PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 29, 2018

New Issue

Rating: S&P: AA (Assured Guaranty Municipal Corp. Insured)
Underlying Rating: S&P: A+
See "RATINGS" herein

*In the opinion of **Dinsmore & Shohl LLP**, Bond Counsel, under existing law, (i) interest on the Bonds will be excludible from gross income of the holders thereof for purposes of federal income taxation, (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (iii) interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district and joint economic development district income taxes in Ohio, all subject to the qualifications described herein under the heading "TAX STATUS."*

$17,906,446*

OFFICIAL STATEMENT OF THE ELIDA LOCAL SCHOOL DISTRICT
County of Allen, Ohio
Relating to the original issuance of School Improvement Bonds, Series 2018
(General Obligation)
(Unlimited Taxes)

Dated: Date of Issuance **Due: December 1 as stated below**

The School Improvement Bonds, Series 2018 (the "Bonds") are issuable as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). The Current Interest Bonds and the Capital Appreciation Bonds are dated the date of their issuance. The Capital Appreciation Bonds will not pay current interest but will accrete in value in lieu thereof. Interest on the Current Interest Bonds will be payable semi-annually on June 1 and December 1 of each year. Interest on the Current Interest Bonds is initially payable December 1, 2019. The Bonds are issuable as fully registered bonds, under a book entry system and will be registered initially in the name of The Depository Trust Company ("DTC") or its nominee, CEDE & Co. There will be no distribution of Bonds to the ultimate purchasers of book entry interests in the Bonds. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. For further information regarding the book entry system and transfer of book entry interests by such ultimate purchasers, see "INTRODUCTION—Registration, Payment and Transfer – Book Entry Method" herein. Principal of the Bonds, and accretion in value of the Capital Appreciation Bonds, will be payable at the office of The Huntington National Bank, Cleveland, Ohio, as paying agent, transfer agent and registrar (the "Registrar"). Interest on the Current Interest Bonds is payable by draft, check or wire transfer to be sent by the Registrar to the record date registered owner as shown in the registration records maintained by the Registrar. Notwithstanding the foregoing, so long as DTC, its nominee or another depository is the holder of any Bond, principal, interest and compound accreted amount payments, as applicable, will be payable to DTC or such depository in immediately available funds, or equivalent next day funds, or as otherwise provided in the applicable agreement with such depository. The record dates for June 1 and December 1 interest payment dates shall be the fifteenth day of the calendar month preceding such interest payment date (the "Record Dates"). The Bonds are issuable in denominations of $5,000 or any integral multiple thereof (in case of Current Interest Bonds) or in denominations of $5,000 maturity amounts or any integral multiple thereof (in the case of Capital Appreciation Bonds). The Bonds mature on December 1 of each year, as shown on the inside cover hereof.

Certain Current Interest Bonds are subject to redemption as set forth herein.

The Bonds are issued for the purpose of raising the School District (as defined herein) portion of the basic project cost and the cost of locally-funded initiatives that do not exceed one-half of the School District's portion of the basic project cost for a Classroom Facilities Assistance Program financing for a new elementary building to house grades PK through 5.

Boenning & Scattergood, Inc. (the "Underwriter") will use its best efforts to satisfy the requirements of The Depository Trust Company ("DTC") for the Bonds to be eligible for DTC services.

The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP**.

All maturities of the Bonds are currently anticipated to be insured as described above. However, the final insurance determination will be made on a maturity by maturity basis at the time of sale.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approving legal opinion of Dinsmore & Shohl LLP, Columbus, Ohio, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by Frost Brown Todd LLC, Columbus, Ohio. It is expected that the Bonds in definitive form will be available for delivery to the Underwriter in Columbus, Ohio, on or about September 25, 2018.

* *Preliminary; subject to change.*

$17,906,446*

School Improvement Bonds, Series 2018
(General Obligation)
(Unlimited Taxes)

$3,905,000* CURRENT INTEREST BONDS (SERIAL BONDS)

Year	Principal Amount Maturing*	Interest Rate Per Annum	Reoffering Price	Year	Principal Amount Maturing*	Interest Rate Per Annum	Reoffering Price
2019	$270,000			2027	$460,000		
2020	395,000			2028	480,000		
2021	410,000			2029	500,000		
2022	425,000			2030	520,000		
2023	445,000						

$13,270,000* CURRENT INTEREST BONDS (TERM BONDS)

Year	Principal Amount Maturing*	Interest Rate Per Annum	Reoffering Price
2032	$1,100,000		
2038	3,770,000		
2043	3,820,000		
2048	4,580,000		

$731,446* CAPITAL APPRECIATION BONDS

Year	Original Principal Amount*	Maturity Amount	Approximate Equivalent Interest Rate	Original Principal Per $5,000 Maturity Amount	Original Offering Price to Public Per $5,000 Maturity Amount	Approximate Yield to Maturity
2024	$265,742.00					
2025	243,174.40					
2026	222,529.60					

---

* Preliminary; subject to change.

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the Board of Education (the "Board of Education") of the Elida Local School District (the "School District" or "District"), County of Allen, Ohio identified on the cover hereof. No dealer, broker, salesman or other person has been authorized by the Board of Education to give any information or to make any representation, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board of Education. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board of Education since the date hereof.

Upon issuance, the Bonds will not be registered by the Board of Education under any federal or state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the Board of Education will have, at the request of the Board of Education, passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

All financial and other information presented in this Official Statement has been provided by the Board of Education from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Board of Education. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Official Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information. Neither this Official Statement nor any oral or written representations by or on behalf of the Board of Education preliminary to sale of the Bonds should be regarded as part of the Board of Education's contract with the underwriter or the holders from time to time of the Bonds.

Certain information contained in this Official Statement is attributed to the Ohio Municipal Advisory Council (OMAC). 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 Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and in "APPENDIX E - Specimen Municipal Bond Insurance Policy."

References herein to provisions of Ohio law, whether codified in the Ohio Revised Code (the "Revised Code") or uncodified, or to the provisions of the Ohio Constitution or the Board of Education's resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Official Statement, "debt service" means principal of, interest and any premium on, the obligations referred to; "Board of Education" means the Elida Local School District; and "State" or "Ohio" means the State of Ohio.

THIS PAGE LEFT BLANK INTENTIONALLY

TABLE OF CONTENTS

APPENDICES

INTRODUCTION

This Official Statement, which includes the cover page and APPENDICES A through E, has been prepared by the Board of Education (the "Board of Education") of the Elida Local School District (the "School District" or "District"), County of Allen, Ohio, preliminary to the original issuance and sale by the Board of Education of the Bonds identified on the cover page.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The Issuer

The Bonds are being issued by the Elida Local School District, which encompasses approximately 81 square miles of Allen County in the northwestern part of the State. The District is approximately 75 miles north of the City of Dayton, Ohio and approximately 80 miles south of the City of Toledo, Ohio (see "GENERAL INFORMATION CONCERNING ELIDA LOCAL SCHOOL DISTRICT" herein).

Authorization and Purpose of Bond Issue

The Bonds are to be issued for the purpose of raising the School District (as defined herein) portion of the basic project cost and the cost of locally-funded initiatives that do not exceed one-half of the School District's portion of the basic project cost for a Classroom Facilities Assistance Program financing for a new elementary building to house grades PK through 5, authorized pursuant to a vote of the electors of the District at an election held on May 8, 2018; the general laws of the State of Ohio, particularly Chapter 133 of the Ohio Revised Code (the Uniform Public Securities Law); and a resolution authorizing this issue, adopted by the Board of Education on July 24, 2018 (the "Bond Legislation").

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX E to this Official Statement.

Classroom Facilities Act

Chapter 3318 of the Ohio Revised Code (the "Classroom Facilities Act") permits the State to provide funds to eligible school districts for construction of school buildings pursuant to a Classroom Facilities contract. A priority list is established based in part on "the relative degree of overcrowding of existing satisfactory Classroom Facilities" together with a review of the district's capacity for additional debt. The program is funded with excess lottery profits and districts near the top of the priority list are permitted, following State Controlling Board approval, to proceed with an election to raise a statutory minimum amount of debt locally. The Classroom Facilities Act is currently administered by the Ohio Facilities Construction Commission.

Under the Classroom Facilities Act, the total cost of the project to be financed, in part, with proceeds of the Bonds was shared by the School District and the State. The School District may meet its local share obligations from available funds or via the issuance of bonds. The School District must only issue bonds in an amount equal to the greater of (1) an amount that increases the total net indebtedness of the School District to within $5,000 of the required level of indebtedness under the Classroom Facilities Act; or (2) an amount equal to the required percentage of basic project costs. With respect to the project, the total project cost is estimated at $53,502,328, of which sum the District's local share is $35,311,536. The District has Expedited Local Partnership Program Expenditure Credit of $22,786,592. A portion of the Bonds ($12,524,944) will go toward paying the District's remaining local share of the project costs. The balance of $18,190,792 of the total cost of the project will be provided by the State of Ohio. The Classroom Facilities Act also requires the School District to comply with certain other requirements, including placing a one-half mill property levy on the ballot simultaneously with any local share bond issue. The District passed its one-half mill property tax levy simultaneously on the May 8, 2018 ballot with the Bond issue. The proceeds of such levy must be used for maintenance of the project, except for any year in which the School District's adjusted valuation per pupil is greater than the state-wide median adjusted valuation per pupil.

During this process the school district is not restricted, inhibited, or impaired from incurring additional debt in conventional capital markets for any needed capital improvement projects (subject to its maximum debt limitations).

The Bonds - General Terms

The Bonds are issued in fully registered form under a book entry only method with the Depository Trust Company ("DTC") as a securities depository. The Bonds are dated and bear interest at the rates and mature in the amounts and on the dates set forth on the cover page of this Official Statement. Annual principal, and any premium, on the Bonds and accretion in value of the Capital Appreciation Bonds are payable upon presentation by the registered owners thereof at the principal office of The Huntington National Bank, Cleveland, Ohio, as paying agent, registrar and transfer agent for the Bonds (the "Paying Agent and Registrar"). Semiannual interest on the Bonds that are Current Interest Bonds is payable each June 1 and December 1, commencing December 1, 2019, by transmittal by the Paying Agent and Registrar to the registered owner as shown in the registration records maintained by the Paying Agent and Registrar as bond registrar on the 15th day of the calendar month preceding such interest payment date; provided that, so long as the Bonds remain in book entry form with DTC, the Paying Agent and Registrar will make payment for such Bonds by wire transfer of funds on each interest payment date. The Capital Appreciation Bonds do not bear interest, but will accrete in value from their date of issuance and the accreted value will compound on December 1, 2018 and semiannually thereafter.

Registration, Payment and Transfer - Book Entry Method

Owners of book entry interests in the Bonds will not receive or have the right to receive physical delivery of the Bonds and will not be or be considered to be, and will not have any rights as, registered owners ("Holders") of Bonds.

The following information on the Book Entry Only System applicable to the Bonds has been supplied by The Depository Trust Company, New York, New York, and none of the Board of Education, the Underwriter, Bond Counsel, or Underwriter's Counsel make any representations, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co.

(DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with the securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Disclaimer by the Board of Education and Underwriter

The Board of Education does not have any responsibility or liability for any aspect of the records relating to, or payments made on account of book entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The Board of Education and the Underwriter cannot and do not give any assurances that DTC, DTC Participants or others will distribute to the Beneficial Owners (i) payments of Bond Service Charges on the Bonds paid or (ii) redemption or other notices sent to DTC as the Holder or that they will do so on a timely basis, or that DTC or DTC Participants will serve and act in the manner described in this Official Statement. The Board of Education has been advised by DTC that the current "Rules" applicable to DTC and its Participants are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

Revision of Book Entry Only Transfer System; Replacement of Bonds

The Bond Legislation, which authorizes the issuance of the Bonds, will provide for issuance of fully registered replacement Bonds ("Replacement Bonds") directly to persons other than DTC or its nominee only in the event that DTC determines not to continue to act as securities depository for the Bonds or the Board of Education determines that continuation of the book entry only system with DTC is not in the best interests of the Board of Education or the best interests of the Beneficial Owners.

Upon a discontinuance of the book entry only system with DTC, the Board of Education may in its discretion attempt to have established a securities depository/book entry only relationship with another qualified securities depository. If the Board of Education is unable to do so, or desires not to do so, and after the Paying Agent and Registrar has made provisions for notification of the Beneficial Owners of the Bonds by appropriate notice to DTC, the Board of Education and the Paying Agent and Registrar shall authenticate and deliver Replacement Bonds in the denomination of $5,000 any integral multiple thereof to or at the direction of, and, if the event is not the result of Board of Education action or inaction, at the expense (including printing costs), of DTC's assigns.

Principal of, premium, if any, and interest on Replacement Bonds will be payable when due without deduction for the services of the Paying Agent. Principal of any Replacement Bonds will be payable to the registered owner thereof upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent and Registrar. Interest thereon will be payable by the Paying Agent and Registrar by check, draft or wire transfer, mailed to the registered owner of record on the registration books maintained by the Paying Agent and Registrar as of the 15th day of the calendar month preceding the Interest Payment Date.

Replacement Bonds will be exchangeable for Replacement Bonds of authorized denominations, and transferable, at the designated office of the Registrar, without charge (except taxes or other governmental fees). Exchange or transfer of then redeemable Replacement Bonds is not required to be made (i) between the 15th day preceding the mailing of notice of Replacement Bonds to be redeemed and the date of that mailing, (ii) during the period from the day following the Regular Record Date through the day preceding the ensuing Interest Payment Date, or (iii) of a particular Replacement Bond selected for redemption (in whole or in part) until redemption.

Tax Exemption

In the opinion of Bond Counsel, based upon present laws, regulations, rulings and decisions in effect on the date of delivery of the Bonds, and assuming continuing compliance with certain covenants made by the Board of Education, interest on the Bonds is excludable from gross income for federal income tax purposes upon the conditions and subject to the limitations set forth herein under "TAX STATUS." Interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Receipt of interest on the Bonds may result in other federal income tax consequences to certain holders of the Bonds.

See APPENDIX D hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Bonds.

Investment Considerations

The Bonds, like all obligations of state and local government, are subject to changes in value due to changes in the condition of the tax-exempt bond market and/or changes in the financial position of the School District.

Prospective purchasers of the Bonds may need to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Internal Revenue Code of 1986, as amended, upon acquisition, holding or disposition of the Bonds.

It is possible under certain market conditions, or if the financial condition of the School District should change, that the market price of the Bonds could be adversely affected.

In recent years, the IRS has increased the frequency and scope of its examination and other enforcement activities regarding tax-exempt bonds. Currently, the primary penalty available to the IRS under the Code is the determination that interest on tax-exempt bonds is subject to federal income taxation. In addition, although the IRS has only infrequently taxed the interest received by holders of bonds that were represented to be tax-exempt, the IRS has examined a number of bond issues and concluded that such bond issues did not comply with applicable provisions of the Code and related regulations. No assurance can be given that the IRS will not examine the Underwriter, a Bondholder, the School District or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability. Based on the stated use of proceeds from the sale of the Bonds as described herein, and on representations, warranties and covenants of the School District, Bond Counsel will deliver its opinion as to the tax-exemption of interest on the Bonds in the form set forth in APPENDIX D hereto.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters with respect to the Bonds or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

[Remainder of Page Intentionally Left Blank]

Sources and Uses of Funds

The proceeds of the Bonds will be applied as follows:

Sources:

Proceeds from Sale of Bonds:
Par Value of Bonds
[Net Premium/Discount]
Total

Uses:

Deposit to Project Fund
Costs of Issuance*

Total

*Includes Bond Counsel Fees, Rating Agency Fees, Underwriter's Discount, Underwriter's Counsel Fees, Bond Insurance Premium, Paying Agent and Registrar Fees, and miscellaneous costs of issuance.

Security and Source of Payment for the Bonds

At an election held on May 8, 2018, pursuant to the provisions of the Uniform Public Securities Law of the Ohio Revised Code, the electors of the School District approved the issuance of bonds in the principal amount of $17,906,447 and the levy of taxes to pay the principal thereof and interest thereon. The Board of Education will pledge the full faith, credit and revenue of the Board of Education to the payment of the principal of and interest on the Bonds, and levy on all the taxable property in the School District, in addition to all other taxes, an annual tax sufficient in amount to provide for payment thereof. The Bonds are voted general obligations of the Board of Education. The authorizing resolution also contains the usual covenant with respect to restricting the use of the proceeds of the Bonds as necessary to prevent them from constituting "arbitrage bonds" under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended, and regulations prescribed thereunder.

The taxes described above can be expended only for the purpose of paying the principal of and interest on the Bonds (together with costs of issuing the Bonds), and are unlimited as to rate or amount; therefore, the rate of millage actually levied in each year while the Bonds are outstanding will be such as is determined to be necessary by the Allen County Auditor to produce the amount necessary to pay principal and interest due in that year, giving due consideration to the School District's assessed valuation and previous tax collection experience.

The basic security for the Bonds is the Board of Education's ability to levy an ad valorem tax on all real and personal property in the District subject to ad valorem taxation by the District, without limit as to rate or amount (See "BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS - Security for and Sources of Payment of General Obligation Debt" herein).

Bankruptcy

Chapter 9 of the Federal Bankruptcy Code contains provisions relating to the adjustment of debts of a State's political subdivisions, public agencies and instrumentalities (each an "eligible entity"), such as the Board of Education. Under the Bankruptcy Code and in certain circumstances described therein, an eligible entity may be authorized to initiate Chapter 9 proceedings without prior notice to or consent of its creditors, which proceedings may result in a material and adverse modification or alteration of the rights of its secured and unsecured creditors, including holders of its bonds and notes.

Section 133.36 of the Ohio Revised Code permits a political subdivision, such as the Board of Education, for the purpose of enabling such subdivision to take advantage of the provisions of the Bankruptcy Code, and for that purpose only, and upon approval of the State Tax Commissioner, to file a petition stating that the subdivision is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan for the composition or readjustment of its debts, and to take such further proceedings as are set forth in the Bankruptcy Code as they relate to such subdivision. The taxing authority of such subdivision may, upon like approval of the State Tax Commissioner, refund its outstanding securities, whether matured or unmatured, and exchange bonds for the securities being refunded. In its order approving such refunding, the State Tax Commissioner shall fix the maturities of the bonds to be issued, which shall not exceed thirty years. No taxing subdivision is permitted, in availing itself of the provisions of the Bankruptcy Code, to scale down, cut down or reduce the principal sum of its securities except that interest thereon may be reduced in whole or in part.

The Federal Bankruptcy Code and Section 133.36 of the Ohio Revised Code also permit Allen County to initiate Chapter 9 proceedings, which, because Allen County collects certain revenues on behalf of the Board of Education (particularly ad valorem property taxes), may adversely affect the financial condition of the Board of Education. (See "AD VALOREM TAX REVENUES" herein.)

THE BONDS

The Bonds are issuable as bonds which pay interest semiannually (the "Current Interest Bonds") and as bonds which do not pay interest currently but accrete in value in lieu thereof until their maturity date (the "Capital Appreciation Bonds"). The Bonds will be dated, mature, and bear interest or, in the case of the Capital Appreciation Bonds, accrete in value, all as more particularly described herein.

The Current Interest Bonds

The Current Interest Bonds are issued in fully registered form in denominations of $5,000 or any integral multiple thereof. The Current Interest Bonds bear interest at the rates and mature in the amounts and on the dates set forth on the cover page of this Official Statement. Annual principal, and any premium, on all Current Interest Bonds are payable upon presentation and surrender by the registered owner thereof at the principal office of the Registrar. Semiannual interest on the Current Interest Bonds is payable each June 1 and December 1, commencing December 1, 2019, by check, draft or wire transfer to be sent by the Paying Agent and Registrar to the registered owner as shown in the registration records maintained by the Paying Agent and Registrar as bond registrar on the 15th day of the calendar month preceding such interest payment date.

The Current Interest Bonds are dated their date of delivery if authenticated prior to the first interest payment date of the Current Interest Bonds and otherwise will be dated as of the interest payment date next preceding the date the Current Interest Bonds are authenticated except that if the Current Interest Bonds are authenticated on an interest payment date they will be dated as of such date of authentication; provided that if at the time of authentication, interest thereon is in default, they will be dated as of the date to which interest has been paid. The Current Interest Bonds mature as indicated on the cover of this Official Statement.

Redemption of the Current Interest Bonds[*]

Mandatory Sinking Fund Redemption

The Current Interest Bonds due December 1, 20__ are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 20__ and each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

Date	Principal Amount to be Redeemed

Unless otherwise called for redemption, the remaining $__________ principal amount of the Bonds due December 1, 20__ is to be paid at stated maturity.

Optional Redemption

The Current Interest Bonds maturing on and after December 1, 2027 are subject to optional redemption, in whole or in part on any date in any order of maturity as determined by the Board of Education and by lot within a maturity, at the option of the Board of Education on or after December 1, 2025 at par, which is 100% of the face value of the Current Interest Bonds.

If fewer than all of the outstanding Current Interest Bonds of a single maturity are called for redemption, the selection of the Current Interest Bonds to be redeemed, or portions thereof in amount of $5,000 or any integral multiple thereof, shall be made by lot by the Paying Agent (as hereinafter defined) in any manner which the Paying Agent may determine. In the case of a partial redemption of Current Interest Bonds when Current Interest Bonds of denominations greater than $5,000 are then outstanding, each $5,000 unit of face value of principal thereof shall be treated as though it were a separate Current Interest Bond of the denomination of $5,000. If one or more, but not all, of such $5,000 units of face value represented by a Current Interest Bond are to be called for redemption, then upon notice of redemption of a $5,000 unit or units, the registered holder of that Bond shall surrender the Current Interest Bond to the Paying Agent (a) for payment of the redemption price for the $5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the registered holder thereof, of a new Current Interest Bond or Bonds of the same series, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Current Interest Bond surrendered.

The notice of call for redemption of Current Interest Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Current Interest Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Paying Agent on behalf of the Board of Education by mailing a copy of the redemption notice by regular first class mail, at least 30 days prior to the date fixed for redemption, to the registered holder of each Current Interest Bond subject to redemption in whole or in part at such registered holder's address shown on the Bond registration records on the fifteenth day preceding that mailing. Failure to receive notice by mailing or any defect in that notice regarding any Current Interest Bond, however, shall not affect the validity of

---

[*] Preliminary; subject to change.

the proceedings for the redemption of any Current Interest Bond. Notice having been mailed in the manner provided above, the Current Interest Bonds and portions thereof called for redemption shall become due and payable on the redemption date and on such redemption date, interest on such Current Interest Bonds or portions thereof so called shall cease to accrue; and upon presentation and surrender of such Current Interest Bonds or portions thereof at the place or places specified in that notice, such Current Interest Bonds or portions thereof shall be paid at the redemption price, including interest accrued to the redemption date.

The Capital Appreciation Bonds

The Capital Appreciation Bonds will be dated the date of their issuance. The Capital Appreciation Bonds do not bear current interest, but will accrete in value from their date of issuance. The Capital Appreciation Bonds will accrete in value at the Approximate Yield to Maturity set forth on the cover page hereof on the basis of a 360 day year consisting of twelve 30 day months, and the accreted value will compound semiannually on each June 1 and December 1 (each a "Compound Date"), commencing December 1, 2018. The accreted value so accrued and compounded shall be the Compound Accreted Amount. Payment of the Compound Accreted Amount shall be made upon presentation and surrender thereof at the principal office of the Paying Agent and Registrar. The Compound Accreted Amount of the Capital Appreciation Bonds as of each Compound Date is set forth in the Accretion Table provided below. The Compound Accreted Amount of the Capital Appreciation Bonds with respect to any date other than a Compound Date will be the amount set forth in the Accretion Table below with respect to the last preceding Compound Date plus the portion of the difference between such amount and the amount set forth in the Accretion Table below with respect to the next succeeding Compound Date that the number of days (based on a 360 day year consisting of twelve 30 day months) from such preceding Compound Date to the next succeeding Compound Date. The following table is not to be construed as a representation as to the market value of the Capital Appreciation Bonds at any time in the future.

Table of Compound Accreted Amounts

[provided in final Official Statement]

Redemption of the Capital Appreciation Bonds

The Capital Appreciation Bonds are not subject to redemption prior to maturity.

SCHEDULE OF BOND DEBT SERVICE PAYMENTS

The following Schedule of Debt Service Payments has been prepared on behalf of the Board of Education and contains debt service requirements for the Bonds:

[*provided in final Official Statement*]

Bond Counsel and Delivery of the Bonds

The Bonds will be subject to approval of legality by Dinsmore & Shohl LLP Columbus, Ohio, Bond Counsel. The Bonds are expected to be delivered on or about September 25,2018.

Disclosure Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and continuing disclosure documents of the Elida Local School District are intended to be made available through one or more repositories. Copies of the basic documentation relating to the Bonds, including the authorizing resolution and the Bond form, are available from the School District.

The Board of Education has determined this Preliminary Official Statement to be final for the purposes of, and except for certain omissions allowed by, the Securities and Exchange Commission Rule 15c2-12(b)(1).

Continuing Disclosure

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule") the Elida Local School District (the "Obligated Person(s)") will agree pursuant to a Continuing Disclosure Certificate dated as of the date of delivery of the Bonds to be delivered on the date of delivery of the Bonds, to cause the following information to be provided:

(i) to the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Asset System ("EMMA") as the designated nationally recognized municipal securities information repository, certain annual financial information and operating data, including financial statements, generally consistent with the information contained under the headings "GENERAL INFORMATION CONCERNING ELIDA LOCAL SCHOOL DISTRICT," "FINANCIAL MATTERS," "AD VALOREM TAX REVENUES," and "BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS;" such information shall be provided on or before December 1 of each year for the fiscal year ending on the preceding June 30, commencing December 1, 2018.

(ii) to EMMA, in a timely manner, not in excess of ten business days after the occurrence of the event, notice of the occurrence of the following events with respect to the Bonds:

(a) Principal and interest payment delinquencies;
(b) Non-payment related defaults, if material;
(c) Unscheduled draws on debt service reserves reflecting financial difficulties;
(d) Unscheduled draws on credit enhancements reflecting financial difficulties;
(e) Substitution of credit or liquidity providers, or their failure to perform;
(f) Adverse tax opinions or events affecting the tax-exempt status of the security;
(g) Modifications to rights of security holders, if material;

(h) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
(i) Defeasances;
(j) Release, substitution or sale of property securing repayment of the securities, if material;
(k) Rating changes;
(l) Failure to file continuing disclosure by deadline;
(m) Bankruptcy, insolvency, receivership or similar event of the obligated person;
(n) The consummation of a merger, consolidation, or acquisition involving an obligated person, or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(o) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(iii) to EMMA, notice of a failure to provide the required annual financial information on or before the date specified in its written continuing disclosure undertaking.

The Continuing Disclosure Certificate provides bondholders with certain enforcement rights in the event of a failure by the Obligated Person to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute a default under the Bond Legislation. The Continuing Disclosure Certificate may also be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Bondholders are advised that the Continuing Disclosure Certificate, copies of which are available at the office of the School District, should be read in its entirety for more complete information regarding its contents.

For purposes of this transaction with respect to events as set forth in the Rule:

(a) there are no debt service reserve funds applicable to the Bonds; and
(b) there is no property securing the repayment of the Bonds.

Continuing Disclosure Compliance

Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission, requires continuing disclosure with respect to new offerings of municipal securities of $1,000,000 or more. The District is obligated to provide such continuing disclosure with respect to one or more previously issued and currently outstanding bond or note issues. During the past five years, the audited financial statements have not always been available by the annual filing date of December 1; therefore the District filed the other required portions of its annual report by the filing date and filed the audited financial statements within thirty-one days after they became available on the Ohio Auditor of State's website. The District's latest disclosure was filed in November 2017 (annual report) for the fiscal year ended June 30, 2017. The audited financial statements for the fiscal year ended June 30, 2017 are not yet available on the Auditor of State's website.

Denominations

The Bonds will be issued in the denomination of $5,000 or any integral multiple thereof (in the case of Current Interest Bonds) or in denominations of $5,000 maturity amounts or any integral multiple thereof (in the case of Capital Appreciation Bonds).

Accrued Interest and Premium

Accrued interest and premium, if any, received by the Board of Education will be deposited in the applicable Bond Retirement Fund account for the purpose of debt retirement of the Bonds.

[Remainder of Page Intentionally Left Blank]

GENERAL INFORMATION CONCERNING
ELIDA LOCAL SCHOOL DISTRICT

About the District

The Elida Local School District (the "District") encompasses approximately 81 square miles and is located in Allen County (the "County") in northwest Ohio. The County is served by Interstate 75, U.S. Route 30 and State Routes 309 and 81. The District is approximately 75 miles north of the City of Dayton, Ohio and approximately 80 miles south of the City of Toledo, Ohio.

The following public and private services are available in the community:

Higher Education: Within commuting distance are several public and private two-year and four-year colleges and universities providing a range of educational facilities and opportunities. These include Bluffton University, Mt. Nazarene University, Ohio Northern University, James A. Rhodes State College, The Ohio State University at Lima and the University of Northwestern Ohio. Findlay University and Bowling Green State University are also located near the County.

Public Utilities: The District is served by Century Link (telephone service), Dominion East Ohio (gas service) and American Electric Power (electric).

Communications: The District is served by one daily newspaper, the *Lima News*, and one weekly newspaper, the *Delphos Herald*. Cable and several network television stations are available throughout the County.

Organization of the District

The District organization for the 2017-2018 school year is as follows:

	Types of Schools	Distribution by Grade		
	1 – Elementary School	K-4	930	students
	1 – Middle School	5-8	804	students
	1 - High School	9-12	689	students
Total	3		2,423	students

Source: School District Treasurer's Records

The administrative staff consists in part of the Superintendent, Treasurer, 3 full-time Principals, 3 Assistant Principals, a Technology Director, a Supervisor of Food Service, a Supervisor of Transportation, a Director of Special Education, a Curriculum Director, a Payroll Specialist, a Grounds Supervisor and a Maintenance Supervisor.

The District employs 160 certificated personnel, including the principals.

The District employs 107 non-instructional staff including food service, secretarial, transportation, custodial, maintenance and educational aides.

The District transports 1,490 of its 2,423 enrolled students. The District transports 18 non-public students.

Support Services

Support Services available include specialists in reading, guidance, art, music and physical education, nurses, psychologists, aides assisting disabled students and speech pathologists at all grade levels, and guidance counselors are available at the middle school and high school levels. The District's Pupil Personnel Services program includes school health and psychological services, pupil appraisal, counseling and guidance services, special education services, and speech-language and hearing services.

Overlapping Governmental Entities

The major political subdivisions overlapping all or a portion of the territory of the District, and the approximate percentages of the assessed valuation of such subdivisions located within the District are as follows:

Subdivision	% of Assessed Valuation Within School District	Net Debt
Allen County	19.06%	$196,509
Lima City	13.04	574,146
Elida Village	100.00	70,000
Amanda Township	17.83	-0-
American Township	78.82	-0-
Marion Township	19.52	-0-
Sugar Creek Township	100.00	-0-
Apollo Career Center JVSD	16.23	4,791,096

Source: Ohio Municipal Advisory Council as of July 27, 2018

Each of these entities operates independently under and is governed by Ohio law with its own budget, tax rate and sources of revenue. All such entities may levy unvoted ad valorem property taxes within the "ten-mill limitation" discussed herein at "BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS - Indirect Debt Limitation."

[Remainder of Page Intentionally Left Blank]

Population

Population statistics for the Village of Elida and Allen County are as follows:

	Village of Elida		Allen County	
Year	Population	% Change	Population	% Change
1990	1,486	--	109,755	--
2000	1,917	29.00%	108,473	(1.17)%
2010	1,905	(0.63)	106,331	(1.97)
2011*	1,869	(1.89)	105,975	(0.33)
2012*	1,853	(0.86)	105,233	(0.70)
2013*	1,850	(0.16)	105,025	(0.20)
2014*	1,850	0.00	104,843	(0.17)
2015*	1,839	(0.59)	104,093	(0.72)
2016*	1,831	(0.44)	103,626	(0.45)
2017*	1,819	(0.66)	103,198	(0.41)

**Estimated; as of July 1*
Source: U.S. Census Bureau

Employment Statistics

Employment statistics for the District are not available; however, civilian labor force statistics for the County, as well as State and national figures, are as follows:

ALLEN COUNTY*

	Labor Force	Employed	Unemployed
2014	48,300	45,500	2,800
2015	47,800	45,500	2,300
2016	48,300	45,900	2,400
2017	48,900	46,500	2,400
2018**	48,700	46,700	2,000

AVERAGE UNEMPLOYMENT RATES*

	County	State	U.S.
2014	5.8%	5.8%	6.2%
2015	4.8	4.9	5.3
2016	5.0	5.0	4.9
2017	5.0	5.0	4.4
2018**	4.1	4.2	3.6

**not seasonally adjusted*
*** as of May*
Source: Ohio Department of Job and Family Services

Economic Activity and Employment

The largest employers in Allen County are as follows:

	Employer	Type of Business	Number of Employees
1.	Ford Motor Company	Advanced Manufacturing	1,949
2.	St. Rita's Medical Center	Health & Social Services	1,820
3.	Lima Memorial Health System	Health & Social Services	1,600
4.	Procter & Gamble Manufacturing Company	Advanced Manufacturing	700
5.	General Dynamics Land Systems	Advanced Manufacturing	600
6.	University of Northwestern Ohio	Education	530
7.	Dana Corporation	Advanced Manufacturing	512
8.	Walmart	Retail	450
9.	Husky Lima Refinery	Advanced Manufacturing	450
10.	Metokote Corporation	Advanced Manufacturing	445

Source: Allen Economic Development Group (December 2014)

The level of building activity within the District is evidenced by the following data relating to the issuance of residential building permits by the County for the years indicated:

	Allen County	
Year	Building Total	Valuation
2012	80	$11,993,000
2013	63	11,388,000
2014	61	10,975,000
2015	77	16,101,000
2016	76	16,004,000

Source: Office of Research, Ohio Development Services Agency

Organization and Officials of the Board of Education

The Board of Education is a body politic and corporate and, as such, can be sued and can sue, can enter into contracts and can be contracted with, can acquire, hold, possess and dispose of real and personal property, and take and hold in trust for the use and benefit of the District, any grant or devise of land, and any donation or bequest of money or other personal property. It is comprised of five members who are elected for overlapping four-year terms.

The Board of Education is charged with the duties and responsibilities of managing the affairs of the District pursuant to the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer. The Board of Education serves as the legislative body of the District.

The Treasurer is appointed for a term not longer than five years and serves as the fiscal officer of the Board of Education and, with the president of the Board of Education, executes all conveyances made by the Board of Education.

The Superintendent is appointed for a term not longer than five years and is the executive officer of the Board of Education. The Superintendent is responsible for administering Board-adopted policies, is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board of Education on all aspects of the educational program and total operation of schools in the District.

The Board of Education employs all certified employees and classified employees upon the recommendation of the Superintendent.

The current members, Superintendent and Treasurer of the Board of Education are as follows:

BOARD OF EDUCATION

Name	Term Expires	Years As Member	Occupation
Pat Schymanski, President	12/31/19	4	Retired
Brenda Stocker, Vice President	12/31/19	10	Bookkeeper
Jason Bowers	12/31/21	4	Firefighter/EMT
Jeff Christoff	12/31/21	4	College Professor
Barry Barnt	12/31/21	New	Teacher

Superintendent

Joel Mengerink has served the Elida Local School District since August 1, 2016. Prior to serving Elida, Mr. Mengerink served 3 years as Superintendent of Continental Local Schools. While at Continental, Mr. Mengerink also served as High School Principal for six years. Mr. Mengerink received his Bachelor of Science from Bowling Green State University in 1997 and received his Masters and postgraduate work from Bowling Green State University.

Treasurer

Joel L. Parker, CPA has served as the Treasurer of Elida Local School District since March 1, 1998. Prior to working for the District, Mr. Parker was employed with LaValler & Company CPAs. Mr. Parker has received his BSBA in Accounting with a minor in Political Science from Ohio Northern University. Mr. Parker is a member of the OSBA and has served as the treasurer for the West Central Ohio Association of School Business Officials. Mr. Parker is active in the community; he is active in his church, is a youth coach and a member of the Elida Educational Foundation.

Budget Procedure

Since July 1, 1986, the fiscal year for all Ohio school districts has run from July 1 to June 30. Each spring, the Administration reviews the enrollment projections along with the objectives of the upcoming fiscal year. A tentative budget is prepared for review by the Administration and the Board of Education. The budget is then approved at a public meeting of said Board.

Employees

The Board employs 267 employees (including non-teaching personnel). In fiscal year 2017-2018, the Board paid $13,271,895 in salaries and wages to these employees (including substitutes) and $4,482,506 for fringe benefits which include state employer retirement contributions, workers' compensation insurance coverage, unemployment compensation, severance payments, and medical, dental and life insurance premiums. Of the Board's current employees, 160 are certified by the Ohio Department of Education serving as classroom teachers, education specialists and administrators. The starting salary for a teacher with a bachelor's degree for the period beginning August 1, 2017 is $35,895. The maximum teacher salary in 2017-2018 for a master's degree plus thirty is $71,072 with 27 years' experience.

Of the Board of Education's 157 teachers and educational specialists, 146 are members of the Elida Education Association (the "Association"). The present contract between the Board of Education and the Association commenced July 1, 2016 and expires June 30, 2019. Historically, the Board of Education and the Association have agreed to labor contracts of a two- to three-year duration.

The present contract between the Board of Education and the AFSCME Local 4, AFL-CIO Local #16 (the "Union"), a group affiliated with the Ohio Association of Public School Employees that represents the bus drivers, commenced July 1, 2016 and expires June 30, 2019. Historically, the Board of Education and the Union have agreed to labor contracts of a two- to three-year duration. The Board of Education does not have a negotiated agreement with its other classified employees.

The Board of Education has not experienced any work stoppages. In the opinion of the Board of Education, labor relations with its employees are currently good.

Enrollment

Actual enrollment in the School District for the school years 2013-14 through 2017-18 is shown in the table below:

	Grades			
School Year	K	1-12	JVSD	Total Enrollment
2013-14	177	2,308	75	2,560
2014-15	184	2,328	73	2,585
2015-16	169	2,304	73	2,546
2016-17	162	2,254	69	2,485
2017-18	186	2,237	67	2,490

Source: School District Treasurer's Records

Certain additional statistical information concerning enrollment in the School District is as follows:

		Per Pupil Expenditure General Fund		Per Pupil Assessed Valuation	
School Year	Average Daily Membership*	District Average	State Average	District Average	State Average
2012-13	2,636	$7,610	$10,446	$144,681	$137,515
2013-14	2,678	7,948	10,913	134,981	135,082
2014-15	2,697	8,094	10,985	132,700	137,970
2015-16	2,682	8,416	11,164	131,529	141,305
2016-17	2,669	8,997	11,603	140,614	144,660

**Average Daily Membership is based on the number of students who reside in the District, not the number who actually attend the District.*
Source: Ohio Department of Education

Existing School Facilities

The following is a description of the existing school facilities, including name of school, grades housed, date of construction and additions:

Building	Grades Housed	Date of Original Construction	Date of Construction/ Addition	Description of Addition
Elida High School	9-12	2011		
Elida Middle School	5-8	1981		
Elida Elementary School	K-4	1960	1963, 1966, 1989	Classrooms

School Facilities After Completion of Project

The following is a description of the school facilities that will exist after completion of the Classroom Facilities Assistance Program project described herein, including name of school and grades housed:

Building	Grades Housed
Elida High School	9-12
Elida Middle School	6-8
Elida Elementary School	PK-5

[Remainder of Page Intentionally Left Blank]

State Performance Standards

The State has created and implemented a new report card methodology which is reflected in the report cards issued in August 2013 and thereafter. Previous designations such as "excellent" and "effective" were replaced with letter grades such as "A" and "B." Under the new methodology, school districts are assigned an overall grade of "A" to "F." Each school district's overall grade is determined by combining six graded components: (a) Achievement, (b) Progress, (c) Gap Closing, (d) Graduation Rate, (e) K-3 Literacy and (f) Prepared for Success. Each component is assigned a grade of "A" to "F." Some components are assigned a grade based upon a single measure, while other components are assigned a grade based upon the combination of grades assigned to multiple measures. Recent changes in Ohio school law extend the time districts have before they are accountable for all measures on the report card. There will not be an overall grade for a district until 2018.

The District received the following report card from the State based on its performance during the 2016-2017 school year:

Component	Grade
District Overall Grade	N/A
Achievement	C
Performance Index (90.5/120.0) (75.4%)	C
Performance Indicators (6/24) (25.0%)	F
Progress	B
All Students	A
Gifted Students	A
Students in the Lowest 20% in Achievement	A
Students with Disabilities	D
Gap Closing	F
Annual Measurable Objectives (54.4%)	F
Graduation Rate	C
Four-Year Graduation Rate (89.2%)	B
Five-Year Graduation Rate (86.7%)	C
K-3 Literacy	C
K-3 Literacy Improvement (71/131) (44.3%)	C
Prepared for Success	D
Prepared for Success (27.1%)	D

Source: Ohio Department of Education
For more information, go to http://reportcard.education.ohio.gov/Pages/Resources.aspx

FINANCIAL MATTERS

Accounting - Basis and Policies

The District maintains its records in accordance with the Uniform System of Accounting prescribed by the Department of Audit for the State of Ohio. Examination of the records is conducted on an annual basis by the Department.

All Board of Education expenditures are made in accordance with the annual appropriation resolution adopted at the beginning of the fiscal year at a total not to exceed the Amended Certificate of Estimated Resources certified by the County Budget Commission.

All receipts are classified in accordance with the guidelines prescribed by the office of the Auditor of the State.

Other special funds for grants and restricted monies and their related budgets are maintained in accordance with the agreements or specific purposes designated for these funds. These funds are also maintained in accordance with guidelines of the Auditor of State and are included in the two-year audits conducted by the Department of Audit.

The Board of Education's fiscal year corresponds with the July 1 to June 30 school year. The collection of taxes is made on a calendar-year basis.

The responsibilities for the major financial functions of the Board of Education are divided between the Board of Education and the Treasurer. The Treasurer is the fiscal officer of the Board of Education, its chief accounting officer, and serves the Board of Education as financial advisor. The Treasurer keeps the accounts of the Board of Education and is responsible for accurate statements of all moneys received and expended and of all taxes. At the end of each fiscal year, the Treasurer must examine the accounts of all offices and departments of the Board of Education. The Treasurer is not to allow the amount set aside for any appropriation to be overdrawn, or the amount appropriated for any one item of expense to be drawn upon for any other purpose, or allow a voucher to be paid unless sufficient funds are in the treasury of the Board of Education to the credit of the fund upon which such voucher is drawn.

Budgeting, Tax Levy and Appropriations Procedures

Detailed provisions for budgeting by the Board of Education, tax levies and appropriations are made in the Revised Code.

In general, the budgetary process begins six months or more before the start of the fiscal year for which the budget is to be adopted, and involves review by County officials at several stages. Significant steps in the budgetary process are summarized as follows:

1. On or before January 15 of each year, the Board of Education administration prepares, and, after a public hearing, the Board of Education adopts, a tax budget for the succeeding fiscal year. The tax budget must show estimated receipts and expenditures and indicate the amount of ad valorem property taxes, both inside and outside the ten-mill limitation, as hereinafter described, that must be levied in such fiscal year.

2. The proposed tax budget is filed with the County Auditor on or before January 20 of each year, who presents it to the County Budget Commission, which is comprised of the County Auditor, County Treasurer, and County Prosecuting Attorney. On or before March 1 of each year, the County Budget Commission reviews the tax budget, makes any necessary changes in the amount of ad valorem property taxes to be levied, and in particular ascertains that sufficient ad valorem property taxes are to be levied, both inside and outside the ten-mill limitation, to pay all debt charges.

3. The County Budget Commission then certifies the results of its review to the Board of Education. Before April 1 of each year, the Board of Education approves the tax levies as determined by the County Budget Commission and certifies them to the appropriate County officials, who bill and collect the ad valorem property taxes as approved. Real property taxes are payable in two installments, the first usually in February and the second in July.

4. No later than October 1 of each year, the Board of Education adopts an annual appropriation resolution for the current fiscal year, which may not contain amounts in excess of those approved by the County Budget Commission. The annual appropriation resolution is certified to the County Auditor, who must certify that the amounts appropriated do not exceed current estimated receipts. Temporary appropriation measures may be enacted pending adoption of the annual appropriation resolution.

In addition to the procedure discussed above, Ohio law provides for amendments to the amounts certified by the County Budget Commission, and for supplemental appropriation measures by the Board of Education to reflect changes in the amounts of estimated receipts and expenditures of the Board of Education as the fiscal year progresses.

The requirement that the District adopt a tax budget has been waived pursuant to Section 5705.281 of the Ohio Revised Code, but the District is still required to provide such information as the County Budget Commission may require to perform its duties.

Financial Reports and Examinations of Accounts

The Board of Education maintains its accounts, appropriations and other fiscal records in accordance with the procedure established and prescribed by the Auditor of State. The Auditor of State is charged by Ohio law with responsibility for inspecting and supervising the accounts and reports of all taxing districts and public institutions in the State, including the Board of Education. The most recent examination of the Board of Education by the Auditor of State was completed through June 30, 2016. No material unusual circumstances or conditions were reported to exist during the period of examination, but a material weakness was identified, as described below and in the Audit. Two findings were made in such Audit: one with respect to not preparing an audit in accordance with GAAP and a second with respect to liquidation of grant money in a timely manner (considered to be a material weakness). See the Schedule of Findings in the Audit attached hereto as APPENDIX A.

The Board of Education does not retain independent public accountants to audit its financial records and reports.

The financial statements of the District have been prepared on a modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid. As a result of using the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements.

Investment Policies of the Board of Education

The Board of Education invests in United States Treasury obligations and eligible guaranteed obligations of the United States, commercial paper, bankers acceptances, the State Treasurer's investment pool ("Star Ohio" and "Star Plus"), certificates of deposit, repurchase agreements and mutual funds which are invested exclusively in United States Treasury obligations. All investments comply with the limitations with respect to length of maturities contained in Chapter 135 of the Ohio Revised Code (the Uniform Depository Act). The Board of Education interprets the limits on Federal guaranteed investments, bankers acceptances, commercial paper and all other legal investments very conservatively.

The Board of Education has never owned any derivative type investments, interest only investments or reverse repurchase agreements. The Treasurer has attended special training in all of the investment areas to assure compliance with the strictly conservative philosophy of the Board of Education. All investments are transacted with banks the Board of Education believes to be reputable or other financial institutions operating in the State of Ohio that are well versed in the statutory restrictions Ohio political subdivisions operate under and also have an understanding of the Board of Education investment requirements.

The Board of Education pools its cash for investment purposes and investment income is deposited in the General Fund as required by the Ohio Revised Code excepting those funds which other express provisions are made within the Code. Interest earned by the Board of Education in fiscal year 2017-18 totaled $133,272.

Insurance

The District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles in a maximum amount of $89,911,473 with a $1,000 deductible clause. In addition, the District maintains liability coverage with limits of $8,000,000 and a $1,000 deductible. Vehicle policies include liability coverage for bodily injury and property damage. The District also maintains a separate insurance policy for sexual harassment with a $8,000,000 aggregate and $6,000,000 per occurrence and a $-0- deductible.

Pursuant to statutes enacted in November 1985, the liability of political subdivisions, including boards of education in Ohio, has been significantly reduced. As a general rule, Ohio law provides that political subdivisions such as the Board of Education have an immunity from liability in damages for injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle on public roads, highways or streets; negligent performance of proprietary functions; failure to keep public roads, highways, streets, sidewalks, bridges or public grounds open, in repair, and free from nuisance; negligence of employees within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a $250,000 per person ceiling on the compensatory damage that represents a person's non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.

Sources of Income

The following chart shows the sources of income for the General Fund of the Board of Education for the fiscal years 2013-14 through 2017-18:

SOURCE OF INCOME - GENERAL FUND

	2013-14	2014-15	2015-16	2016-17	2017-18
RECEIPTS					
General Property Tax (Real Estate)	$8,617,740	$8,657,054	$8,963,203	$9,158,204	$9,216,266
Tangible Personal Property Tax	290,351	311,707	333,035	433,917	474,470
Unrestricted State Grants-in-Aid	7,563,979	8,397,514	9,052,352	9,778,446	10,087,700
Restricted State Grants-in-Aid	348,937	357,992	361,482	352,267	379,152
Restricted Federal Grants-in-Aid - SFSF	0	0	0	0	0
Property Tax Allocation	1,390,136	1,389,567	1,275,655	1,283,364	1,264,104
All Other Revenues	2,183,263	2,346,901	2,353,165	2,260,412	2,277,940
TOTAL	$20,394,406	$21,460,735	$22,338,892	$23,266,610	$23,699,632

AD VALOREM TAX REVENUES

Ad Valorem Tax Base

The County experienced the statutory sexennial reappraisal of real property during calendar year 2015, whereby the true value of real property is adjusted to reflect current market values. Ohio law requires that the County Auditor reassess real property at any time he or she finds that the true or taxable value thereof has changed, and in the third calendar year following the year in which a sexennial reappraisal is completed if ordered by the Tax Commissioner.

Existing law requires that taxable real property be assessed at not more than 35% of its true value except that taxable real property devoted exclusively to agricultural use is to be assessed at not more than 35% of its current agricultural use value as determined by the County Auditor in accordance with rules adopted by the Ohio Commissioner of Taxation (the "Commissioner") for such purpose. The assessment ratio has been fixed at 35% under existing rules of the Commissioner. The County Auditor is required to adjust (but without individual appraisal of properties except in the sexennial reappraisal) taxable real property values triennially to reflect true values. Any taxable real property which the owner thereof, under rules and regulations promulgated by the Chief of the Ohio Division of Forestry, declares is devoted exclusively to forestry or timber growing is taxed at 50% of the local tax rate upon its true value.

Given the standard assessment base determined under the provisions noted above, legislation effective in 1976 and recent legislation enacted pursuant to a constitutional amendment approved by the voters of Ohio in November 1980 have provided for a two-phase tax reduction of real property taxes, with respect to taxes other than taxes levied at a rate required to produce a specified amount of tax money (i.e. for payment of debt charges), taxes levied inside the ten-mill limitation, or taxes authorized by a municipal charter.

1. The County Auditor must annually classify all real property into two classes: (a) residential/agricultural real property, and (b) nonresidential/agricultural real property. The Commissioner then determines the amount of carryover property in each such case for each taxing district, "carryover property" being defined as all real property on the current year's tax list except: (a) land and improvements that were not taxed by the district in both the preceding year and the current year, and (b) land and improvements that were not in the same class in both the preceding year and the current year. The Commissioner must determine annually by what percent (the "Tax Reduction Factor"), if any, the sums that would otherwise be levied by a tax against the carryover property in each class would have to be reduced to equal the amount that would be levied if the full rate thereof were imposed against the total taxable value of such property in the preceding tax year. Thereafter, the County Auditor must reduce the sum to be levied by the tax against each parcel of real property in the district by the Tax Reduction Factor certified by the Commissioner for its class. However, if said reduction for either class of property could cause the total taxes charged and payable for current expenses of a school district, other than a joint vocational school district, prior to the statutory ten percent reduction, discussed hereinafter, to be less than two percent of the taxable value of all real property in that class that is subject to taxation, the Commissioner, upon notification thereof by the County Auditor, must adjust the Tax Reduction Factor as required by law.

2. The County Auditor must reduce the sums remaining thereafter to be levied against parcels of real property by ten percent; such reduction is reimbursed by the State to the County for distribution to the affected subdivisions after deduction of a statutorily determined fee to be used by the Department of Taxation for administrative purposes. Since June 26, 2003, only one-half of this reduction has been reimbursed from state sources. The taxes remaining after such reduction constitute the real and public utility property tax chargeable and payable on such property.

In addition, Ohio law provides a two and one half percent (2.5%) real property tax reduction for certain owner-occupied properties. Historically, the two and one half percent reduction has been reimbursed by the State to the School District.

The 2014-2015 State Budget eliminated the ten percent reduction and the two and a half percent reduction discussed above for taxes levied under new or replacement levies of the School District approved at elections held after October 11, 2013. The State shall continue to reimburse the School District for revenues lost as a result of these rollbacks on existing tax levies, renewal tax levies and tax levies within the ten mill limitation, discussed below, in the same manner as it did before the 2014-2015 State Budget.

The State also provides a homestead exemption to certain elderly or disabled property owners, which enables qualified owners to shield a portion of the value of their home from property taxes. This reduction is reimbursed by the State to the School District. The 2014-2015 State Budget placed certain additional restrictions on the availability of the homestead exemption for those not eligible for the exemption as of tax year 2013.

While the aforesaid tax reductions may not affect the determination of the principal amount of notes that may be issued in anticipation of any tax levies or the amount of notes or bonds for any planned improvements, if funds for the payment of debt service charges on notes or bonds payable from taxes so reduced are insufficient for such purpose, then the reduction of taxes is adjusted to the extent necessary to provide sufficient funds from real property taxes for the payment of such debt charges.

Failure of the County Auditor to supply to the Tax Commissioner the information required to determine the Tax Reduction Factor may result in substantial withholding of State revenues to the local government until such time as the County Auditor supplies such information.

A corporation with taxable property in more than one county must also make, directly to the Tax Commissioner, a single combined return, listing all taxable property. Distribution of the funds so generated is normally made by the Tax Commissioner to the respective county auditors during the last quarter of each calendar year.

Recent changes to the assessment of tangible personal property enacted by the Ohio General Assembly include:

(a) Beginning in 2006, taxation affecting three classes of tangible personal property used in business changed. Tangible personal property taxes on (i) manufacturing equipment, (ii) furniture and fixtures and (iii) inventory was phased-out over a four-year period, ending in 2009. Tangible personal property taxes on a fourth class, telephone, telegraph and interexchange communication companies, were phased-out from 2007-2011. A portion of the commercial activities tax (the "CAT tax"), implemented in 2005, replaced the tax on business tangible personal property. Prior to the passage of Am.Sub. HB 153, effective June 30, 2011 ("HB 153"), as part of the CAT tax, gross rents and royalties from tangible personal property, as well as gross receipts from the sale of tangible personal property (among several other categories of receipts) were credited to the State's general revenue fund and used to reimburse school districts and other local taxing units for the phase-out of taxes on business tangible personal property. These payments are commonly referred to as "replacement payments."

The application of the CAT to certain types of business receipts has been the subject of litigation. On September 17, 2009, the Ohio Supreme Court held that the CAT is not an excise tax "upon the sale or purchase of food" and does not violate the State's constitutional prohibitions against such a tax. On July 26, 2011, an Ohio appellate court held that the CAT "is not a tax upon motor vehicle fuel" and, thus, upheld the constitutionality of the application of the CAT to gross receipts from the sales of motor fuels. The Ohio Supreme Court has reversed the appellate court and declared that the allocation to non-highway purposes of revenue derived from the application of Ohio's CAT to gross receipts from the sale of motor vehicle fuel violates the Ohio Constitution. The Court determined the decision would be prospective and that such revenue would be held until properly appropriated by the General Assembly.

The division of CAT tax revenue among these sources was scheduled to be phased-out in 2018, with the State's general fund receiving 100% of the CAT tax revenues thereafter. HB 153 has generally accelerated the phase-out and reduces the reimbursement payments, depending on the type of levy and the financial resources of each particular school district or other taxing unit.

Generally, HB 153 accelerates the phase-down of the reimbursement amounts for fixed-rate levies by means of a formula based on a school district's or taxing unit's reliance on such reimbursements as a percentage of its total budget (or "total resources"), rather than by a fixed fractional reduction of reimbursement amounts through 2019, as provided under prior law. For example, under this formula for reimbursement, certain thresholds for fixed-rate levy loss reimbursement (which, in some cases, apply to current expense fixed-rate levies) have been established for school districts (2% for fiscal year 2012 and 4% for fiscal year 2013 and thereafter) and for other taxing units (4% for fiscal year 2012 and 6% for fiscal year 2013 and thereafter). If a school district or other taxing unit does not receive reimbursement (also referred to as an "allocation") for fixed-rate levy loss in an amount equal to these respective minimum thresholds, then the school district or other taxing unit receives no reimbursement. By the end of fiscal year 2013, fixed-rate levy loss reimbursements will be either reduced or terminated. Reimbursement for fixed-rate levies other than current expense levies will be reduced by 50% for school districts by 2013 and 75% for municipalities by 2013. Reimbursement will continue to be paid for fixed-sum and unvoted debt levy losses although the phase-out period has generally been accelerated. Fixed-sum levy losses and losses on unvoted debt levies will be calculated in a manner similar to the manner in which losses for fixed-rate levies are calculated.

For additional information regarding expected changes to reimbursement amounts, please reference the following website: http://www.tax.ohio.gov/personal_property/phaseout.aspx and http://www.ode.state.oh.us/GD/Templates/Pages/ODE/ODEDetail.aspx?Page=3&TopicRelationID=990&Content=137784.

On November 15, 2015, the Governor signed Substitute Senate Bill No. 208 ("SB 208"), which changes the schedule for phasing out tangible personal property replacement payments for school districts. Pursuant to SB 208, beginning in Fiscal Year 2018, the phase-down schedule implemented by HB 153 described above will be replaced with one that phases tangible personal property replacement payments down each year solely on the basis of a fixed portion of each district's taxable property valuation. Starting with Fiscal Year 2018, such replacement payments will decline by 1/16 of 1% (0.0625%) of a district's taxable property valuation averaged over the three-year period from 2014 to 2016. In each succeeding Fiscal Year, replacement payments will equal the previous Fiscal Year's replacement payment amount minus 0.0625% of the three-year average valuation (based on the period from 2014 to 2016), until the replacement payments are reduced to zero.

(b) Beginning with tax year 2006, the percentages used to determine the assessed value of electric company personal property used in the production of electricity were reduced to 24% of true value; taxable transmission and distribution property are assessed at 85% of true value (50% of true value for rural electric companies). The State is to reimburse school districts and other local taxing districts for a portion of the revenues lost due to this reduction in tax valuation with proceeds of a kilowatt-hour excise tax imposed on electricity consumers as well as natural gas distribution tax revenue (the "Utility Taxes"). The reimbursement paid to school districts and other taxing units as a result of the lower Utility Taxes are commonly referred to as "replacement payments." Prior to the passage of Am. Sub. H.B. 153, effective June 30, 2011 ("HB 153"), qualifying levy reimbursements to school districts were scheduled to be distributed, in full, through 2016 (or, for fixed-rate levies, the reimbursement period could end prior to 2016 if increases in a school district's state aid exceeded its fixed-rate reimbursement measured against 2002 levels) with no further reimbursements thereafter for losses resulting from the reduction in tax valuation against utility property. Reimbursements for such losses to other taxing units were scheduled to be made through 2017 on a declining basis after 2006. HB 153 changes the manner in which replacement payments are made to school districts and local taxing units.

Generally, reimbursement for fixed-rate levy loss is calculated by determining the difference between personal property taxes due using the higher assessed rates under a pre-determined prior year (which prior year varies depending on whether the property is electric or gas) and taxes due using lower rates under the new law. Similar to determining reimbursement amounts for business tangible personal property losses, HB 153 provides a methodology for determining reimbursement amounts for fixed-rate levies by means of a formula based on a school district's or taxing unit's reliance on such reimbursements as a percentage of its total budget (or "total resources"). For example, under this formula for reimbursement, certain thresholds for fixed-rate levy loss reimbursement (which, in some cases, apply to current expense fixed-rate levies) have been established for school districts (2% for fiscal year 2012 and 4% for fiscal year 2013 and thereafter) and for other taxing units (4% for fiscal year 2012 and 6% for fiscal year 2013 and thereafter). If a school district or other taxing unit does not receive reimbursement (also referred to as an "allocation") for fixed-rate levy loss in an amount equal to these respective minimum thresholds, then the school district or other taxing unit receives no reimbursement. By the end of fiscal year 2013, fixed-rate levy loss reimbursements will be either reduced or terminated. Reimbursement for fixed-rate levies other than current expense levies will be reduced by 50% for school districts by 2013 and 75% for municipalities by 2013. Reimbursement will continue to be paid for fixed-sum and unvoted debt levy losses with reimbursement for all but ¼ of a mill per dollar. Fixed-sum levy losses and losses on unvoted debt levies will be calculated in a manner similar to the manner in which losses for fixed-rate levies are calculated.

For additional information regarding expected changes to reimbursement amounts, please reference the following website: http://www.tax.ohio.gov/personal_property/phaseout.aspx. Also, see the last paragraph under subparagraph (a) above regarding the changes, beginning in Fiscal Year 2018, to the phase-down of tangible personal property replacement payments reflected in SB 208.

Changes to Assessed Valuation

The Ohio General Assembly has exercised from time to time its power to revise Ohio law applicable to the determination of assessed valuation of property subject to ad valorem taxation and the amount of tax proceeds produced by ad valorem taxation against such property, as evidenced by the replacement of the tangible personal property tax with a portion of the revenues from the CAT tax. It is anticipated that the General Assembly will continue to make similar revisions.

Assessed Valuation of the School District

The assessed valuation of property within the School District subject to levy of ad valorem taxes for the last five years is indicated in the following table:

ASSESSED VALUATION

Tax Year	Real[(a)]	Public Utility[(b)]	Total Assessed Valuation
2013	$346,350,040	$9,008,580	$355,358,620
2014	345,663,510	9,021,110	354,684,620
2015	366,437,300	10,717,390	377,154,690
2016	364,771,710	16,093,580	380,865,290
2017	367,260,910	14,182,620	381,443,530

(a) Including public utility
(b) Tangible personal only
Source: Allen County Auditor

[Remainder of Page Intentionally Left Blank]

Largest Taxpayers

The largest taxpayers within the School District for tax collection year 2018 (tax year 2017) are shown in the following table:

PRINCIPAL TAXPAYERS

	Taxpayer	Tax Valuation	% of Total Assessed Valuation
1.	Ohio Power Company	$11,487,820	3.01%
2.	Mall at Lima LLC	6,108,910	1.60
3.	Lima Center LLC	3,303,940	0.86
4.	Menard Inc	3,009,670	0.78
5.	Meijer Stores Limited Partnership	2,628,650	0.68
6.	Clocktower Plaza LLC	2,461,590	0.64
7.	Walmart Stores East LP	2,086,820	0.54
8.	Brenneman Brothers	2,065,770	0.54
9.	Daniel G Kamin Lima Enterprises	2,045,750	0.53
10.	Edgewood Rentals LLC	1,831,250	0.48

Source: Allen County Auditor

Collections and Delinquencies of Ad Valorem Taxes

Real property taxes which remain unpaid for a period of one year after they are due are certified delinquent. Foreclosure proceedings to enforce collection are required to be instituted if delinquent taxes have not been paid within the year following the certification of delinquent taxes. In addition to foreclosure proceedings, delinquent real property taxes may be collected by the appointment of a receiver or by forfeiture of the property. Another law provides for notice by publication and mass foreclosure proceedings and sales after three years, delinquency and may facilitate the County Auditor's method of collecting delinquencies under the circumstances covered by the law. Taxes other than those in real estate are, in general, certified delinquent if they remain unpaid for one year. In addition to the remedies of foreclosure, receivership and forfeiture, such delinquent taxes may be collected through civil action in the local courts. The delinquent taxes that are collected become part of the current collection and are distributed as current collections to the respective subdivisions. Special assessments levied by the various subdivisions are collected with the real property taxes; upon collection, delinquent special assessments are remitted to the levying subdivisions. The preceding is a general description of such procedures which varies in practice among Ohio counties.

[Remainder of Page Intentionally Left Blank]

The following table sets forth the amounts billed for ad valorem real estate and public utility taxes and tangible personal property taxes for the School District on the tax duplicate for the collection years 2013 through 2017 (valuation years 2012 through 2016):

REAL ESTATE, PUBLIC UTILITY AND
TANGIBLE PERSONAL PROPERTY TAX COLLECTION PERCENTAGES

Collection Year	Taxes Levied	Taxes Collected	Percentage Collected
2013	$14,160,971	$13,382,597	94.50%
2014	14,369,025	13,649,403	94.99
2015	14,716,418	14,010,199	95.20
2016	14,716,418	14,010,198	95.20
2017	14,593,698	14,008,992	95.99

Source: Allen County Auditor

Unvoted and Voted Taxes for Local Purposes

To meet current expenses of subdivisions, the laws of Ohio authorize two types of ad valorem tax levies - unvoted and voted.

Unvoted ad valorem tax levies are permitted by the State Constitution and the Revised Code so long as all such unvoted taxes do not exceed one per cent (ten mills) of any property's assessed valuation. This limitation is known as the "ten-mill limitation" and such unvoted taxes are referred to as the "inside millage." See "BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS - Indirect Debt Limitation" herein for a discussion of the effect of the ten-mill limitation on borrowings by subdivisions.

Ohio law permits voted ad valorem tax levies outside the one- percent limitation when approved by a majority of the electors of a taxing district voting on the proposition. A voted tax levy for a board of education is generally initiated by a resolution of the board of education to place such a levy on the ballot at a general, primary or other special election.

The following chart lists the effective rates of taxation for the General Fund and Bond Retirement Fund of the Board of Education for the tax years 2013 through 2017 (collection years 2014 through 2018):

RATES OF TAXATION

		Mills General Fund			
Tax Year	Collection Year	Inside	Outside	Total	Bond Retirement Fund
2013	2014	5.40	28.419	33.819	7.99
2014	2015	5.40	28.433	33.833	8.60
2015	2016	5.40	27.996	33.396	7.90
2016	2017	5.40	27.996	33.396	7.90
2017	2018	5.40	27.972	33.372	7.20

Source: Allen County Auditor

Voting Records

Voting records for the District since 2005 are as follows:

BOND ISSUE ELECTIONS

Date	Amount	For	Against	% For	Purpose
05/08/18	$17,906,447	2,353	1,923	55.03%	Classroom Facilities
03/04/08	38,250,000	3,138	3,027	50.90	Construction of High School
05/08/07	39,525,000	1,840	2,446	42.93	New High School; improvements to school buildings
11/07/06	41,000,000	2,932	4,212	41.04	Construction of school facilities; new High School

LEVY ELECTIONS

Date	Millage	Years	For	Against	% For	Purpose
05/08/18	0.500	Continuing	2,353	1,923	55.03%	Permanent Improvement (New)
05/05/15	7.333	5	1,867	888	67.77	Emergency (Renewal)
11/04/14	5.900	5	2,889	3,289	46.76	Emergency (New)
11/05/13	5.450	5	2,037	2,564	44.27	Emergency (New)
05/07/13	5.950	5	1,871	2,118	46.90	Emergency (New)
05/07/13	1.000	5	2,424	1,569	60.71	Permanent Improvement (Renewal)
05/04/10	7.200	5	9,678	1,571	86.03	Emergency (Renewal)
03/04/08	1.000	5	3,138	3,027	50.90	Permanent Improvement (New)
05/08/07	0.500	Continuing	1,840	2,446	42.93	Permanent Improvement (New)
11/07/06	0.500	Continuing	2,932	4,212	41.04	Current Expense (New)
05/03/05	7.700	5	2,946	1,956	60.10	Emergency (New and Renewal)

INCOME TAX ELECTIONS

Date	Years	For	Against	% For	Purpose
11/06/12	5	3,622	5,454	39.91%	Current Expense

Source: Ohio Municipal Advisory Council

State Funding for Public Schools

There are certain restrictions on participation in the state funding program; for example, the school district must levy at least 20 mills for operating purposes, certain reporting and accounting requirements must be met, schools in the district must be open for a minimum number of days or hours for instructional purposes, and teachers' salaries must meet certain criteria. Failure to comply with these requirements may result in the elimination or reduction of benefits received by a school district.

The Board of Education currently participates in the state funding program. As shown in the following table, the Board of Education relies on the state funding program for approximately 43% of its operating revenues:

Fiscal Year	General Fund Revenues	State Funding Program	Percentage of General Fund Revenues Consisting of State Funding Programs
2013-14	$20,394,406	$7,912,916	38.8%
2014-15	21,460,735	8,755,506	40.8
2015-16	22,338,892	9,052,352	40.5
2016-17	23,266,610	9,778,446	42.1
2017-18	23,699,632	10,087,700	42.6

Since the funding for the State Funding Program must be appropriated by the General Assembly for each biennium, there can be no assurance that current funding levels will be continued. From time to time there may be an increase, a stabilization or a reduction of the level of State assistance to school districts.

On June 30, 2017 Ohio Governor John Kasich signed Am. Sub. H.B. 49 ("HB 49"), which is the budget for the 2018-2019 biennium and provides the funding formula to Ohio schools.

Under HB 49, similar to the current formula, the State Department of Education will compute and pay to each school district education aid based on per pupil funding (calculated to be $6,010 in Fiscal Year 2018 and $6,020 in Fiscal Year 2019) multiplied by each school district's "state share index" which uses a three year average of property valuation per pupil and median income of that school district to calculate the percentage of the per-pupil amount that is to be paid by the State and the amount assumed to be contributed by the school district through local sources. Additional funds are provided for students with exceptional needs, including those with special needs and the disabled, and limited English proficiency, and for economically disadvantaged and gifted students. Funding is also provided based on the number of K-3 students at each school district to be used to help school districts comply with Ohio's 3rd grade reading guarantee. HB 49 also provides for the payment to certain districts of capacity aid funds, graduation bonuses and third-grade reading bonuses. HB 49 also continues the payment of tangible personal property "replacement payments" to districts.

BOARD OF EDUCATION DEBT AND OTHER LONG-TERM OBLIGATIONS

The following describes the security for the Board of Education's general obligation debt such as the Bonds, applicable statutory and constitutional debt limitations, and outstanding and projected bond and note indebtedness and certain other long-term financial obligations of the Board of Education. As further discussed and described below, the Bonds are voted general obligations of the Board of Education and are subject to the direct debt limitations. The Board of Education is not and has never been in default in the payment of debt service on any of its general obligation bonds or notes.

Security For and Sources of Payment of General Obligation Debt

Unvoted Debt. The basic security for unvoted Board of Education general obligation debt is the Board of Education's ability to levy, and its levy pursuant to constitutional and statutory requirements, ad valorem taxes on all real and tangible personal property subject to ad valorem taxation by the Board of Education, within the ten-mill limitation imposed by Ohio law. This tax must be in sufficient amount to pay (to the extent not paid from other sources) as it becomes due the debt service on unvoted Board of Education general obligation bonds, both outstanding and in anticipation of which notes are outstanding.

The law provides that the levy necessary for debt service has priority over any levy for current expenses within the ten-mill limitation; however, that priority may be subject to the provisions of federal bankruptcy law and other laws affecting Creditors' rights. See the discussion in this Section, under "Indirect Debt Limitation," of the ten-mill limitation, and the priority of claim thereon for debt service on unvoted general obligation debt of the Board of Education and all overlapping taxing subdivisions. The Board of Education has $-0- principal amount of unvoted general obligation debt outstanding.

Voted Debt. The basic security for voted Board of Education general obligation debt is the authorization by the electors for the School District to levy, 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 of Education. This tax is outside of the tax limitations referred to above under "Unvoted Debt," and is calculated to be in sufficient amount to pay (to the extent not paid from other sources) as it becomes due the debt service on voted Board of Education general obligation bonds, both outstanding and in anticipation of which notes are outstanding, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights. Not including the Bonds, the Board of Education has $27,944,955.60* principal amount of voted general obligation debt outstanding.

Notes in Anticipation of Bonds. While general obligation bond anticipation notes run, Ohio law requires the Board of Education to levy ad valorem property taxes in an amount not less than that which would have been levied if bonds had been issued without the prior issuance of the notes, provided that such levy need not actually be collected if payment of debt service on such notes is, in fact, to be provided from other sources, such as proceeds from the sale of renewal notes or bonds.

In general, such notes, including renewals of such notes, may be issued and outstanding from time to time up to a maximum period of twenty years 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, and portions of the principal amount of notes 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.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes. The ability of the Board of Education to retire its outstanding bond anticipation notes, if any, from the proceeds of the sale of either bonds or renewal notes will be dependent upon the marketability of those obligations under market conditions prevailing at the time of such sale.

Direct Debt Limitations

The Revised Code provides that the aggregate principal amount of voted and unvoted "net indebtedness" of a board of education may not exceed nine percent of the total value of all property in such board's school district as listed and assessed for taxation, and that the aggregate principal amount of unvoted "net indebtedness" of such board of education may not exceed one-tenth of one percent of such value, except for energy conservation bond anticipation notes which may not exceed nine-tenths of one percent.

Within the nine percent limitation, a bond issue may not be submitted to a vote of the electorate in an amount which will make a board of education's "net indebtedness" (after issuance of the bonds) exceed four percent of its assessed valuation, unless the State Tax Commissioner and the State Superintendent of Public Instruction, acting under policies adopted by the State Board of Education, consent thereto.

* Preliminary; subject to change.

In calculating "net indebtedness," the Revised Code exempts certain self-supporting, revenue and special assessment obligations.

Other infrequently-issued types of obligations are also excluded from the calculation of net indebtedness. The Board of Education has no such obligations outstanding. Notes issued in anticipation of bonds excluded from the calculation of net indebtedness are also excluded from such calculation. In calculating net indebtedness, amounts in a board of education's bond retirement fund allocable to the principal amount of bonds otherwise included in the amount of net indebtedness are deducted from the total net indebtedness of such board of education.

Under Section 133.06(E) of the Revised Code, if a board of education determines that its students are not being adequately serviced by existing facilities, and that sufficient funds to provide such facilities cannot be obtained when needed by the issuance of bonds within the nine percent limitation, it may, upon certain showings as to projected growth in its assessed valuation, qualify as a "special needs district," and thereby be permitted to incur net indebtedness, calculated as described above, in a sum not exceeding the aggregate of (a) nine percent of assessed valuation, plus (b) an amount arrived at by multiplying the current assessed valuation by the percentage by which current assessed valuation has increased over the assessed valuation as of the first day of the sixtieth month preceding the month in which the board of education of the special needs district determines to submit to the electors the question of the issuance of the indebtedness proposed to be issued. For certain prior debt issuances, the Board of Education obtained consent from the State Tax Commissioner and the Superintendent of Public Instruction to issue debt beyond the nine percent debt limitation and to qualify as a "special needs" district.

The total principal amount of voted and unvoted general obligation debt that could be issued by the Board of Education, subject to the nine percent total direct debt limitation is $34,329,917.70 and the Board of Education's net debt subject to such nine percent limitation presently outstanding is $27,944,955.60*, leaving a balance of $6,384,962.10* borrowing capacity issuable within the nine percent limitation. Upon issuance of the Bonds, the nine percent limitation will be exceeded; however, pursuant to Ohio Revised Code Section 133.06, the District is able to exceed nine percent of its assessed valuation without receiving special needs approval from the State since the District is only funding its local share and required locally-funded initiatives of its Ohio Facilities Construction Commission project with proceeds of the Bonds.

The total unvoted Board of Education general obligation debt that could be issued subject to the one-tenth of one percent unvoted direct debt limitation is $381,443.53. The net Board of Education debt subject to such one-tenth of one percent limitation presently outstanding is $-0-, leaving the entire balance of $381,443.53 of additional unvoted non-exempt debt that could be issued by the Board of Education under such one-tenth of one percent limitation. However, as described below, the Board of Education's ability to incur unvoted debt in this amount is restricted by the indirect debt limitation. In the case of unvoted general obligation debt issued within the one-tenth of one percent limitation, both the direct and the indirect debt limitations must be met.

---

* Preliminary; subject to change.

The total unvoted Board of Education general obligation debt that could be issued subject to the nine-tenths of one percent unvoted direct debt limitation is $3,432,991.77. The net Board of Education debt subject to such nine-tenths of one per cent limitation presently outstanding is $-0- leaving the entire balance of $3,432,991.77 of additional unvoted non-exempt debt that could be issued by the Board of Education under such nine-tenths of one percent limitation. However, as described below, the Board of Education's ability to incur unvoted debt in this amount is restricted by the indirect debt limitation. In the case of unvoted general obligation debt issued within the nine-tenths of one percent limitation, both the direct and the indirect debt limitations must be met.

[Remainder of Page Intentionally Left Blank]

PRINCIPAL AMOUNTS OF OUTSTANDING DEBT;
LEEWAY FOR ADDITIONAL DEBT WITHIN
DIRECT DEBT LIMITATIONS

Present Total Assessed Valuation	$381,443,530.00
Total debt (prior to issuance of the Bonds)	27,944,955.60*
Exempt debt	-0-
Total non-exempt debt (prior to issuance of the Bonds)	27,944,955.60*
1/10th of 1% tax valuation (unvoted debt limitation)	381,443.53
Total limited tax non-exempt bonds outstanding	-0-
Debt leeway within the 1/10th of 1% unvoted debt limitation but subject to indirect debt limitation	381,443.53
9/10th of 1% tax valuation (unvoted energy conservation debt limitation)	3,432,991.77
Total limited tax non-exempt bonds subject to 9/10th of 1% limit	-0-
Debt leeway within the 9/10th of 1% unvoted debt limitation but subject to indirect debt limitation	3,432,991.77
9% of tax valuation (voted and unvoted debt limitation)	34,329,917.70
Total non-exempt debt outstanding (prior to issuance of the Bonds)(1)	27,944,955.60*
Debt leeway within 9% direct debt limitation (prior to issuance of the Bonds)	6,384,962.10*

(1) Pursuant to Ohio Revised Code Section 133.06, the District is able to exceed 9% of its assessed valuation without receiving special needs approval from the State for the issuance of the Bonds since the District is only funding its local share and locally-funded initiatives that do not exceed one-half of the its portion of the basic project cost of its Ohio Facilities Construction Commission project with proceeds of the Bonds.

[Remainder of Page Intentionally Left Blank]

* Preliminary; subject to change

Indirect Debt Limitation

Ohio boards of education may issue voted general obligation debt within the direct debt limitation described above. Ad valorem taxes, without limitation as to rate or amount, to pay debt service on such voted bonds, are authorized by the electors at the same time the bonds are authorized. Certain other subdivisions may also issue voted debt.

The Ohio Constitution and the Revised Code, by limiting the amount of ad valorem taxes which may be levied without a vote to one percent (or ten mills) of the valuation of the property to be taxed, while requiring that an ad valorem tax sufficient to pay debt service be levied whenever general obligation indebtedness is incurred, operate to indirectly limit the amount of unvoted bonds that may be issued. This indirect limitation on the amount of unvoted general obligation indebtedness is commonly known as the "ten-mill limitation."

Typically, the various taxing subdivisions levy the full ten mills of unvoted taxes permitted by Ohio law (which is sometimes referred to as the "inside millage"), regardless of whether such millage is needed for debt service, and this inside millage is allocated by the County Budget Commission among the overlapping subdivisions pursuant to a formula contained in the Revised Code.

The inside millage allocated to a taxing subdivision is required by Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources, and the balance may be used for general fund purposes of the subdivision. To the extent that this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation for that subdivision), the amount that would otherwise be available to that subdivision for general fund purposes is reduced. Since the inside millage that may actually be required to pay debt service on unvoted general obligation debt of a subdivision may exceed the formula allocation of inside millage to such subdivision, such excess reduces the amount of inside millage available to overlapping subdivisions.

In determining whether additional unvoted bonds may be issued within this indirect debt limitation, the outstanding unvoted general obligation indebtedness of the issuing board of education and all overlapping political subdivisions must be considered, including general obligation indebtedness which is expected to be paid from sources other than ad valorem taxes. Since the indirect debt limit results from tax limitations and the requirement to levy taxes to pay bonds, it has application only to bonds that are payable from taxes either initially or in the event other non-tax revenues pledged to pay such bonds prove to be insufficient.

Unlike the direct debt limitations, the test for applying the indirect debt limitation may not be expressed in terms of a percentage of tax valuation. The amount of bonds that may be issued under this indirect debt limitation is determined by whether the amount required for debt service on the proposed bonds in a given year is greater than the number of dollars that will be produced by a tax levy equal to the inside millage available. The inside millage available is determined by subtracting from ten mills the number of mills required for unvoted outstanding general obligation bonds of the issuing board of education and all other political subdivisions that overlap such board of education. In arriving at the available inside millage, the inside millage that is actually being used by the overlapping subdivision at the time to pay debt service on unvoted general obligation debt is not considered; instead, it is the inside millage that could be required to pay all such debt and the inside millage that could be required to retire the proposed issue, if no funds were available from other sources, that is considered.

A constitutional amendment designed to remove this indirect debt limitation was defeated by the voters of Ohio at an election held on June 8, 1976.

Outstanding General Obligation Debt

The following table lists the general obligation debt for the Board of Education (not including the Bonds):

Date of Original Issue	Purpose	Final Maturity	Original Amount Issued	Amount Outstanding
09/04/08	School Fac. Constr. & Impt.	12/01/23	$38,249,986.00	$2,114,986.00
01/14/16	School Fac. Constr. & Impt. Ref.	12/01/36	26,559,969.60	25,829,969.60

Future Financings

The District has no future financing plans at this time.

Lease Obligations

The District currently has a lease obligation with Perry ProTech for copiers. As of June 30, 2018, the District has 56 payments of $7,541 per month remaining.

Pension Obligations

The tables below show the employee and employer contributions to the retirement programs of certificated and classified employees of the District for the fiscal years 2013-14 through 2017-18:

RETIREMENT PROGRAMS

State Teachers' Retirement - Certificated Employees

	Member Contribution		Employer Contribution	
Year	Percent	$ Amount	Percent	$ Amount
2013-14	11.0%	$888,567.76	14.0%	$1,320,036.05
2014-15	12.0	988,074.65	14.0	1,370,570.90
2015-16	13.0	1,115,102.41	14.0	1,447,302.38
2016-17	14.0	1,453,424.71	14.0	1,453,424.71
2017-18	14.0	1,399,545.95	14.0	1,379,748.00

School Employee Retirement - Classified Employees

	Member Contribution		Employer Contribution	
Year	Percent	$ Amount	Percent	$ Amount
2013-14	10.0%	$231,252.99	14.0%	$548,475.01
2014-15	10.0	237,413.37	14.0	580,906.84
2015-16	10.0	255,705.99	14.0	578,239.69
2016-17	10.0	309,782.60	14.0	569,585.82
2017-18	10.0	316,219.29	14.0	513,178.67

Source: Records of the Treasurer of the Board of Education and Records of State Teachers' Retirement System and School Employee Retirement System

The Board of Education's annual contributions to STRS and SERS are treated as a current expense and are paid primarily from its General Fund. Payments are deducted by the State from each monthly School Foundation Program payment. Current law establishes maximum contribution rates to STRS of 14.0% and SERS of 10% for the employees' portion and 14% for the employer's portion.

On September 12, 2012, the General Assembly passed SB 341 and SB 342 modifying SERS and STRS respectively. The Governor signed both bills on September 26, 2012. Each bill became effective January 7, 2013.

SB 341 changes multiple aspects of SERS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 341 include: (1) an increase in minimum age and service requirements with respect to certain employees and (2) a reduction in disability benefits with respect to certain employees. SB 341 permits the SERS Board to modify minimum age and service requirements as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

SB 342 changes numerous aspects of STRS in ways expected to enhance its ability to amortize its unfunded actuarial accrued liabilities within thirty years. Some of the changes made by SB 342 include: (1) an increase in the minimum age and service requirements with respect to certain employees, (2) an increase in the STRS employee contribution rate from 10% to 14%, in annual increments of 1% a year, starting July 1, 2013, (3) a change in the method by which benefits for certain employees are calculated that is expected to result in a reduction of such benefits, (4) a reduction in the annual cost of living adjustment applied to benefits with a temporary freeze in cost of living adjustments and (5) a reduction in disability benefits to certain employees. SB 342 permits the STRS Board to modify minimum age and service requirements, employee contributions and cost of living adjustments as necessary to amortize its unfunded actuarial accrued liabilities within thirty years.

Accrued Fringe Benefits

All certified employees receive hospitalization/major medical insurance, life insurance and dental care benefits; and tuition reimbursement; non-certified employees receive hospitalization/major medical insurance, life insurance and dental care benefits. Certified personnel accumulate 1¼ days of sick leave per month to a maximum allowable accumulation of 275 days for teachers. A total of 25% of the days are paid to teachers and administrators at retirement, up to a maximum of 50 days and $100.00 per day for each day beyond 50 days. Non-certified personnel accumulate 1¼ days of sick leave per month to a maximum allowable accumulation of 275 days. A total of 25% of the days are paid to non-certified personnel up to a maximum of 50 days, and 40% of their daily rate to be paid for days beyond 50 days.

Paid vacations are available to full time 11-month and 12-month employees of the Board (i.e. non-teaching personnel) in accordance with the following schedule: 10 days for 1-9 years of service, 15 days for 10-19 years of service, and 20 days for 20 years of service and beyond.

Total accrued wages and benefits for the 2017-18 school year were $2,395,270.

LITIGATION

School Funding Litigation

Between 1997 and 2003, the Ohio Supreme Court released several decisions in the case DeRolph v. State of Ohio, in which the Plaintiffs challenged the constitutionality of the way the State funds public schools. The original decision from the Ohio Supreme Court on May 24, 1997 held that the State's school funding system was unconstitutional and that property taxes may not be the primary means for providing the finances for a thorough and efficient system of schools. The decision was stayed for twelve months to give the State Legislature time to develop a revised system. The Supreme Court remanded the case to the trial court to retain jurisdiction until legislation was passed that provided adequate school funding in conformity with the Ohio Constitution and the decision of the Supreme Court.

In response to the case, the State Legislature enacted laws that changed the basic State funding of Ohio school districts and established an increased minimum base cost per pupil for an adequate education, with the funding to be provided from State and local sources. However, in a decision released in May of 2000, the Ohio Supreme Court held that the State's revised method of funding public schools was still unconstitutional. Despite attempts to reach a settlement, the case again reached the Ohio Supreme Court in 2001 and 2002. In its opinion released December 11, 2002, the Ohio Supreme Court ruled that the State's current school funding system was unconstitutional and directed the State to enact a school-funding scheme that was thorough and efficient. However, in 2003, the Ohio Supreme Court prohibited the lower court from proceeding further in the case, effectively ending the litigation. Plaintiffs petitioned the United States Supreme Court for a Writ of Certiorari, but the Petition was denied, thereby ending the DeRolph case.

General Litigation

To the knowledge of the District, no litigation or administrative action or proceeding is pending or threatened directly affecting the security for the District's general obligation debt.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax status thereof are subject to the approving legal opinions of Dinsmore & Shohl LLP, Bond Counsel. Upon delivery of the Bonds of the Board of Education to the purchaser therefor, the Bonds will be accompanied by an approving opinion dated the date of such delivery, rendered by Dinsmore & Shohl LLP, as to the legality of the authorization of the Bonds. Such opinion will state, in part, that, in the opinion of Dinsmore & Shohl LLP, interest on the Bonds is excludable from gross income for federal income tax purposes upon the conditions and subject to the limitations set forth herein under "TAX STATUS." A draft of such legal opinion for the Bonds is attached hereto as APPENDIX D.

Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to, the accuracy, completeness or fairness of, any statements in this Official Statement, including the appendices, or in any other reports, financial information, offering or disclosure documents or other information pertaining to the Board of Education or the Bonds that may be prepared or made available by the Board of Education or others to the purchasers or holders of the Bonds, or others.

In addition to rendering the approving legal opinion, Bond Counsel will assist in the preparation of and advise the Board of Education concerning documents for the bond transcript.

Certain legal matters will be passed upon for the Underwriter by Frost Brown Todd LLC, Columbus, Ohio.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings, including a certificate relating to litigation (described above under "LITIGATION") and other appropriate closing documents, will be delivered by the Board of Education when the Bonds are delivered to the original purchaser for the Bonds. The Board of Education at that time will also provide to the original purchaser of the Bonds a certificate of the Board of Education addressed to such original purchaser relating to the accuracy and completeness of this Official Statement.

TAX STATUS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, interest on the Bonds is excludible from gross income for Federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is not a specific item of tax preference under Section 57 of the Internal Revenue Code of 1986 (the "Code") for purposes of the Federal individual or corporate alternative minimum taxes. Furthermore, Bond Counsel is of the opinion that interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district and joint economic development district income taxes in Ohio.

A form of the opinion of Bond Counsel for the Bonds is set forth in APPENDIX D attached hereto.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for Federal income tax purposes of interest on obligations such as the Bonds. The Issuer has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be includable in gross income for Federal income tax purposes. Failure to comply with these covenants could result in interest on the Bonds being includable in income for Federal income tax purposes and such inclusion could be required retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of the interest on the Bonds.

Certain requirements and procedures contained or referred to in the Bond Legislation, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Dinsmore & Shohl LLP.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludible from gross income for Federal and Ohio income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder's Federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing the Bonds on the tax liabilities of the individual or entity.

For example, although Bond Counsel is of the opinion that the interest on the Bonds will not be a specific item of preference for the federal alternative minimum tax, for taxable years beginning before January 1, 2018 corporations are required to include all tax-exempt interest in determining "adjusted current earnings" under Section 56(c) of the Code, which may increase the amount of any alternative minimum tax owed (for taxable years beginning after December 31, 2017, corporations are not subject to federal alternative minimum tax). Receipt of tax-exempt interest, ownership or disposition of the Bonds may result in other collateral Federal, state or local tax consequence for certain taxpayers. Such effects include, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies, under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, increasing the federal tax liability of certain individual recipients of Social Security or Railroad Retirement benefits, under Section 86 of the Code and, for tax years beginning in 1996, limiting the use of the Earned Income Credit under Section 32 of the Code that might otherwise be available. Ownership of any Bonds may also result in the limitation of interest and certain other deductions for financial institutions and certain other taxpayers, pursuant to Section 265 of the Code. Finally, residence of the holder of Bonds in a state other than Ohio or being subject to tax in a state other than Ohio, may result in income or other tax liabilities being imposed by such states or their political subdivisions based on the interest or other income from the Bonds.

Original Issue Discount

Certain Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of Bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each Bond will accrue over the term of the Bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns the Discount Bond is added to such purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

Original Issue Premium

"Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for Bonds that have one or more earlier call dates, the amount payable at the next earliest call date. Certain Bonds (the "Premium Bonds") may be initially offered and sold to the public with Acquisition Premium. Certain Premium Bonds may be callable with a redemption premium prior to their maturity date. For federal income tax purposes, the amount of Acquisition Premium on each bond the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt bonds") must be amortized and will reduce the bondholder's adjusted basis in that bond. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining a bondholder's taxable income for federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any of the Bonds, that must be amortized during any period will be based on the "constant yield" method, using the Bondholder's basis in such Bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Please note that because certain Premium Bonds may be callable with redemption premiums, both the amount of, and the amortization period for, the Acquisition Premium will depend both upon when the Premium Bonds can be redeemed and if in fact they are redeemed. Holders of any Bonds, including any Premium Bonds, purchased with Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 26, 2018, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On May 7, 2018, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On January 23, 2018, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Capitalization of AGM

At June 30, 2018:

- The policyholders' surplus of AGM was approximately $2,221 million.

- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,166 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $1,898 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the consolidated net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (filed by AGL with the SEC on February 23, 2018);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (filed by AGL with the SEC on May 4, 2018); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (filed by AGL with the SEC on August 2, 2018).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the

Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

RATINGS

S&P Global Ratings ("S&P") is expected to assign its municipal bond rating of "AA" to the Bonds, with the understanding that concurrently with the delivery of the Bonds a municipal bond insurance policy insuring the scheduled payment when due of principal of and interest on such Bonds will be issued by AGM, and S&P has assigned an underlying rating of "A+" to the Bonds. These ratings reflect only the view of the rating organization, and any explanation of the meaning or significance of the ratings may only be obtained from the rating agency.

The Board of Education furnished to such rating agency certain information and materials relating to the Bonds and the School District, some of which may not have been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and on their own investigation, studies and assumptions. There can be no assurance that a rating when assigned will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any lowering or withdrawal of a rating may have an adverse effect on the marketability or market price of the Bonds.

The Board of Education expects to furnish the rating services with information and materials that they may request. However, the Board of Education assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials, or the issuance of debt for which a rating is not requested, may result in the suspension or withdrawal of a rating on the Bonds.

UNDERWRITING

Boenning & Scattergood, Inc., Columbus, Ohio (the "Underwriter") has agreed to purchase the Bonds at an aggregate purchase price of _____% ($_____________) of the principal amount thereof pursuant to an agreement entered into by and between the Board of Education and the Underwriter. The aggregate initial public offering price for the Bonds is $_____________ which includes certain fees and expenses related to the issuance of the Bonds in addition to the Underwriter's spread. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealer banks and dealers depositing bonds into investment trusts) and others at prices lower than the public offering prices stated on the cover of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions of the agreement between the Board of Education and the Underwriter. The Underwriter is obligated to purchase all of the Bonds if any of such Bonds are purchased.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

[Remainder of Page Intentionally Left Blank]

CONCLUDING STATEMENT

This Official Statement has been duly authorized and prepared by, and executed and delivered for and on behalf of, the Board of Education by its President and Treasurer.

ELIDA LOCAL SCHOOL DISTRICT

By:____
President

By:____
Treasurer

Dated: September __, 2018

13089999

THIS PAGE LEFT BLANK INTENTIONALLY

APPENDIX A

Audited Basic Financial Statements

For Fiscal Year Ended June 30, 2016

THIS PAGE LEFT BLANK INTENTIONALLY

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

THIS PAGE LEFT BLANK INTENTIONALLY

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

TABLE OF CONTENTS

TITLE	**PAGE**

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

Elida Local School District
Allen County
4380 Sunnydale Avenue
Elida, Ohio 45807

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Elida Local School District, Allen County, Ohio (the School District) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Elida Local School District, Allen County, Ohio, as of June 30, 2016, and the respective changes in modified cash financial position and the budgetary comparison for the General Fund thereof for the fiscal year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03(B) requires the School District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements. The financial statements are prepared on the modified cash basis of accounting, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental Information

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2018, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

February 12, 2018

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2016

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$7,472,637
Investments	1,716,463
Total Assets	9,189,100
Net Position:	
Restricted for:	
Debt Service	1,833,575
Capital Outlay	2,058,690
Other Purposes	1,008,034
Unrestricted	4,288,801
Total Net Position	$9,189,100

See accompanying notes to the basic financial statements.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

		Program Receipts			Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	$12,440,367	$1,500,126	$70,662		($10,869,579)
Special	2,385,571	66,956	657,427		(1,661,188)
Support Services:					
Pupils	1,028,911		211,048		(817,863)
Instructional Staff	642,180		47,690		(594,490)
Board of Education	86,021				(86,021)
Administration	1,473,439		149,142		(1,324,297)
Fiscal	508,855				(508,855)
Business	170,202				(170,202)
Operation and Maintenance of Plant	2,518,926				(2,518,926)
Pupil Transportation	1,228,192		16,288		(1,211,904)
Central	71,835		5,400		(66,435)
Operation of Non-Instructional Services:					
Food Service Operations	1,085,442	447,825	704,769		67,152
Community Services	239,948		5,287		(234,661)
Extracurricular Activities	736,092	264,662	649		(470,781)
Capital Outlay	17,019			$78,244	61,225
Debt Service:					
Principal	1,205,000				(1,205,000)
Interest and Fiscal Charges	1,101,179				(1,101,179)
Payment to Refunded Bond Escrow Agent	29,273,503				(29,273,503)
Issuance Costs	505,438				(505,438)
Total Governmental Activities	$56,718,120	$2,279,569	$1,868,362	$78,244	(52,491,945)
	General Receipts:				
	Property Taxes Levied for:				
	General Purpose				9,296,239
	Debt Service				2,674,966
	Permanent Improvement				313,887
	Grants and Entitlements not Restricted to Specific Programs				11,546,851
	Payments in Lieu of Taxes				71,280
	General Obligation Bonds Issued				26,559,970
	Premium on Refunding Bonds Issued				3,218,871
	Investment Earnings				33,832
	Miscellaneous				380,472
	Rent				35,329
	Total				54,131,697
	Change in Net Position				1,639,752
	Net Position Beginning of Year				7,549,348
	Net Position End of Year				$9,189,100

See accompanying notes to the basic financial statements.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATEMENT OF ASSETS AND FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	$4,365,896	$1,833,575	$31,558	$1,241,608	$7,472,637
Investments			1,716,463		1,716,463
Total Assets	4,365,896	1,833,575	1,748,021	1,241,608	9,189,100
Fund Balances:					
Non-spendable	23,633				23,633
Restricted		1,833,575	1,748,021	1,318,703	4,900,299
Assigned	1,304,027				1,304,027
Unassigned	3,038,236			(77,095)	2,961,141
Total Fund Balances	$4,365,896	$1,833,575	$1,748,021	$1,241,608	$9,189,100

See accompanying notes to the basic financial statements.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATENENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Receipts:					
Property and Other Local Taxes	$9,296,239	$2,674,966		$313,887	$12,285,092
Intergovernmental	10,751,276	352,976		2,128,287	13,232,539
Interest	23,673		$6,423	3,736	33,832
Tuition and Fees	1,849,679				1,849,679
Rent	35,329				35,329
Extracurricular Activities	39,358			197,687	237,045
Gifts and Donations				14,663	14,663
Customer Sales and Services	440			450,844	451,284
Payments in Lieu of Taxes	71,280				71,280
Miscellaneous	322,201	1,488	30,856	12,995	367,540
Total Receipts	22,389,475	3,029,430	37,279	3,122,099	28,578,283
Disbursements:					
Current:					
Instruction:					
Regular	12,364,944			75,423	12,440,367
Special	1,627,863			757,708	2,385,571
Support Services:					
Pupils	791,848			237,063	1,028,911
Instructional Staff	605,375			36,805	642,180
Board of Education	86,021				86,021
Administration	1,313,488			159,951	1,473,439
Fiscal	466,592	37,826		4,437	508,855
Business	170,202				170,202
Operation and Maintenance of Plant	2,280,654			238,272	2,518,926
Pupil Transportation	960,530			267,662	1,228,192
Central	71,835				71,835
Operation of Non-Instructional Services					-
Food Service Operations	34,494			1,050,948	1,085,442
Community Services				239,948	239,948
Extracurricular Activities:					
Academic Oriented Activities	56,366			2,686	59,052
Sport Oriented Activities	434,618			224,289	658,907
School and Public Service Co-Curricular Activities	18,133				18,133
Capital Outlay:					
Building Acquisition and Construction Services	639		11,294	5,086	17,019
Debt Service:					
Principal		1,205,000			1,205,000
Interest		1,101,179			1,101,179
Issuance Costs		505,338	100		505,438
Total Disbursements	21,283,602	2,849,343	11,394	3,300,278	27,444,617
Excess of Receipts Over (Under) Disbursements	1,105,873	180,087	25,885	(178,179)	1,133,666
OTHER FINANCING SOURCES AND USES:					
General Obligation Bonds Issued		26,559,970			26,559,970
Premium on Refunding Bonds Issued		3,218,871			3,218,871
Refund of Prior Year Expenditures	748				748
Transfers In			12,932		12,932
Transfers Out				(12,932)	(12,932)
Payment to Refunded Bond Escrow Agent		(29,273,503)			(29,273,503)
Total Other Financing Sources and Uses	748	505,338	12,932	(12,932)	506,086
Net Change in Fund Balances	1,106,621	685,425	38,817	(191,111)	1,639,752
Fund Balance Beginning of Year	3,259,275	1,148,150	1,709,204	1,432,719	7,549,348
Fund Balance at End of Year	$4,365,896	$1,833,575	$1,748,021	$1,241,608	$9,189,100

See accompanying notes to the basic financial statements.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - BUDGET BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance with Final Budget Over (under)**
Receipts:				
Property and Other Local Taxes	$8,968,761	$9,294,761	$9,296,239	$1,478
Intergovernmental	9,730,601	10,786,601	10,751,276	(35,325)
Interest	8,904	19,904	23,673	3,769
Tuition and Fees	1,871,782	1,885,782	1,849,679	(36,103)
Rent	26,043	34,043	35,329	1,286
Extracurricular Activities	81,451	44,451	39,358	(5,093)
Customer Sales and Services	798	1,298	440	(858)
Payments in Lieu of Taxes		72,000	71,280	(720)
Miscellaneous	242,360	358,560	322,201	(36,359)
Total Receipts	20,930,700	22,497,400	22,389,475	(107,925)
Disbursements:				
Current:				
Instruction:				
Regular	13,194,009	13,046,009	12,372,202	673,807
Special	1,585,512	1,835,512	1,628,102	207,410
Vocational	1,760	1,760		1,760
Support Services:				
Pupils	568,672	568,672	791,848	(223,176)
Instructional Staff	463,842	473,842	605,655	(131,813)
Board of Education	24,041	24,041	86,438	(62,397)
Administration	1,376,479	1,376,479	1,313,488	62,991
Fiscal	509,509	509,509	466,681	42,828
Business	220,590	225,890	170,202	55,688
Operation and Maintenance of Plant	2,309,174	2,382,174	2,324,580	57,594
Pupil Transportation	1,148,693	1,153,693	960,830	192,863
Central	63,545	63,545	71,835	(8,290)
Operation of Non-Instructional Services:				
Food Service Operations	32,896	32,896	34,494	(1,598)
Extracurricular Activities:				
Academic Oriented Activities	54,107	54,107	56,366	(2,259)
Sports Oriented Activities	481,968	481,968	434,618	47,350
School and Public Service Co-Curricular Services	23,750	23,750	18,133	5,617
Capital Outlay:				
Building Acquisition and Construction Services	4,445	4,445	639	3,806
Total Disbursements	22,062,992	22,258,292	21,336,111	922,181
Excess of Receipts Over (Under) Disbursements	(1,132,292)	239,108	1,053,364	814,256
Other Financing Sources and Uses:				
Refund of Prior Year Expenditures	78,339	3,339	748	(2,591)
Advances Out	(25,000)	(25,000)		25,000
Total Other Financing Sources and Uses	53,339	(21,661)	748	22,409
Net Change in Fund Balances	(1,078,953)	217,447	1,054,112	836,665
Fund Balance at Beginning of Year	3,053,759	3,053,759	3,053,759	
Prior Year Encumbrances Appropriated	205,516	205,516	205,516	
Fund Balance at End of Year	$2,180,322	$3,476,722	$4,313,387	$836,665

See accompanying notes to the basic financial statements.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUNDS
JUNE 30, 2016

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Cash Equivalents	$154,469	$74,731
Total Assets	154,469	74,731
Net Position:		
Held for Student Activities		74,731
Held in Trust for Scholarships	154,469	
Total Net Position	$154,469	$74,731

See accompanying notes to the basic financial statements.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

STATEMENT OF CHANGE IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Private Purpose Trust
Additions:	
Contributions	$10,761
Interest	398
Total Additions	11,159
Deductions:	
Scholarships	14,425
Total Deductions	14,425
Change in Net Position	(3,266)
Net Position - Beginning of Year	157,735
Net Position - End of Year	$154,469

See accompanying notes to the basic financial statements.

This page intentionally left blank.

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Elida Local School District (the School District) is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The School District is located in a prosperous community within Allen County, consisting of residences and significant office and retail commercial development. The School District is staffed by 106 non-certificated employees and 153 certificated employees who provide services to 2,546 students and other community members.

The reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading.

A. Primary Government

The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Elida Local School District, this includes general operations, food service, and student related activities.

B. Component Units

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. The School District is also financially accountable for any organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the School District, are accessible to the School District and are significant in amount to the School District.

The Elida Education Foundation, Inc. - (the foundation) was organized under the non-profit corporation law of Ohio to operate exclusively for the benefit of the School District. The foundation receives and administers donations for educational and public charitable purposes for which the School District was formed. The foundation is governed by a five member board of trustees. One trustee shall at all times be a member of the Board of Education, appointed by the Board of Education. One Trustee shall at all times be the Superintendent of the Elida Board of Education and one trustee shall at all times be the Treasurer of the Elida Board of Education. The remaining two Trustees shall be elected at the annual meeting of the Members. Based on the above information, the foundation is a blended component unit of the School District. The School District acts as fiscal agent for the Foundation. Based upon the purpose of the various funds included in the Foundation, a portion of the funds are included with the private purpose trust funds and the remaining funds are included as part of the other governmental funds of the School District. Additional financial information can be obtained from the Treasurer of the School District.

The School District's management believes these financial statements present all activities for which the School District is financially accountable.

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (Continued)

The School District participates in two jointly governed organizations and three public entity risk pools. These organizations include the Northwest Ohio Area Computer Services Cooperative (NOACSC), Apollo Career Center, Northwest Ohio Area Computer Service Cooperative Workers' Compensation Group Rating Plan, Allen County Schools Health Benefit Plan, and the Southwestern Ohio Educational Purchasing Council (SWECP) Insurance Program. These organizations are presented in Notes 14 and 15 to the basic financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2A, these financial statements are presented on a modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the School District's accounting policies.

A. Basis of Accounting

Although required by Ohio Administrative Code Sections 117-2-03(B) to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP), the School District chooses to prepare its financial statements and notes in accordance with the modified cash basis of accounting. This basis of accounting is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved). Difference between disbursements reported in the fund statements versus budgetary expenditures are due to encumbrances outstanding at the beginning and end of the fiscal year.

These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

B. Basis of Presentation

The School District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental receipts or other non-exchange transactions. The statement of net position presents the cash balance of the governmental activities of the School District at fiscal year-end.

The statement of net position presents the cash balance of the governmental activities of the School District at fiscal year-end. The statement of activities compares disbursements with program receipts for each function or program of the School District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible.

Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on the modified cash basis or draws from the School District's general receipts.

2. Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories, governmental and fiduciary.

1. Governmental Funds

The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions as governmental funds. The School District's major funds are the General Fund, Bond Retirement Fund, and the Building Fund.

General Fund - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Retirement Fund – The Bond Retirement Fund is used to account for all financial activity for the purpose of paying the outstanding debt of the School District.

Building Fund – The Building Fund is used to account for all financial activity for the purpose of constructing a high school building, constructing additions to, renovating, and improving existing school facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

2. Fiduciary Funds

The fiduciary fund category is split into private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are not available to support the School District's own programs. The School District's private purpose trust fund accounts for programs that provide college scholarships to students after graduation. Agency funds are custodial in nature. The School District's agency fund accounts for various student-managed activities.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund, object level for the General Fund and the fund/special cost center level for all other funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures plus encumbrances may not legally exceed appropriations. Encumbrances outstanding at fiscal year-end are reported as assigned, committed, or restricted fund balance for subsequent-year disbursements for governmental funds.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation.

Encumbered appropriations are carried forward to the succeeding fiscal year and are not re-appropriated.

E. Cash and Investments

To improve cash management, cash received by the School District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

Investments of the School District’s cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2016, the School District invested in negotiable certificates of deposit, Treasury Money Market Funds, and STAR Ohio. Investments are reported at cost, except for STAR Ohio. STAR Ohio is an investment pool, managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2016.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest receipts credited to the General Fund during fiscal year 2016 was $23,673, which included $4,545 assigned from other School District funds.

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets represent amounts required by State statute to be set aside for the bus purchases.

G. Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Inter-fund Receivables/Payables

The School District reports advances-in and advances-out for inter-fund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the School District's modified cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The School District's modified cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid.

M. Inter-fund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

N. Intergovernmental Revenues

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receipts when the entitlement is received.

O. Equity Classifications

1. Government-Wide Statements

Equity is classified as net position, and displayed in separate components:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. **Restricted net position** – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

b. **Unrestricted net position** – All other net position that does not meet the definition of "restricted."

2. Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

a. **Non-spendable -** The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

b. **Restricted** - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

c. **Committed** - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

   Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

d. **Assigned** - Amounts in the assigned classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education.

e. **Unassigned** - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The School District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

P. Receipts and Expenditures

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the School District's taxpayers are reported as program receipts. The School District has the following program receipts: charges for services and sales, and operating and capital grants and contributions. All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

Q. Pensions

For purposes of measuring the net pension liability, information about the fiduciary net position of the pension plans and additions/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension system reports investments at fair value.

3. COMPLIANCE

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its financial statements on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, deferred inflows/outflows, and net position/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined and various other administrative remedies may be taken against the School District.

4. BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of cash, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major difference between the budget basis and the cash basis is that encumbrances are treated as expenditures (budget basis) rather than as assigned fund balance (cash basis). The adjustments necessary to reconcile the cash and budgetary basis statements for the General Fund are as follows:

4. BUDGETARY BASIS OF ACCOUNTING (Continued)

Fund Balance	
Cash Basis	$4,365,896
Increase (Decrease) Due To:	
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	(52,509)
Budget Basis	$4,313,387

5. DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio or Ohio local governments;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

5. DEPOSITS AND INVESTMENTS (Continued)

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

At year end, the School District had $1,600 in un-deposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of School District cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end, the carrying amount of the District's deposits was $5,370,297 and the bank balance was $5,654,476. At year end, $872,803 of the School District's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name. The School District has no deposit policy for custodial risk beyond the requirements of State statue. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

B. Investments

As of June 30, 2016, the School District had the following investments:

	Carrying Value	Market Value	Maturity	% of Portfolio
Negotiable Certificate of Deposits	$995,000	$995,883	2 Years	25.0
Treasury Money Market Funds	721,463	721,463	current	18.0
STAR Ohio	2,329,940	2,329,940		57.0
Total Carrying Value	$4,046,403	$4,047,286		100.0

5. DEPOSITS AND INVESTMENTS (Continued)

C. Concentration of Credit Risk

The School District diversifies its investments by security, type, and institution. The table above indicates the percentage of each investment to the total portfolio.

D. Interest Rate Risk

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchases of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The School District's investment policy addresses interest rate risk by requiring that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations.

E. Credit Risk

STAR Ohio and Treasury Money Market funds carriey a rating of AAA by Standard & Poor's.

F. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Government & Agency Mutual Fund is exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the School District's name.

The School District has no investment policy dealing with investment custodial risk beyond the requirements of ORC 135.14(M)(2) which states, "Payments for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from custodian by the treasurer, governing board, or qualified trustee."

6. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis, while the School District's fiscal year runs from July through June. First-half tax distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax receipts received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after October 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

6. PROPERTY TAXES (Continued)

Public utility property tax receipts received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated by calendar year 2009, and the tax on telephone and telecommunications property was eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the receipts lost by the School District due to the phasing out of the tax. In calendar years 2006-2010, the School District was fully reimbursed for the lost receipts. In calendar years 2011-2017, the reimbursements are phased out.

The School District receives property taxes from Allen County. The County Auditors periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which fiscal year 2016 taxes were collected are:

	2015 Second-Half Collections		2016 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Agricultural/Residential	$345,663,510	97.50%	$366,437,300	97.20%
Public Utility Property	9,021,110	2.50%	10,717,390	2.80%
Total Assessed Value	$354,684,620	100.00%	$377,154,690	100.00%
Tax rate per $1,000 of assessed valuation	$42.43		$41.30	

7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2016, the School District contracted through the Ohio School Plan with various companies for the following insurance coverage:

Property	$91,911,473
Boiler & Machinery	89,911,473
Automobile Liability	6,000,000
Educator's Legal Liability	6,000,000
General Liability:	
Per Occurrence	6,000,000
Aggregate	8,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from the prior fiscal year.

7. RISK MANAGEMENT (Continued)

A. Health Care Benefits

The School District participates in the Allen County Schools Health Benefit Plan (the Plan), a public entity shared risk pool consisting of the school districts within Allen County. The School District pays monthly premiums to the Plan for employee medical and dental benefits. The Plan is responsible for the management and operations of the program. Upon withdrawal from the Plan, a participant is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of the withdrawal.

B. Workers' Compensation

The School District participates in the Northwest Ohio Area Computer Services Cooperative Worker's Compensation Group Rating Program (GRP), and insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium GRP. The worker's compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the Cooperative based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

8. DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability

Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

8. DEFINED BENEFIT PENSION PLANS (Continued)

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

B. Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on Before August 1, 2017*	Eligible to Retire on or After August 1, 2017
Full Benefits	Any age with 30 years of Service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of Service credit	Age 62 with 10 year of service credit; or Age 57 with 30 years of service credit
	Age 55 with 25 years of service credit	Age 60 with 25 years of service credit

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. SERS did not allocate any employer contributions to the Health Care Fund for fiscal year 2016.

The School District's contractually required contribution to SERS was $418,890 for fiscal year 2016.

C. Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five year of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

8. DEFINED BENEFIT PENSION PLANS (Continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 14 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was $1,293,358 for fiscal year 2016.

D. Net Pension Liability

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$5,671,655	$23,637,346	$29,309,001
Proportion of the Net Pension Liability	0.0993964%	0.08552767%	

In April 2016, the SERS board adopted certain assumption changes which impacted their annual valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the School District's net pension liability is expected to be significant.

8. DEFINED BENEFIT PENSION PLANS (Continued)

E. Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

8. DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	1.00%	0.00%
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00%	

Discount Rate - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of net pension liability	$7,864,547	$5,671,655	$3,825,059

F. Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00%	8.00%
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share Of net pension liability	$32,834,057	$23,637,346	$15,860,156

9. POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for classified retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program.

The Medicare Part B Plan reimburses Medicare premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statue to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2016 was $104.90 for most participants, but could be as high as $335.70 per month depending on their income. SERS reimbursement to retirees was $45.50. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report.

Comprehensive Annual Financial Report which is available by contacting the School Employees Retirement System, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each fiscal year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2016, 0.0 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2016, this amount was $23,000. The surcharge amount paid by the School district for fiscal year 2016 was $50,334.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $0, $22,859, and $4,651 respectively; 100 percent has been contributed for fiscal years 2016, 2015 and 2014.

B. State Teachers Retirement System

Plan Description - The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

9. POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2016, STRS Ohio allocated employer contributions equal to 0 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were $0, $0, and $92,382 respectively; 100 percent has been contributed for all three fiscal years.

10. DEBT

The changes in the School District's long-term obligations during fiscal year 2016 were as follows:

	Interest Rate	Balance 6/30/15	Additions	Reductions	Balance 6/30/16	Due Within One Year
General Long Term Obligations:						
OSFC General Obligation Bonds						
Serial Bond	3-4%	$6,495,000		$2,605,000	$3,890,000	$1,250,000
Refunding Serial Bond	2-4%		$14,635,000		14,635,000	410,000
Term Bonds	4.5%	25,160,000		25,160,000		
Refunding Term Bonds	3.38%		10,985,000		10,985,000	
Capital Appreciation Bonds	4.75%	769,986			769,986	
Accretion on Capital Bonds	15.28%	334,004	53,352		387,356	
Refunding Capital Appreciate Bonds	2-3%		939,970		939,970	
Accretion on Refunding CAB	18.98%		67,168		67,168	
Total OSFC General Obligation Bonds		$32,758,990	$26,680,490	$27,765,000	$31,674,480	$1,660,000

High School General Obligation Bonds – On September 4, 2008, the School District issued serial bonds in the amount of $12,320,000, term bonds in the amount of $25,160,000 and capital appreciation bonds in the amount of $769,986 for a total of $38,249,986 in voted general obligation bonds for constructing a high school.

The serial bonds maturing after December 1, 2019, are subject to redemption at the option of the School District, either in whole or in part, in such order as the School District shall determine, on any interest payment date on or after December 2019, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date. On January 14, 2016 the District advanced refunded $1,400,000 of the remaining amount of $6,945,000.

The term bonds maturing on December 1, 2027, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, 2027 in the amount of $6,225,000, at a redemption price equal to 100 percent of the principal amount redeemed accrued interest to the redemption date. On January 14, 2016 the District advanced refunded the entire amount of $6,225,000.

The term bonds maturing on December 1, 2036 are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District.

The mandatory redemption is to occur on December 1, 2036 (with the balance of $18,935,000 to be paid at stated maturity on December 1, 2036). On January 14, 2016 the District advanced refunded the entire amount of 18,935,000.

10. DEBT (Continued)

The capital appreciation bonds will mature in fiscal years 2020 thru 2023. The maturity amount for the bonds is $5,820,000. For fiscal year 2016, the accretion was $53,352 for a total accretion of $387,356.

Advance Refunding General Obligation Bonds - On January 14, 2016, the School District issued serial bonds in the amount of $14,635,000, term bonds in the amount of $10,985,000 and capital appreciation bonds in the amount of $939,970 for a total of $26,559,970. These bonds partially refunded $26,560,000 of the District's High School General Obligation Bonds. The refunding resulted in a premium of $3,218,871 and issuance costs of $505,338. The transaction resulted in an economic gain of $1,574,117 (present value) and a reduction of total debt service payments of $2,150,192.

The refunding serial bonds maturing after December 1, 2023, are subject to redemption at the option of the School District, either in whole or in part, in such order as the School District shall determine, on any interest payment date on or after December 2023, at 100 percent of the principal amount redeemed.

The refunding term bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, 2028 in the amount of $1,910,000, at a redemption price equal to 100 percent of the principal amount redeemed accrued interest to the redemption date.

The refunding term bonds maturing on December 1, 2036, are subject to mandatory sinking fund redemption, in part by lot, pursuant to the terms of the mandatory sinking fund redemption requirements of the School District. The mandatory redemption is to occur on December 1, 2034 in the amount of $4,660,000 at a redemption price equal to 100 percent of the principal amount redeemed accrued interest to the redemption date.

The capital appreciation bonds will mature in fiscal years 2024 thru 2026. The maturity amount for the bonds is $5,580,000. For fiscal year 2016, the accretion was $67,168 for a total accretion of $67,168.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2016, were as follows:

General Obligation Bonds

Fiscal Year	Serial		Term	
Ending	Principal	Interest	Principal	Interest
2017	$1,660,000	$588,194		$356,213
2018	1,615,000	531,575		356,213
2019	1,675,000	470,644		356,213
2020	1,735,000	404,094		356,213
2021	350,000	362,394		356,213
2022-2026	1,140,000	1,635,850		1,781,063
2027-2031	3,885,000	1,374,131	$3,875,000	1,549,388
2032-2036	6,465,000	314,047	4,660,000	1,043,888
2037			2,450,000	41,344
Totals	$18,525,000	$5,680,928	$10,985,000	$6,196,744

10. DEBT (Continued)

Fiscal Year Ending	Capital Appreciation Bonds Principal	Interest
2021	$237,150	$1,217,850
2022	204,486	1,250,514
2023	176,317	1,278,683
2024	152,033	1,302,967
2025	371,554	1,461,904
2026	309,913	1,527,938
2027	258,503	1,583,020
Total	$1,709,956	$9,622,876

The interest on the capital appreciation bonds represents the accretion of the deep-discounted bonds from the initial value at the time of issuance to their value at final maturity.

11. SET ASIDE REQUIREMENTS

The School District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end. These amounts must be carried forward and used for the same purposes in future years.

The following cash basis information identifies the changes in fund balance reserves for capital improvements during fiscal year 2016.

	Capital Improvements
Balance June 30, 2016	$0
Current Year Set Aside Requirement	441,937
Current Year Qualifying Disbursements	(441,937)
Totals	$0
Amount Carried Forward to Fiscal Year 2017	$0

Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end. These amounts must be carried forward and used for the same purposes in future years.

12. FUND BALANCE

Fund balance is classified as non-spendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

12. FUND BALANCE (Continued)

Fund Balance	General	Bond Retirement	Building Fund	Other Governmental	Total
Non-spendable	$23,633				$23,633
Restricted for:					
Debt Service		$1,833,575			1,833,575
Capital Improvements			$1,748,021	$310,670	2,058,691
Food Service				733,931	733,931
Athletics				196,078	196,078
Scholarships				32,261	32,261
Extracurricular Activities				4,415	4,415
Textbooks/Grants				36,558	36,558
Other Purposes				4,790	4,790
Total Restricted		$1,833,575	$1,748,021	$1,318,703	$4,900,299
Assigned For:					
Unpaid Obligations	15,788				15,788
Future Appropriations	1,021,920				1,021,920
Capital Improvements	249,178				249,178
Extracurricular Activities	17,141				17,141
Total Assigned	1,304,027				1,304,027
Unassigned	3,038,236			(77,095)	2,961,141
Total Fund Balance	$4,365,896	$1,833,575	$1,748,021	$1,241,608	$9,189,100

The IDEA-B fund had an unassigned deficit balance of $39,593. The Title I fund had an unassigned deficit fund balance of $37,502. The general fund is liable for any deficit and will provide transfers when cash is required.

13. CONSTRUCTION AND CONTRACTUAL COMMITMENTS

The District had the following construction and contractual commitments as of June 30, 2016:

Contractor	Amount Outstanding
Fanning/Howey Associates, Inc.	$5,498
Fidelity Builders Supply, Inc.	10,517
Homeland Technology Group, LLC	8,785
Homeland Technology Group, LLC	6,200
Homeland Technology Group, LLC	17,750
Hought On Mifflin	15,076
Majestic Flooring Systems, LLC	8,950
R.D. Neff & Associates	11,000
Skelton's Inc.	13,368
Skelton's Inc.	13,368
Slagle Mechanical Contractors	59,588
Sparta Electric	5,353
Taylor Publishing Company, Inc.	19,000
Thompson Construction	7,830
Total Commitments	$202,283

14. JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Area Computer Services Cooperative

The Northwest Ohio Area Computer Services Cooperative (NOACSC) is a jointly governed organization among forty-seven school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Each of the governments of these schools supports NOACSC based upon a per pupil charge dependent upon the software package utilized. The NOACSC Assembly consists of a representative from each participating school district and the superintendent from the fiscal agent. The Board of Directors consists of the superintendent from the fiscal agent, the two Assembly members from each county in which participating school districts are located. The degree of control exercised by any participating school district is limited to its representation of the Board. Financial information can be obtained by contacting Northwest Ohio Area Computer Services Cooperative, at 645 South Main Street, Lima, Ohio 45804.

B. Apollo Career Center

The Apollo Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Apollo Career Center, Maria Rellinger, who serves as Treasurer, 3325 Shawnee Road, Lima, Ohio 45806.

15. GROUP INSURANCE PURCHASING POOLS

A. Northwest Ohio Area Computer Service Cooperative Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Group Rating Plan was established through the Northwest Ohio Area Computer Service Cooperative as a group insurance purchasing pool. The GRP's business and affairs are conducted by a twenty-five member Board of Directors consisting of two representatives from each county elected by a majority vote of all charter member schools within each county plus one representative from the fiscal agency A-site. The treasurer of Findlay City Schools serves as coordinator of the program. Each year, the participating Districts pay an enrollment fee to cover the costs of administering the program.

B. Allen County Schools Health Benefit Plan

The School District participates in the Allen County Schools Health Benefit Plan (the plan), a public entity shared risk pool consisting of the school districts within Allen County. The Trust is organized as a Voluntary Employee Benefit Association under 26 U.S.C. Section 501(c)(9) and provides medical, accident and other benefits to the employees of the participating school districts.

15. GROUP INSURANCE PURCHASING POOLS (Continued)

Each participating school district's superintendent is appointed to a Board of Trustees which advises the Trustee, Allied Benefit Systems, concerning aspects of the administration of the Trust. Each school district decides which plans offered by the Board of Trustees will be extended to its employees. Participation in the Trust is by written application subject to the acceptance by the Board of Trustees and payment of the monthly premium. Financial information can be obtained from Brian Rockhold who serves as chairman, at the Allen County Educational Service Center, 1920 Slabtown Rd, Lima, Ohio 45804.

C. Southwestern Ohio Educational Purchasing Council (SWEPC) Insurance Program

The School District participates in a public entity shared risk pool of thirty-two school districts. The SWEPC Insurance Program provides for property, fleet and liability insurance coverage. The Program's business and affairs are conducted by an Executive Council of seven participation school administers. Participation in the Program is by written application subject to acceptance by the Executive Council and the payment of an annual premium. The Administrator of the program is Public Entity Marsh which coordinates the management, administration, claims management, and actuarial studies of the Program. Insurance premiums are paid to the Purchasing Council. Financial information can be obtained from Public Entity Marsh, 525 Vine Street, Cincinnati, Ohio 45202.

16. CONTINGENCIES

Federal and State Grants - The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

Full-Time Equivalent (FTE) Adjustments - School District Foundation funding is based on the annualized (FTE) enrollment of each student. Effective for the 2015-2016 school year, traditional school districts must comply with minimum hours of instruction instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school districts, which can extend past the fiscal year end. As of the date of this report, ODE has finalized the impact of enrollment adjustments to the 2015-2016 foundation funding for the School District resulting in a $39,554 overpayment in 2015-2016 school year foundation funding which was reduced from the School Districts 2016-2017 school foundation payments.

17. SUBSEQUENT EVENTS

On December 19, 2017, the School District approved by Resolution to accept the amended Master Plan for the Ohio Facilities Construction Commission Expedited Local Partnership Program to build one new elementary school, one new high school, and renovate/add to middle school for a total project cost of $68,884,828 (state share $23,420,842 (34%) and Local Share $45,463,986 (66%)).

On January 9, 2018 and January 23, 2018, the School District approved for the Treasurer to certify the maximum maturity of Bonds and declare the necessity of Bond Issue and of Tax Levy and submitting questions to the Electors of the School District and Resolution in compliance with ORC section 5705.218 determining to proceed with the Bond issue and tax levy to cover the bond payments to build the new schools.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Pass Through to Subrecipients	Total Federal Expenditures
United States Department of Agriculture				
(Passed through Ohio Department of Education)				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution)				
School Breakfast Program	10.553	N/A	N/A	$3,785
National School Lunch Program	10.555	N/A	N/A	90,833
Cash Assistance:				
School Breakfast Program	10.553	N/A	N/A	$80,229
National School Lunch Program	10.555	N/A	N/A	594,306
Total Child Nutrition Cluster				769,153
Total United States Department of Agriculture				769,153
United States Department of Education				
(Passed through Ohio Department of Education)				
Title I Grants to Local Educational Agencies	84.010	N/A	N/A	652,757
Special Education Cluster (IDEA):				
Special Education_Grants to States	84.027	N/A	N/A	511,393
Total Special Education Cluster (IDEA)				511,393
Improving Teacher Quality State Grants	84.367	N/A	N/A	109,489
Total United States Department of Education				1,273,639
Total Expenditures of Federal Awards				$2,042,792

The accompanying notes are an integral part of this schedule.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Elida Local School District (the School District) under programs of the federal government for the fiscal year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first.

NOTE D – FOOD DONATION PROGRAM

The School District reports commodities consumed on the Schedule at the entitlement value. The School District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the School District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The School District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE F – PASS THROUGH FUNDS

The School District was awarded federal program allocations to be administered on their behalf by the Allen County Educational Service Center and Mercer County Educational Service Center. For 2016, the School District's allocation was as follows:

Special Education – Preschool Grants – CFDA #84.173	$5,987
English Language Acquisition Grants – CFDA #84.365	$3,714

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Elida Local School District
Allen County
4380 Sunnydale Avenue
Elida, Ohio 45807

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified-cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elida Local School District, Allen County, (the School District) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 12, 2018, wherein we noted the School District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

Compliance and Other Matters

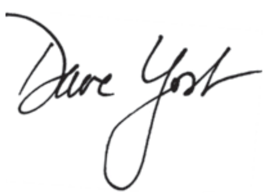
As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards,* which is described in the accompanying schedule of findings as item 2016-001.

School District's Response to Finding

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the School District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

February 12, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Elida Local School District
Allen County
4380 Sunnydale Avenue
Elida, Ohio 45807

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Elida Local School District's (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the School District's major federal programs for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal programs.

Management's Responsibility

The School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the School District's compliance for each of the School District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the School District's major programs. However, our audit does not provide a legal determination of the School District's compliance.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

Basis for Qualified Opinion on Title 1 Grants to Local Educational Agencies and Special Education Cluster (IDEA) Federal Programs

As described in finding 2016-002 in the accompanying schedule of findings, the School District did not comply with requirements regarding *cash management* applicable to its Title 1 Grants to Local Educational Agencies (CFDA #84.010) and Special Education Cluster (IDEA) major federal programs. Compliance with this requirement is necessary, in our opinion, for the School District to comply with requirements applicable to these programs.

Qualified Opinion on Title 1 Grants to Local Educational Agencies and Special Education Cluster (IDEA) Federal Programs

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title 1 Grants to Local Educational Agencies* and *Special Education Cluster (IDEA) Federal Programs* paragraph, Elida Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Title 1 Grants to Local Educational Agencies* and *Special Education Cluster (IDEA) Federal Programs.*

The School District's response to our noncompliance finding is described in the accompanying schedule of findings. We did not audit the School District's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2016-002.

The School District's response to our internal control over compliance finding is described in the accompanying schedule of findings. We did not audit the School District's response and, accordingly, we express no opinion on it.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

February 12, 2018

This page intentionally left blank.

ELIDA LOCAL SCHOOL DISTRICT
ALLEN COUNTY

SCHEDULE OF FINDINGS
2 C.F.R. § 200.515
JUNE 30, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Qualified – Title 1 Grants to Local Educational Agencies Qualified – Special Education Cluster (IDEA)
(d)(1)(vi)	**Are there any reportable findings under 2 C.F.R. § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Title I Grants to Local Educational Agencies : CFDA #84.010 Special Education Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 C.F.R. § 200.520?**	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2016-001

Noncompliance Citation

Ohio Rev. Code § 117.38 provides, in part, that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code § 117-2-03(B) further clarifies the requirements of Ohio Rev. Code § 117.38.

Ohio Rev. Code § 117.38 also provides that the financial report shall be certified by the proper officer or board and filed with the Auditor of State within sixty days after the close of the fiscal year, except that public offices reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The Auditor of State may extend the deadline for filing a financial report and establish terms and conditions for any such extension. The School District's filing date was August 29, 2016. The financial statements were filed on November 21, 2016 and an extension was not approved by the Auditor of State.

Ohio Admin. Code § 117-2-03(B) requires all school districts to file annual financial reports in accordance with generally accepted accounting principles. The School District prepared its financial statements in accordance with the cash accounting basis. The accompanying financial statements omit assets, liabilities, deferred inflows/outflows, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code § 117.38, the School District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

To help provide users with more meaningful financial statements, the School District should prepare its financial statements in accordance with generally accepted accounting principles. The School District should implement a control(s) such as a reminder system, to help ensure the financial statements are filed by the required date.

OFFICIALS' RESPONSE: The School District saves $5,000 to $10,000 annually by not following the GAAP requirement.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Noncompliance Citation / Material Weakness - Cash Management

Finding Number	2016-002		
CFDA Title and Number	Title I Grants to Local Educational Agencies CFDA #84.010 Special Education Cluster (IDEA) CFDA #84.027		
Federal Award Identification Number / Year	Title I Grants to Local Educational Agencies CFDA #84.010 - 2015 and 2016 Special Education Cluster (IDEA) - 2015		
Federal Agency	United States Department of Education		
Pass-Through Entity	Ohio Department of Education		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

FINDING NUMBER 2016-002
(Continued)

2 C.F.R. 3474.1 gives regulatory effect to the Department of Education for **2 C.F.R. § 200.305(b)** which requires, in part, that for non-Federal entities other than states, payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. **2 C.F.R. § 200.305(b)(1)**, requires, in part, that advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. In addition, Ohio Department of Education, cash management guidelines require that advance funds may be requested in order to meet upcoming obligations that will be paid within five business days of receiving the advance funds.

The School District requested an advance of $35,000 on August 21, 2015. At this time, the balance of the fiscal year 2015 Title 1 Grants to Local Education Agencies Fund was a negative $43,465. The total cash requested totaled $78,465, including the advance and negative fund balance. This cash request was received on August 27, 2015 and as of September 1, 2015 the balance on hand was $12,285. The remaining balance of $11,419 was transferred to the fiscal year 2016 grant on May 26, 2016.

An advance in the amount of $25,000 was requested on August 21, 2015. At this time, the balance of the fiscal year 2015 Special Education Cluster (IDEA) Fund was a negative $41,752. The total cash requested totaled $66,752, including the advance and negative balance. This cash request was received on August 27, 2015 and as of September 1, 2015 the balance on hand was $15,433. This remaining balance was transferred to the fiscal year 2016 grant on May 26, 2016.

An advance in the amount of $45,000 was requested on May 25, 2016. At this time, the balance of the fiscal year 2016 Title 1 Grants to Local Education Agencies Fund was a negative $171,005. The total cash request was received on June 1, 2016 and as of June 6, 2016 the balance on hand was $12,148. On June 15, 2016, the balance of the Title 1 Grants to Local Education Agencies Fund was reduced to a negative $7,558.

The failure to disburse Federal funds in a timely manner increases the risk of the loss of future funding.

The School District should develop a procedure(s) and/or control(s), such as a closer review of anticipated spending needs, to help ensure the liquidation of grant money within five business days.

OFFICIALS' RESPONSE: This mandate is difficult to manage. Moving forward, the School District will only request funds that it has already spent.

ELIDA LOCAL SCHOOLS

4380 Sunnydale, Elida, OH 45807
Phone (419) 331-4155

Joel L. Parker   joel@elida.k12.oh.us   Treasurer
419-331-4155

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Noncompliance Ohio Rev. Code § 117.38 and Ohio Admin. Code § 117-2-03 (B) – Failure to file financial statements in accordance with Generally Accepted Accounting Principles (GAAP) First reported for the year ended June 30, 2003	Not Corrected	Repeated as Finding 2016-001
2015-002	Significant Deficiency-Failed to classify subsequent year General Fund appropriations in excess of estimated receipts as assigned fund balance.	Partially Corrected	Repeated in the management letter. School District working on complying with this guideline.

ELIDA LOCAL SCHOOLS

4380 Sunnydale, Elida, OH 45807
Phone (419) 331-4155

Joel L. Parker joel@elida.k12.oh.us Treasurer
419-331-4155

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	The School District saves $10,000 per year filing cash basis statements. This reporting method will continue.	N/A	Joel Parker, Treasurer
2016-002	As the School District's payrolls run twice per month, the requirement is difficult to meet.	N/A	Joel Parker, Treasurer

This page intentionally left blank.

Dave Yost • Auditor of State

ELIDA LOCAL SCHOOL DISTRICT

ALLEN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 13, 2018

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-4514 or 800-282-0370 Fax: 614-466-4490
www.ohioauditor.gov

THIS PAGE LEFT BLANK INTENTIONALLY

APPENDIX B

Five-Year Forecast

Following is a summary of a five-year financial projection prepared by the Treasurer of the School District through June 30, 2022, in compliance with HB 412. The projection is based upon certain assumptions required to be made in accordance with rules promulgated by the Department, including the assumption that no revenues from future voter-approved tax levies will be available. A complete version of the projection may be obtained from the Treasurer's office or from the Department. Readers of this Official Statement are cautioned that actual circumstances will almost certainly differ from the assumptions required to be used in preparation of this projection. As a result, the actual future financial situation of the School District may be materially different from that stated in this projection, and investors are cautioned not to place undue reliance on such forward-looking statements.

THIS PAGE LEFT BLANK INTENTIONALLY

ELIDA LOCAL SCHOOLS

ALLEN

Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2015, 2016 and 2017 Actual;
Forecasted Fiscal Years Ending June 30, 2018 Through 2022

		Actual				Forecasted				
		Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Average Change	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
	Revenues									
1.010	General Property Tax (Real Estate)	$8,657,054	$8,983,204	$9,158,204	2.9%	$9,216,266	$9,250,000	$9,275,000	$7,922,630	$6,570,280
1.020	Tangible Personal Property Tax	311,707	333,035	433,917	18.6%	475,000	475,000	475,000	475,000	475,000
1.030	Income Tax									
1.035	Unrestricted State Grants-in-Aid	8,397,514	9,052,352	9,778,446	7.9%	10,076,000	10,209,417	10,209,417	10,209,417	10,209,417
1.040	Restricted State Grants-in-Aid	357,992	361,461	352,267	-0.8%	377,134	387,375	387,375	387,375	387,375
1.045	Restricted Federal Grants-in-Aid - SFSF									
1.050	Property Tax Allocation	1,389,567	1,275,655	1,283,364	-3.8%	1,290,000	1,290,000	1,290,000	1,290,000	1,290,000
1.060	All Other Revenues	2 346,901	2,352,417	2 260,412	-1.8%	2 200 000	2 200,000	2,200,000	2,250,000	2,250,000
1.070	*Total Revenues*	21 460,735	22 338 144	23 266 610	4 1%	23 636 400	23 811 792	23 836 792	22 534 422	21 182 052
	Other Financing Sources									
2.010	Proceeds from Sale of Notes									
2.020	State Emergency Loans and Advancements (Approved)									
2.040	Operating Transfers-In									
2.050	Advances-In									
2.060	All Other Financing Sources	62 895	748	500	-66.1%					
2.070	*Total Other Financing Sources*	62 895	748	500	-66 1%					
2.080	*Total Revenues and Other Financing Sources*	21 543 630	22 338 892	23 267 110	3.9%	23 636 400	23 811 792	23 836 792	22 534 422	21 182 052
	Expenditures									
3.010	Personal Services	11,046,291	11,289,987	11,705,379	2.9%	11,900,000	12,200,000	12,500,000	12,800,000	13,100,000
3.020	Employees' Retirement/Insurance Benefits	3,712,039	3,737,868	3,973,253	3.5%	4,050,000	4,209,508	4,366,535	4,528,933	4,696,963
3.030	Purchased Services	4,740,195	5,163,450	6,127,452	13.8%	6,290,000	6,350,000	6,400,000	6,450,000	6,500,000
3.040	Supplies and Materials	657,364	673,002	622,982	-2.5%	700,000	710,000	715,000	720,000	730,000
3.050	Capital Outlay	41,151	152,767	92,051	115.7%	125,000	130,000	135,000	140,000	145,000
3.060	Intergovernmental									
	Debt Service:									
4.010	Principal-All (Historical Only)									
4.020	Principal-Notes									
4.030	Principal-State Loans									
4.040	Principal-State Advancements									
4.050	Principal-HB 264 Loans									
4.055	Principal-Other									
4.060	Interest and Fiscal Charges									
4.300	Other Objects	260 436	214,078	201,953	-11.7%	215,000	220,000	225,000	230,000	235,000
4.500	*Total Expenditures*	20 457 476	21 231 132	22 723 070	5.4%	23 280 000	23 819 508	24 341 535	24 868 933	25 406 963
	Other Financing Uses									
5.010	Operating Transfers-Out									
5.020	Advances-Out									
5.030	All Other Financing Uses									
5.040	*Total Other Financing Uses*									
5.050	*Total Expenditures and Other Financing Uses*	20 457 476	21 231 132	22 723 070	5.4%	23 280 000	23,819,508	24,341,535	24 868,933	25 406 963
6.010	*Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses*	1,086,154	1,107,760	544,040	-24.4%	356,400	7,716-	504,743-	2,334,511-	4,224,911-
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	2,131,207	3,217,361	4 325 121	42.7%	4 869 161	5,225,561	5,217 845	4 713 102	2 378 591
7.020	*Cash Balance June 30*	3 217 361	4 325 121	4 869 161	23.5%	5 225 561	5,217,845	4 713 102	2,378,591	1 846 320-
8.010	*Estimated Encumbrances June 30*	205 505	52,503	176,312	80.7%					
	Reservation of Fund Balance									
9.010	Textbooks and Instructional Materials									
9.020	Capital Improvements									
9.030	Budget Reserve									
9.040	DPIA									
9.045	Fiscal Stabilization									
9.050	Debt Service									
9.060	Property Tax Advances									
9.070	Bus Purchases									
9.080	*Subtotal*									
10.010	*Fund Balance June 30 for Certification of Appropriations*	3 011 856	4 272 618	4 692 849	25.8%	5 225,561	5 217,845	4 713 102	2 378 591	1 846 320-
	Revenue from Replacement/Renewal Levies									
11.010	Income Tax - Renewal									
11.020	Property Tax - Renewal or Replacement								1,352,370	2,704,740
11.300	Cumulative Balance of Replacement/Renewal Levies								1,352,370	4,057,110
12.010	*Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations*	3 011 856	4,272,618	4,692,849	25.8%	5 225,561	5 217 845	4 713 102	3,730,961	2,210 790
	Revenue from New Levies									
13.010	Income Tax - New									
13.020	Property Tax - New									
13.030	Cumulative Balance of New Levies									
14.010	Revenue from Future State Advancements									
15.010	*Unreserved Fund Balance June 30*	3,011,856	4,272 618	4 692 849	25.8%	5,225 561	5,217 845	4.713 102	3 730 961	2,210,790
	ADM Forecasts									
20.010	Kindergarten - October Count									
20.015	Grades 1-12 - October Count									
	State Fiscal Stabilization Funds									
21.010	Personal Services SFSF									
21.020	Employees Retirement/Insurance Benefits SFSF									
21.030	Purchased Services SFSF									
21.040	Supplies and Materials SFSF									
21.050	Capital Outlay SFSF									
21.060	*Total Expenditures - SFSF*									

See accompanying summary of significant forecast assumptions and accounting policies
Includes: General fund, Emergency Levy fund, DPIA fund, Textbook fund and any portion of Debt Service fund related to General fund debt

5/5/18

THIS PAGE LEFT BLANK INTENTIONALLY

APPENDIX C

FINANCIAL STATEMENT
FOR
BOARD OF EDUCATION
Ohio Revised Code Sections 133.04, 133.06 and 133.33

I, Joel Parker, Treasurer of the Board of Education of the Elida Local School District in Allen County, Ohio, do hereby certify that the following statements concerning the finances of such Board of Education and School District are true and correct:

1.		Tax valuation of the School District as shown by the tax lists and duplicates for the calendar year 2017, the year most recently certified for collection:		$ 381,443,530.00
2.		Total principal amount of all outstanding securities of the Board of Education, including the present issue of $________:		$ 27,944,955.60*
3.		Exempt securities included in item 2:		
	(a)	Notes issued in anticipation of the collection of current revenues under Section 133.10 O.R.C.:	$	
	(b)	Notes issued in anticipation of the collection of taxes under Sections 133.10 or 133.301 O.R.C.:	$	
	(c)	Notes with maturities over one year and issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy under Section 5705.194 or Section 5705.21 O.R.C.:	$	
	(d)	Securities issued under Sections 139.01 to 139.04 O.R.C. to participate in Federal aid programs:	$	
	(e)	Securities issued prior to August 19, 1994 to finance energy conservation measures under Section 3313.372 O.R.C.:	$	
	(f)	Securities evidencing loans received under Sections 3313.483, 3317.0211 and 3317.64 O.R.C.:	$	
	(g)	Securities issued for school buses and other equipment used in transporting pupils under Section 133.06(D) O.R.C.:	$	
	(h)	Securities issued to establish a self-insurance program for health care benefits under Section 9.833 O.R.C.:	$	
	(i)	Other exempt securities:	$	
		Total of items 3(a) to 3(i), inclusive:		$ -0-
4.	(a)	Total securities subject to 9% limitation [item 2 minus item 3]:		$ 27,944,955.60*
	(b)	Bond retirement fund applicable to principal of such securities:		$ 0.00
	(c)	Net amount subject to 9% limitation:		$ 27,944,955.60*
5.		Securities included in item 4(a), but issued without authority of an election:		$ 0.00
6.	(a)	Securities included in item 5 issued for energy conservation measures under Section 3313.372 O.R.C. after August 19, 1994 and Section 133.06(G) O.R.C.:		
	(b)	Bond retirement fund applicable to principal of such securities:		
	(c)	Net amount subject to 9/10 of 1% limitation of Section 133.06(G) O.R.C.:		
7.	(a)	Unvoted securities issued for other purposes [item 5 minus item 6(a)]:		
	(b)	Bond retirement fund applicable to principal of such securities:		
	(c)	Net amount subject to 1/10 of 1% limitation of Section 133.06(A) O.R.C.:		
8.		Bonds or notes issued for the purchase of classroom facilities from the State Under Chapter 3318 O.R.C., included in item 4(a):		$ 0.00*
9.		Bonds or notes included in item 4(a) but issued beyond 9% limitation by virtue of Certification as approved special needs district under Section 133.06(E) O.R.C.:		

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of September, 2018.

____
Treasurer

Dinsmore & Shohl LLP
BOND ATTORNEYS
COLUMBUS, OHIO
Rev. 12/94

* Not including the Bonds. Preliminary; subject to change.

THIS PAGE LEFT BLANK INTENTIONALLY

APPENDIX D

(Date of Delivery)

Boenning & Scattergood, Inc.
Columbus, Ohio

Ladies and Gentlemen:

We have served as bond counsel to our client, the Elida Local School District (the "Issuer"), and in that capacity we have examined the transcript of proceedings (the "Transcript") relating to the Issuer's $__________ School Improvement Bonds, Series 2018, consisting of Current Interest Bonds and Capital Appreciation Bonds (collectively, the "Bonds"), dated September __, 2018. In our capacity as bond counsel we have also examined other documents, matters and law as we have deemed necessary to render the opinion below.

We have relied on the certified matters contained in the Transcript and certifications of public officials and others that have been furnished to us regarding questions of fact material to our opinions, without undertaking to verify the same by independent investigation. In addition, we have assumed the due and legal authorization, execution and delivery of the documents we have examined, and the valid, binding and enforceable nature of those documents upon the parties, other than the Issuer.

Based on that examination and on the laws, regulations, rulings and judicial decisions in effect on the date hereof, and subject to the limitations stated below, we are of the opinion that:

1. The Bonds have been duly authorized and executed by the Issuer, and constitute valid general obligations of the Issuer in accordance with their terms. Unless paid from other sources, the Bonds are payable from an ad valorem tax to be levied upon all the taxable property in the Issuer, without limitation as to rate or amount.

2. Interest on the Bonds is excludible from gross income for federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. Failure to comply with certain of such requirements may cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

3. Interest on, and any profit made on the sale, exchange or other disposition of, the Bonds are exempt from Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district and joint economic development district income taxes in Ohio.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds are subject to (i) bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws in effect from time to time affecting creditors' rights, (ii) the application of equitable principles, whether considered at law or in equity, (iii) the exercise of judicial discretion and (iv) limitations on legal remedies against public entities.

We express no opinion herein regarding the accuracy, adequacy, or completeness of any offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to purchasing, holding or disposing of the Bonds other than as expressly set forth herein.

The opinions rendered in this letter are given as of the date hereof, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. We assume no obligation to revise or supplement the opinions in this letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may occur hereafter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Very truly yours,

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

THIS PAGE LEFT BLANK INTENTIONALLY

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ____________________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100