating expenses and \$3,450,508 for permanent improvements) beginning in collection year 2015.



## DEBT TABLE A

### Principal Amounts of Outstanding General Obligation (GO) Debt; Leeway for Additional Debt within Direct Debt Limitations<sup>(a)</sup> (as of June 30, 2014)

A. Total debt:			\$143,854,995
B. Exempt debt:			\$ 0
C. Total nonexempt debt [A minus B]:			\$143,854,995
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
	\$23,003,386	\$2,300,338	\$20,703,048
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]:	\$23,003,386*	\$2,300,338*	\$20,703,048*
G. 9% of tax (assessed) valuation (voted and unvoted debt limitation):			\$207,030,480
H. Total nonexempt bonds and notes outstanding:			
Bonds		\$143,854,995	
Notes		\$0	\$143,854,995
I. Debt leeway within 9% debt limitation [G minus H]:			\$ 63,175,485*

\* 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 \$2,300,338,670. 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, 2014)**

	<b>Amount</b>	<b>Per Capita(a)</b>	<b>% of School District's Current Assessed Valuation(b)</b>
School District Nonexempt GO Debt	\$143,854,995	\$ 618.00	6.25%
Total School District GO Debt (exempt and nonexempt)	143,854,995	618.00	6.25
Highest Total Overlapping GO Debt(c)	282,375,161	1,213.08	12.28

(a) Based on 2010 Census population of 232,776.

(b) The School District's then current assessed valuation was \$2,300,338,670.

(c) Includes, in addition to "Total School District GO Debt," allocations of total GO debt of overlapping debt issuing subdivisions (as of June 30, 2014) 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:

\$ 38,508,428 County (32.82%); and  
\$ 100,011,738 City (70.87%).

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, 2014)

Year	Total (all to be paid from unlimited ad valorem property taxes)
2014(a)	\$ 7,951,804.86
2015	11,730,925.00
2016	11,728,737.50
2017	11,704,550.00
2018	11,699,550.00
2019	11,713,550.00
2020	11,720,606.25
2021	11,729,631.25
2022	11,736,131.25
2023	11,749,106.25
2024	11,472,518.75
2025	11,481,987.50
2026	11,543,237.50
2027	11,544,987.50
2028	11,159,706.25
2029	11,188,381.25
2030	11,225,562.50
2031	10,923,600.00
2032	10,966,462.50
2033	2,042,506.25
2034	2,048,712.50
2035	2,049,543.75

(a) Does not include interest payments made on or prior to June 30, 2014.

**DEBT TABLE D**

**Outstanding GO Bonds  
(as of June 30, 2014)**

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

<b>Issue</b>	<b>Date of Issuance</b>	<b>Final Maturity</b>	<b>Original Principal Amount</b>	<b>Outstanding Principal Amount</b>
School Facilities Improvement Bonds, Series 2009	March 24, 2009	2035	\$31,999,995	\$24,984,995
School Facilities Improvement Refunding Bonds, Series 2012	January 19, 2012	2025	52,555,000	52,320,000
School Facilities Improvement Refunding Bonds, Series 2012B	November 6, 2012	2032	34,265,000	34,215,000
School Facilities Improvement Refunding Bonds, Series 2014	May 21, 2014	2032	32,335,000	32,335,000
<b>TOTAL</b>				<b>\$143,854,995</b>

## APPENDIX A

### Historical Cash Basis Revenues and Expenditures General Operating Funds Fiscal Years 2010 through 2014

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 2014).

	2010	2011	2012	2013	2014
<b>Revenue:</b>					
General Property Tax (a)	\$ 84,817,944	\$ 83,296,855(b)	\$ 81,835,553(b)	\$ 82,891,397	\$ 82,159,180
Tangible Personal Property Tax(c)	1,557,912	937,795	91,818	2,034	586
Unrestricted Grants-in-Aid	197,570,285	189,516,868	197,790,160	199,137,478	198,984,384
Restricted Grants-in-Aid	205,595	0	3,303,253	3,303,253	16,266,638(g)
Restricted Grants-in-Aid -SFSF	13,093,907(d)	15,896,789(d)	8,413,585(e)	895,882(f)	2,045,611
Property Tax Allocation	24,185,164	25,833,993	17,355,058	11,046,368	11,227,308
All Other Operating Revenues	12,495,523	12,432,102	11,167,406	9,313,475	8,875,392
<b>Total Revenues</b>	<b>\$333,926,330</b>	<b>\$327,914,402</b>	<b>\$319,956,834</b>	<b>\$306,589,888</b>	<b>\$319,559,099</b>
<b>Other Financing Sources:</b>					
Proceeds from Sale of Notes	\$ 0	\$ 15,000,000(b)	\$ 20,000,000(b)	\$ 0	\$ 0
Operating Transfers – In	0	0	0	0	0
Advances – In	4,505,053	1,411,534	1,369,681	1,537,756	1,167,003
All Other Financing Sources	1,843,188	508,258	0	0	0
<b>Total Other Financing Sources</b>	<b>6,348,241</b>	<b>16,919,792</b>	<b>21,369,681</b>	<b>1,537,756</b>	<b>1,167,003</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$340,274,571</b>	<b>\$344,834,194</b>	<b>\$341,326,515</b>	<b>\$308,127,644</b>	<b>\$320,726,102</b>
<b>Expenditures:</b>					
Personal Services	\$166,684,547	\$149,366,326	\$132,189,284	\$131,209,682	\$130,528,497
Employees' Retirement/Insurance Benefits	76,217,762	82,694,009	69,564,947	57,713,940	48,688,221
Purchased Services	93,670,429	90,368,275	94,661,011	102,042,795	105,039,167
Supplies and Materials	7,831,698	5,075,916	7,396,330	8,442,319	9,008,266
Capital Outlay	517,935	391,223	0	0	0
Principal-All	0	15,000,000(b)	20,000,000(b)	0	0
Interest and Fiscal Charges	0	205,038	166,085	0	0
Other Objects	3,270,511	2,857,945	3,262,941	3,289,956	3,343,962
<b>Total Expenditures</b>	<b>\$348,192,882</b>	<b>\$345,958,732</b>	<b>\$327,240,599</b>	<b>\$302,698,692</b>	<b>\$296,608,113</b>
<b>Other Financing Uses:</b>					
Operating Transfers – Out	\$ 3,621,074	\$ 2,270,624	\$1,054,126	\$ 769,728	\$ 289,743
Advances – Out	1,471,694	1,438,168	2,057,229	1,189,437	3,699,306
All Other Financing Uses	3,833	285,768	0	0	0
<b>Total Other Financing Uses</b>	<b>5,096,601</b>	<b>3,994,560</b>	<b>3,111,355</b>	<b>1,959,165</b>	<b>3,989,049</b>
<b>Total Expenditures and Other Financing Uses</b>	<b>\$353,289,483</b>	<b>\$349,953,292</b>	<b>\$330,351,954</b>	<b>\$304,657,857</b>	<b>\$300,597,162</b>
<b>Excess of Rev &amp; Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<b>\$ (13,014,912)</b>	<b>\$ (5,119,098)</b>	<b>\$ 10,974,561</b>	<b>\$ 3,469,786</b>	<b>\$ 20,128,940</b>

Cash Balance July 1	\$ 22,641,329	\$ 9,626,417	\$ 4,507,319	\$ 15,481,880	\$ 18,951,666
Cash Balance June 30	\$9,626,417	\$ 4,507,319	\$ 15,481,880	\$ 18,951,666	\$ 39,080,606
Outstanding Encumbrances	5,091,239	3,891,956	3,344,027	7,876,159	8,780,382
Budget Reserve	3,700,671	0	0	0	0
Unencumbered, Unreserved					
Cash Balance – June 30	\$834,507	\$ 615,363	\$ 12,137,853	\$ 11,075,507	\$ 30,300,224

- (a) Amounts include revenues from ad valorem property taxes on real and public utility property.
- (b) The School District engaged in cash flow borrowings in Fiscal Years 2011 and 2012. See **Cash Flow Borrowings**. The School District determined to account for the proceeds it received from the sale of those borrowings (\$15,000,000 in Fiscal Year 2011 and \$20,000,000 in Fiscal Year 2012) as an “Other Financing Source” in the General Fund; however, the General Property Tax (Real Estate) revenue anticipated by those borrowings (and earmarked for debt service) is shown as “Revenue” received in the School District’s General Fund and the School District’s payment of debt service on those borrowings is shown as an “Expenditure” in the School District’s General Fund. The amounts so “expended” were transferred to the School District’s Bond Retirement Fund and have also been shown as receipts and disbursements in that Fund.
- (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) These amounts for Fiscal Years 2010 and 2011 were Fiscal Stabilization Funds provided by the United States through the State under the American Recovery and Reinvestment Tax Act of 2009. See **State School Funding System**.
- (e) This amount includes \$7,578,598 of grant moneys received by the School District in Fiscal Year 2012 under the federal Education Jobs Fund program.
- (f) This amount represents a Medicaid reimbursement from federal sources.
- (g) 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 the new State School Funding Program provided for in the State Budget Act. See **State School Funding System**.

## APPENDIX B

### Financial Report (Cash Basis All-Funds Summary) for Fiscal Year 2014

<b>Fund</b>	<b>Beginning Balance</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Ending Balance</b>
<b>Governmental Funds</b>				
General Fund	\$ 18,951,665.73	\$320,726,101.91	\$300,597,161.61	\$ 39,080,606.03
Special Revenue Funds	22,948,951.01	51,608,827.81	52,163,776.71	22,394,002.11
Debt Service Funds	3,034,169.81	11,784,952.34	11,839,863.68	2,979,258.47
Capital Projects Funds	47,023,888.64	1,721,051.25	10,890,421.05	37,854,518.84
Expendable Trust Funds	1,152,297.60	24,907.76	76,043.53	1,101,161.83
<b>Proprietary Funds</b>				
Enterprise Funds				
Internal Service Funds	22,376,142.57	35,388,284.68	45,173,996.68	12,590,430.57
Non-Expendable Trust Funds	767,775.36	132,503.58	31,930.49	868,348.45
Trust and Agency Funds	861,705.26	283,123.14	181,305.06	963,523.34
<b>Total</b>	<b>\$117,116,595.98</b>	<b>\$421,669,752.47</b>	<b>\$420,954,498.81</b>	<b>\$117,831,849.64</b>